

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 11 JUNE 1918**

---

Electronic reproduction of original hardcopy

to utilise the vessels trading in Queensland waters to the best possible advantage?

"5. Have any arrangements been made to make advances on sugar stored?"

The ACTING PREMIER (Hon. E. G. Theodore, *Chillagoe*) replied—

"1. Negotiations are still proceeding.

"2 to 5. Details of the proposed agreement cannot yet be given."

#### WORKERS ON MARLBOROUGH-ST. LAWRENCE RAILWAY.

Mr. KIRWAN (*Brisbane*), for Mr. Peterson, asked the Secretary for Railways—

"1. Has his attention been drawn to the statement appearing in the Press to the effect that men engaged at the Rockhampton Labour Bureau to work on the Marlborough-St. Lawrence section of the North Coast Line are compelled to walk from 5 to 15 miles from Marlborough before enabling them to commence work?

"2. If the report is correct, will he take steps to instruct the resident engineer to make provision for their transit from Marlborough to point of employment?"

HON. J. M. HUNTER (*Maranoa*) replied—

"1. No.

"2. Yes"

#### DAMAGE BY CYCLONE.

Mr. SWAYNE (*Mirani*) asked the Secretary for Railways—

"What was the cost of repairing the damage caused by the recent cyclones in the Mackay and Innisfail districts to the railways controlled by his department?"

HON. J. M. HUNTER replied—

"Cost to date of repairing damage caused by recent cyclone and flood—Mackay, £2,200; Innisfail, £1,680; and repairs still being effected."

#### SOLDIERS' INSTITUTE.

Mr. ROBERTS (*East Toowoomba*) asked the Acting Premier—

"Following report of special committee of War Council on Soldiers' Institute, and their recommendation of an institute, preferably removed from the city, where returned soldiers might be accommodated until they had reached the stage when they could reap the full benefits of the vocational training afforded by the Technical College or other form of repatriation provided, will he have inquiries made as to suitability of portion 51, Gowrie Estate, and adjacent land, for such purpose; if the report is satisfactory, will he offer such lands now held by the Crown to the Repatriation Committee to be used for such purposes?"

The ACTING PREMIER replied—

"The matter will be considered."

#### FLAG AT PARLIAMENT HOUSE.

Mr. FRY (*Kurilpa*), for Mr. Sizer, asked the Acting Premier—

"1. Is he aware that the usual flag was not hoisted over Parliament House on the King's birthday?"

"2. Was there any special reason therefor?"

TUESDAY, 11 JUNE, 1918.

#### ABSENCE OF SPEAKER.

The CLERK announced the receipt of the following letter from the Speaker:—

"Parliament House,  
9th June, 1918.

"Sir,—

"I have to inform you that I shall be absent from the State for some time, and that during my absence the Chairman of Committees shall act as Deputy Speaker. Vide Standing Order No. 12.

"Yours faithfully,  
"W. McCORMACK, Speaker.

"To the Clerk,  
"Legislative Assembly,  
"Parliament House."

The DEPUTY SPEAKER (Mr. W. Bertram, *Maree*) took the chair at half-past 3 o'clock.

#### QUESTIONS.

##### PURCHASE OF SUGAR CROP.

Mr. SMITH (*Mackay*) asked the Acting Premier—

"1. Has he come to an agreement with the Federal Government regarding this year's sugar crop?

"2. If so, will he inform the House of the terms of such agreement?

"3. Is it a fact that the Federal Government sought to impose terms which involved the legislative rights of this State?

"4. In view of the shortage of shipping, have any arrangements been made

The ACTING PREMIER replied—

“1. Yes.

“2. The reason was that the officer whose duty it is to hoist the flag on public holidays was absent on military duty on that day.”

COST OF ADVERTISING IN “HALCYON” NEWS-PAPER.

Mr. GUNN (*Carnarvon*) asked the Acting Premier—

“What sums of money have been paid to the ‘Halcyon’ newspaper for advertising during the last nine months?”

The ACTING PREMIER replied—

“I am not aware of any sum being so paid.”

TIMBER SUPPLIED BY STATE SAWMILLS.

Mr. GUNN asked the Secretary for Public Works—

“What quantity of timber has been supplied by the State sawmills to the farmers in the Stanthorpe district for fruit cases?”

The SECRETARY FOR PUBLIC WORKS (Hon. E. G. Theodore) replied—

“1,500 half-bushel cases.”

COST OF ALTERATION TO SANITARY CONVENIENCES.

Mr. GUNN asked the Secretary for Public Works—

“1. The cost of alteration and renovation of sanitary conveniences connected with Parliament House?

“2. Cost of the septic tank?

“3. How much was paid for overtime, including Sunday work?”

The SECRETARY FOR PUBLIC WORKS replied—

“1. £863.

“2. £368.

“3. £59 9s.”

#### PAPERS.

The following papers, laid on the table, were ordered to be printed:—

Regulations under the Elections Act of 1915.

Regulations under the Public Curator Act of 1915.

Regulation, dated 23rd November, 1917, under the Workers' Compensation Act of 1916.

Regulation, dated 17th January, 1918, and Order in Council, under the Workers' Compensation Act of 1916.

Orders in Council under the Insurance Act of 1916.

Second statement of receipts and expenditure by the Public Curator.

#### ELECTION STATISTICS.

HON. W. N. GILLIES (*Eacham*) laid on the table a Return to an Order giving a list of the electorates, showing the total number of names on the rolls used at the general elections, and the number of votes recorded in each electorate for the respective candidates, made by the House, on the motion of Mr. Macartney, on the 4th instant.

Ordered to be printed.

#### CABLEGRAMS RELATING TO SOLDIERS' PROXY VOTES.

HON. W. N. GILLIES laid on the table a Return to an Order showing—1, whether any cables containing soldiers' proxies were missing at 6 p.m. on 16th March, and whether any of these proxies were afterwards polled, and how many; 2, the total cost of the cable system of securing soldiers' proxies; 3, the date of the proclamation making provision for proxies by cable, and the number of absent soldiers who were able to avail themselves of the franchise and received their votes, made by the House, on the motion of Mr. Corser, on the 5th instant.

#### SOLDIERS' VOTES.

HON. W. N. GILLIES laid on the table a Return to an Order showing—1, the total number of Queensland soldiers on overseas service who were entitled to vote at the last general election; 2, the total number of soldiers' votes recorded; 3, the respective numbers of proxies allotted to Mr. Ryan and Mr. Tolmie, or their respective deputies; 4, the proportion, if any, of the soldiers on the various actual fronts who exercised their rights to appoint proxies; 5, the facilities given to the men in the field and in the trenches to appoint proxies; 6, the total number of certificates issued by the Electoral Office authorising votes to be cast by proxy; 7, the number of rubber stamps bearing the signature of the Chief Electoral Officer, such as used on the certificates which were in existence during or prior to the elections, made by the House, on the motion of Mr. Fry, on the 5th June last.

Mr. MACARTNEY: Are these papers to be printed?

HON. W. N. GILLIES: I do not think so.

#### PRINTING OF RETURN.

Mr. MACARTNEY (*Toowong*) asked the Assistant Minister for Justice, without notice—

“Has he any objection to moving that the returns which he has just tabled be printed; they are very short?”

HON. W. N. GILLIES (*Eacham*) replied—

“No. If the leader of the Opposition specially desires it, I think we might print them in deference to him. I move accordingly.”

Question put and passed.

#### WAYS AND MEANS.

TAXATION PROPOSALS—RECEPTION OF RESOLUTIONS.

Mr. SMITH (*Mackay*), as Temporary Chairman, presented the resolutions from the Committee of Ways and Means.

The TREASURER: I beg to move—That the resolutions be received.

Question put and passed

The CLERK, proceeding to read the resolutions,

The TREASURER suggested that they be taken as read.

The DEPUTY SPEAKER: Is it the pleasure of the House that the resolutions be taken as read?

HONOURABLE MEMBERS: Hear, hear!

The TREASURER: I beg to move—That the resolutions be agreed to.

Mr. MACARTNEY: Before the motion is carried, I should like to congratulate you, Mr. Deputy Speaker, on taking the chair for what appears to be quite a long period of time. I understood the Clerk to announce that the Speaker would be absent from the State for some time. I suppose that has been regularly arranged in the real Parliament of Queensland, although we who constitute the Legislative Assembly of Queensland have not been consulted. (Laughter.) I suppose, however, that I cannot pursue any argument on that question just now. We have been debating these resolutions for some little time, and have divided thereon in earnest of our objections to them on the ground that had there been reasonable economy exercised by the Government there would have been no need for extra taxation. I need not traverse all the arguments pro and con now. I would like particularly to point out the danger that we in Queensland are likely to be in when competing with other States of the Commonwealth by reason of our being the most heavily taxed State in it. Our enterprise—the enterprise which is necessary to open up the State—which is only partly developed up to the present moment, after all—and our business—that is, our business dealings in connection with our produce—is going to be hampered by reason of the fact that we are the most heavily taxed State in the Commonwealth. And when the Commonwealth taxation comes along—taxation which, unfortunately, we must all recognise as necessary and just for the purpose of carrying on the war—we must find our position in Queensland unsatisfactory.

The SECRETARY FOR PUBLIC INSTRUCTION: Not by our taxation.

Mr. MACARTNEY: I do not think it can be said to be patriotic on our part to attempt to impede the Federal Government in raising the revenue which will be found necessary for the conduct of the war. By imposing this taxation on the people we are going to make it more difficult for the Commonwealth to get the money which it requires. As I have said, I do not think that the taxation is necessary, because the Government has not exercised reasonable economy. Even to-day we have evidence of the great extravagance in connection with Government expenditure. A day-labour system is being persisted in when it is common knowledge in the State that the State is not getting full value for it.

Mr. SMITH: That is not correct.

Mr. MACARTNEY: The man in the street, the working men themselves, will tell you that the day-labour system has turned out a most extravagant and most expensive method for the State.

Mr. SMITH: That is not the case.

Mr. MACARTNEY: I am quite prepared to admit that there may be instances in which day labour is justified, but to apply it in the indiscriminate and general manner in which the Government is doing, without

proper supervision, has resulted in such a state of affairs that I venture to say that if the inspector of works, that is to say, the Government employees of this State, were allowed to express an independent and honest opinion as to what it is costing the State to carry out some of the undertakings by day labour, we would have an expression of opinion that would astonish the people of Queensland from one end to the other. Unfortunately, in our days that liberty is not allowed. The Government employee is not allowed that liberty.

Mr. KIRWAN: He has more liberty now than he ever had.

Mr. MACARTNEY: No. A man who dares to open his mouth, whether he does it justly or not, if the Government disapproves of it, is liable to be turned out of the service. If a man is seen talking to a person known to be of Liberal opinions he runs a risk. (Government laughter.) Hon. members may laugh, but I know, and I say deliberately that that is the position.

The DEPUTY SPEAKER: Order! The hon. member will see, I think, that he is not dealing with the resolutions.

Mr. MACARTNEY: For the moment, strictly speaking, I think I am, because I am showing where this indiscriminate misapplication of moneys which accounts for the deficit for which this taxation is being raised, is to be found. For that reason I think it is perfectly relevant. I shall not continue that line of argument in any event, because it is not my desire to raise a long debate. But on the last evening on which these resolutions were before us, we had a matter—which was new so far as these propositions are concerned—just briefly touched upon. I refer to the disallowance of the deduction in respect of Federal tax. Now, the hon. member at the head of the Treasury takes up the position that the reason for it is that it is the desire to have uniform practice as between the States, and that that is a justification for the deprivation of the deduction. But the hon. member is not consistent. If he really raises that as a solid argument upon which the Chamber is to act, we might expect him to go further and say that the States also desire to have uniform taxation.

The TREASURER: No.

Mr. MACARTNEY: If we have uniform taxation it is all right, but if we do not have such taxation then it is not a justification.

The TREASURER: We can have a uniform return, even if we do not have a uniform schedule of taxation.

Mr. MACARTNEY: You cannot have a uniform assessment unless you have uniformity of taxation.

The TREASURER: We can have uniformity of return.

Mr. MACARTNEY: Uniformity so far as it suits the Government, but in no other case. At any rate, I say that the deprivation is harsh. It is going to be seriously felt by the enterprising community and the people generally. The income tax is specially referred to, but I think that the way in which the clause is expressed will include the war profits tax, which, after all, is only an income tax, and the result will be that

*Mr. Macartney.]*

perhaps in some businesses where a very large amount may be involved, apart altogether from the ordinary income tax, that deduction will not be allowed, and the man will have to pay income tax on his income without any regard to the amount he may have to pay for war profits tax or income tax. The indirect effect of it will be to reduce the revenue in some other direction. I don't want to take up the time unduly, but I do wish that the Treasurer would give some consideration to that aspect of the expenditure of the State's money, and also in connection with the points that were raised in Committee, as to the objection to the land tax proposals of the Government. I certainly take up the position that the resolution, as it stands, ought not to go through.

HON. W. H. BARNES: I thought that the Hon. the Treasurer might have replied to the leader of the Opposition; but that has not been the case, and I want to ask him, before these resolutions are carried, if he has gone into the question of what this increased taxation is going to produce, because it seems to me that that is one of the questions that ought to be answered to-day. The public should be made aware of what amount is expected to be received from this increased taxation. As far as I remember, during the debate, while these resolutions were being considered in Committee, no information was given along those lines; and I think I shall be able to show, before I sit down this afternoon, that at least there is reasonable cause to believe that the amount which is to be brought in as a result of these taxation proposals is not only going to wipe out the estimated deficiency—I think somewhere about £20,000—on the present year, but in addition to that it is going to create a very big nest-egg for the coming financial year. I certainly think, seeing that industry is going to be taxed—indirectly and directly, too—as a result of these proposals—and let me say they are being followed by other proposals in another direction, which the hon. gentleman's colleague introduced late last week—it seems to me that the community generally do not know the amount of money that is going to be produced by this proposed new taxation. I say emphatically that I would not mind so much if one were satisfied that the money was going to be put to satisfactory uses; but, apparently, this money is going to be used for purposes which will allow the Government an opportunity to proceed along lines which, at any rate, will enable them to go in for some of what I might term "wild-cat" ventures, presumably in the interests of the community. As a matter of fact, there has been a very big slice taken out of both trust and loan account in connection with some of these ventures of the Government.

The SECRETARY FOR PUBLIC INSTRUCTION: You said out of revenue.

HON. W. H. BARNES: At any rate, the hon. gentleman must know that this money is going to come out of the pockets of the people. Where else can it come from? Will it fly down from Heaven? I am exceedingly sorry that the hon. gentleman's limited vision is so narrow that he cannot see that this is going to be a boomerang, that is going to turn round and hit the community generally. I would not make that statement on the floor of this House if I did not believe

[Mr. Macartney.

it. I believe it is going to be a boomerang, which in time is going very seriously to affect the workers of the community.

The SECRETARY FOR AGRICULTURE: A wonderful boomerang, that!

HON. W. H. BARNES: I am afraid the Minister for Agriculture is inclined to be a little bit disorderly. All I can say is, that I venture to prophesy on the floor of this House to-day, that in the time to come it will be found that the community which have helped very materially in assisting the Federal Government to find the money to carry on war enterprises—and I believe that the majority of the citizens of this State are in accord with the Commonwealth Government in doing all they possibly can to assist them in the war, and I believe it is the duty of every individual to loyally respond and do their very best in that regard—but I think I shall be able to show that the increased taxation which the Treasurer is proceeding to put upon the taxpayers of this country is going to be something which is going to damage the Treasurer himself with regard to future needs. Now, am I wrong in thinking this afternoon, or am I right in thinking, that in the days to come the obtaining of loan money will be very much more difficult than it is to-day? I believe anyone who thinks will realise that such is likely to be the case. Am I not right in thinking that the time may come—and I think I am in a position to show it in connection with these taxation proposals—when the Treasurer himself may have to get even on to the local market in order to find money to carry on his enterprises? I would not hesitate in saying that the outlook to-day is such that the possibility is existent that that condition of things may come to pass; and I want to ask, would it not be disastrous in the best interests of this State, if any enterprises are blocked in their progress as the result of carrying resolutions such as these? Surely everyone of us agrees that there are some enterprises that are being carried on—take the railways, if you will—that are absolutely essential to the progress of this great State.

The SECRETARY FOR PUBLIC INSTRUCTION: These are not blocking enterprises; they are going to compel enterprise.

HON. W. H. BARNES: Anything which is going to block the enterprises of Queensland, especially from a railway point of view, is going to be disastrous. I recognise to-day—and that thought is suggested by a question asked by the hon. member for Mirani—that one of the essential things in connection with Queensland is the pushing forward of railway enterprises in this State, and in connecting links which at the present moment are not connected. I believe that that fact is recognised by every member in the House. But if we are going to take action which is going to block that, we are going to bring disaster to Queensland. Then, dealing again with the need of money, may we not find that, as a result of this increased taxation, not only are we going to block the finding of money for war purposes—and I think we must all admit that a large amount of money will have to be found for war purposes—but are we not going to block also money for enterprises in the community which are absolutely essential to the community? We may tax banking companies and insurance companies—and let me say

here that I have no interest whatever in a banking company or an insurance company; I have no fraction of interest in any one—

A GOVERNMENT MEMBER: The National Political Council have.

HON. W. H. BARNES: I have no interest whatever in any one of them, but I will say that if you are going to block people who, after all, are part and parcel of the enterprising community, then you are going to do a distinct damage to the State.

The SECRETARY FOR PUBLIC INSTRUCTION: That is all "if."

HON. W. H. BARNES: The Minister will forgive me when I say that, all through, his political life very largely has consisted of "ifs," especially in connection with some of those enterprises of a war nature that he has recently had in hand.

The SECRETARY FOR PUBLIC INSTRUCTION: They are all on a solid basis of fact.

HON. W. H. BARNES: However, I must proceed again; and I ask the Treasurer if, when he rises, he will tell us the amount of money that he expects to get from these undertakings? I want to ask him does he purpose going along, for instance, in other directions, such as the purchase of Mount Hutton and places like that? Apparently, judging by the answer which was given to the hon. member for Carnarvon, there was stock bought there which was not existent. I want to know if the amount of money which at the present moment has already been stolen from trust and loan account is going to be increased? Let it be understood, nearly a million of money has been paid already in connection with some of these enterprises. Is that kind of business going to continue? If it is, it is going to be absolutely against the best interests of the State. The leader of the Opposition made some reference to Queensland being the most heavily taxed State of the Commonwealth. When I was speaking the other night the Treasurer said that my

[4 p.m.] statement was not quite correct.

Perhaps as to the actual sum it was not correct, but pro rata it was correct. I have taken out the figures showing the land tax collected during the year ended 30th June, 1917, as compared with the amounts received in the other States and in New Zealand. The figures are from page 4 of the second annual report of the Commissioner of Taxes for Queensland. The amount collected was—

	£
In Queensland ... ..	362,534
In New South Wales ... ..	3,220
In Victoria ... ..	374,522
In South Australia ... ..	139,371
In Tasmania ... ..	83,593

I admit that in New Zealand the amount was £713,118.

Now, if the Treasurer imposes this further and extreme income taxation, with the super tax of 20 per cent. added, I want to ask the hon. gentleman how much it is likely to bring in. According to the figures given on page 5 of the report of the Commissioner of Taxes for 1916, omitting the tables dealing with taxpayers paying from 1s. to £15 in income tax, I find that the number of taxpayers paying from £15 to £45 was 2,735, the total amount of their incomes £1,872,284, the total tax received £46,077, averaging £30 for

each taxpayer. The total number paying under £81 5s. was 620, the total incomes £757,222, the total amount of tax £23,457, averaging £65. The total number paying under £210 was 566, the total incomes £1,178,789, the total tax £64,766, averaging £175. The total number of persons paying upwards of £210 was 355, the total incomes £2,748,074, the total tax £200,747, averaging over £175. All these are incomes from personal exertion. Now if, under the ordinary income tax, those amounts have been received, how much does the Treasurer really expect to receive from these present proposals?

The TREASURER: £420,000 is what I announced.

HON. W. H. BARNES: I am sure the hon. gentleman cannot say that he believes he will only receive £420,000 from these proposals, especially as they are to be retrospective.

Mr. FOLEY: All the better.

HON. W. H. BARNES: I admit that hon. members on the other side do not care how much money they give the Government to play ducks and drakes with, but I would again ask the Treasurer to inform the House how much he really expects to get from the various sources of revenue that he proposes to tap by this amending legislation.

The TREASURER: I have already told you.

HON. W. H. BARNES: Does the hon. gentleman want the House to believe that he is not going to get more than £420,000? Is he not making provision for increased expenditure during the financial year 1918-19?

The TREASURER: It is reasonably certain that the expenditure will not be less next year than it is this year.

HON. W. H. BARNES: It is reasonably certain that with a Government such as we now have in power there will be no attempt made to keep within our means. But it is the duty of every Government in Australia to face the position which has been laid before us by the Federal Treasurer and by all those in the Commonwealth who have studied finance. It is our duty to realise that the position is a serious one. I want to draw the attention of the Treasurer to another serious matter, and that is that all this increased taxation will ultimately affect the savings of the people. Where is the hon. gentleman going to be if at any time a very big demand is made upon the State Savings Bank by people drawing their money out in order to meet their dues in other directions? That is exactly what is going to take place. I want to assure the hon. gentleman that I am not criticising these matters so much by way of criticising the Government as to sound a warning note, for it is necessary that someone should unhesitatingly sound a warning note as to the dangers the community has to face. It is very easy to go ahead spending money and then find that the result is disaster and ruin to the community. The people who invariably suffer in such cases are those who are least able to bear it—the weakest in a financial sense. I appeal to the Treasurer to look into these matters and to see whether he is not asking too much from the community under these taxation proposals. I believe he can honestly cut down these demands and yet get all the money he wants. I am sure that, instead of

*Hon. W. H. Barnes.]*

getting £420,000 from his financial proposals, he will get a great deal more. That has been the experience right through all the financial proposals of this Government.

The TREASURER: What leads you to think that I will get more than my estimate?

HON. W. H. BARNES: I am led to that conclusion by the fact that that has been the experience in the past. Sound finance is the very bedrock of good government. If the Government cannot carry on without imposing excessively heavy financial burdens on the people, it is going to be a sorry thing for Queensland. The Treasurer ought to place us in possession of the data upon which he bases his estimate, so that we may know exactly how it is going to work out.

The TREASURER: I have no objection to giving the hon. gentleman the details he asks for. They were not asked for while we were considering the resolutions, when I should have been happy to advance the detailed information of the estimated receipts under the various taxation proposals. The details were given in the last Financial Statement last year, and these Bills are almost similar Bills, but it has been necessary, as the hon. member will easily understand, to make a revised estimate in the light of the increased information now available to the Treasury. It is expected that the new income tax proposals will bring in an additional £180,000; the stamp probate and succession duties, if passed in their present form, £100,000; and super land tax £130,000; making altogether £420,000. In arriving at these estimates, I have had to be advised by the opinions of the various experts handling those particular revenues. The Commissioner of Taxes furnished me, after complete investigation, and with the experience in his hands as the result of the assessments for this year, of the amount of taxes that he could expect under the new proposals; the officer in charge of the probate duties also made his estimate, and the Commissioner of Stamps furnished the estimates I have worked upon. The leader of the Opposition raised a point, which it may, perhaps, be more appropriate to discuss on the second reading and later stages of this Bill; at any rate, the point was raised as to the unwisdom, in his opinion, of not allowing the income tax paid to the Commonwealth as a deduction from the income tax returnable to the State. The hon. member will recollect that when we were discussing this matter in Committee, I said it was the result of a resolution adopted at the officers' conference, and afterwards confirmed by the various State Treasurers. This is the resolution adopted on this occasion at the officers' conference—

"That income tax is not a concessional deduction, and the allowance of such is contrary to the fundamental principles of income taxation."

Mr. MACARTNEY: It is correct with regard to income tax, but it is not a fair thing with regard to an outside body.

The TREASURER: This resolution has particular reference to allowing Commonwealth income taxation as a concessional deduction.

Mr. MACARTNEY: It is not a reasonable thing.

[Hon. W. H. Barnes.

The TREASURER: The hon. member disagrees with the unanimous opinion of the Income Taxation Commissioners of the other States.

Mr. MACARTNEY: I am ready to disagree with them every time on an unreasonable proposition of that sort.

The TREASURER: The hon. member disagrees with them on a reasonable proposition of taxation every time. Their object in this matter was the just object of laying down a fair basis of taxation.

Mr. MACARTNEY: I would rather accept your estimate as Treasurer. A long course of practice makes them very avaricious; there is Government influence.

Hon. W. H. BARNES: It saves them a lot of worry subsequently.

The TREASURER: I do not think it matters one way or the other to the Commissioner for Taxes whether he gets £500,000 or £490,000. As a matter of fact, most of the men, being men of long experience in the public service, have a large amount of wisdom and a proper regard for the best interests of the State, and would be very reluctant to recommend a system of taxation which was likely to bring hardship to anyone.

Mr. MACARTNEY: I do not think they look at it from an equitable point of view at all.

The TREASURER: The hon. member is wrong when he says that they are avaricious and ready to grasp the last penny.

Mr. MACARTNEY: They are tax-gatherers; they are anxious to get it in all the time.

The TREASURER: The Government are the tax-gatherers; they are only the officers appointed to carry out the Government proposals. The hon. member for Bulimba, in his speech, seems to assume that we are pursuing a wrong course in imposing the extra taxation to meet the deficit, because, in imposing this extra taxation it might in some remote possibility affect the Commonwealth war taxation. Apparently he thinks we are in such a position that we need not impose any extra taxation, and, therefore, need not embarrass the Commonwealth, as we would not be raising more taxation to meet the deficit. But what is the position? If we do not raise more revenue by taxation to meet the deficit, we will have to raise the money in some other way, and if it is not raised by revenue it must be by way of loan. The Bills are to enable obligations to be settled, and if we do not raise the money by direct taxation, or some other form of taxation, we shall have to meet the deficit by issuing short-dated Treasury Bills, and thus taking the money from the community somehow or other at a high rate of interest; and finally, probably doing more injury to the Commonwealth financing the war than by courageously facing the position and raising additional State revenue. I venture to say that we are doing less injury and bringing less embarrassment to the Commonwealth by financing our annual obligations in the way we are doing than if we were to pass them on and finance the deficit year by year out of loan fund, in connection with which we have to go to the Commonwealth every year to raise the money. Then the hon. member seems to assume that we are raising more taxation than we will require. There is nothing in that contention. As I interjected, it is

reasonably certain that the expenditure for next year will be as high as it was for this year, and if the additional taxation is not imposed there will be relatively the same deficit at the end of the next financial year as there will be at the end of this financial year, if we do not get additional revenue. Of course, I am not taking into account the possibility of increased revenue in one department or another, or the possibility of a steadier rate of increased expenditure in one department or another; but, roughly speaking, without the imposition of this new taxation, it is reasonably certain that there will be a shortage at the end of next financial year; therefore, the imposition of this taxation, even though it is retrospective for a certain period, will not leave us any surplus at the end of next financial year, because, as the departments extend the more the expenditure will grow.

Hon. W. H. BARNES: And new billets are created.

The TREASURER: The hon. member may call them "billets," but certain positions have to be filled, and as more employeés are wanted to do more work, people have to be engaged; whether you call them "billets" or not, it matters not at all. The hon. member, when I suggested that it is reasonably certain that the expenditure next year will be as high as it is this year, said, "While the present Government is in office that is certain." We may quite easily understand that if the Liberals were in office it would not be certain—I have not the slightest doubt they would keep expenditure down, and they would do it as they have done it heretofore—they would reduce the departments, or screw down the wages of the employeés or starve the hospitals. (Opposition interjections and dissent.) They could save £170,000 by starving the hospitals for a year. They could save £130,000 by starving the State children. (Renewed Opposition dissent.) That is a simple method of financing. But when we are in office, it is certain that expenditure will be kept up for this year, for the reason that we recognise what our duty is to the State employeés. We recognise what we owe to the hospitals and charitable institutions, and what our obligations are to the poor and down-trodden. (Opposition laughter.) That is the difference between the party opposite and this party. At any rate, I can honestly assure the House that, without the slightest suspicion or tittle of extravagance at all—and this Government has not been guilty of anything of that kind—and without any laxity in the control of expenditure, and, at the same time, with the proper exercise of our functions in getting in revenue, it is not likely, even if these taxation Bills pass, that we shall have a large surplus at the end of next year. I may say that, with reasonable caution, we hope to be able to balance the accounts next year if these Bills are passed; but we can only balance the accounts next year if these Bills, or some other measures which will bring in the same amount of money, are authorised by Parliament. That is the only hope of financing things next year; and that is why I strongly urge the Opposition to agree to the passing of the measures; and I hope that the Bills will meet a better fate in another place than similar Bills met with last year and the year before.

Mr. VOWLES (*Dalby*): I think the Minister who has just sat down will go down to posterity as the Minister for widows and orphans. I do not think he has ever spoken in this House when he has not mentioned them. Evidently, he has not yet got over his electioneering. The hon. gentleman got up with the view of showing the House why we should agree to these resolutions, and in reply to the hon. member for Bulimba he attempted to show that if we did not get this £130,000 from the super land tax there would be a shortage in the accounts at the end of the next financial year. The officers of the department, in calculating what might be expected to be realised by this taxation, no doubt gave a minimum estimate; they put the amount down at the lowest figure.

The TREASURER: The estimate of the Commissioner for Taxes for the proceeds from the land tax is higher than our estimate.

Mr. VOWLES: This super tax is retrospective taxation, and no doubt the officers of the department give the minimum amount which it may bring in under normal conditions, so that we must naturally expect that under good conditions the amount received will be in excess of the amount anticipated. We are also told that a man, in estimating his income, will not be able to deduct what he has paid in respect of the same income to the Federal Government. The hon. gentleman did not tell us that at a meeting of the Federal and State taxation officers they decided that such a thing was not illegal. The Act is there, and they are bound to carry out its provisions. It appears to me that the spirit was willing to carry out those provisions in the past and to charge taxation on such amounts, but that there was a very grave doubt as to whether such a course was legal, and whether the imposition of this charge would not lead to litigation, and so the Government have followed the line of least resistance and propose to declare what is the law on the subject. We have here a proposal to declare that in the future the Commissioner shall have a right to make this charge. It is unreasonable that a man should be charged on a sum which is a compulsory deduction from his income. There are many other kinds of deduction omitted, and this is only a detail, but it involves a principle, and that is one reason why we should not agree to these resolutions. There are many subjects of taxation which have not been referred to by the Treasurer, and these include the stamp duty and the succession duties and the increased income tax. Hon. members must agree that the land tax is not equitable taxation, because it only attacks one section of the community. I can never for the life of me see why property should be a subject of taxation when wealth is not taxed. If a man has his wealth in land, that land is taxed, whether it is producing income or not. I hold that where men have wealth in another direction, in goods, in scrip, or in something else which may be productive, and which is not dependent for its productiveness on the seasons or other vicissitudes from which the owners of land suffer, it should be the subject of taxation just as much as land. With regard to the necessity for this taxation, that leads us to consider whether the Government are carrying on in a safe way, whether their financing is sound, and whether they are studying economy as they ought to do, even

*Mr. Vowles.]*



under ordinary conditions. But we are not living under ordinary conditions; we are living under extraordinary conditions. The Premier and his supporters, when electioneering, stated that good government is in finance, and when you find that the Government with which he is associated are continually increasing taxation on capital, you cannot say that it is a good Government. Since July, 1915, taxation has increased in Queensland by 14s. 7d. per head, in New South Wales by 1s. 8d. per head, in Victoria by 4s. 7d. per head, in South Australia by 5s. 3d. per head, in Western Australia by 2s. 8d. per head, and in Tasmania by 1s. 9d. per head.

The TREASURER: Look how equitable our taxation is.

Mr. VOWLES: How can you call it "equitable" when the present Government have increased direct taxation from £954,457 in 1914-15 to £1,455,358 in 1915-16, and to £1,564,045 in 1916-17? Now they propose further increases, which will make the increased taxation nearly £2,000,000. If these taxation proposals are agreed to and the new taxation is imposed, the Government will get nearly £2,000,000 more from direct taxation than was received by the previous Administration the last year they were on the Treasury bench. Anyone reading those figures must come to the conclusion that the present Government are very extravagant. What are the public getting in the way of services from all this expenditure? We had trains running a lesser number of train miles last year than in any previous year, yet some hundreds more men were employed to run those trains, at a cost of 1s. 4½d. per train mile more than the service cost previously, and the men who provide the traffic for our railways are being penalised in consequence. The people who pay this taxation naturally expect that they will get reasonable service from the Government. Are they getting it? You examine the working of any department, and you will find that the services are not there. You have only to hark back to the annual report of the Commissioner for Railways to find that services are not being rendered by the railway men commensurate with the money they receive.

Mr. SMITH: That is a slander on the railway men.

Mr. FOLEY: You are always slandering the worker.

Mr. VOWLES: It is not a slander on the worker. The Commissioner cannot run the railways as a business concern, and he asks whether that is the result of political interference or of the introduction of the go slow policy into the working of the railways. I am not slandering the workers. The hon. member for Mackay has probably not read the Commissioner's report, or he would know that the facts are as I have stated.

Mr. SMITH: As you stated?

Mr. VOWLES: Yes; I ask the hon. member to read the report again. We have Federal taxation looming ahead, and we are told that it is going to be heavy taxation. That taxation will fall on the same class of persons and the same subjects as this taxation will be levied on. Is it reasonable that we should be increasing the State taxation for the purposes of extravagance pure and simple in many cases, when all the burdens

[Mr Vowles.

are to be put on people who will be taxed very heavily for a different purpose? These people will be taxed for war purposes, and we are asked here to tax them for the purpose of carrying on the ordinary services of a Government who are extravagant in their ordinary expenditure. Last year they had a shortage of about £250,000, and this year they will have a shortage of from £420,000 to £430,000. In order to meet the deficit of last year we had to issue short-dated debentures. But in this case a different method is adopted. It is not desirable [4.30 p.m.] that we should square the ledger in that direction; it is desirable that we should increase the burdens on the public, and if we are satisfied that the public are not in a position to bear these burdens, then I say we, as an Opposition, should resist them.

Mr. FOLEY: It is only on incomes over £3,000 a year.

Mr. VOWLES: At present we are dealing with this £420,000. We are dealing with all forms of increased taxation—the succession duties, income tax, stamp tax and land tax; and therefore I say that, as an Opposition, we are perfectly justified in asking that the Government should explain its position so that we should know what they propose to do in the future. Notwithstanding the fact that this super tax is to be levied—we are told it is only to be for the term of the war—the Treasurer told us that at the end of the financial year he hopes to be as far behind as he is now.

The TREASURER: I did not say I hope to be.

Mr. VOWLES: Probably the hon. gentleman does not hope to be, but he expects to be. If that is so, what is going to happen after the war when the whole of this taxation will automatically fall back?

The SECRETARY FOR AGRICULTURE: He said he expected to make ends meet.

Mr. VOWLES: He did not say that. He said he expected to be just as much behind at the end of the financial year as he is now.

The SECRETARY FOR AGRICULTURE and GOVERNMENT MEMBERS: He did not.

Mr. VOWLES: He did. One of his reasons for saying that was that he did not expect to get more than £420,000, the amount required to square the ledger as far as the deficit is concerned.

There is another matter that I object to. It is one of the principles of taxation, and it is this: Under the Income Tax Act where a man sells his property right out he has to pay income tax on the whole of his stock. That is altogether wrong. I have known cases where very grave injustice is being worked merely because of the fact that if a man sold the whole of his property in one year he had to pay income tax, as it was treated as profits. That principle is wrong, and that is a principle we should not agree to in our legislation. Then, again, as I pointed out previously, these measures are not encouraging the introduction of capital into Queensland. When the war is over we will be the most unattractive State in the Commonwealth. We will have the most unattractive land laws; we will be the heaviest taxed State; and we will have taxation that does not exist in the other States.

The TREASURER: More equitable taxation.

Mr. VOWLES: It will not be more equitable; it will be more harsh, and you cannot expect money to be brought into the country under those conditions. We have to realise that the money that was available in the Commonwealth is now tied up in other directions, and yet we have, in the face of that, legislation which is going to penalise the introduction of foreign money into Queensland for the purpose of developing it. The man who brings money here will have to pay a higher tax than any person in the Commonwealth if he was spending his money in a similar direction. That is altogether wrong. We should formulate our taxation in such a direction that if taxation has to be imposed, it will not be imposed harshly and will not retard the introduction of capital; and, whatever happens, we should see that the legislation generally will not make the conditions more unattractive here than they are in the other States.

The TREASURER: Do you know what the taxes are in New Zealand and the United Kingdom?

Mr. VOWLES: I am not talking about the United Kingdom; I am talking about the Commonwealth. Including the taxation here at present, when these measures go through, we will be the heaviest taxed State in the Commonwealth, and that should not be so, because the money is not being spent in the development of the State. It is simply being spent in the creation of billets in many cases. The hon. gentleman will say that they are necessary for the enterprises they have started, but we have instances of these enterprises such as were disclosed by the figures given a few days ago—that beautiful enterprise Mount Hutton, where nearly 50 per cent. of the stock are already lost, representing about £30,000 in capital. It will be interesting to know, on top of that loss, what it cost to run the concern, because every penny of that loss has to be found in other directions by taxation to make up the deficit. For these reasons I am opposed to the reception of these resolutions, and I trust the House will divide on them and that they will not become law.

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. H. F. Hardacre, *Leichhardt*): There is an old saying that has come down to us to the effect that the Romans never learned anything and never forgot anything, and that is particularly appropriate of the Opposition to-day. (Government laughter.) There they are to-day, having forgotten the lesson of the recent general election, rehashing over and over again the same old story that they told us during the whole of the last Parliament, when they told us that if we went to the country the country would rise up and wipe out this side of the House because of our incompetency with regard to finance and our extravagance; with the result that we have returned with a bigger majority than ever, and the number of hon. members opposite has diminished. There is nothing surprising in that at all. They are fitted to be there, if we are to judge them by their criticisms of the financial administration of the present Government. We have the same old wail this afternoon with regard to extravagance, and we are told that in a time of war we should not increase our taxation per capita. Why, any common-sense man would think that that

was the time when we should increase the taxes, because we can not avoid it. It may be that we have increased taxation more than some of the States, but we have not increased taxation so much as some other States—Victoria, for example, which not only had £1,000,000 deficit last year, but this year took £1,000,000 out of loan to carry on revenue affairs.

Mr. KIRWAN: That is the high finance of liberalism.

The SECRETARY FOR PUBLIC INSTRUCTION: And they have increased taxation of all kinds as well. Everyone knows full well that this Government has had the most abnormal circumstances to deal with of any State of the Commonwealth, and of any time in the history of this State. We not only had a drought to contend with in the first year of our Administration, but it was followed by floods, and they were followed again by floods and cyclones, with the result that we have had all those expenses on top of the ordinary increases caused by the war, and yet we have not only managed the financial affairs of this State in such a way that if our revenue proposals had gone through last year, as they ought to have done, we would have had no deficit, but in spite of these difficult times, we would have made the conditions of the people of this State more prosperous than ever they were in our history. On top of those difficulties last year, as hon. members should know—it is their own incompetency if they do not know—we raised the wages of the employees of the State by something like £750,000. The employees in every department of the State are in a better position than ever they were before. That is what the critics of the Government on the other side of the House call extravagance, but the only items they have been able to refer to have been—as pointed out over and over again by the Treasurer—in the way of reducing payments to widows and orphans, or to school children—(Opposition dissent)—the indigence allowance, and payments to mothers for their children, and so on. These are items of extravagance!

Mr. SMITH: The other side advocated a poll tax.

The SECRETARY FOR PUBLIC INSTRUCTION: The hon. member for Bulimba, in his kind of solemn warning, said that we should face the position, and I interjected that it was about time that members on the other side of the House faced the position and endeavoured to show this side of the House where we were committing errors of extravagance, or were showing signs of incompetence in any way. All he did, however, was to deal with generalities, and say that if this happened, and if the other happened, it would be a terrible state of things, wouldn't it—if it did? He never gave us argument or fact to show it was likely to happen. I could not help thinking when the financial debate took place the other evening that such weak arguments were put forward by the other side, that they would not stand a moment's criticism in a first-class debate. (Opposition laughter.) It amazes a man to hear members on the other side get up one after another and put forward arguments which the slightest pin-prick bursts into fragments, and that they should keep on using them when

*Hon. H. F. Hardacre.]*

they do not appeal to the intellect of any man, and when they do not appeal to logical faculties of any member in this Chamber.

We are told that this land tax is going to block industry, and that it presses upon the enterprise of the country. But it is not going to do anything of the kind. It is not "taxation of the people," as they are constantly saying. It is not the kind of taxation that has hitherto been imposed for the purpose of raising revenue, either here or in any of the other States. It is an entirely different kind of taxation, a kind that is more advanced—as I have said, over and over again—than in any other part of the world. Why, Queensland is setting an example of enlightened methods of getting revenue, a method such that, if the Commonwealth had followed it, they would not find themselves in their difficulties to-day, and we as a people would have been in a much better condition. We have shown how to get money without injuring industry and enterprise. Any man who studies political economy will know that our first-class writers and thinkers—men whose works are used at text-books in every university, in every school, in every common school—although hon. members are not sufficiently well-informed to know it, as they ought, because they set themselves up to be critics of finance—lay down the rule as irrefutable that taxation of land values does not fall on industry of any kind. It only takes a surplus value over the cost of production.

Mr. MORGAN: Does the land tax increase rents?

The SECRETARY FOR PUBLIC INSTRUCTION: No, it lowers rents. That shows the absolute ignorance and the utter incompetence to criticise which exists on the other side. Why, the schoolmaster will tell you—and there is nowhere where he needs to be more known than amongst members of the Opposition—that it only takes the excess over the ordinary rates of remuneration. It is the excess value that is taken—something that the landowner gets and puts into his pocket—something over the cost of production.

Mr. GUNN: It increases the cost of living.

The SECRETARY FOR PUBLIC INSTRUCTION: It decreases the cost of land, and the value of land is made, not by any enterpriser or farmer, not by any man who carries on industry, but by State expenditure. It is the result of schools, of railways, and other public activities of the State, and, therefore, it is fair for the State to get something back in the form of revenue. Instead of being a tax on enterprise, it has the very opposite effect—of compelling landowners, who to-day in many cases keep their land idle and block progress and industry and enterprise, to give up their land to someone who will use it. It encourages the production of crops; it assists progress in every way.

Now, with regard to the other tax—the income tax—it is so designed as not to fall upon the average business man. It is to fall upon the big incomes which to-day in most cases are a direct result of the war. The war has played right into the hands of a large number of people in this State by giving them incomes at the expense of the British authorities and our own consumers. A member of the meat commission, only the other

[Hon. H. F. Hardacre.

day, I think, pointed out that the war has caused an increased cost of cattle to such an extent as to put £130,000,000 into the hands of the cattle owners of Australia at the same rate of output as before the war.

Mr. KIRWAN: And if the Commonwealth had put on that taxation there would have been a revolution.

The SECRETARY FOR PUBLIC INSTRUCTION: It is fair that those who have been enriched by our difficulties and by the difficulties of the rest of the world should be compelled to contribute something to carry on the affairs of this State; and, so far from pressing upon industry, it does not increase the cost of living, it does not block enterprise, but only takes some of the extraordinary profits that have gone into the pockets of private individuals—at least, who are called private individuals—and put them into the coffers of the State to enable them to carry out the activities of the State.

There is one reason why we should pass these proposals without the slightest opposition, and it is a reason which should apply to members of the Opposition as strongly as to members on this side of the House. It is a deep, fundamental, constitutional reason. We tried to pass these measures last year. They were sent to another place, and rejected by a non-representative Chamber. We have been to the country, and have come back with an overwhelming majority. These measures were one of the big issues of the last election, and the people have therefore declared that these must pass. In constitutional history, there have been only two cases in the last two hundred years where a non-representative Chamber in the British dominions has ever dared to reject the financial proposals of a responsible Government when asked for to carry on the affairs of the State. One was in Great Britain only four years ago, when Lloyd George attempted to impose—as we have done—taxation on land values under the name of the People's Budget. The House of Lords rejected the measure. They went to the country on it, as we went on our measures, and the people returned Lloyd George and his supporters with a majority to pass it through, and the Commons rightly insisted that when the people had spoken on that matter, the House of Lords should not dare to reject it again. We are in that position. We have come back, and say that we must get this money to carry on the machinery of the State, and it is the bounden duty of every member of this Chamber, no matter on what side he sits, to see that it goes through, without the slightest endeavour to oppose it in any way.

Hon. W. H. BARNES: You are drawing a very long bow; it is not correct.

The SECRETARY FOR PUBLIC INSTRUCTION: So far as I am concerned, as one man in this House, I am going to do my utmost to see that they do go through, no matter what the consequences may be.

GOVERNMENT MEMBERS: Hear, hear!

The SECRETARY FOR PUBLIC INSTRUCTION: I hope that not only will we be able to carry them through, but that we will be able to carry on the affairs of the State as we have been doing it in the past, in such a way as not to unnecessarily impose taxation on any producer, but to make the

wealthy classes of this State, and the land monopolist of the State, contribute their fair share to the revenue of the State in order to enable us to meet our expenses.

Hon. W. H. BARNES: Look up the number of firms that have been taxed.

The SECRETARY FOR PUBLIC INSTRUCTION: Something was said the other day about patriotism. If there is one thing which has tended to prevent recruiting in this State, in my opinion, it is the attitude the members on the other side and their supporters in the country have taken, when they will not even bear their fair share of taxation to enable us to carry on the affairs of the State.

Hon. W. H. BARNES: Why, the bulk of you have been afraid to get on the platform to advocate recruiting! You know that is true.

The SECRETARY FOR PUBLIC INSTRUCTION: Is it any wonder that the working classes of this country begin to feel that they are called upon to—comparatively, at any rate—unfairly sacrifice themselves by giving their lives to the service of the war, when members opposite and their friends will not sacrifice themselves even to contributing their fair share of taxation to the country! I hold that there should be recruiting; I have never gone back on that, I have always stood by it. At the same time I do say that it shows a very bad example on the part of members opposite, whenever we try to make them do something to carry on the affairs of the State, to get up on every occasion and try to bitterly oppose doing their duty to this country.

GOVERNMENT MEMBERS: Hear, hear!

Mr. WARREN (*Murrumba*): It might be thought very presumptuous of me to criticise the Government, or any party, as far as the finances of this State are concerned.

Mr. FOLEY: Why not? That is your business.

Mr. WARREN: I am doing my business, too. I spent two years, practically, out of politics; but I maintain that the party that is continually eating up expenditure in the city, when the country roads are in the state in which they are, is doing wrong. I do not wish to infer that the Government are doing it for party purposes; but the country this wet season has shown that the lines of communication, or the means of travelling, are absolutely scandalous. If the Government to-day were bringing in just taxation for the purpose of making the country a greater producer, then I would say—irrespective of party or anything else—I would be with them absolutely. But the money that is being raised by this taxation, whatever it may be, is not being raised for the purpose of making us a greater producer. In fact, from what I have seen since I came back to Australia, to my mind, the taxation is not tending to make the people more in love with the country. The high rate of wages, and the manner of working the State this last few years, tends to bring the people into the cities, and to reduce production. If the State and the Commonwealth will do what is in their power to increase production and reduce the price of living, I will be with them, whatever party they may be. The Minister for Public Instruction said that the present condition was due to the disasters which had fallen on this State. Well, there is no doubt

that this last few years we have had disasters; but it is not the disasters that are responsible for the loss. It is absolutely absurd for anyone to get up and say that the state of the finances to-day is the result of these disasters. It would be very easy to show the amount of loss through these causes. Could we be in a better and more prosperous state than we are to-day? We are like so many ostriches, sticking our heads in the sand, if we don't recognise the fact that a prosperous country should be able to govern easily, if the Government will work economically. One of the hon. members on the other side asked for a specific case of extravagance. I know a case on the Maroochy River, where a piece of land is being resumed for the benefit of a bloated capitalist, at the expense of the State. Now, I maintain that that is absolutely a wrong thing. If this man is being worked for and paid for by the State, then I say that we should not be taxed for that. I believe that Queensland is absolutely the best of all the States of the Commonwealth.

The TREASURER: Under a Labour Government. (Hear, hear!)

Mr. WARREN: And I believe it should be governed as cheaply. I maintain that Queensland is not being governed as cheaply; that we are more expensively governed; and that the result is not so beneficial to the community, as is the case in the South. It costs more, proportionately. I must admit, in fairness to those who are ruling—and I want to be absolutely fair and honest—that we have a longer length of railway, and it is harder to work it. But the conveniences on the railway are not so great, and yet they are run at a greater expense than they are in the South.

The SECRETARY FOR PUBLIC INSTRUCTION: The non-paying lines are largely due to drought.

Mr. O'SULLIVAN: The land is not being used.

Mr. WARREN: Land is not being put to its best use only in the smaller centres. Along the North Coast Railway there are hundreds of small holdings that are not being occupied. Certainly in some cases they are owned by men who have gone to do their duty. An hon. gentleman on the other side said that he did something for recruiting. I would like to suggest to this House that they all do more for recruiting. It is not a matter only of finance, it is a matter of winning the war. I believe that all honest and loyal men will do something to help the Empire in this hour of very great stress.

Mr. HARTLEY: Do you think it is worth making them pay to win the war?

Mr. WARREN: Yes, I do; and I believe that the Government are not paying too much. It is not only the labouring man that is going to the war. If it were only the labouring man, the returned soldier would be treated more liberally. They are not being treated liberally, and the Commonwealth and the State are equally to blame in this matter: it is not one, but it is both. The Commonwealth is not doing its duty, and neither is the State doing its duty. That is the reason why there is much less recruiting to-day than there would have been otherwise. I maintain it is our duty, whether we have to go in for extra taxation or not, to help the man who has fought for his country. I stand every time for the poor man just as much as any hon. member on

*Mr. Warren.]*

the other side. I am not a bloated capitalist. I maintain that the soldier comes first and the poor man next. I will say without fear of contradiction that if the Government fail to do their best for the men who have been—years in many cases—away fighting for their country, then they are falling short of their duty. Now, I maintain that the Government of the day is not doing that. They are not giving them the best that Queensland has got, but they are giving them the stuff that has been rejected for generations. If the Government will take advantage of their chance they will find every returned soldier and every honest man will be behind them—even the working men—in doing the best they can for the returned soldier. Now, as far as this financial question is concerned, I maintain that that is going to hit the country, and it is not going to hit the people who are living in luxury. We can see, every day, people who are living in altogether too much luxury. This is not going to hit those people. The land tax is hitting the man who is struggling with adverse circumstances. The hon. gentleman suggested that the Almighty had sent all these misfortunes. I can tell him that the man on the land is always meeting with these misfortunes. I am a son of the soil, and I know what a man has to contend with in making his living on the land. While I make no appeal for those who are living in luxury—I know that in such a time of national stress they will have to pay, and these taxes are introduced as a war measure—yet I maintain that the Government should devote all their energies to increasing production, and should do all they can to help the men who are producing 80 per cent. of the wealth of this State. If they are in earnest in their desire to help the producers, they will do something to improve the roads of the State, which are in a most deplorable condition and are almost impassable. If they do that, they will be doing something that will last and that will help to make their name last too.

Mr. MORGAN (*Murilla*): I think that every hon. member who listened to the intelligent speech of the Secretary for Public Instruction will agree with me that, so far as these resolutions are concerned, the hon. gentleman has made them just as clear as mud. (Laughter.) He told us that a land tax does not tend to increase the [5 p.m.] cost of living, neither does it tend to increase rents. I feel sure that the experience of the people of Queensland, likewise the experience of the people in every country where a land tax has been imposed, is that the views propounded by the hon. gentleman are not correct. I am sure that the general experience is that a land tax tends directly to increase rents.

The SECRETARY FOR PUBLIC INSTRUCTION: Then the values ought to go up.

Mr. MORGAN: I can quote one instance in this city of Brisbane. The very moment the Government imposed their land tax one landlord, who previously had been a great supporter of the Labour party, went to his tenants and told them that, as he now had to pay a land tax, he would have to increase their rents so that he would be able to pay his land tax. I think the Minister will agree with me that people whose rents are raised in that way are the people who are paying the land tax, and not the owner of

[*Mr. Warren.*]

the property. That applies throughout the whole length and breadth of Queensland. The rents of shops in Queen street have been increased since the Government imposed their land tax, and we all know that the shopkeeper passes on his increased rental to his customers, in the shape of increased prices for all commodities he sells. I am sure the Home Secretary, who sells a certain class of goods by retail, will admit that he passes on his increased rent to the purchasers of those goods.

The HOME SECRETARY: I assure the hon. member that I cannot pass it on in my business.

Mr. MORGAN: I am sure that 90 per cent. of the goods the hon. gentleman sells are 50 per cent. dearer now than they were before the war, and yet he tells me that he cannot pass on his increased rent!

The SECRETARY FOR PUBLIC INSTRUCTION: Prices are not higher because of the land tax.

Mr. MORGAN: If I am not correct in my assumption, the only conclusion I can come to is that the hon. gentleman is not selling anything out of his shop. Everyone knows that the expenses of running a business are passed on to the customers.

The SECRETARY FOR PUBLIC INSTRUCTION: That is absolutely untrue.

Mr. MORGAN: The consumer knows that it is a fact. Everyone knows that the cost of all the necessities of life has increased largely because of the increased expenses incurred by business men in carrying on their businesses. It is undoubtedly not the owner of the land who pays the land tax.

The SECRETARY FOR PUBLIC INSTRUCTION: Yes it is.

Mr. MORGAN: Certainly it is he who pays the tax each year to the Commissioner, but in all cases it is passed on to the people by business men.

The SECRETARY FOR PUBLIC INSTRUCTION: You are only saying it; you are not proving it.

Mr. MORGAN: I admit that the hon. gentleman's contention is right, to a certain extent, as applied to the farmer, who has no voice in fixing the price of his produce. The shopkeeper knows exactly what his stock costs him; he knows the expense of running his business; and he knows exactly at what price he must sell in order to make his profit. Take the State butchers' shops, for instance. They know exactly what they have to pay for their meat, because they get it at a fixed price; they know exactly what their expenses are; and they fix the selling price of their meat at a price which will cover expenses and leave them a profit besides. That applies to the ordinary shopkeeper and business man, too. But with the farmer it is quite different. Even in a good season it often happens that the farmer carries on his operations at a loss. He may have a good crop of maize, wheat, or whatever it may be, but the price he receives for his produce is such that he cannot make a profit.

Mr. HARTLEY: The profit goes to the produce agent. The hon. member for Bulimba can tell you something about that.

Mr. MORGAN: Produce fluctuates greatly in price. That has been more than usually the case since the war began, because the farmer has been dependent almost entirely on markets outside Australia, and over those

markets he has absolutely no control. The result is that the farmer does not know whether his crop, after it is harvested, is going to be sold at a price which will leave him a profit, or whether he will be at a loss on his year's transactions; but, notwithstanding that, he is called upon to pay the land tax. Has the land tax had the effect which the Minister for Education said it would have in so far as increasing the number of acres under cultivation?

The SECRETARY FOR PUBLIC INSTRUCTION: Of course it has!

Mr. MORGAN: He knows perfectly well that it is not so. I have travelled through many electorates, which produce more than perhaps all the rest of Queensland put together. There is going to be less land under cultivation this year than perhaps for the last eight or ten years. How does the Minister account for that? Little or no wheat is going to be planted this year, and it is the same with production generally. The land tax has not had the effect of increasing the area put under cultivation. It has not had that effect in Victoria. The Minister for Education, who professes to know so much about financial matters, and about the State of Victoria, ought to know that the land tax did not burst up the number of large estates in Victoria that the people thought it would. It only had this effect: that while there might have been a large estate ran as one concern in the name of a certain individual, it was transferred into the names of a good many individuals, and the taxation was got over in that manner. The same thing applies to Queensland to a great extent. The land tax has not had the desired effect. The only thing it has done is to reduce the capital value of the land. I am now dealing with country lands. I do not know whether the land tax has had the effect of reducing the capital cost of Queen street property or not—I understand that property has changed hands there recently—I am referring more particularly to land in the country districts of Queensland, which the State should depend upon for its production. The effect of the land tax is to reduce the value of the land by 50 per cent. Many individuals have come to the State and struggled hard, as farmers do; they have not saved any cash and put it into the Savings Bank, but the wages which represent, perhaps, twenty years of work of the whole family is the capital value of the land. They were able to save before this Government got into power, and to get, perhaps, 1,000 acres of land, which is worth £10 an acre. I am now dealing with the lands on favourable portions of the Downs. But to-day land has been reduced in value from £10,000 to £5,000.

Mr. KIRWAN: Where are those places to be found?

Mr. MORGAN: The result is that the wealth of these people has been reduced by 50 per cent. It has also had another effect. Perhaps one of the sons in the family married, and was desirous of going into some other locality, and obtaining a selection for himself. The father who, perhaps, had the 10,000 acres of land in his name was able to go into the bank and offer a security of £10,000 for a loan, either to further develop the property or assist his son to obtain a selection; but to-day he can only go and offer the bank a property of the value of £5,000. The result is that whereas previously the banker was able to advance 75

per cent. on a capital value of £10,000, to-day he is only able to advance 75 per cent. on a capital value of £5,000. In consequence, owing to the fact that land values have decreased, developmental work throughout Queensland has almost ceased, and that is the unfortunate part.

Mr. KIRWAN: You are a Jeremiah.

Mr. MORGAN: The hon. member for North Brisbane always brings up "Jeremiah" or "stinking fish," but the only stinking fish is perhaps in the electorate adjoining his own.

The DEPUTY SPEAKER: Order! The hon. member must address the Chair, and cease to invite interjections.

Mr. MORGAN: I hope you will see that the hon. member for North Brisbane is made to refrain from interjecting.

Mr. KIRWAN: There is no member for North Brisbane in the Chamber.

The DEPUTY SPEAKER: The hon. member for Murilla cannot expect me to protect him if he invites interjections.

Mr. MORGAN: I will endeavour to do what you ask, and I hope the hon. member for Brisbane will cease interjecting. He will have an opportunity of dealing with this matter himself. As you get away from the more expensive land on the Downs and go further west, what do you discover? People went into these localities, with experience in other States, recognising that they were not going to be able to put a lot of money into the bank, but that the land would eventually become available. That was the experience which prompted these individuals to go away from railway communication, and develop land which was not previously productive. They said that if they took up scrub selections in these localities, and made them productive, they would some day be valuable. But the Minister for Education does not believe in the increase of the capital value.

The SECRETARY FOR PUBLIC INSTRUCTION: It is unearned increment.

Mr. MORGAN: In connection with 90 per cent. of the farmers who have sufficient to live upon to-day, they have not made their money out of the produce they have sold. The amount of produce which a man was able to take off his land each year only paid his debts, but he became richer owing to the fact that his land increased in value.

The SECRETARY FOR PUBLIC INSTRUCTION: At the expense of the public.

Mr. MORGAN: What about the solicitor, the doctor, and other professional men or business people in the cities who make money, not out of land, but out of the services they render? They become rich. They may have £30,000 worth of scrip and money at fixed deposit, and they escape this taxation.

The SECRETARY FOR PUBLIC INSTRUCTION: It is not unearned increment.

Mr. MORGAN: I do not know what you think the value of a certain professional man may be. If you think a professional man is capable of earning £100 or £50 for one hour's work—if you do not call that unearned increment, I do not know what it is.

The SECRETARY FOR PUBLIC INSTRUCTION: We get at him in this taxation.

*Mr. Morgan.]*

Mr. MORGAN: You are taxing him only in one direction, and you are taxing the man on the land in two directions.

The SECRETARY FOR PUBLIC INSTRUCTION: No.

Mr. MORGAN: The point is this: take the £20,000 of scrip that a professional man may have. When you tax that you do not reduce the value of that scrip; but the moment you tax the farmer on his £10,000 worth of land, you are reducing the capital by 50 per cent. and upwards. You are making the conditions of the man on the land so hard that, instead of remaining and encouraging his sons to remain on the land, he is endeavouring to educate them for a professional or some other career in the city. It must be admitted, not only in Queensland but throughout Australia at the present time—in fact, I will go so far as to say even in connection with the Liberal party—the inducement given to the man on the land is not such as to encourage his sons to remain on the land. The result is that the cities are building up—the head is too large for the body—and the whole thing must eventually crumble. We are killing the goose that lays the golden egg, and are not encouraging men to go out West. The hon. gentleman may laugh; I suppose he recognises, as some other people recognise, that the farmer is a goose to a great extent. He goes out and buries himself and his children in the country. It will be interesting to learn how many of the 600 pupils who have gained scholarships in the recent examination are the sons or daughters of farmers.

The DEPUTY SPEAKER: Order! The remarks of the hon. member are not relevant to the question before the House.

Mr. MORGAN: I am dealing with the matter of the land tax. If the land tax now proposed is not imposed, those people will not have to struggle to the extent they have to struggle at the present time. Owing to the fact that the finances of the State are in such a deplorable condition, our streets are not properly protected, so that there is a danger of accidents occurring. I had an opportunity on Sunday—

The DEPUTY SPEAKER: Order!

Mr. MORGAN: I wish to refer to this matter, because I believe that owing to the fact that the financial position of the Government is unsatisfactory they could not afford to pay policemen to—

The DEPUTY SPEAKER: Order! The hon. member cannot discuss that subject; he can only speak to the question before the House.

Mr. MORGAN: I bow to your ruling, Sir.

The DEPUTY SPEAKER: The hon. member will have another opportunity of referring to that matter.

Mr. MORGAN: I understand that in connection with resolutions of this sort grievances can be ventilated, and as the matter is one which affects the finances of the State, I thought I was justified in referring to it. However, as your ruling is against me, I shall not pursue the argument. The position the Treasurer finds himself in to-day is due to the fact that the Government have not been economical in their expenditure. It has been pointed out by financial experts in the Press that the Government of Queensland

[Mr. Morgan.

are following in the footsteps of the late Labour Government in Western Australia. They are following in the footsteps of that Administration as far as State enterprises are concerned. We know that the Labour Government in Western Australia brought that State to the verge of insolvency, and we know also that we are on the verge of insolvency, notwithstanding the statement of the Minister for Education that there is more prosperity in Queensland to-day than there has been at any previous period. That prosperity is a false prosperity. I admit that people are spending more money to-day than they ever spent in any previous period of their existence; I admit that people are living better than they did three or four years ago; but we must remember that many more millions of pounds of money have lately been spent in Australia than has been spent in any previous period of her history, and that the reckoning will come shortly. As surely as night follows day, the reckoning will come to Australia very shortly after the war ceases. Then we shall know whether the people are more prosperous than they were previous to the war. Then, owing to the extravagance of the present Government, we shall experience a financial crisis, and we shall see whether the wage-earners or working classes or the capitalists will suffer most. It is generally the working classes who suffer to the greatest extent in a financial crisis, and history has a peculiar habit of repeating itself. What I wish to emphasise is the argument that the Treasurer is asking for too much increased taxation at the present time. If he had reduced his proposals by one-half, they might have been received with respect by the taxpayers of Queensland, but this taxation is too extravagant, and in this way it offers encouragement to another Chamber to reject it, as they did on a previous occasion. I hope that the Minister will recognise that we have larger responsibilities to meet now than we ever had to face in any previous period of our history, and that those responsibilities are likely to increase. That being so, I think it is the duty of the Government to be as economical as possible, and not increase taxation on the people, unless it is absolutely necessary.

Mr. ELPHINSTONE (*Orley*): Listening to the speeches of hon. gentlemen occupying the Treasury bench, one would almost think that every member of the Opposition was putting impediments in the way of these taxation proposals going through. As one member of the Opposition, I should like to state that it is not taxation we are complaining of, but it is the extravagance which has occasioned that taxation. We do not complain of the medicine that is being applied, but we do complain of the excesses which have occasioned the malady that requires that medicine. I have listened to one or two pet phrases which members on the [5.30 p.m.] Government benches are continually trotting out. One is the reference to the starving of hospitals and State children whenever we mention anything which means economy. Another is that we are slandering the workers whenever we speak of anything which tends towards efficiency. That is not the way to arrive at what the Government wish to accomplish. Hon. members opposite must know perfectly well that they have not got a monopoly of all humane instincts. Members on this side are just as desirous of doing a fair thing with regard to the hospitals and the State

children as the Government are; and with regard to the workers I contend that the members of the Opposition are just as sincere in their desires concerning their welfare as members sitting on the Government benches. But we consider we are not doing the worker justice or leading him in the right direction if we teach him that extravagance is a right thing, and do not show him whither extravagance will lead him. The Treasurer stated just now that the only way of facing the present situation is to boldly and courageously face this taxation. Was that the view the Treasurer took when the question of the sinking fund was considered in this House some time ago? Did he not rather refer to examples in other States to justify what he proposed to do in Queensland? I have listened to the comments of the Minister for Education, and it was very enlightening to listen to some of his criticism. He talks about Queensland's example as being the one outstanding feature of this State. What I would point out is, that if extravagance is an example which all others ought to emulate, then I quite admit that Queensland is pre-eminent. But what this Opposition is out to do is not to put impediments in the way of recruiting; not to hinder the Commonwealth in the matter of imposing taxation, but to try and teach that system of economy which every business man knows to be necessary at the present juncture. We contend that our first duty in the matter of finance is to assist the Commonwealth to meet its war obligations, and we contend that to introduce taxation of this sort, which is the outcome of extravagance, is not the way to assist the war, neither is it the way to assist the Commonwealth to meet its expenditure. I am quite prepared to admit that certain hon. members on the opposite side of the House are getting fed up with this argument, but that does not help us to meet the position. This is not the time to get fed up; it is the time for extra energy and extra economy. Another question I would like to mention is this: I would like to emphatically deny that it is the wish of any member of this Opposition to reduce the wages of the worker. It is always trotted out, whenever we mention economy, that we wish to reduce the wages of the workers. All we ask is that, for the protection of the worker and for his future welfare, he shall be taught that efficiency and honest work are necessary where he gets high wages. It seems to me that these proposals and all proposals that emanate from the Government regarding taxation, are based on getting money honestly if you can, but get it. I would like to endorse the remarks of the hon. member for Bulimba when he stated that the Treasurer is likely to obtain a very much higher income from these taxation proposals than he thinks, and I would like to suggest and endorse what the hon. member for Bulimba has said, that if these taxation proposals can be reduced in these times of strain in other directions, that we will be in quite a sympathetic mood if the Treasurer will consider it.

I would also like to endorse the remarks of previous speakers that these taxation proposals are most certainly going to retard production; that if the financial position is carefully and faithfully reviewed it must be apparent that it is only by increased production that this State can meet its indebtedness; that if we go on importing, as we are doing at present, in excess of our exports, the time must come when we cannot face our liabilities. The great thing that this State

and all other States of the Commonwealth have to face is the matter of production. I would like to refer to the experience of Canada. During the past few years Canada has exported £210,000,000 more than it has imported, which means it has the wherewithal to meet all its outstanding liabilities and overseas debts. The position of this country is quite the reverse. We are importing more than we export, which means we must live on loans, and we are further, as I have already mentioned on a previous occasion, eliminating what is considered to be the usual precaution in financial measures, by wiping out a sinking fund, and we shall shortly be in the position of having to apply to Great Britain to renew loans, seeing that we had made no provision to redeem them in the ordinary way. One thing I would like to refer to is this: that if you go on persistently increasing taxation on the producer you ultimately kill his desire and his wish to succeed and increase his business, just as the union system has decreased the desire of the worker to exercise his every faculty and do something in excess of his next door neighbour. It has brought them all down to the one level, where they have no desire to succeed or improve their conditions. It will have the same effect upon the producer. If he is going to be taxed, and taxed to such an extent that whenever he succeeds beyond the usual he is going to be taxed out of existence, then you kill his desire or wish to succeed and increase production.

If this deficit had been occasioned by means which had meant an improvement of the State generally, then no one would have had any criticism to lodge against it. If, for instance, the Government had spent this money in creating roads which would feed our railways and assist our primary producers, or on conserving water which would be of very great assistance in times of drought, which are always recurring, or in assisting in the conservation of fodder and grain to prevent this State looking for imports of grain in times of drought, then there would have been no criticism launched at their proposals. It is because the money has been spent in directions which we consider unnecessary and extravagant that we raise these criticisms, so I trust that hon. members on the Government benches will listen to these suggestions and try to remember, as I try to remember, that there is not a monopoly of brains on any one side of the House. I have come here to try and advance arguments which will assist in benefitting the State, but if all these affairs, as seems to be the case, are to be determined in a house outside the Chamber, then it seems one's efforts are wasted and one's criticism lost; but I hope wiser counsels will prevail, seeing that this is a time when the brains of all parties are necessary to conduct the affairs of this country. I hope the members of the Government will pay due attention to some of the arguments we have advanced in all good faith and sincerity.

I would like to refer to one matter in connection with the income tax proposals which was referred to in Committee. We advanced the argument that every man who has a woman dependent on him should be allowed £50 exemption when arriving at the super tax. The Treasurer, when meeting that argument, said the £200 exemption was created for that purpose. I do not think he could have given the matter the consideration it deserves, because it stands to reason that if the £200 exemption is meant for that purpose, then

*Mr. Elphinstone.]*



the single man is getting exactly the same advantage as the man who has a woman dependent on him. I do ask and wish the Treasurer would consider that proposal, as it certainly will be of assistance to those who have large demands on them and on whom this super tax will fall as well.

Mr. SWAYNE (*Mirani*): Before these resolutions are recorded I should like to say a word in protest. First of all, I would like to congratulate the hon. member for Oxley upon the speech he has made, and I would also like to briefly emphasise one point that he dealt with. That was the question of exports and imports. There is no doubt that we in Australia, for years past, have not been doing as we should in that regard. I do not want to labour the question, but you cannot repeat too often, that unless this Commonwealth sells more than it buys, just the same as with any farm or business not producing enough to pay its way, it is going to become insolvent in the long run. My fear in regard to these taxation proposals is that they will seriously discourage production. There is a feeling prevailing that the producer is being penalised so that the workers in other industries will have a soft time. There is no doubt about it but that feeling is getting very common in the farming districts, and it has led to a disinclination to put land under cultivation. During the discussion that has taken place, it has been asked over and over again, when we have urged that this taxation is largely unnecessary: Where would you economise? What would you do? Well, I do not know that it is our particular duty to point out where economy can be effected. We are not holding the reins just now, but I feel quite sure that if we were, without hurting anyone, without reducing wages, we could economise and do without the necessity of this additional taxation. Several matters have been mentioned as to where economy could be practised, some of them small and some of them much larger. We will take for instance this Public Works Commission which has been travelling through the country reporting on public works never likely to be built. I have a case in point in my own mind. There is a group of settlers in my district who are faced with ruin because the mill tramline they have been using has been removed. For some years past the matter has been before the Government, and promises of favourable consideration have been made by one Minister after another. At any rate, the thing came to a head last year and the Public Works Commission went up there—three or four members drawing their daily allowance for expenses, steamboat fares and so on. They went very fully into the matter, took a lot of most useful evidence, and it was proved right up to the hilt that this railway was needed.

Hon. W. N. GILLIES: You went to the Minister and asked that it should go there.

Mr. SWAYNE: I am not saying anything against the commission. They did their work faithfully and well. But what is the use of it? It is simply throwing money away.

The DEPUTY SPEAKER: Order! I am afraid the hon. member is not dealing with the resolutions.

Mr. SWAYNE: I am pointing out where economies could have been effected, economies which, if they had been carried out, would

[*Mr. Elphinstone.*

have largely done away with the need for these proposals which the House is asked to agree to.

Hon. W. N. GILLIES: How would you build the railway?

Mr. SWAYNE: The unfortunate part of it is, we are told, that owing to the want of money the railway is not going to be built. I have the matter still before the Minister, and I hope that even at this late hour he may see his way clear to do something.

The DEPUTY SPEAKER: Order! I would point out to the hon member that railways are built out of loan money, and that he will have an opportunity of discussing that matter later.

Mr. SWAYNE: Quite so, but I take it that the expenses of that commission are paid out of revenue.

Hon. W. N. GILLIES: You practically said that was one of them.

Mr. SWAYNE: What I am arguing is that the expenditure was unnecessary, seeing that no matter what the report was, there was no money in the loan fund to build a railway. The two things go together. Now, since then the commission has had a long tour up North, and I take it they will report on other railways, other public works up there which will all be charged to revenue, but nothing will come of it. I do think that that was one way in which money might have been saved, seeing that there was not the slightest possibility of the works being carried out. Their expenses and fees might have been saved.

Hon. W. N. GILLIES: They get no fees.

Mr. SWAYNE: I notice that the leader of the Opposition dealt in his opening remarks with the question of day labour, and that is a far bigger question than the few thousand pounds involved in this commission. Even a very small saving in each case would aggregate a huge sum, and I do say that the way in which work is being done on the railways is becoming a by-word. For instance, one example has just come into my mind. Travelling through my electorate, it was pointed out to me that under contract or piece-work—it was more piece-work than contract—sleeper blocks were being got for £16 a hundred. Apparently that was not in accordance with the policy of the Government, and the day work system was substituted. Sleeper blocks are now costing something over £30 a hundred. I may not be quite right in my figures, but of this I am positive—that those figures will show that these sleeper blocks cost double to procure by day work that they cost by piece-work. Now, that is a thing that may happen on a job costing millions of pounds, and, if continued right through, means large sums, and it is easily seen how the money is thrown away. With regard to revenue, we come to the question of the schools which were wrecked in the cyclones in the North. They have all been repaired by day labour, and I say that no matter how good the workmen may be, and no matter how satisfactory the day work may be under certain conditions, in the cases of a good many of these little outside jobs, the work could have been done a good deal more cheaply under contract. It means that the workmen had to be taken some distance, and under the award the cost of sustenance of men taken a distance is 6s. a day. There is another way in which I say that money was wasted, only recently. This insistence upon day work for every

little job, no matter how far remote, no matter how out of the way, no matter how bad the roads may be, may cost the State a considerable amount of money. Just to give you an instance of how these expenses tot up, I can mention a case which came under my notice when driving into Mackay. The roads were impassable for anything but horse vehicles, and I came upon a motor car, stuck up. Its occupants were the foreman, or whoever the officer in charge of day labour works in that district may be, and an inspector from Brisbane, who were going out to see two small schools which had to be repaired. This is a revenue matter.

The DEPUTY SPEAKER: Order! The hon. member is now discussing details, not the resolutions.

Mr. SWAYNE: We have been challenged to show where economy can be effected. The total of these repairs amounts to a large sum, and even 10 per cent. upon that sum comes to a fair amount. In the case I have mentioned two little schools were being visited, but the same thing applies right through. I am simply giving an instance. Those two cases perhaps involved £109. The officers had already been up once, and this was apparently to have been their second visit. They could not get out, and, after great difficulty, had to turn back. I suppose the cost of the car alone was anything from £3 to £5—I suppose the cost of the car alone would come to nearly 5 per cent.—leaving out of the count the time of the officials. Under the contract system, the department could have made their specifications and their estimate, and one visit would have been enough until the job was started. That is the sort of thing that is prevailing all through, and I say that if the matter were looked into properly, it would be found that very large sums of money are being wasted, both out of revenue and out of loan fund—being thrown away for the sake of this insistence in every case, regardless of circumstances, on day work instead of contract work. There are many other ways in which economy could be effected. Already, in the last Parliament, I think, our taxation was increased by something like £600,000, and now in the very first days of this Parliament we have further taxation proposals. So far as I can see, the House was only called together for the purpose of passing them, and it is going to have a bad effect on Queensland, and upon everybody, and I do not think we would be doing our duty if we did not make our protest against it.

Mr. GUNN (*Carnarvon*): I think the Opposition would be neglecting their duty if they did not get up on an occasion like this and say what they think as far as the finances of the State are concerned. It is all very well to say this is only a temporary taxation, just brought in for the time being and for twelve months after the war. Our experience is that when wages are risen they never come down again. The cost of living goes up, and wages have to be maintained at the higher rate to meet the increased cost of living. So it is with taxation. If you increase this taxation, we will get used to spending the money, and the taxation will go on for all time. I know the Government says the necessity for it has been brought about by the war. The war has nothing to do with the States. The Federal

Government minds the war, and they have all the taxation to impose with reference to the war. Of course, I know that machinery and railway material might have gone up somewhat in price on account of the war; but we must remember that this Government has over a million more in revenue than any Government ever had in Queensland, and they ought to be able to make the ledger balance.

The TREASURER: We have more than a million's worth of liabilities also.

Mr. GUNN: Well, you can make liabilities easily enough. You can spend money in all sorts of extravagant ways.

The TREASURER: We could avoid the liabilities by starving the public services.

Mr. GUNN: What I want is to avoid the liabilities by saving. We are told that in a time of war we should not waste, we should save. Well, our Government comes along and wastes more.

The TREASURER: Is it a waste of money to relieve the hospitals?

Mr. GUNN: No, it is not a waste of money to subsidise the hospitals; it is a right thing to do; and also to see that the railway employees get proper wages for what they do. But it is not a right thing, for instance, to spend £10,000 or £12,000 on sanitary conveniences for this House, that under the old Tory regime for the last forty-two years have been quite good enough. You see that sort of thing right through the management of this Government from beginning to end. There are motor-cars right and left, increases everywhere, joy-trips down on the "Lucinda." We cut out the "flummery," as it is called, at the opening ceremony of Parliament. That was to save the country extra expense. But no sooner had the Governor's deputy opened the House, than all the Labour party went down the river on an excursion on the "Lucinda." That is the way to save the money! It is "spoils to the victors"; not saving money at all but giving one another billets. (Government laughter.) Look at this Works Commission! That is another way of spending money; having a Works Commission to report on railways which they admit they have no money to build. And a political Works Commission at that! Surely to goodness, if it were going to be of any value it ought to be composed of people who understand what they are doing—professional men. The hon. member for Brisbane, some sessions ago, said that if only he was Commissioner for Railways, he could save half a million of money. Where is that half a million of money saved? The railways never were in such a deplorable condition as they are at the present time. We are losing money hand over fist with our railways. Our timber yards were supposed to be another way of saving money. They are losing money on them, and exporting all the timber out of Queensland to the Southern States for the making of fruit cases; and our farmers cannot buy fruit cases at all. I don't know how it is, but this has been the most extravagant Government we have ever had, and we are not getting value for our money. I quite agree with the Treasurer that it is necessary for him to square the accounts. He has made a mess of things; he is getting behind; and he has to tax the people to square his accounts. But whether he is doing it in the right or the wrong way is another question. I think he is wrong as far as the land tax

*Mr. Gunn.]*

is concerned. The idea of the Secretary for Public Instruction is that the land tax will make land cheaper. I admit it does make land cheaper; but it takes away the man's security and he cannot get the advance he could before from the bank. Also he said that it would make more land go under cultivation.

The TREASURER: Do you want dear land for the farmer?

Mr. GUNN: It has not forced more land under cultivation. Less land has been under cultivation since the land tax was brought into force than before—far less. Then, again, the Minister said it would make food cheaper. Ever since it has come into force there has been dearer food every year. This has had something to do with the land tax, because people are going off the freehold land and are going into grazing and other industries, and are neglecting the land. This land tax is falling on the shoulders of the freeholders; it is not falling on those of the leaseholders. This land tax, in practice, has raised the cost of living and not decreased it. There is also the idea that there is no harm in taxing the big man. It is all very well, as long as it is "the other fellow" that is to be taxed. An hon. gentleman in the Upper House—Mr. Crampton—the other night, speaking with reference to this taxation on the Address in Reply, said that the increased taxation was a very good thing so long as it got the profiteer; but when it came to the "Daily Standard," he said it was wrong altogether—that they had, or were likely to make, profits since the war, and he could not see why the war profits tax should apply to them. It was very wrong for it to apply to the "Daily Standard," but it was quite right for it to apply to everybody else. That is the way all round—"might is right." As long as they are in power, and have the power, they will make "the other fellow" pay. It is "spoils to the victors," every time. There is another very pernicious principle of this taxation, and that is in not being allowed to deduct whatever we pay to the Federal Government by way of income tax. I suppose that "income tax" will also include the war profits tax. Now, the war profits tax this year means 75 per cent. of all your profits.

The TREASURER: No, it does not mean 75 per cent. of all your profits.

Mr. GUNN: Well, 75 per cent. of the war profit. Now, that acts very unfairly, in some instances. Take a man who has had three bad years before the war. He is a grazing farmer. He has no income. Then, on account of good seasons—he has borrowed money in the meantime—he is making a profit. That is called "war profit," and 75 per cent. of it has to be taken from him.

The TREASURER: We are not responsible for that.

Mr. GUNN: You are responsible for this part of it, that he is not allowed it as a deduction from his State income tax.

The TREASURER: Your friends in the Federal Parliament are responsible for it.

Mr. GUNN: Our friend in the Federal Parliament who introduced it was Mr. Higgs, and I always thought that he was a Labour man.

The TREASURER: He did not introduce that.

[Mr. Gunn.]

Mr. GUNN: I beg your pardon, I have it in "Hansard." I was going to point out how unfair it is—some of this taxation. A grazing farmer who had good seasons three years before the war would make a big profit and would have no taxation at all under the war profits tax, and it does not affect him when he comes to the deduction under the State income tax. I do not object to the railway men or any other public

[7 p.m.] servants getting a fair rate of pay. I do not object to expenditure for the support of State children or for any other humanitarian purpose; but I do object to waste, and I think there has been a great deal of waste in many directions since this Government came into power. If they were more careful, there would be no occasion for this increased taxation. Increased taxation is all very well, but, after all, it is going to come back on the wage-earner. What is the good of high wages being awarded by the Arbitration Court if there is no work for people to do, and if you are going to drive capital out of the country, as I think the Government are doing? That will be the result. There will be plenty of men looking for work and nothing for them to do. Wages will be high, but what is the good of high wages if you cannot get them? I predict that that is what is going to happen in the future, and it will be the end of this Government when that comes about.

Mr. KIRWAN: It has already happened in Victoria, where there is no Labour Government.

Mr. ROBERTS (*East Toowoomba*): The Secretary for Public Instruction accused hon. members on this side this afternoon of hindering recruiting. Now, we on this side do not object to taxation in connection with carrying on the war. The point is, that war taxation is entirely a matter for the Commonwealth Government, and we know that they have foreshadowed, and have already imposed, taxation which will fall very heavily upon the people of Australia. The Treasurer says that under these proposals he expects to get the small amount of £420,000; but we must not forget that this Government have already imposed taxation each year since they came into office. During the debate it has been pointed out that that additional taxation amounts to between £500,000 and £600,000 per annum, and now on the top of that the Treasurer proposes to levy another £420,000. It is on those grounds that we on this side object to this extra taxation. In 1915 the taxation in Queensland amounted to £1 8s. 2d. per head of the population. Under the Ryan Government it was increased to £2 2s. 9d. per head, and this foreshadowed taxation will increase it to £3 per head. I think that, under those circumstances, there is every justification for the statement made by the leader of the Opposition that we are going to cripple Queensland in competition with the other States of the Commonwealth. The taxation will be sufficient to keep people away from this State, and it will handicap the people already here, as they will not have the necessary money to spend in developmental work.

The TREASURER: This is the only State that is not losing population.

Mr. ROBERTS: We have certainly lost population, and I think that, under the circumstances, the Opposition are justified in asking the Government to reconsider their

taxation proposals. I want to foreshadow now an amendment I intend to move in Committee with a view to doing something to assist recruiting. If there is anything in the statement of the Secretary for Public Instruction this afternoon, I propose to give him an opportunity at a later stage of proving his belief in his statement. I intend to move an amendment allowing a deduction of £100 in taxation to every taxpayer who has a son on active service. I think that will be a justifiable deduction. There are numbers of families in Queensland which have not done their share in the matter of recruiting, and they are reaping an advantage in respect of production. On the other hand, there are numbers of families which are suffering in regard to production through the absence at the front of their sons.

Mr. CORSER (*Burnett*): Hon. members on this side who have preceded me have used arguments which should convince any reasonable man in this Chamber. I am quite with them in their contention that increased taxation, in the shape of a super tax, should be reserved for war purposes. We know that the Federal Government will require more money for the conduct of the war; they will require more loans, and they will require to find the interest on those loans. It is, therefore, only fair and reasonable to leave that field of taxation to the Commonwealth. There is really no excuse for the State Government imposing this additional taxation. There is no need for increased taxation, because we find in all the public departments a considerable leakage and wastage in expenditure that is not warranted. We find work being done for all departments for which it is not right to ask the taxpayers to pay. Party propaganda work is being done by every department, and that work is being paid for, not by the party opposite, but by the taxpayers. Never in the history of Queensland, nor, indeed, of any State in Australia, has such a state of things been seen. One instance of this party propaganda work is to be found in the publication known as "Socialism at Work."

Mr. KIRWAN: We get better value than you did.

Mr. CORSER: Perhaps you do, but you do not pay for it. The taxpayer has to find the money. In answer to a question, the head of the department concerned admitted that £543 had been paid for that bit of party propaganda, which was distributed throughout Australia, and particularly throughout Queensland, in the interests of the Labour party.

A GOVERNMENT MEMBER: A very useful book.

Mr. CORSER: A very useful book to the Government party. No doubt it is cheap from their point of view, but it is nasty from the point of view of the taxpayers.

THE SECRETARY FOR PUBLIC INSTRUCTION: All the other States have got publicity offices far bigger than we have.

Mr. MACARTNEY: You do it for political purposes.

THE SECRETARY FOR PUBLIC INSTRUCTION: No.

Mr. CORSER: I am sure that hon. members do use their publicity secretaries for political purposes. During last election the whole of their advertising—the whole of that

campaign—was organised by Government officials. The whole of that work was done by Mr. Watson during the time he was paid to attend to the business of the country. He was paid as advertising manager, and he was instructed by the Government, or by their officials outside, to do work and carry on the whole of their poster campaign during the time that the taxpayers were paying for his services. I do not think that that is a fair state of things. Without making any reference to any individual, you can go to the various departments and see the numbers of private secretaries—and gentlemen who have no titles at all—following not only the Premier, but other Ministers. As the Premier of South Australia pointed out, the Premier has traveling with him quite a number of servants who are paid for by the State. No other Premier in Australia has ever had it.

Mr. KIRWAN: How many went home with "Billy" Hughes?

Mr. O'SULLIVAN: How many went home with Mr. Denham?

Mr. CORSER: About half as many as went with Mr. Ryan. But what I am referring to are the public servants who are paid by the taxpayers of the country to carry on the business, supposedly, of the Chief Secretary's Office; whereas we know it is to carry on a political propaganda in the interests of the Labour party. A secretary asks the Premier questions, and the answers are sent all over Australia.

THE SECRETARY FOR PUBLIC INSTRUCTION: He has two officers. That is to ruin Queensland.

Mr. CORSER: He has more than two officers. The trouble is that the money spent in working these offices, the telegrams sent, and other things, is all in the interests of the Government. You find before the election the Premier going round at the country's expense to fulfil long-promised visits to different parts of Queensland—in special trains, with his cook's shop, his travelling bedsteads, and his bathroom—travelling at the country's expense. He probably answers a question from his own publicity man, and it is heralded right through the State.

THE SECRETARY FOR PUBLIC INSTRUCTION: That is the same old card which has been used every time.

Mr. CORSER: I am glad you have used it.

THE SECRETARY FOR PUBLIC INSTRUCTION: I have not used it.

THE DEPUTY SPEAKER: Order!

Mr. CORSER: It does not matter what lines you get on you see the same wilful extravagance. The people at one place asked the Premier for a railway, and quite justly. How did he answer them? He told them he would watch their votes on election day, and by their votes he would see whether or not they wanted that railway. (Government dissent.) We are asked to make available large sums of money by taxation. Are the people of Queensland receiving the benefit of the previous taxation? I do not think they are. In my district only last week, a country community wanted to run a show in the interests of the State, and, after increased taxation and increased freights and fares have been the order of the day, they are asked by the Railway Department to guarantee their trains to the show and dole out £185 for the trains to the show.

Mr. SMITH: That has always been the practice with regard to special trains.

*Mr. Corser.]*

Mr. CORSER: If it is a wet day they will have to pay for the train. It has never been in vogue before.

Hon. W. N. GILLIES: It always has been in force.

Mr. CORSER: Never to this extent. Another thing which has never been in vogue is this: if one of these trains shows a profit of £200, and another shows a loss of £100, they have to find the £100.

Hon. W. N. GILLIES: That system was instituted by the Liberal party.

Mr. CORSER: That is the thing we are coming to.

The SECRETARY FOR PUBLIC INSTRUCTION: There has never been any alteration.

Mr. CORSER: I will show you where there is an alteration—an exception to the rule. The children in my district were provided at the community's expense with a trip to Pialba—the people had to guarantee £70.

A GOVERNMENT MEMBER: It is the same way every time.

Mr. CORSER: They had to pay for the whole of the tickets as well, and because a staff station was provided somewhere in between times the department held this £70 for three months until they got another £3 that was not accounted for. This expense is put on the people who are finding the taxation. The past taxation they have paid should be sufficient for the proper government of the country. The only exception is where an Australian Workers' Union or a workers' political organisation holds a trip to the seaside at Bundaberg—

The DEPUTY SPEAKER: Order! The hon. member is not in order.

Mr. CORSER: If there is any loss we have to increase taxation. It may be that these organisations have secured concessions in their interest and the deficiency has to be made up.

Mr. WHITFORD: I have run an excursion, and I say the deficiencies have to be made up by the organisation.

Mr. CORSER: The exception is that where they do exceed it they get a trip.

Mr. WHITFORD: We give a guarantee.

Mr. CORSER: We disagree with the financial propositions of the Government, mainly because they are exploiting a field which should be reserved for Federal taxation for war purposes, and we cannot see that the retrospective provisions are fair or just. It could not be carried on in an ordinary business, or by a local authority, and why should it be forced on us by the Government? The reason is that the numbers are against us, due to the propaganda of misrepresentation, and that Queensland, as explained by the Treasurer, has not only maintained its population, but has on its rolls 33,000 more adults than there really are.

Mr. BEBBINGTON (*Drayton*): I think it is the duty of members on the Opposition side who represent the producers in farming districts to oppose the imposition of any fresh burdens on the people who provide Australia with foodstuffs, and also the exports which bring in the money to pay for the loans which Australia has had. If we do not do this we will have to send large amounts of gold to Great Britain to pay for the interest on our loans, and if we have to send gold out instead of produce, what is going to happen? Where is the money

[*Mr. Corser.*]

coming from to pay wages and to keep our businesses going? I contend that taxation should be so adjusted that producers will receive all the exemption possible. I refer to the working producers, and I say that everything in Queensland tends to reduce production. The present Government have imposed a land tax of 4½d. in the £1 on farms over a certain value. The people who supply the markets have to compete with New South Wales farmers who have not to pay any land tax, and the Government carry produce from New South Wales at about half the rates they carry Queensland produce. Are such things going to increase production in the State? We have been told what the State Produce Agency is going to do for the farmers.

The DEPUTY SPEAKER: Order!

Mr. BEBBINGTON: This agency is kept up by taxation. Taxation has to be levied to keep up State markets. The State Produce Agency was started with the taxpayers' money, and now we find that the taxpayers' money is being used to bring produce from other States to compete with the produce grown by our own farmers, and that our railways are being used to carry produce from other States at half the rates charged for produce grown in Queensland.

Mr. KIRWAN: Who fixed those rates?

Mr. BEBBINGTON: When those rates were fixed there was no land tax in Queensland, and I say that to use our railways in that way is not going to encourage production in Queensland. The position is one which should not be tolerated for a moment. It shows the trend of the legislation introduced by the present Government. Instead of being out to assist the producers, and thus enable them to meet the taxes imposed on them, the Government are out to destroy them utterly. The only legislation we get here is legislation which is for the benefit of the cities. Everything that this Government have done has been in the interests of the cities, and they have even gone the length of relieving Brisbane of the burden of maintaining its hospitals. The people here are not compelled to contribute one cent towards the upkeep of their hospitals.

The DEPUTY SPEAKER: Order!

Mr. BEBBINGTON: This is a question of taxation, but I bow to your ruling, Sir. If the Government had any idea of justice, they would pass a law purposely for Brisbane, and make the people support their hospitals. Why should we tax country people to maintain their hospitals, and then compel them to contribute to the support of the Brisbane Hospital? The whole position is intolerable, and the sooner the Governor dismisses Parliament the better it will be for the country.

Mr. PETRIE (*Toombul*): I should like to enter my protest against these taxation proposals of the Government. They seem to ignore the already heavy burdens that have been placed on the taxpayers of this State to meet the heavy war expenditure, and they seem absolutely to disregard the rights of the people by the way in which they disburse the finances of the State. The money collected from the taxpayers is not carefully disbursed. On the contrary, the Government have been extravagant in every particular. While I admit that as we have a deficit, it is necessary that some taxation

should be imposed to meet that deficit, still I think a lot of expenditure could have been avoided by the Government. They have been expending revenue by leaps and bounds, instead of practising economy. The result is that, though they have an ever-expanding revenue, their accounts show a deficit of about £420,000. It is easy for the Treasurer to deny that there is any foundation for the rumours regarding the extravagance in expenditure, but denial is not proof. Notwithstanding his statement that he has been careful of expenditure in all departments, and that he has economised where possible, I do not think the statement will hold water. At a time like the present, economy should be studied in every particular. A lot of laws have been passed which could very well have been left over until the war was ended, and a lot of expenditure could have been cut down. During the last election, and during the course of this debate, the statement has been made by members opposite that members of the Opposition would cut down wages, reduce the allowance for State children, and all that sort of thing, but members supporting the Government know that that is not a fact. We are just as much in sympathy with the children of the State and with our hospitals as are members on the Government side of the House, and we are just as much against reducing wages as they are. If the Arbitration Court has made an award we cannot go against that, and we do not wish to do so. At the same time, we say that a lot of expenditure could have been cut down without reducing wages. The Government have created new departments and new billets for men who have helped them politically, and that kind of thing will continue, and become worse until we have an independent Public Service Board. I do not intend to take up the time of the House—

GOVERNMENT MEMBERS: Hear, hear!

Mr. PETRIE: Hon. members opposite may say, "Hear, hear," and it is a pity some of them have not spoken on this question. However, they are not allowed to say very much because they have to bow to the wish of hon. members on the front Treasury Bench, so that they may get their legislation through. I am sorry that it has been necessary to impose this fresh taxation, when there are so many burdens cast upon the taxpayers, because it will not all fall on the capitalist, about whom we hear

[7.30 p.m.] so much from the other side.

When I look round the Chamber, I find that the capitalists are over there. We are the poor men and they are the capitalists. They are supposed to have all the regard for the working man, and all that sort of thing, but allow me to say that hon. members on this side of the House—although they do not brag so much about it—have just as much concern for the working man, and in many cases more concern, as hon. members opposite. What we want to see is that justice is done to every section of the community. We are not here to legislate for one particular class, and that class only. I believe that the workers, some years ago, were not treated properly, and it was necessary that legislation should be introduced to better the condition of the masses, but who introduced the legislation? Not the Labour Administration. When the late Liberal Government went out of office in 1914-15 they

did not leave a deficit behind them. They left a surplus and over £2,000,000 of loan money for the present Government to work on; and yet, with an expanding revenue every year since they came into power, the position is that, though they have received £1,000,000 more in revenue, they are still behind, and it is necessary for them to place further burdens on the people. What for? That is the cost Queensland has to pay for the luxuries of the present Government. It is decidedly unfair, and the people will have their eyes opened before the next elections.

Mr. SMITH: That is what you said three years ago.

Mr. PETRIE: Yes; and although we are less in numbers, when we look up the returns, we find that we received only 23,600 less votes than the big majority on the other side. My only purpose in rising to-night was to emphatically enter my protest against these taxation proposals, and I hope the Treasurer will listen to the suggestions that have been made on this side of the House to-night. There is no doubt that in the Treasurer the Government have got a capable man. I am not going to say a word against the Treasurer personally; but it is not a question of what this Government is willing to do. I am sure they have to do many things that they would not do if it were not for the pressure brought to bear on them from outside. At this time, when the Empire is trembling in the balance, it is for all of us, not to be wrangling with one another, but to try and economise as far as possible, and do all we can to assist in winning the war. If we did something in that direction, we would be doing far more good than we have been doing on many occasions here during the last few years.

Question—That the resolutions be agreed to—put and passed.

A Bill was brought in founded on these resolutions.

#### LAND TAX ACT AMENDMENT BILL.

##### FIRST READING.

On the motion of the TREASURER, this Bill was read a first time, and the second reading made an Order of the Day for tomorrow.

#### INCOME TAX ACT AMENDMENT BILL.

##### FIRST READING.

On the motion of the TREASURER, this Bill was read a first time, and the second reading made an Order of the Day for tomorrow.

#### WAYS AND MEANS.

##### RESUMPTION OF COMMITTEE.

The DEPUTY SPEAKER: I call upon Mr. Smith, the hon. member for Mackay, to take the chair.

Mr. SMITH thereupon took the chair.

##### STAMP DUTIES.

Question—That the resolutions be agreed to—stated.

Mr. MACARTNEY: I have to thank the Assistant Minister for Justice for dividing

*Mr. Macartney.*

the resolutions into two, so that we are able to deal with the resolutions in relation to the succession duties separately. At the same time, I must express sympathy with the hon. gentleman on the fact that in his first speech in this Chamber as a Minister he should have to deal with so technical a matter as an amendment of the Stamp Act. I did not quite follow the remarks made by the Minister in introducing the resolutions. I did not gather whether the statement explained all the amendments that were proposed to be made in the stamp laws, or whether he was merely stating the difference between the resolutions last year and the resolutions this year; but on looking through the resolutions, it seems to me that some of the amendments which were secured in Committee during the passage of the Stamp Act Amendment Bill last year have been gone back on, and are not included in the resolutions before us. I think it would have been more convenient for the Committee if we had had pointed out to us separately the difference between the resolutions this year and the resolutions as they emanated from the Committee on the Bill of last year. We could then have dealt with the differences without dwelling too much, perhaps, on the matters that were dealt with last session. I quite realise that it may be said that the alterations that are made in the Stamp Act are such as affect "the other fellow," so to speak. There is a certain relief from duties, and there are certain increases in duties, in other directions, and, therefore, it may be remarked that the stamp laws are being altered so as to place the burden on "the other fellow." It seems to me that, notwithstanding the disclaimer which was made by the Minister that it is not so much a desire to get revenue as a desire to protect the revenue which is at the bottom of this Bill, that explanation does not quite cover the ground, because it seems to me that the increases that are proposed, and the alterations that are proposed, will result in bringing into the Treasury a considerable increase of revenue. Now, there are some of these amendments which, to my mind, are likely to affect the enterprise of the State, and I propose to spend a few minutes in dealing with one or two items that point in that direction.

I take it that the general matter of receipts will, perhaps, be dealt with more fully by some of the commercial members of the Chamber, and I therefore do not propose to say anything thereon. But I notice that while certain exemption is given to Government transactions, contracts entered into with the Government, the like treatment is not being extended to the local authorities. Now, I am of opinion that the local authorities are doing equally responsible work with the Government of the State in connection with the opening up and development of Queensland, and in providing those initial improvements that are necessary with the increase of development. No one would imagine from the city of Brisbane, from the surroundings of Brisbane, that we have got all that civilisation calls for yet; we are only in the establishment stage yet, and the local authorities are invested with the responsibility of carrying those improvements out, and, under the circumstances, I think the Government might very well, under the stamp schedules, extend to the local authorities exemption from stamp duty on contracts

[*Mr. Macartney.*

as well as exemption from duty on receipts for rates, charges for services and other moneys which the local authorities receive during the course of their financial year. While I am dealing with the subject of exemptions, I notice that exemption from receipt duty is being made in the case of charitable institutions and the like, and I think that the exemption should also be extended to hospitals and so on. I do not know whether, in dealing with the question of local authorities, I mentioned the question of debentures, but if I did not, I should like to say that I think that local authorities who are issuing debentures in respect of money obtained for carrying on their services should also be entitled to issue their debentures free of stamp duty, and during the course of dealing with these resolutions I shall endeavour to obtain the Treasurer's assent to the minor exemptions to which I have referred.

I notice that an attempt is to be made under these propositions to collect duties which are ordinarily collected upon documents connected with transactions, whether the documents do or do not exist. Now, that is going beyond the ordinary and original intention of the Stamp Act. I can quite understand that where evasion of the duty which is actually provided by Act of Parliament is likely, precautions might be provided—such as is actually provided in the case of a contract containing an equitable assignment of the property purchased. There might possibly be some excuse for that section, or for some section like it, but to say that in a transaction where there is no conveyance, a conveyance is to be deemed to be executed and stamp duty collected upon it, is making a use of the Stamp Act that, I think, ought not to be made of it. If a person is satisfied to take a property by possession or without conveyance, surely he ought to be allowed to take the risk without being compelled to pay duty on a document which he does not require! The Bill, in many instances, is not only going to assess the duty on a document which is not actually in existence, but it is going to fasten it on to some other portion of the transaction. I say that that is not the principle of a Stamp Act, but it is a fair indication of an intention on the part of the Government to collect a new duty. The stamp officials may feel disposed to argue that it is an attempt at evasion of the duty, but since it is a duty on a document that the law seeks, I can hardly see where an evasion arises if there be no such document. The man says, "I will be content to do without a receipt or a conveyance; I will be content to remain in possession as an occupant; I do not want a transfer"—in such a case I do not see how he could be called upon to pay conveyance duty. I am referring now to the proposition to make a contract or agreement, also a conveyance, not only for the purpose of getting the half-crown or five shillings, whatever it is to be, on the agreement, but also to collect conveyance duty at the rate of 15s. per £100. Take the case of a contract to buy a house. A man agrees to buy a house, and pays a five pound note down, and agrees to pay the rest as rent. It may take five, or ten, or even fifteen or twenty years, and yet he is called upon, on the signing of the contract for the purchase of the house, to pay duty on the conveyance that cannot take place—even if he takes a conveyance at all—for

something like five, ten, fifteen, or twenty years, as the case may be. And when we know how difficult people find it to pay up the few pounds to make the purchase, it shows that the Bill is going to cause a considerable hardship to people who have not very much cash to put down. I say, if a duty is to be levied on the conveyance, levy it on the conveyance.

Now, we also find that conveyance duty is to be paid on an agreement which is ordinarily entered into before a company is formed. A man, say, comes down from the North-west, or some of the mining districts of Queensland. He has a zinc proposition, perhaps, or a coal proposition—at any rate, a mining proposition of some kind or other. He wants to get some person who has the capital to give him the initial funds to start a company to get the property tested sufficiently, and subsequently to get it worked, if it turns out to be worth the money he thinks it is. He has considerable difficulty in getting people, who do not know very much about it, perhaps, to put down a considerable amount of money in cash—it is a pure speculation after all. And I say that if the person to whom he goes is to be called upon to find a very considerable amount of stamp duty at the start on the contract on the assumption that the property is to be successful, it is going to stand very much in the way of a man who is anxious to get capital to start an enterprise which he thinks is worth the candle. And I say that it is in this way that the proposals of the Government from time to time tend to hinder and stop enterprise. I know that is so by reason of the nature of the transaction. A man says, "I have got a property. I consider it is worth £100,000. You may not consider it is sufficiently developed to make it worth that, but after you have spent £3,000 or £5,000 on it, you may come to the conclusion to which I have come and be prepared to assist me on fair terms with the money which is necessary." In the meantime, while investigations are being proceeded with, they start to form a company, which is not a very expensive thing in itself; but, when it comes to making the initial contract which defines the rights of the parties, the stamp duty may come to a very considerable sum of money. I say if you are going to put a block in the way of transactions of that kind, you are going to hinder—or assist in the hindering of—enterprise in Queensland. I say that every line of these financial proposals of the Government should be closely scrutinised from the point of view of the effect they are going to have on the commerce and on the enterprise of the State. If we find that we are putting a man in a worse position in Queensland than he is elsewhere, it is going to be a permanent damage to the State. I can quite realise the desire of the officials to rake in the duties for revenue.

The TREASURER: Why should they want to do it?

Mr. MACARTNEY: After a man has put some years in the Stamp Office and in the Succession Duties Office, he sees "this" has not been done and "that" has not been done; and, in his desire to have a perfect money-collecting machine, he is inclined to lose sight of the economic effect. It seems to me that if they devote their time to recovering those duties that are actually laid

down and passed by Parliament they will have done their duty, and will have done all the duty that Parliament wants, without, by indirect ways, compelling the execution of documents. That is hardly the way to advance the business life of the State—to compel the creation of documents if, according to the nature of the transactions, they are not wanted at all.

Now, I realise that the intention, to some extent, of this legislation, is to get at the pastoralists; and just at the present moment the pastoralist is doing exceedingly well. I don't suppose, just at the moment, it is going to hurt the pastoralist very much, and, it may be, before many years are over, the Government will find out, in common with the pastoralists, that things will change and the imposition of a duty such as this on the transactions in stations may tend very much to the injury of Queensland, to the production of Queensland, and to its settlement.

The HOME SECRETARY: If they had no transaction they would have no duty to pay.

Mr. MACARTNEY: I don't know that these duties will stand altogether in the way of transactions of that kind. What will now, perhaps, not fall heavily on a particular class of the community, in a year or two may fall most heavily, and stand in the way of enterprise, stand in the way of business, stand in the way of production. Surely it is not necessary to introduce legislation which is purely of a punitive character, simply because a man happens to be doing fairly well for the moment?

The HOME SECRETARY: Different times, different methods.

Mr. MACARTNEY: If it is a proper principle to have a duty on conveyances, if there are no conveyances why should there be a duty? If the Government can see that the duty on conveyances is no good to them, why not come straight out into the open and say, "We want a contract duty, and we are going to have so much contract duty?" Then it would be discussed from that point of view. But to still maintain the fiction of collecting duty on conveyances and at the same time don't collect a duty on conveyance but try to collect the duty on something else, surely that is an indirect way of getting at the same thing. I can hardly understand the logic which suggests the introduction of duties or legislation in this form. However, I take it we can discuss these things in detail as the items will come before the Committee on the Bill. In the meantime, I don't propose to limit the general discussion that may take place just now, by moving an amendment; but after a time I suggest that the few matters to which I have referred should be dealt with in the way of a few simple amendments.

Mr. VOWLES: I notice that these resolutions, as now before the Committee, contain a large number of amendments suggested by the Opposition during the last time these proposals were before the House. I note that particularly in connection with instruments and apprenticeship, and also in regard to trades and professions, the Government have come to the way of thinking of the Opposition. Taking the alterations as a body, it strikes me that, although they are novel innovations, many of them are very

*Mr. Vowles.]*



drastic, and they are very harsh in their incidence, and will fall very heavily on the taxpayer. The leader of the Opposition has pointed out where a man is bound, whether he executes a receipt or not, now to pay receipt duty according to the value of the transaction. That is, you are practically asked to stamp a non-existent document. Under the old law—of course, it has been altered, and made less harsh than it was before—it was only the written document that was taxable. Now we have it that every transaction, whether in writing or not, is liable to duty. It says, "Upon any receipt given for or on the payment of money"—whether a document exists or not, duty must be paid. Now, it is hard enough in country districts, even where written documents exist, to have to find stamp duty; it is not always convenient. Every transaction where the payment of money takes place—any transaction whatsoever—it is necessary now that it should be stamped and cancelled; there must be the cancellation of the stamp of a certain value. I say that that is ridiculous in the extreme. Taxation under our Stamp Act is a taxation of documents; now it is a taxation of transactions. I say that that is entirely wrong. The same principle is carried on as far as agreements are concerned—agreements in writing. Now, these resolutions start off with a rate of duty down to 6d., instead of a fixed rate of 2s. 6d., as previously; on minor agreements of £20 the rate is 6d.; but there is a progressive scale up to 5s. Now, it is a very poor transaction in writing that is not worth over £100. The rate of duty is double, so far as that transaction is concerned. Later on, you will find—

"Any instrument, contract, or agreement—

(a) For the sale of any equitable estate or interest in any property whatsoever; or

(b) For the sale of any estate or interest in any property, except—"

is subject to an ad valorem duty as soon as the contract is signed. That is an innovation. Under the old conditions the rate of duty was 2s. 6d., an ad valorem of three-fourths to be payable when the transaction was completed. In addition to that, where it is possible for a man to hand over his agreement, and it is put in either once or twice during the course of the purchase, it has always been allowed that the man who paid stamp duty was the man who registered his document; and the department was satisfied, provided ad valorem duty was paid on the highest advance, or the highest transaction. Now, every person who handles an agreement, whether by assignment or otherwise, will have to pay the ad valorem duty on his transaction, just as if that transaction was an agreement. That is simply a Shylock method of raising revenue. Surely it was never intended that money should be taken out of the pockets of people in that way. I find here a new duty imposed. That is with respect to bonds which are the only or principal or primary security for the payment or repayment of money. That was not dutiable before. Now the Government are asking that duty on a mortgage shall be payable at the rate of 5s. per £100. It would be rather interesting to know whether duty will be payable on transactions of that class in which the State Insurance

Office is one of the parties, or whether that department will be placed in a better position than companies carrying on the same class of business. I propose to ask the Minister to explain that point later on. Then it is proposed that duty shall be charged on any mortgage, bond, debenture, or covenant, "being a collateral, or auxiliary, or additional, or substituted security." Hitherto such documents have always been marked as collateral security to an existing instrument, and have been exempt from duty. Under these proposals those documents will have to bear the same duty as the original documents. That is an anomaly. With regard to conveyance on transfers of marketable securities and land, the present practice, when a property is sold, is for the value of the duty to be assessed on the value of the land and improvements, and stock and other movables on the property are not taken into consideration. Under this proposal, whether the stock that is sold in conjunction with the property is on the land at the date of the sale, or whether it is elsewhere, the Government say that the vendor shall pay ad valorem duty on the stock and any other movables that may be included in the sale. In connection with the purchase of the goodwill of a hotel or boarding-house, or a similar class of business, the rate of duty that has always been charged hitherto has only been upon the amount of the goodwill, the amount paid for furniture and fittings and so on, which were paid for in cash, but where the goods were handed over, duty was not payable on them. Under this provision the whole of that will be taxed at the rate of 15s. per £100. That is an innovation. When duties are going to be collected on transactions like those I have mentioned, surely the estimated revenue which the Treasurer referred to must be a minimum. Then I come to the question of powers of attorney. No duty is payable at present upon collateral documents, but now it is proposed that they shall pay the same duty as the originals. Coming now to settlements, we find the harshest duties and the most stringent alterations in the existing condition of things are proposed. Under our present Succession Duties Act, if a person makes a gift of property and dies within twelve months, the gift becomes subject to succession duty, just the same as if it had been left under a will. It is not to bear the proportion to the value of the whole property, but is to be assessed upon the capital value of the whole of the deceased's estate, that property included. That is pretty harsh in itself. But, instead of charging duty as heretofore on these transactions at the nominal sum of 10s. per £100—to my mind, that was too small, and I have always advocated the payment of the same duty as was payable on property of the same value changing hands in a cash transaction—the duty is now to be raised from 10s. per £100 to a minimum of  $\frac{1}{2}$  per cent. per £100 for all gifts not exceeding £1,000, and rising to 5 per cent. in the case of a gift of the value of £9,000. The result will be that the duty on a gift worth £9,000 will now be £450, as against 10s. That will apply not only to gifts such as I have alluded to, but to all other instruments transferring or purporting to transfer property absolutely. If we look into other parts of the Government's taxation proposals, it will be seen that it is proposed to extend the time of which I have spoken from twelve months to three years. That is to say, if a

[Mr Vowles.

person dies one day under three years after he has made a gift, that property will be taxable at the highest rate, as a portion of the estate. It is not as if a man were making over his property to his wife to defraud his creditors, but it is simply a case of a man making a gift to her so that she will be provided for. A man may be in the best of health at the time he makes the gift, and no man can say what is going to happen in three years. If a man after making such a gift should have the misfortune to die within three years, the Government will exact their "pound of flesh." I submit that this is not the time to inflict an imposition of this kind upon the public. Ordinary mercantile transactions should be taxed, and duty charged upon them on an equitable basis—a basis such as exists in other parts of the Commonwealth; but, if we are going to have these harsh provisions, they are going to retard progress. Certainly, they are not going to stimulate production or encourage people to come here. If a man has, say, £9 000 invested in war bonds, and he wants to give them to his wife, all that he will have to do to save paying the £450, which he will be required to pay under these proposals, will be to go to an adjoining State and make the gift.

Mr. KIRWAN: That is cheap advice.

Mr. VOWLES: Well, is it not simple? He has only to take away his cash, and you cannot control him. He will still be amenable to the laws of the Commonwealth, but he will cease to be a citizen of Queensland. He takes up his domicile in some of the other States and evades the duty. But the poor unfortunate individual who has his capital invested in land and other directions, and cannot move it, has to subject himself, involuntarily, to these conditions, and pay the piper whether he likes it or not. Any right thinking man must realise that if we are going to place the public of Queensland in that position, we are going to induce them to take their money away from here. There is a limitation on profits. Every administrative act of the Government in every direction is to retard progress, to penalise production, and kill capital as far as they possibly can. Now, as a last attempt, they are going to drag more and more duties out of the people, at a time when calls are being made on them in other directions of a more important nature than having to bolster up a squandering Government, as we are doing now.

I sincerely trust that when the amendments come before the Committee, the Treasurer will take into consideration the needs of the people, and the fact that taxation is looming in other directions, and that we should be making this State attractive, and not unattractive as we are doing now. How can we expect people to come here after the war—when we hope there will be an influx of immigration to the Commonwealth—if we are going to have all this harassing taxation imposed, which does not exist in other places? It is altogether wrong. If we are going to submit to this sort of thing, we are not acting in the best interests of Queensland.

Mr. MACARTNEY: I desire to move, in clause 1, subclause (2), after the word "Government," the insertion of the words, "or any local authority." The subclause comes under the list of exemptions, and reads as follows:—

"Agreement made between the Government and parties tendering for the

performance of work and labour or the supply of materials used by the Government."

The clause increases the agreement duty to 5s., which has hitherto been 2s. 6d. It is a matter of considerable importance to the local authorities, who are entitled to as much consideration as the Government departments are in this respect.

HON. W. N. GILLES: I think the leader of the Opposition would be well advised to reserve any amendments till the Bill is brought in. I do not propose to accept any amendment of the resolutions at this juncture.

Mr. MACARTNEY: We are voting the money now. If we do not raise the objection now we may lose the opportunity.

HON. W. H. BARNES: I am surprised to hear the Minister in charge say that he is not prepared to consider this matter. After all, the local authorities are only a portion of the Government of Queensland, the marked difference being that they are gentlemen, with the exception of the chairmen, who give their time without any recompense or regard.

Mr. F. A. COOPER: There is another difference—the matter of the franchise.

HON. W. H. BARNES: We are not discussing that just now. I should be ruled out of order if I attempted to discuss the matter along those lines. The fact remains that the local authorities are doing splendid work for the Government of the country, and I am justified in saying that each succeeding year means that they are having added fresh responsibilities. There has been a disposition on the part of Governments to hand over the control of certain functions to local authorities, and I certainly think it is a fair thing that they should be put on the same footing as what you might call the larger Government estate. There is surely no one here who would doubt the splendid work the local authorities are doing. Sometimes the members of local authorities are considered as being parties to be kicked.

The HOME SECRETARY: I would like to get some assistance from them. I cannot get much out of them.

HON. W. H. BARNES: I am sure the hon. gentleman is always willing to make use of them if he can, and that when they come down for their annual conference, he will talk very sweetly to them. (Laughter.) I hope the Minister will accept the amendment of the leader of the Opposition.

Mr. BEBBINGTON (*Drayton*): With regard to shire councils, the most of their work is done on small contracts, instead of by day labour, as is the case mostly in municipalities. I do not think that the Government would wish to place further burdens on the local authorities in this respect. This would amount to a very big additional impost. The local authorities are under a great expense in making and repairing roads in country districts. At the present time, the taxes in shire council areas are practically getting unbearable. A neighbour of mine was called upon to pay £13 a day or two ago, and I know that he does not earn sufficient to enable him to pay it. People have to take the money to pay rates and taxes that should go to clothe their families. Hon. members may laugh, but that often happens.

Mr. ROBERTS: The Government are not sympathetic.

*Mr. Bebbington.*]

Mr. BEBBINGTON: I can quite understand the Government are not sympathetic, and even if a farmer had to take the children's clothes to pay the taxes they would not trouble.

The TEMPORARY CHAIRMAN: Order!

Mr. BEBBINGTON: It is our duty to see that no additional taxation is imposed on local authorities, and I will support the amendment.

Amendment (*Mr. Macartney's*) put and negatived.

HON. W. H. BARNES: I move that after subclause (a), paragraph V., the following new clause be inserted—

“All conveyances or transfers of land to any local authority for public purposes.”

This is in keeping with the amendment proposed by the leader of the Opposition, and the arguments I used when speaking to that amendment apply equally to this amendment. I do not wish to detain the Committee unnecessarily, and shall therefore content myself with simply moving the amendment, which, I think, should appeal to the Committee.

Mr. SWAYNE: I take it that the object of this amendment is to relieve in some small way the burden placed on local authorities. When considering any question of this kind in connection with local authorities, we should bear in mind the heavy duties that are imposed on them. Every member representing a country district knows how heavy have been the charges placed on local authorities lately in connection with diseases under the Health Act. All sorts of charges which at one time were borne by the central Government are now paid by the local authorities. For some time past there has been an agitation in favour of getting the Government to undertake the maintenance of main roads which are used by the whole community, and not simply by the people who live in the locality. People passing through a shire or municipality use those roads, and yet the local people have to maintain them. Councillors receive no assistance from the Government in carrying out their duties. Over and over again they have asked for railway passes to travel over the railway when they are performing their duties as councillors, but even that small concession has been denied them. The central Government are exempt from payment of stamp duty, and I think it is quite a fair thing to ask that the transactions of local authorities as being part of the Government of the country should also be exempt from stamp duty. I trust that the Committee will carry the amendment.

Mr. VOWLES: I desire to support the amendment. When land is purchased by a local authority, in nearly every instance it is purchased in the public interest. It is not purchased for their own private purposes, and not so much for local purposes as for general public purposes. Generally the land is purchased for roads. In the country exchanges sometimes take place. Sometimes a new road is required, on account of floods and washaways having rendered the existing road impassable, and the cost of repair is out of the question. In such a case the local authority has to buy an area of land for the purpose of making a new road, and once they get land for road purposes it is dedicated to the Crown, and does not remain the property of the local

[*Mr. Bebbington.*]

authority, but becomes a Crown road. Under those circumstances the local authority is acting in the public interest, and performing a duty which should really fall on the general public or the Government, and it is unreasonable that the local authority should be compelled to pay stamp duty on the transaction. I trust the Minister in charge of the Bill will see his way to accept the amendment.

HON. W. N. GILLIES: It is surprising the great amount of sympathy that is being expressed by members opposite with local authorities. We are simply re-enacting what is contained in the old Act.

Mr. VOWLES: Why shouldn't we improve it?

HON. W. N. GILLIES: We are improving it. The local authorities are just as loyal as the rest of the people, and when we want revenue they are not anxious to evade their obligations. If the Opposition are so anxious to assist local authorities, they should have amended the Act, which was passed by a Liberal Government twenty-four years ago.

HON. W. H. BARNES: Do not forget that at one time the local authorities got an endowment.

HON. W. N. GILLIES: It is a great many years since the endowment was cut out, and it was cut out by the Liberal party. I do not intend to accept the amendment, because if we go on accepting amendments of this description it will seriously affect the revenue.

Mr. ROBERTS: I take it this is not so much a matter of loyalty as it is a matter of whether the local authorities want relief from taxation. I have in my mind a letter from the Toowoomba City Council.

[3.30 p.m.] That council is well known to members on the front Treasury bench, and I know that they will recognise that some of those men are anxious to do something for the city of Toowoomba. They state as follows:—

“As a new Stamp Bill is before Parliament, I have the honour by direction to ask you to endeavour to exempt local authorities from taxation in the measure.”

HON. W. N. GILLIES: There is nothing unnatural about that desire.

Mr. ROBERTS: The Minister has questioned our desire to help them. I am pointing out that we are desirous of helping them because they have asked for assistance. The local authorities are anxious to get some relief, and evidently they have asked hon. members on this side of the House to suggest to the Government that they should receive some consideration in the matter. The argument set out by the hon. member for Bulimba is sufficiently convincing, and needs no further support.

HON. W. H. BARNES: I would like to point out that circumstances have changed absolutely during the past two or three years. What is the position of the Government themselves, according to the statement that has been made by the Treasurer? Have they not stated repeatedly that one of the reasons for increased taxation is due to the fact that wages have been raised? I am prepared to admit that wages have been raised, but the same argument applies to local authorities. Whilst awards have been brought in, due to increased cost of living, in various industries, so have they been brought in for local authorities, and every

local authority has to face the position of finding more money to run their institutions.

The HOME SECRETARY: Have not land values increased, too?

HON. W. H. BARNES: I am surprised at the hon. gentleman asking that question. It is quite certain that he is not in touch with what is going on. As a matter of fact, land values have fallen. Then, I wish to point out another factor. Take the local authority with which I am connected. We have in our area a considerable quantity of low-lying land, and we have felt that it would be a menace to the community to allow these low-lying lands to be sold for building purposes, and we have thought it wise for us to try and purchase properties like that and convert them into parks, for the purpose of preventing building on insanitary places, and yet you are going to penalise us for something the Government ought to help us in. I appeal to the Minister again, and point out how necessary it is to encourage rather than hinder this sort of thing. Take the very council at which I was present last night, when certain information was given with regard to town planning. Surely that is only another evidence that the Government ought, to enable the local authorities to work in consonance with them, to see that some of the present disabilities at present existing are taken out of the way. It appears to me that everything else is to be starved in order to make good the excesses of the Government in regard to their financial position.

Mr. CORSER: The Minister claims that because the local authorities received no special benefits twenty-four years ago, the amendment should not be accepted now. What we heard on the stump during election time was that this Government, if returned to power, was going to alter the state of affairs that existed twenty-four years ago. The hon. gentleman said the amendment should be cast aside because it was not in existence twenty-four years ago.

Hon. W. N. GILLIES: I showed your want of sincerity.

Mr. CORSER: As pointed out by the hon. member for Bulimba, twenty-four years ago the local authorities were receiving an endowment. The Government are seeking by this increased taxation to make available further funds, and they must remember that local authorities are faced with the very same difficulties, owing to the increased cost of everything, and that they are taxing themselves to the very maximum.

The TREASURER: They are not taxed to the maximum.

Mr. CORSER: The Treasurer had an instance to-day where the local authorities were taxed right up to the very maximum.

The TREASURER: No; they were taxed up to 5d. and 4d. in the £1, and the maximum was 1s.

Mr. CORSER: The Treasurer knows perfectly well that the local authorities in question are practically taxed up to the maximum, taking into consideration the rateable value that they have placed on the properties.

The TREASURER: One local authority last week waited on me for a loan, and they were only rated up to 1½d. in the £1.

Mr. CORSER: The instance I am talking about was given to-day, not last week.

The TREASURER: The Rawbelle Shire Council is only taxed up to 4d.

Mr. CORSER: One out of four, and in all instances they are straining every point to find means of increasing their revenue without placing on their ratepayers something which they cannot bear. At the present time they are taxed to a greater extent than it is possible for the people to pay; more in some instances than the value of their land for grazing or dairying purposes, and while they are seeking for relief in one way or another, we find the Government refuse an amendment to give them a certain amount of assistance, not by granting them anything, but by exempting them from the proposals for increased taxation. Why should the local governments be subject to this increased taxation, when the Government themselves admit the difficulties they are faced with?

The TREASURER: Your party put it on.

Mr. CORSER: Our party did not put on these increased taxes.

Hon. W. N. GILLIES: Your party did put them on.

Mr. CORSER: Yes, when the Government was endowing local authorities to a tremendous extent. The Home Secretary claims that land values have increased. That is quite contrary to the arguments of the hon. member's colleagues when they took the stump or the kerosene case at the elections. They claimed that their Government had reduced the value of land to enable the poor man to get a bit of earth, and now, in order to secure a little more taxation, a member of the front Treasury bench claims that by their action they have increased the value of land. Are we to have them contradicting themselves to suit the measure before the House at the time, and just to suit them as they go along? And they say one hour something quite different from what they said an hour previously. That is what we have had to-day—contradictions absolutely—and the hon. member knows perfectly well that if the Government have succeeded in anything it is in breaking down and losing to the State the value of the land. So the local authorities are faced with impossible conditions. In many cases we know that industries have been fostered, but they have gone to the wall because it is impossible for them to continue under existing conditions. They are represented at the various arbitration courts, and they pay the wages allowed quite willingly, and they continue to pay according to the increased valuations placed upon them. We know that within the reign of the present Home Secretary large areas of the Government's own reserves have been forced upon local authorities, and they are asked to tax their ratepayers in order to clear them of noxious weeds, so that the Minister by his own action is forcing local government bodies to impose more taxation to carry out his directions.

The HOME SECRETARY: For the benefit of the people.

Mr. CORSER: Is it to the benefit of the people to clear pear on Crown reserves?

The TEMPORARY CHAIRMAN: I would call the hon. member's attention to the fact that the amendment deals with conveyances and transfers of land, not with prickly-pear.

Mr. CORSER: I am pointing out that the Government do not see the advisability of clearing their own land, and they compel the local authorities to clear it.

The HOME SECRETARY: It is for the benefit of the people.

*Mr. Corser.]*

Mr. CORSER: If it is, why do you not clear the Crown allotment alongside?

The HOME SECRETARY: Are you prepared to pay tax on the allotment alongside it?

The TEMPORARY CHAIRMAN: Order!

Mr. CORSER: I admire you, Mr. Smith, for calling the Home Secretary to order. I am speaking of a municipality like Gayndah, where there are so many owners of land who have left the district and who cannot be found so that they may be compelled to clear the land. Transfers of that land will have to be taken. Are the local authorities to be taxed on all those transfers? The Minister must recognise that in some of the older towns of the State there are scores of allotments with no recognised owners, and litigation is pending, and it is impossible for us to move because we are tied up by all kinds of conditions, as leases have been issued to other persons for fourteen or, perhaps, twenty-one years. It means that special legislation will have to be passed, so that local authorities may become possessed of that land, or transfers will have to be made to them. Do you mean to say that where it is a question of clearing those lands and notices have to be given, it is a fair thing that the people should be taxed for those transfers, which are absolutely necessary for the government of the country, and which—recognising the position—the local authorities are prepared to accept to themselves or to the Crown? In the latter case, the Crown will not pay duty. It is going to be a big thing in local authorities similarly situated to the municipality of Gayndah, and I hope that the Minister will be sympathetic.

Hon. W. N. GILLIES: Let me inform the hon. member again that no alteration is suggested.

Mr. CORSER: An increase is suggested.

Hon. W. N. GILLIES: Not so far as the existing Act is concerned.

Mr. CORSER: So far as the existing conditions are concerned. The Minister wants to protect and exempt the Crown or the Government, but he is not prepared to exempt the local authorities, which have just as much right to exemption as the Government. These aldermen, these councillors, this great unpaid band who are carrying out the work of local government, have just as much right to consideration at the hands of the Government as the Treasury for the time being. They are faced with the same difficulties in connection with the increased cost of material and the difficulty of finding money as the Government, and I hope that the Minister will see his way to accept the amendment.

Mr. MORGAN: In his opening remarks in introducing the resolutions, the Minister stated that this particular Act was passed some twenty-four years ago, and remarked that members on both sides of the House would recognise that there must be numerous grounds for amendment. I quite admit that under the conditions existing to-day there are certainly grounds for amendment, and this is one of the cases where amendment might very well be accepted. Perhaps, owing to the fact that it has come from a member of the Opposition, the Minister might have received instructions not to accept it. That is the policy, unfortunately, followed by the Government during the last sessions—no matter how good an amendment might be, if it comes from the Opposition it must not be

accepted. We must not get any kudos for any amendments. I think that is a discreditable policy, and does away to a great extent with opinions that might be held by members on both sides of the House, so far as legislation is concerned. I understand that if land is purchased by the Commonwealth for public purposes, the transaction is not subject to this taxation. Local authorities are only a miniature Parliament. The "great unpaid Parliament," is an expression which has been used by the Home Secretary scores and scores of times. I believe he originated it.

The HOME SECRETARY: I believe in their being paid, too.

Mr. MORGAN: No doubt the hon. member does. It is a way of putting men into paid positions.

The HOME SECRETARY: You cannot get good work from men who are not paid.

Mr. MORGAN: I think that if I start discussing payment of local authorities I shall fall foul of the Chairman, and I do not want to do that. The moment land is purchased by local authorities, it belongs nominally to the Government, and yet, although it is for the benefit of the whole of the people of Queensland, they are going to make the local authorities pay this taxation. Portion of the land may be required for roads, or for a park in order to provide "lungs" for the people who live in the congested portions of cities or towns, but the very moment the local authorities propose to purchase it, they are taxed under this particular taxation. In my opinion, the Government should encourage local authorities to become possessed of land of that sort. The moment they do become possessed of a road or a reserve, it becomes the property of the Crown; and yet they are taxed. The land is not used for the benefit of the individual, but for the benefit of the people of Queensland—the travelling public, and anyone else who desires to use that particular land. I think the Minister would be well advised if he accepted this amendment. He must admit that, although the provisions we are working under were included in the Act twenty-four years ago, that is no reason why we should impose it after the lapse of twenty-four years. We are more enlightened now than we were in those days in these respects. Another thing we want to remember is, that twenty-four years ago, I understand, the local authority was receiving a grant of £2 for £1. After a few years, it was reduced to £1 for £1; then, after that had gone on for a few years, they received 10s. for every £1; and now they receive nothing at all. The local authorities who were receiving £2 for £1 twenty-four years ago could well afford to pay this taxation. The Minister must realise that we are moving this amendment, not for the purpose of stonewalling, but because it is a just and reasonable one.

Mr. TAYLOR (*Windsor*): As a member of a local authority, I would like to add my plea to that of other hon. members, to the Minister in charge of this Bill, if it is possible at all to give the same concession to local authorities as the Government have themselves. The Home Secretary interjected a few moments ago that improvements carried out in the way of the acquisition of these lands, and one thing and another, all tended to increase the valuation of the property

[Mr. Corser.]

within the town, city, or shire. Because there is an increased valuation upon a man's property by reason of improvements effected by the local authority, it does not mean that there is also the increased ability to pay. Because the shire raises the valuation on a man's property, it does not mean that it has put actually more cash into his pocket so that he can pay the necessary rates in order to maintain the city or town in which his land is situated.

The HOME SECRETARY: Have not you an increasing revenue in Windsor?

Mr. TAYLOR: Yes; and we could do with a bigger increase. But the increase in revenue that Windsor, or any local authority, gets is all in the interests of the whole of the people of that city or town. It does not go into any single individual's pocket. As has been pointed out to-night, the only individual who receives any pay who is associated with local authority work is the chairman of the board at the particular time; and then he is probably only in for a year, or two years, as the case may be. I think every effort should be made by the Government to give the local authority all the encouragement they possibly can. I am sure anyone who has interested himself in local authority work must know that there is a tremendous lot of difficulties associated with it; no matter what work is being carried out by the local authority, they are always met with complaints. It is simply a huge unpaid Government department, that has been carrying out Government work in the State of Queensland, and throughout the Commonwealth of Australia, for many years, and I certainly think that they should receive equal consideration with any other section of Government work. As has been pointed out here to-night, it does not matter what Government brought in this particular legislation, or who inflicted it upon the community. If it is a wrong, it should be righted; and if it is an imposition, it should be taken off the people, so that the local authority may have the necessary chance to get on with their work. Now, the Home Secretary has referred to Windsor. Well, Windsor, during the last few years, has paid in connection with land purchase, all for the benefit of the people in the town, I suppose, probably £6,000 or £7,000; it might be a little more, it might be a little less; that is sufficient for my purpose. And the facts are these: that the wants of the people, as the days and years go by, become greater, and more recreation grounds and more breathing spaces are required in the cities and towns throughout the whole of Queensland. To place any imposition such as this on the local authorities, I don't think is fair at the present time. We know that in the metropolitan area, immediately you increase the valuations of the people's land, up go the water rates. That is a second form of taxation which comes upon the people in the local authorities. I hope that the Minister will do all he possibly can in the way of ameliorating the conditions. We all know—or we should know—the difficulties which the local authorities in the sparsely populated areas have to contend with. Where we have a mile of roads in a metropolitan area, the country local authority probably has 10 miles; and to expect those people to raise sufficient money to maintain those roads in decent repair, is expecting something that no body of men can do.

Mr. HODGE (*Vanango*): I don't desire that this amendment should go through without adding my recommendation to the Minister to give it due consideration, for the reason that the local authorities, as mentioned by the hon. member for Windsor, are the greater unpaid Government of the country; they are doing good work for the country, and getting no assistance from the Government. By adding this particular imposition, it means that they are going to increase the taxation upon the people.

Hon. J. M. HUNTER: No.

Mr. HODGE: The people have to pay the taxation into their local authority to meet the extra expense that you are putting upon them.

Hon. W. N. GILLIES: No extra expense is proposed.

Mr. HODGE: The amendment proposed is for the exemption of the local authorities in connection with transfers; is not that so?

Hon. W. N. GILLIES: They are paying that now under your Act.

Mr. HODGE: The amendment at present is asking for the exemption of local authorities from this taxation which you are endeavouring to impose.

Hon. J. M. HUNTER: No, not endeavouring to impose; it is imposed now.

Hon. W. N. GILLIES: It is in existence now.

Mr. HODGE: You want to increase it.

Hon. W. N. GILLIES: No; no suggestion of increasing it.

Mr. HODGE: This is an extra impost you are endeavouring to put on under this new taxation.

Hon. W. N. GILLIES and GOVERNMENT MEMBERS: You are wrong.

Mr. HODGE: We are lodging our protest against it. The members on this side think it is very unnecessary, and I hope the Minister in charge will give due consideration to the amendment which has been proposed.

Hon. W. N. GILLIES: I thought I had made the position absolutely clear to hon. members. Let me repeat that what we are proposing in this regard is to leave the amount of taxation on conveyances and transfers just exactly as they are at present and have been for the last twenty-four years. Even at this time, when money is so badly needed, there is no proposal to increase the amount of taxation, but merely to allow the existing amount to remain.

Mr. VOWLES: We ask you for relief for the local authorities.

Hon. W. N. GILLIES: I know you do. If the members who have sat so many years in this Parliament had any sympathy at all for local authorities, and a desire to relieve them of this form of taxation, they had plenty of opportunities to do so before the war broke out, and before money was so badly needed. I think it is unreasonable to suggest that, because I refuse to

[9 p.m.] accept this amendment, I have no sympathy for local authorities. Having been a local authority man myself, both in this State and in New South Wales, I have every sympathy for local authorities. I am not too much in sympathy with this method of raising revenue, but the money is badly needed, and it is not reasonable for the Opposition to suggest

*Hon. W. N. Gillies.]*

that we have no sympathy with the local authorities because we refuse to alter the existing law in this regard.

Mr. MACARTNEY: I would not have said any more on the subject but for what the hon. gentleman has just said. In introducing this resolution, the hon. gentleman said that the object of the resolution was not to raise revenue but to remove irritating duties and matters of that sort; but we find it is to grant exemptions in favour of small transactions, and practically to pass the burden of taxation on to the other fellow. He told us that there are a number of reductions in the taxation proposed, and that those reductions are all in accord with the policy of the Government. He has now pointed out that Liberal Governments in the past did not remove these burdens from local authorities, and hence there is no reason why the present Government should do it. I would point out to the hon. gentleman that in days gone by, when measures of this sort were introduced, they were introduced, and it was acknowledged that they were introduced for the purpose of raising revenue. As a matter of fact, in 1902, it was a proposal of this kind which wrecked the Philp Government. It was brought in to try to correct the financial position, which was very acute owing to the drought which had existed during the years 1900, 1901, and 1902, and, consequently, there was no opportunity at that time of reducing the liability on local authorities. It must also be remembered that at that time a very substantial endowment was paid to local authorities from the consolidated revenue.

Hon. J. M. HUNTER: It was wiped out very soon afterwards—in 1903.

Mr. MACARTNEY: Since that time that endowment has been removed altogether. The amendments that are being moved this evening are being moved at the official request of the Local Authorities Association. The proposition does not emanate from the Opposition for the purpose of gaining kudos from the local authorities, or of putting the Government in a worse position than they now occupy with regard to the local authorities. The duties performed by local authorities are just as much public duties as the duties performed by the Government. The local authorities relieve the Government of a large amount of minor Government work, and it is not an improper thing that the Government should treat the transactions of those public bodies in the same manner as they treat their own transactions. It does not involve any large amount of money. The hon. gentleman tells us in one breath that this is not a revenue measure, and then he complains in the next breath that this is not the time to bring forward such an amendment, as the Government need the revenue badly. When the hon. gentleman wants to make amendments in the existing law which suit the policy of the Government, it is all right; the exemptions are all right, the reductions are all right; but, when a reasonable request is made on behalf of the local authorities, who relieve the Government of a large amount of work, it becomes a horse of another colour. The hon. gentlemen on the front Treasury bench want to know why such a proposal was not made in 1902, but I would remind them that at that time the

State was not only suffering from a protracted drought, but the revenue was falling from year to year, instead of rising, as it has been during the term of office of the present Government, even during the war.

Hon. J. M. HUNTER: Has not there been an amendment of the Act since 1902?

Mr. MACARTNEY: Not except the amendments proposed by the present Government.

The HOME SECRETARY: But you had the opportunity from 1903 to 1915.

Mr. MACARTNEY: In 1902, the Philp Government went down on their stamp proposals.

Hon. J. M. HUNTER: That was a very sweeping amendment of the Act.

Mr. MACARTNEY: The Government introduced their proposals in 1902 for the purpose of raising revenue, which had fallen off on account of the drought and other causes. The position now is quite different. The revenue has been increasing year by year, and it is only on account of the absolute extravagance of the Government that there is any necessity for taxation at all.

Hon. W. N. GILLIES: Did the Local Authorities' Association make a similar request to you when you were in power?

Mr. MACARTNEY: I have not had the pleasure of being in power. I do not understand what the hon. gentleman means. The Local Authorities Association have not made any request to me before, but they have requested me, on this occasion, to ask Parliament to take into consideration the hardships under which they labour, and they only ask for relief, to which I consider they are fully entitled, having regard to the fact that they are discharging an important duty, and that they are doing so in a purely honorary capacity. Of course, I realise that, when the Minister takes up the attitude that he is not going to make any concession, it is idle talking about the matter, but it is just as well we should know why it is not going to be done, and it would be better if the hon. gentleman would give us the reason why it is not going to be done, instead of shuffling.

Amendment (*Hon. W. H. Barnes's*) put and negatived.

Mr. G. P. BARNES (*Warwick*): I move the insertion, after the word "Debenture" in paragraph (i) of clause 12, of the words—  
"not being a debenture issued by any local authority."

It will be evident at once to the Committee that hon. members on this side are bent upon trying to obtain relief which is the just due of the local authorities. One of the things which one cannot understand is that, whilst the Government of the State are exempt from all duties on debentures, the moment they delegate any of their powers to local authorities, immediately a tax is imposed on those local authorities. It must be realised by every fair-dealing man that if it is right that no charge should be made in the first instance stated by me, it is certainly in the work of carrying out the details of Government equally unwise and unfair that any charge whatever should be made. This amendment is equally fair with the other

[*Hon. W. N. Gillies.*

amendments which have been suggested in seeking the relief which is justly due. It is of a truly democratic nature.

Amendment (*Mr. G. P. Barnes's*) put and negatived.

**Mr. ELPHINSTONE:** I have an amendment to propose, and, as I presume that the whole question is now before the Committee, I would like to place a few views before the Assistant Minister for Justice, with the object of removing a certain number of anomalies and misunderstandings which might occur in connection with this Bill. I would like to direct his attention in the first place to paragraph 1, subsection (4).

**The TEMPORARY CHAIRMAN:** Order! The hon. member is not in order in going back on the resolutions prior to paragraph xii. An amendment on paragraph xii. has been defeated, and it is not in order to move amendments to anything immediately preceding that paragraph.

**Mr. ELPHINSTONE:** I thought the discussion I was raising on those points might have been helpful, but I will pass them for the present.

**Mr. MACARTNEY:** I rise to a point of order. The amendment in relation to paragraph xii. having been negatived, the question becomes a general question, and an hon. member who has exhausted his time on the general question is not precluded from speaking. He is surely entitled to speak on the general question, quite apart from his right to move an amendment at a later stage.

**The TEMPORARY CHAIRMAN:** It is quite right that the hon. member may speak on the general question, but he said that he desired to move a certain amendment, and drew the Committee's attention to paragraph 1 subclause (4). If he intended to move an amendment on that paragraph, he was quite out of order, but he may deal generally with the resolutions.

**Mr. ELPHINSTONE:** The amendment I had to propose was in connection with paragraph xv. The general discussion was in connection with the earlier paragraphs with the object of removing some slight misunderstanding. I would like to call the Minister's attention to exemption (4) in paragraph 1., and to ask him this question: Does it mean that all agreements between master and servant, when the salary does not exceed £400 per annum, are exempt, or only those under any wages Act? There is a very big difference in those two cases. It would be helpful if the Minister were to let us clearly understand the meaning of that exemption.

**HON. W. N. GILLIES:** In reply to the hon. member for Oxley, the exemption under the proposed Wages Act covers all wages in relation to salary and income.

**Mr. ELPHINSTONE:** I next wish to call attention to paragraph vii., which deals with the stamping of deeds in a way which has not hitherto been the practice. There cannot possibly be any risk where the original is stamped, and the duplicate is stamped to show that the original has been stamped. It is certainly obvious that this is instituted with the object of gaining revenue. I would like to ask what is the position with regard to an ordinary debt in connection with the sale of goods or hire?

The next question is with regard to paragraph xiii. Here we find that the stamp

duty on life insurance policies has been greatly increased on policies over £1,000. In fact, the duty in this direction has been exactly doubled on policies of £1,000 and over. The object in this proposal is, I take it, to make a man with a large life insurance policy pay the increased duty. But I would like to point out to the Minister a fact which probably he is not acquainted with—that is, that life insurance companies always pay the duty themselves. The payment of the duty does not fall upon the individual policy-holder, therefore, and the small policy-holder is going to pay his proportion of this increased duty just as the big policy-holder. That does not seem to me to be quite in keeping with the intention of the Assistant Minister for Justice, and I call his attention to it, so that he may not prejudice his case in appealing to the small policy-holder.

The next question I would like to call attention to is in connection with fire insurance policies, which is also in paragraph xiii. The present rate is 1s. per £100. The new rate is 6d. per £100, which sounds to be a gift. But then we are told that the apparent deduction is more than compensated for by the provision that renewals, which at present are not charged any duty at all, are to be charged at the rate of 3d. per £100. That is an innovation. Of course, it is going to bring in increased revenue. The point I want to raise is this: that the State Insurance Office does not stamp its renewal receipts, or any receipts, at all. It stamps its policies; but the proprietary company has to pay the charge of 3d. for every renewal receipt, which is an unfair imposition on the competing company. That is to say, for a renewal receipt an insurance company pays 3d., where the State Insurance Office evades that renewal receipt duty stamp.

**Mr. GUNN:** That is to encourage private enterprise. (Laughter.)

**Mr. ELPHINSTONE:** This probably escaped the Minister's notice, because it appears to me an unfair imposition, and one which should be removed. If it is a deliberate omission, probably we shall have to say more about it later on. Another little anomaly that I wish to call the attention of the Minister to is in connection with paragraph xv., in exemptions (e) and (h). Exemption (e) appears to be wholly unnecessary, and will only cause trouble in the interpretation of the bill if it is left in. Exemption (h) covers the whole ground, and if exemption (e) is left in, it can only lead to a lot of misunderstanding and trouble. I move that after subclause (a) of the exemptions there be inserted the following:—

“Receipts given for rates or other moneys received by local authorities.”

This is a continuance of the principle embodied in previous amendments, and I hope the Minister will consider it worthy of acceptance.

**Mr. VOWLES:** I should like to support this amendment. In Queensland we are governed in our local affairs by shire councils and municipal councils, and in a higher direction by the Legislative Assembly, and further by the Federal Government. It will be recognised that local authorities are used for the purpose of taking the onus and expense of the management of small matters from the central Government. We have attempted to-night to introduce amendments into this measure by which the position

*Mr. Vowles.]*



of local authorities would be ameliorated, by which they would be relieved of small payments to the Crown in the way of revenue, but those amendments have been rejected. This is a matter that might easily be conceded by the Government—namely, that the receipts for rates should be exempt from stamp duty, and I sincerely trust that the Minister will recognise that the concession, small though it may be in individual cases, is one that will help to increase the revenue of local authorities, and thus assist them to meet the increased cost imposed upon them by awards of the Arbitration Court with regard to wages, and to carry out their local works. In consideration of the service local authorities render to the public, and of the fact that they take a certain amount of work off the shoulders of the superior Government, I think the Minister will secure general approval by accepting the amendment.

Mr. F. A. COOPER (*Bremer*): I am somewhat concerned about the number of amendments moved by hon. members of the Opposition on behalf of local authorities. We have the assurance of the leader of the Opposition that he is not doing this of his own volition, but by reason of the request, apparently, of the Local Authorities Association. The local authorities every year make estimates of their revenue and expenditure, just the same as the Treasurer does. Their estimates of expenditure for this year have included all these stamp duties which the Opposition are now trying to remove from the Bill, and if the local authorities have approached the Opposition with the view of getting the duties removed, they are taking an advantage of the ratepayers by imposing rates to cover duties which they do not now wish to pay. If they followed decent principles in this matter, they would go to the head of the department concerned, or to the Assistant Minister for Justice, and place their requests before him in a decent manner.

Mr. SWAYNE: This request has been made to the Minister.

Mr. F. A. COOPER: On this occasion?

Mr. SWAYNE: I could not say.

Mr. F. A. COOPER: Why, then, did the hon. member make that statement? I cannot understand this method of attacking the Government, and I think the members of the Opposition should give us a little enlightenment on the matter, and tell us how far the local authorities have taken possession of the Opposition in this matter. Certainly, their caucus work has been well conducted, as they have handed round their amendments in a way which "does them proud," if I might put it that way; they are not putting all the work on one man, as was the case in the last Parliament. Evidently the new leader of the Opposition is going to see that all the team work, and that the work is spread over the whole party.

Mr. MORGAN: The hon. member who has just spoken makes something out of the supposed fact that the Government were not approached in this matter. I say the Government were approached, and asked that certain amendments should be made in the Bill, and I understand that the Minister said he would give the amendments consideration. But, apparently, the requests of the local authorities have been turned down by the Cabinet, as they are not included in this proposal. The hon. member who has just

[*Mr. Vowles.*

resumed his seat evidently agrees with the amendment, and thinks it ought to be accepted, but the offence that the local authorities have committed is, that they have handed these amendments to the leader of the Opposition, and asked him to [9.30 p.m.] have them inserted in the Bill, after a similar request which was made to the Government had been refused. The Minister must admit that any money received by the local authorities from the ratepayers is usually spent in the very best direction. They do all they possibly can with the means at their disposal, and assistance of this description will be of considerable help. It is not like helping the man who can afford to pay. Owing to the fact that the Workers' Dwellings Act has been in force for a number of years, a great many workers have their own cottages, and any assistance given to the local authorities will benefit the small property-owners, as well as the large property-owners, and any help given by the Minister will be appreciated, and the money made good use of for the benefit of the people of Queensland.

At twenty-five minutes to 10 o'clock p.m.,

Mr. FOLEY relieved Mr. Smith in the chair.

Mr. FRY: The amendment is a very fair one in every respect. The hon. member for Bremer, when speaking, I presume, speaks on behalf of his electorate, and if I know anything of the Bremer electorate, most of the houses in the electorate are owned by working men; men who earn their money by daily toil, and who are paying for their houses by the sweat of their brows, and I am rather surprised at the hon. member for Bremer speaking of this amendment in the manner he has done, for, after all, when the Government take money for stamp duties from the local authorities, it is taking it out of one pocket and putting it into another, for the Government have delegated to the local authorities power to administer minor matters with which they cannot be concerned. When the hon. member says the local authorities have not placed this matter in a decent manner before the Minister, I would like to ask him what is the best manner of bringing it before the Minister. If bringing this matter before the Minister in Parliament is not a decent manner, then I ask the hon. member for Bremer what he considers a decent way of bringing the matter before the Minister. This House has been dragged through the political gutter long enough, and when he says this is not a decent way of bringing an amendment before the Minister, I say he has so forgotten his duty both to the electors and to this House, that he should consider his position. So far as the local authorities are concerned, we all know that they are hard pressed in every direction to make ends meet. The electors are complaining that the roads are not well cared for; that the various duties which the local authorities are called upon to perform are not being carried out in a proper manner, and on the other hand the local authorities are saying, "We are doing the very best we can; we want money, and we cannot get it." The local authorities appealed to the Treasurer for assistance to carry out their work, and when the Government is imposing on the local authorities this extra taxation, I think it is a very unfair thing.

Hon. J. M. HUNTER: It is not extra taxation.

Mr. FRY: Well, it is unnecessary taxation. Say the Minister appoints his son to do a job for him, and then he takes the money out of his son's pocket and puts it into his own, he gains nothing. The Government is here to carry out certain work in the interests of the people, and, it being a big institution, is unable itself to devote the time to minor details, and consequently it has delegated to another body—the local authorities—certain functions of government, and instead of hampering the local authorities, the Government should assist them, and in assisting the local authorities it is assisting the electors of Queensland. We know very well we have encouraged working men to provide homes for themselves.

Mr. WHITFORD: Your party did not do that.

Mr. FRY: My party did. It shows how much the hon. member knows of the work of Parliament during the last few years, and if that is the extent of his knowledge, I would recommend him to take the course of a schoolboy in a public school, and learn something about what Parliament has been doing. I am prepared to support the amendment right to the full.

HON. W. N. GILLIES: The hon. member who has just resumed his seat should, in all fairness, compare what we propose to do in this Bill with what was proposed last session, and with what is to be found in the existing Act as passed by a Liberal Government. Because I sympathise with local authorities, I have liberalised the Bill as brought forward last year. The law, as it stands to-day, imposes 1d. duty stamp on all receipts between £1 and £2. We have wiped that out altogether. Further than that, I have reduced the amount from 2d. to 1d. on receipts from £2 up to £5, whereas, under the Bill as brought in last year, which was agreed to by the business people of this city, it was proposed to impose 2d. duty on all receipts from £2 up to £50. When it is borne in mind that a large number of the amounts received by local authorities are under £2, which will be exempt altogether from stamp duty, and further, that a large proportion are under £5, and, therefore, will have the stamp duty reduced by 100 per cent., I certainly think we have done something for the local authorities, and for the tradespeople also. Hon. members get up and speak as though we proposed to put additional burdens on the trading community and on local authorities, whereas, as I have pointed out, we propose to reduce the tax very considerably, and I think hon. members should be well satisfied with what we propose to do in the schedule, and for that reason I am not prepared to accept the amendment. I would point out, in regard to the attitude of the Local Authorities' Association, that they have known for the last fortnight that this Bill was to be introduced, and they have not paid me the courtesy to wait upon me, but, in order to make political capital, I presume, they have placed their views before the Opposition.

HON. W. H. BARNES: That is not fair.

HON. W. N. GILLIES: It is very unfair to me, but it is not for that reason that I have refused to accept these amendments; it is because the amendments are unreasonable.

Amendment (*Mr. Elphinstone's*) put and negatived.

Mr. ROBERTS: Seeing that there is no intention on the part of the Government to give relief in the direction asked by the local authorities—(Government dissent)—I want to make to the Minister a suggestion that has been made to me by the council of the city of Toowoomba. In the letter from which I quoted a few minutes ago, they have made the suggestion that if stamp duty is to be paid, they should be allowed to produce the receipt butts at the end of the year and pay in bulk—that is, the Stamp Office would assess the duty and they would remit a cheque for the amount. They say it will be a considerable convenience to them, and if the Minister will consult his officers, and they see no objection to the practice, the concession might be granted. It would in no way diminish the funds of the Treasury.

Mr. SIZER (*Nundah*): I desire to move the insertion, after the words, "contributions to," in subclause (g) of clause 1 of paragraph xv., the words, "patriotic objects, hospitals, and." The object of the amendment is to make this particular exemption a little bit clearer and more definite. I do not think it materially affects the provision in any way, and the Minister might very well accept it. As to the local authorities, I can assure hon. members opposite that I have never seen them; they have not waited on me.

HON. W. H. BARNES: I was at the last executive meeting, and it was not discussed.

HON. J. M. HUNTER: How does it come here, then?

HON. W. H. BARNES: Because there are sensible men on this side.

Mr. SIZER: I can assure the hon. member for Bremer that if he thought that the local authorities had approached this side of the House he was wrong in thinking so, and if he also thought that they should have approached the Government first, he is now informed that they had done so, and had been refused. I am quite certain that if they had taken their amendments to the Government side of the House, the Minister, at any rate, would have been much annoyed, although I think that if they had done such a thing, some of the amendments would have been accepted. It is unfortunate from the local authorities' point of view, but still the fact remains.

HON. W. N. GILLIES: It is quite unnecessary to insert the words proposed by the hon. member for Nundah, because the clause has been drafted with a view to giving effect to the sentiments expressed by the hon. member—that is, to give exemption to hospitals, among other charitable institutions. The exemption embraces all that the hon. member desires.

Mr. SIZER: Does it embrace patriotic bodies?

HON. W. N. GILLIES: Perhaps the hon. member will be good enough to define what he means by patriotic bodies? The practice of the Government always has been, and always will be, to exempt genuine patriotic funds from stamp duty.

Mr. MORGAN: It is not in the resolution.

HON. W. N. GILLIES: The question naturally arises, "What is a patriotic body?" If we can get some definition, I have no objection to having it put in, but the practice at present is to exempt all such moneys, and I do not think there is any necessity to put it in. With regard to the

*Hon. W. N. Gillies.]*

suggestion made by the hon. member for East Toowoomba, that is a matter which can be dealt with by regulation, and it is quite a simple matter to have impressed stamp receipt forms if the local authorities so desire.

Mr. SIZER: I understand that the Justice Department until recently, if not now, has had to sanction collections on behalf of bona fide patriotic funds, so that they are in a position to know what patriotic funds should be exempt; and I think that if we were to lay down that exemption should be granted to, say, "the Queensland patriotic fund and similar funds to which the Minister grants such permission," it would make the clause perfectly clear.

Mr. MORGAN: I think it will be admitted that hospitals are covered by the expression charitable institutions, but certainly there is nothing in any way to indicate that contributions to patriotic funds will be free of tax. If the Minister would accept the amendment and the suggestion proposed by the hon. member for Nundah, I think that the objection would be met. At the present time, in order to raise money for patriotic funds, permission must be obtained, so that I think that should be sufficient definition in order to get exemption. I think the Minister might accept the amendment. It would certainly make it very much more clear than at present, and do away with the necessity of having to get exemption from the department or the Minister. When we are dealing with a Bill of this nature, we want to make it as plain as possible, so that he who runs may read, and everyone will thoroughly understand exactly where they stand.

HON. W. H. BARNES: I certainly think this amendment, as suggested, in view of the explanation of the Minister, should be accepted. If the Minister accepted it, it would be only another proof of the spirit which he has recently displayed by going out on to a platform and showing where he was in that particular regard. It would show that he was not only desirous of very eloquently saying with his lips that he was out for a certain reason, but more definitely, through certain regulations, showing also what he is prepared to do. Are we not right in saying that many patriotic funds at the present moment are getting short as a result of the demands that are made upon them? I speak as one who knows something about the Queensland patriotic funds.

HON. W. N. GILLIES: Have they ever been called upon to pay stamp duty?

HON. W. H. BARNES: I am not saying they are; I am not in a position to say.

HON. J. M. HUNTER: You know they are not.

HON. W. H. BARNES: I don't know.

HON. J. M. HUNTER: Well, you ought to.

HON. W. H. BARNES: At any rate, if they don't pay, there should be no objection to putting these words in. The ex-Minister for Lands sidetracked the question very largely. Are there not efforts being made every day which do not get to the Queensland patriotic or other funds until some time afterwards? It is with those as well as with this particular fund.

A GOVERNMENT MEMBER: What does it cost to administer that particular fund?

HON. W. H. BARNES: Practically 1 per cent.—a very small amount indeed. Is the

[Hon. W. N. Gillies.

hon. member going to suggest that that fund is not satisfactorily administered? As a matter of fact, the officers of the Government have frequently audited the accounts and seen what the administration was, and have commended it.

HON. J. M. HUNTER: Under an Act of Parliament.

HON. W. H. BARNES: I say they have gone into the administration of that particular fund. That fund cannot be challenged along the lines of expensive administration, but rather applauded for its economic administration.

A GOVERNMENT MEMBER: It cost 60 per cent. to administer it.

HON. W. H. BARNES: The hon. member does not know what he is talking about. I hope the Minister will see that these words are inserted. It is in accordance with his own view, and it would prevent any possibility of mistake in that regard.

Mr. FRY: I understand, to a certain extent, the position of the Minister. He is very chary about accepting an amendment coming from the Opposition, probably due to the fact that he does not quite understand that we are making an honest proposition here to safeguard the Government to a certain extent, and the credit of our country. Frequently it has been said that the patriotic fund is a charity, and because of that, soldiers will have nothing to do with it. They have fought to get a right.

HON. W. N. GILLIES: That is why we on this side favour a fair measure of taxation.

Mr. FRY: I understand patriotic funds to be funds subscribed to assist the dependents of soldiers. It is to control these funds that the Assistant Minister for Justice takes a charge and gives permission, in certain cases, to raise certain funds. I think if the Government is really sincere, it will accept the amendment to include the words "patriotic funds." We can quite understand that hospitals, in some cases, are charitable institutions; but I don't think that the people of Queensland will understand that the patriotic fund is a charitable fund. The Government is going to go on to the rocks if it gives to that fund the colouring that it is a charitable fund. I am giving the Government the "tip" that this is going to spread far and wide.

Mr. PAYNE: Who says it is a charity?

Mr. FRY: The Government will not insert it in the Bill; and the Minister says the clause provides for charitable institutions. Under that clause it must come, according to what the Minister has said. I say that the patriotic fund must not be looked upon as a charity.

OPPOSITION MEMBERS: Hear, hear!

Mr. FRY: I say also that if it is given the stamp of charity, the Government is going to do a great wrong, not to the Opposition, but to itself and to the country.

HON. J. M. HUNTER: Just a play with words.

Mr. FRY: I am telling you this—that the patriotic fund should not be dubbed a charity. As far as I am concerned, I am going to oppose its being given that stamp.

Mr. WARREN: I think that the Hon. the Minister could easily accept this. I am sure it will be no great concession, and it will be classifying this patriotic fund in a different

category to charity. We cannot do too much under the present system. There seems to be a drying up of the sources of charity—if you will allow me to call it charity—to help the soldiers. The patriotic fund is for the purpose of helping principally the wives of the men who are away fighting the battles of the Empire. Now, I don't think it would be too much to ask the Minister to classify this under a separate heading to charity. I agree with the remarks of the hon. member who has just spoken in regard to charity for the soldiers. Where they are getting charity it is doing them the most serious injury. Where they are getting help—I don't care what it is, so long as it is wisely given—it is helping them along. I maintain that the more we can encourage the charitably disposed to subscribe to the patriotic funds the better it is going to be for the men who are fighting the battles of the Empire, and for their wives and dependents. I would add my voice in asking the Minister in charge of this Bill to give that concession.

HON. W. N. GILLIES: I think hon. gentlemen should be well satisfied with the knowledge that they have not been able to cite one case where this Government has levied any stamp duty on anything connected with a patriotic fund. If they are not prepared to trust a future Government, it does not say much for the Opposition, because whilst this party remains in power there will be no stamp duty levied on any genuine patriotic fund. I don't think there is any necessity

to insist on the words "Patriotic [10 p.m.] fund" being placed in this exemption. In fact, I would appeal to hon. gentlemen not to exploit the word "patriotism" any longer. This party have not charged one penny of stamp duty to any genuine patriotic institution or fund, and that should be quite sufficient for them as an assurance that it will not be done under this Act, as it has been in the past. No hon. member has given a clear definition of what he calls a patriotic fund. It might be a semi-political body for all I know. Hon. members should be quite satisfied with the exemptions as set forth in the resolution.

Mr. ROBERTS: I rather appreciated the earlier remarks of the Minister, but I regret the conclusion of his speech. He says that we have not defined a patriotic fund, but I think the definition given by the hon. member for Nundah was most explicit. That hon. member said that it was a fund which had been sanctioned by the Department of Justice for raising money for patriotic purposes. The ex-Secretary for Public Lands has repeatedly interjected, and I would like him to rise and explain what he means by saying that, if we do not drop this amendment, we are going to injure the patriotic efforts that are being made. I would like to know in what way any injury can be done.

HON. J. M. HUNTER: Because your definition might not be wide enough to cover everything.

Mr. ROBERTS: I can understand the central fund, which eventually receives all the contributions from outside centres, not stamping receipts, but I would take the effort which was made last Friday, Saturday, and Monday by the friendly societies throughout Queensland. I can understand the local branches, which raise £10 or £20, which they send to the central body in Brisbane, stamping receipts for money; and, if it was clearly stated in the Bill that such receipts are not

liable to stamp duty, it would be public property. I do not think the assurance of the Minister will give sufficient publicity. I can understand the officers of the Department of Justice not requiring the central committee to stamp receipts, but I want it to be made clear to all the collecting bodies throughout the State that they also need not stamp receipts. In a few weeks there will be a body in Toowoomba making an effort to raise money for patriotic purposes, with the permission of the Department of Justice, and I want it to be plainly understood that they need not stamp receipts.

Amendment put and negatived.

Mr. ELPHINSTONE: I would like to ask the Minister what is the position with regard to letters of allotment. In England letters of allotment of shares are subject to stamp duty, but they are not defined at all in our Act. Strictly speaking, they come within the meaning of an agreement. I refer to letters of allotment which are receipts for applications for shares which are received by companies. At present they are not defined, and the law regarding them is uncertain.

Mr. PAYNE: Do they stamp them now?

Mr. ELPHINSTONE: The practice at present is that they are not stamped.

Mr. MCLACHLAN: Are you desirous that they should be stamped? (Laughter.)

Mr. ELPHINSTONE: As a business man I am desirous of knowing the position.

HON. W. N. GILLIES: There is no duty proposed on letters of allotment under the Bill. It was proposed originally that they should be subject to duty, but that provision was cut out. As the hon. member says, they are subject to duty in England, but we do not propose to levy stamp duty on them.

Mr. ELPHINSTONE: I thank the hon. gentleman for making the position clear. I would also ask him if he will clear the atmosphere with regard to paragraph xv. I contend that exemption (e) is unnecessary, as it is covered by exemption (h).

HON. W. N. GILLIES: If the hon. member will look, he will see that the exemption is quite necessary. It is merely a re-enactment of the present law.

Mr. ELPHINSTONE: Exemption (h) reads—

"Receipts given for wages or salary, where the total sum of such wages or salary is received for a year would not exceed £400—any Act to the contrary notwithstanding."

are exempt from stamp duty. If you will refer to subsection (e), which I contend is unnecessary, you will read—

"All receipts or discharges given by any seaman, labourer, or menial servant for the payment of wages."

Seeing that these receipts would be, in the ordinary course, for less than £400 per annum, I contend that they are covered by exemption (h).

Question—That the resolution, as read, be agreed to—put and passed.

The House resumed. The TEMPORARY CHAIRMAN reported progress, and the Committee obtained leave to sit again to-morrow. The resolution was ordered to be received to-morrow.

The House adjourned at fifteen minutes past 10 o'clock p.m.

Mr. Elphinstone. 1