

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 12 JUNE 1918

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WEDNESDAY, 12 JUNE, 1918.

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

QUESTIONS

DESTRUCTION OF LANTANA BY FLY.

Mr. SWAYNE asked the Secretary for Agriculture—

"1. Has he any information as to the fly, *Lantana agronomyza*, introduced by his department for the purpose of checking the spread of lantana?

"2. If so, is it increasing in numbers, and is it fulfilling the purpose for which it was procured?"

The SECRETARY FOR AGRICULTURE (Hon. W. Lennon, *Herbert*) replied—

"1. Yes.

"2. Yes, and it is intended during the spring to make a collection of flies for distribution to other centres."

MANAGER, SOLDIERS' INSTITUTE.

Mr. MORGAN (*Murilla*) asked the Secretary for Public Instruction—

"1. Is Mr. McMinn still employed by his department? If so, in what capacity?

"2. The salary paid and period of employment?"

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. H. F. Hardacre, *Leichhardt*) replied—

"1. Mr. McMinn has never been employed in the service of the Public Instruction Department. Mr. McMinn's appointment was made under and his salary paid out of the Chief Secretary's votes for returned soldiers, which, in relation to vocational instruction for returned soldiers, has been administered by me.

"2. Mr. McMinn was appointed as business manager of the Queensland Soldiers' Educational Industrial Institute from the 1st May last at the advertised salary of £6 per week. His voluntary resignation has been accepted as from Saturday last."

SEPTIC CONVENIENCES, PARLIAMENT HOUSE.

Mr. PETRIE (*Toombul*), for Mr. Gunn, asked the Secretary for Public Works—

"1. Has the old system of sanitary conveniences connected with the Legislative Council, Clerk of the Assembly dwelling, the caretaker's and gardener's cottage, been done away with, and the same altered and connected with the septic tank system just recently completed at the Legislative Assembly end of Parliament House?

"2. If not, will he have same inquired into and referred to the Parliamentary Buildings Committee for their report, with a view of having same done, and the whole of the sanitary conveniences

connected with the Parliamentary Buildings as well as the Clerk's house and caretaker's cottage, brought into line?"

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

"1. No.

"2. Inquiries will be made."

COMMISSION ON GAMBLING TAKINGS AT "RISING SUN CITY."

Mr. ELPHINSTONE (*Oxley*) asked the Assistant Minister for Justice—

"1. Is he aware that, in connection with the 'Rising Sun City' recently held in Albert Square, Brisbane, the proprietors of the buildings and plant received 30 per cent. of the gambling takings in exchange for the use of such plant, etc., and that such total gambling takings amounted to between £5,000 and £6,000, equal to approximately 90 per cent. of the total takings of the city?

"2. Does he consider that such methods of raising money and paying rent for the plant, etc., and the permitting of such gambling are conducive to the best interests of the community and an encouragement to those who are patriotically inclined?

"3. Is it a fact that these same proprietors have hired out their plant, etc., to the 'Liberty Loan' organisers on the basis of 40 per cent. or 50 per cent. of the gambling takings to raise money for Labour organisation purposes?

"4. Is it a fact that, in spite of the refusal of the Mayor of Toowoomba to grant permission for such a gambling fair to be held, he was over-riden by the department of the Minister for Justice, and the fair was held?"

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

"1. No; but, as the permit for the 'Rising Sun City' was granted to Lieutenant Grant Hanlon, general organiser for the returned sailors and soldiers' day, and the proceeds were in aid of the Queensland Branch of the Returned Sailors and Soldiers' Imperial League of Australia, it is assumed the interests of the returned sailors and soldiers have been safeguarded by the applicant.

"2. As there are at present in operation so many ways of raising money for patriotic purposes, it is difficult to say which is conducive to the best interests of the community and an encouragement to those patriotically inclined.

"3. I have no knowledge of this.

"4. While it is not the function of the Mayor of Toowoomba to either grant or refuse permission to conduct a 'fair,' no protest was, to my knowledge, made by the Mayor of Toowoomba to the holding of this 'fair.'"

PAPER.

The following paper, laid on the table, was ordered to be printed:—

Report of the Royal Commission on Railway Administration, together with minutes of proceedings and of evidence taken.

WAYS AND MEANS.

RECEPTION OF RESOLUTION.

The TEMPORARY CHAIRMAN presented the resolution reported from Committee of Ways and Means on Tuesday, the 11th instant.

HON. W. N. GILLIES: I beg to move—That the resolution be received, and I ask that it be taken as read.

Question put and passed.

HON. W. N. GILLIES: I beg to move—That the resolution be agreed to by the House.

Mr. MACARTNEY (*Toowong*): I suggest that the permission of the House be asked to dispense with the reading of the resolution, as contrary practice may lead to an awkward position at times.

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

HONOURABLE MEMBERS: Hear, hear!

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

STAMP ACT AMENDMENT BILL.

FIRST READING.

This Bill, founded on the resolution, was introduced and read a first time. The second reading of the Bill was made an Order of the Day for to-morrow.

WAYS AND MEANS.

RESUMPTION OF COMMITTEE.

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

Mr. SMITH thereupon took the chair as Temporary Chairman.

SUCCESSION AND PROBATE DUTIES.

HON. W. N. GILLIES: I rise to move the resolutions dealing with succession and probate duties. As the resolutions are lengthy, and have been circulated for over a week, I would ask that the Committee be good enough to take them as read.

The TEMPORARY CHAIRMAN: Is it the pleasure of the Committee that the resolutions be taken as read?

HONOURABLE MEMBERS: Hear, hear!

HON. W. N. GILLIES then moved the following resolutions:—

That towards making good the Supplies necessary to defray His Majesty's public expenses and making an addition to the public revenue—

It is desirable—

That there be charged, levied, collected, and paid succession duties at the rates and in accordance with the provisions following, namely—

1. (a) There shall be charged, levied, collected, and paid in respect of every succession, according to the value thereof at the time when the succession takes effect, the following duties, that is to say:—

If the whole succession or successions derived from the same predecessor and passing

upon any death to any person or persons amount in money or principal value to less than £200, no duty.

If the same amount to— Per cent.
£200 but do not exceed £1,000 ... 2

If the same exceed—

£1,000 but do not exceed	£2,500	...	3
£2,500 but do not exceed	£4,000	...	3½
£4,000 but do not exceed	£5,000	...	3¾
£5,000 but do not exceed	£6,000	...	4
£6,000 but do not exceed	£7,000	...	4¼
£7,000 but do not exceed	£8,000	...	4½
£8,000 but do not exceed	£9,000	...	5
£9,000 but do not exceed	£10,000	...	5½
£10,000 but do not exceed	£12,500	...	5¾
£12,500 but do not exceed	£15,000	...	6
£15,000 but do not exceed	£17,500	...	6¼
£17,500 but do not exceed	£20,000	...	6¾
£20,000 but do not exceed	£22,500	...	7
£22,500 but do not exceed	£25,000	...	7¼
£25,000 but do not exceed	£27,500	...	7¾
£27,500 but do not exceed	£30,000	...	8

If the same exceed £30,000, 8 per cent., together with an additional percentage, upon the amount or principal value, of one-third of 1 per cent. for every £5,000 or part of £5,000 in excess of £30,000, but so that the percentage shall not exceed 15 per cent.

For determining the rate of succession duty so payable, there shall be aggregated so as to form one estate the value of all property, wherever situated (after deducting therefrom all debts incurred by the deceased and due and owing by him at the time of his death, except any debt in respect of which there is a right to reimbursement from any other estate or person) and passing on such death, including all such dispositions of property, inter vivos or otherwise, as under the Acts relating to succession duty and these resolutions are deemed to confer successions on the donees, and all successions arising upon any death in respect of which the deceased is the predecessor or creator, and all property and successions which under the Acts relating to succession duty and these resolutions are deemed to constitute successions arising on such death:

Provided that the rate of duty payable where a beneficial interest in possession in any property or the income thereof on the determination of any charge, estate, or interest upon any death accrues after the first day of June, 1918, shall be calculated according to the principal value thereof when it falls into possession; and where the predecessor died after the seventh day of September, 1892, there shall be aggregated therewith, in order to determine such rate, the value of the rest of the estate as ascertained before the first day of June, 1918.

In determining the amount of a succession, an allowance shall not be made in the first instance for debts due from the deceased to persons resident out of Queensland, except out of the value of any personal property of the deceased situated outside Queensland in respect of which duty under this Act is paid; and there shall be no repayment of such duty in respect of any such debts, except to the extent to which it is shown to the satisfaction of the Commissioners that the property of the deceased situated in the country or possession in which the persons reside, to whom such debts are due, is insufficient for their payment.

Where a person domiciled outside Queensland at the time of his death owed a debt secured by mortgage, lien, or charge over

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property situated within Queensland, there shall be deducted from such property or estate in Queensland for the purposes of this Act such part only of such debt as exceeds the value of the property or estate of such person situated outside Queensland.

Where a person (whether at the time of his death domiciled within or without Queensland) owed a debt secured by mortgage, lien, or charge over property situated outside Queensland, and also secured by mortgage, lien, or charge over property situated within Queensland, there shall be deducted from such property or estate in Queensland such part only of such debt as exceeds the value of the said property which is situated outside Queensland.

Provided that—

- (i.) In cases where the company concerned pays the duty as prescribed under section 2 of the Succession and Probate Duties Act 1892 Amendment Act of 1895 as amended by section 9 of the Succession and Probate Duties Act of 1904, or as prescribed under section 11 of the last-mentioned Act, the payment so made shall be deducted from the duty on the value of the shares or interest in such company held by the deceased at the time of his death as ascertained at the aforesaid rates;
- (ii.) Where the total value of the estate of the deceased, in or out of Queensland, does not exceed £2,500, and the predecessor was domiciled in Queensland, and the successor is the wife or the lineal issue of the predecessor, the duty shall be charged at one-half of the rates aforesaid in respect of the succession coming to him or her;
- (iii.) Where such total value of the estate does not exceed £500, and the predecessor was domiciled in Queensland, and the successor is the wife or the lineal issue of the predecessor, no succession duty shall be payable;
- (iv.) Where the successor is not a stranger in blood to the predecessor, but is other than the wife or husband or lineal issue of the predecessor, the rate shall be greater than that specified in the foregoing table for such estate by an addition of one-half of the rate therein specified, but so that such rate shall not exceed 15 per cent.;
- (v.) Where the successor is a stranger in blood to the predecessor the duty shall be charged at double the rate specified in the foregoing table, but so that such rate shall not exceed 20 per cent.

The foregoing provisions to have effect so far as relates to the estates of persons dying after the first day of June, 1918, and the estates of persons where a beneficial interest in possession in any property or the income thereof on the determination of any charge, estate, or interest upon any death accrues after the first day of June, 1918.

(b) In any case in respect of a succession by survivorship to property held jointly, other than the cases referred to in section 5 of the Succession and Probate Duties Act, 1892, succession duty shall be paid as a succession to such property derived from the

person from whom the joint title was derived. This paragraph to take effect as from the first day of June, 1918.

(c) Where persons contribute jointly to any fund and enter into an agreement or arrangement whereby the income from the fund or from any investment thereof is shared during their joint lives, and, upon the death of any one or more of such persons, such fund or investment devolves upon the survivors or survivor, duty shall be paid upon each such death in respect of the accretion of interest in such fund or investment to the survivors or survivor upon the fair and reasonable value thereof at each such death as a succession derived from such person so dying as the predecessor. This paragraph to take effect as from the first day of June, 1918.

(d) Where persons contribute jointly to any fund and enter into an agreement or arrangement whereby the income from the fund or from any investment thereof is shared during their joint lives, and, pursuant to such agreement or arrangement upon the death of any one or more of such persons, such fund or investment is taken over by the survivors or survivor at a value fixed by such agreement or arrangement or upon the basis of a value disclosed in any balance-sheet, duty shall be paid upon each such death in respect of such fund or investment upon the fair and reasonable value of the deceased's share therein after deducting the value fixed or disclosed as aforesaid as a succession derived from the deceased as predecessor. This paragraph to take effect as from the first day of June, 1918.

(e) Where any property is purchased jointly and conveyed to the purchasers for life with remainder to the survivor in fee-simple, duty shall be paid in respect of such property upon the fair and reasonable value of the deceased's share therein as a succession derived from the deceased as predecessor. This paragraph to take effect as from the first day of June, 1918.

(f) When a disposition of property purports to take effect presently, or under such circumstances as not to confer a succession, but by the effect or in consequence of any engagement, secret trust, or arrangement (whether or not such engagement, trust, or arrangement is legally enforceable) the beneficial ownership, use, or enjoyment of such property, or any rents, profits, dividends, or income derived therefrom in whole or in part, does not *bonâ fide* pass according to such disposition, but in fact devolves to any person on death or at some period ascertainable only by reference to death, or is received, enjoyed, or used by any person on death, then such person shall be deemed to acquire the property as a succession derived from the person making the disposition as the predecessor.

The burden of proving to the satisfaction of the Commissioners that the beneficial ownership, use, and enjoyment of such property or of the rents, profits, dividends, and income (if any) derived therefrom, wholly took effect in favour of and passed to such person immediately on such disposition of property shall lie upon him, and failing such proof he shall be deemed to have acquired the property as a succession derived as aforesaid.

When a disposition of shares or other interest in a company—

(a) Purports to have been by way of immediate gift *inter vivos*; or

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(b) Is alleged to be for good consideration, but such consideration does not pass or is inadequate;

and the donee did not during the lifetime of the donor derive a yearly benefit in respect of such shares or interest of not less than the income which the value of such shares or interest each year would have produced if invested in authorized investments, then such donee shall be deemed to acquire such shares or interest as a succession derived from the donor thereof as the predecessor.

Without limiting the meaning of the term "disposition," for the purposes of this provision an allotment of shares in a company shall be deemed to be a disposition, and the person at whose request or by whose direction the same were allotted shall be deemed to be the donor.

The burden of proving to the satisfaction of the Commissioners—

(a) That any consideration alleged for any disposition as aforesaid actually passed from the donee and was adequate; and

(b) That the donee of any shares or interest as aforesaid derived a yearly benefit in respect of such shares or interest to the extent aforesaid,

shall lie upon the donee, and failing such proof he shall be deemed to have acquired the shares or interest as a succession derived as aforesaid.

When a court of competent jurisdiction declares that in any disposition of property as aforesaid the donee did not derive the whole benefit therefrom immediately to the entire exclusion of the donor from any benefit whatever, or, in the case of a disposition of shares or other interest in a company as aforesaid, that the alleged consideration therefor did not actually pass as aforesaid or was inadequate, or that the donee did not derive a yearly benefit as aforesaid during the lifetime of the donor, it shall be lawful for the court to declare a succession to have been conferred on such donee at such time and to such extent as the court may think fit; and such donee shall be deemed to have acquired a succession accordingly derived from the donor as the predecessor.

The foregoing provisions contained in paragraph (i) shall apply to all dispositions of property, whenever made, the donors whereof shall have died after the first day of June, 1918.

(g) Where any person dying after the first day of June, 1918 (herein called "the predecessor") had at his death the possession, use, or enjoyment of any property or of any interest therein, or was in receipt of the whole or any part of the rents, profits, dividends or income of such property or interest, and some other person (herein called "the successor") was at the date of the death of the predecessor the registered proprietor, owner, or holder of such property or interest under the laws in force relating to the registration of title in such property or interest, the burden of proving to the satisfaction of the Commissioners that the entire beneficial ownership of such property or interest was, immediately prior to the death of the predecessor, vested in the

successor for the full estate and interest in respect of which he was registered as aforesaid shall lie upon the successor, and failing such proof he shall, notwithstanding such registration, be deemed to have acquired such property or interest from the predecessor as a succession on death, and succession duty at the rate aforesaid shall be paid accordingly.

(h) Upon the death of any person, after the first day of June, 1918, all moneys held by any bank or financial institution upon any account, whether "and/or," or joint, or joint and several, on which the deceased had the right to operate or draw, shall be deemed to form part of his estate, and confer a succession on his death, and succession duty at the rate aforesaid shall be paid accordingly.

(i) Where any policy of life insurance effected by any person (herein called "the donor") has been assigned by him by way of gift to any person (herein called "the donee") and any premiums thereon have been paid by the donee, succession duty at the rate aforesaid shall be paid in respect of the amount payable under such policy upon the death of the donor, and the value of the succession shall bear such proportion to the amount so payable as the amount of premiums paid by the donor bears to the total premiums paid in respect of such policy:

Provided that the burden of proving to the satisfaction of the Commissioners that the whole of such premiums were not paid by the donor shall lie on the donee.

This paragraph to take effect as from the first day of June, 1918.

(j) The provision contained in section 14 of the Succession and Probate Duties Act, 1892, that a successor shall not in any other case than the cases mentioned in the said section be chargeable with duty upon a succession under a disposition made by himself; and that no person shall be chargeable with duty upon the extinction or determination of any charge, estate, or interest created by himself, unless at the date of the creation thereof he was entitled to the property subjected thereto expectantly on the death of some person dying after the time appointed for the commencement of the said Act, shall cease to have effect as from the first day of June, 1918.

2. Where a firm carrying on business in some country, possession, or place, other than Queensland, is at any time prior to or after the first day of October, 1917, the registered holder of shares or other interests in a company incorporated in Queensland under the Companies Acts, 1863 to 1913, such firm shall for the purposes of this Act be deemed to be carrying on business in Queensland in so far as relates to the shares or other interests in such company held by the firm; and upon the death of any member of such firm, after the first day of October, 1917, succession duty shall be paid in Queensland in respect of the value of such shares or other interests so held, in proportion to the interest held by the deceased in such firm, and to this extent the shares or other interests in the Queensland company shall be deemed to form part of the estate and effects of the deceased situated in Queensland for

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or in respect of which succession duty is payable in like manner as if such person were the registered holder of shares in such company.

The provisions of section 2 of the Succession and Probate Duties Act 1892 Amendment Act of 1895, as amended by the Succession and Probate Duties Act of 1904, and by the Act based on these resolutions, shall apply to such Queensland company, in so far as relates to the payment of the duty in respect of such shares or other interests so held, in the same manner as if such shares or other interests had been registered in the name of the deceased member of such firm in a branch register of such company, to the extent of his interest in the firm.

This resolution to have effect as from the first day of October, 1917.

3. Upon the death of a member registered in a branch register of a company incorporated under the Companies Acts, 1863 to 1913, the share or other interest of the deceased member shall be deemed to be part of his estate and effects situated in Queensland for or in respect of which succession duty is payable in like manner as if he were registered in the register of members kept at the registered office of the company in Queensland, and succession duty on the value of the shares or other interest in the company, held by the deceased at the time of his death, without any exemption or deduction whatsoever except as hereinafter provided, shall be paid by the company, at the rates following, that is to say:—

Where the value of the shares or other interest of the deceased member amounts to—

	£500	Per cent.
Exceeds—		2
Does not exceed		
£500 but does not exceed	£1,000	3
£1,000 but does not exceed	£2,000	4
£2,000 but does not exceed	£3,000	5
£3,000 but does not exceed	£5,000	6
£5,000 but does not exceed	£7,500	7
£7,500 but does not exceed	£10,000	8
£10,000 but does not exceed	£15,000	9
£15,000, 9 per cent., together with an additional 1 per cent. on the total value for every £5,000 or part of £5,000 in excess of £15,000, but so that such rate shall not exceed 15 per cent. :		

Provided that no such duty shall be payable by the company where probate and succession duty have been paid in respect of such shares or other interest held by the deceased at the time of his death.

This resolution to take effect as from the first day of June, 1913.

4. Upon the death of a member of any company incorporated according to the laws of some country, possession, or place, other than Queensland, which carries on business in Queensland, and has assets in Queensland, succession duty on the value of the shares or other interest held by the deceased at the time of his death, without any exemption or deduction whatsoever except as hereinafter provided, shall be paid by the company at the rates following, that is to say—

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Where the value of the shares or other interest of the deceased amounts to—

	£500	Per cent.
Exceeds—		2
Does not exceed		
£500 but does not exceed	£1,000	3
£1,000 but does not exceed	£2,000	4
£2,000 but does not exceed	£3,000	5
£3,000 but does not exceed	£5,000	6
£5,000 but does not exceed	£7,500	7
£7,500 but does not exceed	£10,000	8
£10,000 but does not exceed	£15,000	9
£15,000, 9 per cent., together with an additional 1 per cent. on the total value for every £5,000 or part of £5,000 in excess of £15,000, but so that such rate shall not exceed 15 per cent. :		

Provided that—

- (i) No duty shall be payable by the company where succession duty has been paid in respect of all shares or other interest in the company held by the deceased at the time of his death; or
- (ii) Where the company carries on any business outside Queensland, the value of the shares or other interest on which duty is payable by the company shall bear the same proportion to the full value of such shares or other interest as the assets of the company situated in Queensland bear to the total assets of the company.

For the purposes of this provision the term "assets" shall mean the gross amount of all the real and personal property of the company of every kind, including things in action, and without making any deduction in respect of any debts or liabilities of the company.

When any part of the property of the company consists of ships, such ships shall be deemed to be in Queensland during all the time during which the ships are in Queensland waters, or are passing from one port in Queensland to another port in Queensland.

Where a company incorporated according to the laws of some country, possession, or place, other than Queensland (herein called the foreign company), is the registered holder of any shares or other interests in a company incorporated in Queensland under the Companies Acts, 1863 to 1913 (herein called the "Queensland Company"), the foreign company shall be deemed to be carrying on business in this State, and such shares or other interests shall be deemed to be assets of such company situated in Queensland, and the company shall pay succession duty on the death of any member thereof in accordance with the table hereinbefore set out on the value of such shares or other interests of the foreign company in the Queensland company in the proportion that the value of the shares held by such deceased member in the foreign company bears to the total value of the shares issued by the foreign company.

This resolution to take effect as from the first day of June, 1918.

5. Succession duty shall be chargeable in respect of all property within Queensland, although the testator or intestate may not have had his domicile in Queensland.

This resolution to take effect as from the first day of June, 1918.

6. Every disposition of property made after the first day of June, 1916, by any person less than three years before his death if he shall have died after the first day of June, 1918, and purporting to operate as an immediate gift of the property *inter vivos* whether by way of transfer, delivery, declaration of trust, or otherwise, shall upon the death of the donor be deemed to confer a succession on the donee within the meaning of the term "succession" under the laws relating to succession duty: Provided that when ad valorem stamp duty has been paid in respect of any settlement, deed of gift, or voluntary conveyance made after the first day of June, 1916, by any person less than three years before his death, the amount of such stamp duty may be deducted from the amount of any succession duty payable in respect of the estate so settled, given, or conveyed.

7. The stamp duties payable by law upon probate of wills, or letters of administration with will annexed, shall be levied and paid in respect of all the personal estate and effects or rents or other moneys whatsoever coming into the hands of the executor or administrator or recoverable by him under such grant as aforesaid in respect of any property whatsoever; and where any testator has disposed of any personal property by will, under any power or authority enabling him to dispose of the same as he thinks fit, such estate and effects shall be deemed to be the estate and effects of the testator in respect of which probate of the will or letters of administration with the will annexed is or are granted as aforesaid.

This resolution to have effect as from the first day of June, 1918.

HON. W. N. GILLIES: I have to thank the Committee for relieving me of that ordeal, and will now explain briefly the provisions of the resolutions. It will be recognised at once that the resolutions are of a very technical character, and the Bill which will be founded on these resolutions is very largely a Committee Bill, and further, as the resolutions are practically identical with those discussed by the last Parliament, and the Bill is practically the same, I do not intend to take up the time of the Committee at any great length at this juncture.

MR. MACARTNEY: Explain what the differences are.

HON. W. N. GILLIES: I may be permitted to explain that there are five outstanding features in connection with these proposals. The first I want to call attention to is the exemption. The present exemption, which is a general one with regard to succession, is £200. We propose to abolish that general exemption and to bring in an exemption of £500 to apply to widows and children of deceased persons where estates do not exceed that value, and I think that will be found acceptable to the Committee. It will involve a loss of revenue of from £4,000 to £5,000 per annum, but when it is recognised that it is in the interests of widows and orphans—those who have lost their breadwinners—I think the Committee will agree that the exemption is a good one. The second feature is to bring within the knowledge of the Commissioners certain secret arrangements and dispositions which, when investigated, may be found to attract duty. There have been serious leakages in the revenue in the past owing to the defective nature of some of the provisions

of the Act, hence the desire of the department to be placed in such a position that they are able to ascertain whether any such transaction is colourable. The third feature is the machinery. Section 11 of the Succession and Probate Duties Act of 1904 rendered liable to duty in Queensland the value of shares or other interests of deceased members in companies incorporated outside Queensland and carrying on pastoral, agricultural production, mining, or timber-getting in this State, but through lack of the necessary machinery the provision has been useless. Clause 21 of the new Bill goes further, and brings all foreign companies within the operations of the Act. The fourth feature of the Bill is the alteration of the old schedule of rates of duty payable in estates, and the introduction of an entirely new one brings us fairly into line within the other States and New Zealand. During the last two or three years practically all probate and succession duties legislation has been brought up to date in the other States. Queensland is really behind the times in regard to legislation of this character, our present schedule having been in operation since 1892. The fifth feature is the machinery clauses, which provide the machinery the Commissioners consider necessary for the proper protection of the revenue. I should like to call the attention of the Committee to the fact that the Act passed in 1915 dealing with probate duty on soldiers' estates has been preserved. That Act, so far, has been responsible for a loss of revenue to the State of £6,000, but I am satisfied that no member of the Committee begrudges that. That provision will be left intact. The leader of the Opposition is desirous of knowing wherein the resolutions differ from those tabled last year. Clause (c), page 2, renders liable to duty as a succession by the survivor upon the death of a partner the accretion of interest in a fund or investment where the income was shared during the partners' joint lives and upon death the whole of such fund devolved upon the survivor. Clause (d), page 2, renders liable to duty on the basis of a fair and reasonable value all the property comprised in any partnership, notwithstanding any agreement or contract to the contrary. If the estate of the deceased person does not get the benefit, the surviving partner does, and the Commissioner has reason to believe that in many cases of this nature there is a secret agreement nullifying the effect of the clause in the partnership deed.

The other new feature is the one that I have just pointed out—there is no exemption in the schedules relating to company duties. That information, I think, is really all that should be required at this juncture, seeing that the resolutions have been circulated, and plenty of time is given to supply full information in Committee on the Bill. I am sure that the leader of the Opposition recognises that the Bill is very largely a Committee Bill. I thank the Committee for allowing me to move the resolutions simply, without going through the wearisome task of reading them through.

MR. MACARTNEY: I should like to thank the Treasurer for the manner in which he rectified the misunderstanding of last evening. He dealt with the matter in a perfectly fair manner, and I simply acknowledge to him our obligations in respect of it. It was the result of the somewhat casual method of putting the resolutions without

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reading them. I hope that it will not happen again, and I do not think for a moment that the Acting Minister for Justice intended to take any advantage of it.

Hon. W. N. GILLIES: The Treasurer and the acting leader of the Opposition were discussing whether we should adjourn.

Mr. MACARTNEY: Yes. I think it was probably entirely due to a mistake on the part of the Chairman. I said yesterday that I sympathised with the Assistant Minister in having to deal with resolutions involving purely technical matters, and I have to do that again to-day, and I have to add the just complaint of the Opposition that matters of this kind are not put before the committee by the gentleman whom one would expect to put such matters before us—that is, the Attorney-General. The resolutions being dealt with just now are of a very, very highly technical character. They deal with legal decisions of a most abstruse nature, and it is, consequently, only a man in the position of the Attorney-General, who knows in the first instance what it is that the Government want, what it is that the department is after, who can adequately explain to members of either side of the House what it is that the proposed alterations in the succession duty law really mean; and I think, under those circumstances, that we have an honest cause of complaint that the Attorney-General is not here to do that. It is hardly fair to blame the Assistant Minister for any deficiency in the matter, because we are prepared to confess that, even where a member has certain legal experience, the matter is a difficult one to handle.

The TREASURER: You must remember that this was all discussed last year.

Mr. MACARTNEY: The hon. member says so, but when I referred to the debate I found that it was going on between 1 and 2 and 3 o'clock in the morning, when there were no reports. The public do not know what was going on, and members even who were here last year have no means of refreshing their memories; and while the hon. member says that the resolutions are practically the same as last year, one only needs to run through them to find that interspersed among them are alterations of a most technical character. And when we realise the nature of the legislation and the nature of the alterations that are being proposed to conform with the policy of the Government, these things require just a little examination and just a little care. Unfortunately, we have not had much information from the hon. member, and I think it is to be regretted. It is not a laughing matter. We are supposed to be a deliberative Assembly, fully dealing with matters of serious import to the State, and I think it is a reflection on the whole Assembly that we are not able to have these matters put before us in order that we can have a full discussion, and come to a sound conclusion as to what actually is the effect of the matters before us. I say, with a feeling of shame myself, that it is going to go through just in the form in which it has been printed by the Government Printer—in the form in which it has been suggested by the officials of the department—without the Chamber understanding the subject in all its bearings. However, we have to take it as it is; and there is one thing very certain—that is, that it is going to very seriously increase taxation. The hon. member has not told us

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how much it is expected to bring into the revenue as distinct from the other taxation measures which have been brought before us. He has told us in a somewhat flippant way that we are behind the times, because the duties of the State of Queensland are not as great as they are in New Zealand.

Hon. W. N. GILLIES: I did not say that.

Mr. MACARTNEY: The hon. member said that he had referred to the New Zealand Act, and had found that we were behind the times.

Hon. W. N. GILLIES: I did not suggest more revenue.

Mr. MACARTNEY: He did not; but I say there should be more information on the subject. Where he should have given it to us he has been silent.

The SECRETARY FOR AGRICULTURE: Where was the flippancy?

Mr. MACARTNEY: I do not take much notice of the hon. member at times, and this is one of the times. (Laughter.) Where is the comparison between Queensland and New Zealand? As a matter of fact, New Zealand to-day is loyally doing her duty by the Empire. She is taxing the people there immoderately, perhaps, for the purpose of playing her part in the nation's war. She is finding men and munitions and arms, and there is no comparison between New Zealand and Queensland—Queensland being only one part of the Commonwealth of Australia. If there be any comparison between New Zealand and this part of the world, the comparison is with the Commonwealth, because the Commonwealth is conducting the war for Australia; and if this were a claim on the part of the Commonwealth to raise the succession duties for the purpose of meeting the war expenditure, there would be no complaint to offer about such an increase. But this is a very different thing. These duties are being increased for other purposes—purposes which have been discussed so widely during the last few days that I do not propose to cover the ground again.

The TREASURER: Our succession duties are the lowest in Australia.

Mr. MACARTNEY: I have a schedule showing the succession and probate duties at present existing in Queensland, and at present existing in the Commonwealth, with a schedule showing what the effect of these proposals is going to be; and just by way of illustration, let me take an estate of the value of £5,000. That would bring in to the State of Queensland £150 for succession duty and £50 for probate duty; but it would only bring in to the Commonwealth £53 6s. 8d., the conclusion thereby being that under these succession and probate duties we are paying four times the amount that is being levied by the Commonwealth.

The TREASURER: And only a third of those levied by South Australia.

Mr. MACARTNEY: Where is the comparison of the hon. member with New Zealand? How does it work in as justifying his taxation? If we look at what the effect of this proposal is going to be, we find that the duty is going to be increased on an estate of £5,000 by the sum of £50, making a total taxation of £303 6s. 8d.—£253 6s. 8d. for the Commonwealth as against £253 6s. 8d. for the State. Now, I have the schedule, also, for various amounts onwards,

but I don't propose to load the discussion with figures; but the fact is, we find that the results become more extraordinary as the estate goes higher. I say [4 p.m.] this is no time for the imposition of these heavier duties; no time whatever, when the country is suffering from the effects of the war, as well as suffering from the necessary effects of Commonwealth taxation.

The SECRETARY FOR AGRICULTURE: It makes it hard for the rich man to die.

Mr. MACARTNEY: I don't know what the hon. gentleman means. It is well known that experience proved some years ago that heavy death duties drove capital to other States. At any rate, the position is that not only are we having the extra duty imposed directly by these resolutions, but we are having a very heavy extra duty imposed by indirect methods—methods which are suggested as being necessary on account of so-called evasions. I say it is to be regretted that at this particular stage we are being asked to vote these moneys to His Majesty. We ought to understand what is being voted to His Majesty, and we ought to be able to give an intelligent vote upon that; but we are asked by the Minister to vote the money to His Majesty without having any information whatever; and we are calmly asked by him, when the House has committed itself to voting this money, to take up the discussion on the Bill which comes in at a later stage. Is the hon. gentleman serious in thinking that that is the manner in which business ought to be conducted in this Assembly? I referred to the "real Parliament" last night. It may be that the information has been given to the "real Parliament." It may be that these matters have been discussed in detail in the "real Parliament." No information has been given to this Chamber, and I say that it is a nice state of things when the important business of the country is being discussed in private in a room down below, and there is no record for either the reference of members of this Chamber or for the information of the public.

Mr. VOWLES (*Dalby*): I quite agree with the leader of the Opposition that this is a highly technical Bill, and one which will be a good subject for Committee. I also agree with him, that when measures of so technical a nature come before the Committee, the Attorney-General is the proper person to put these measures before the Chamber and explain the differences between existing legislation and that to which it is proposed to resort. Now, when one looks through the resolutions, he must come to the conclusion that they are, in the main, alterations in the existing law so as to fall into line with legal decisions; decisions not only so far as Queensland is concerned, but in some cases following the decisions in cases which have been decided in the old country. The Minister, in his opening address, referred to a few changes that have been made in the resolutions presented to the Committee last year, in those which are being presented to it now. He started off by telling us that the new ones consisted of those subclauses dealing chiefly with partnerships and with money that has been invested in a fund or common funds for individuals, when one of them dies. I propose to deal slightly with those later on, and deal with them to a fuller extent when that particular

matter comes before this Committee. The Minister also tells us that under the old Act there was an exemption of £200, which was not taxable; but it is proposed by this measure to increase that exemption to £500. On the face of it, if one reads these resolutions and does not understand the meaning of them, he would think that that is so. But when you come to put them into practice, it is quite a different story.

Hon. W. N. GILLIES: I said we are extending the general exemption up to £500.

Mr. VOWLES: You are not extending the exemption to £500 at all, in certain cases, and I propose to show it. If you look at the 1892 Act you will find the scale under section 12, and you will find that under certain conditions—which are set out in subsequent subclauses—"where the successor is the wife or husband, or lineal issue of the predecessor, the duty shall be charged on one-half of the rates aforesaid in respect of succession coming from him or her." Now, that applies, not in estates of the nominal value of £2,500, as it is under this measure, but to every succession, no matter what the capital value consisted of. Now look how generous the Government proposes to be to the widows and children—or the orphans, that they are always talking about. Compare that, in practice, with an ordinary small estate the nominal value of which just slightly exceeds £2,500 and what exists at the present day under this legislation. There is an alteration in the wording on page 2, subsection 2. It says—

"Where the total value of the estate of the deceased, in or out of Queensland, does not exceed £2,500."

and the law, as it stands to-day, is not the total value of the estate, but the total value of the succession, which is a very different thing. It can very easily happen that a man would have an estate valued at £2,500. It may be charged with debts to such an extent that there will not even be a succession of £500 in it; but if it exceeds £2,500—

The TREASURER: You are exaggerating.

Mr. VOWLES: I am not exaggerating. The wording has been deliberately altered, to my mind, and the law here now will be that where the total value of the estate in or out of Queensland does not exceed £2,500—then, and only then, are the widow and children entitled to a payment of half duty, no matter what the actual succession may be. I propose, at a later stage, to move an amendment to put the Government on its mettle as far as that is concerned, to see whether it is a *bonâ fide* mistake or whether it is not, and to alter the wording so that it will be not the value of the estate, but the value of the succession. If the succession were £20,000, under the existing law the widow and children would only pay half rates; but the only time the Government comes to their rescue is where the estate—not the succession—is less than £2,500. I think it is well that the Committee should appreciate that, that they should realise what it means; because, as you know, it frequently happens—more particularly under the present conditions—with land values in Queensland, with lands which were mortgaged some years ago when the lending power of land, and the true value of it, were much higher than they are to-day, that there is only a fair margin left.

Mr. O'SULLIVAN: Not the true value.

Mr. Vowles.]

Mr. VOWLES: The true value, to my mind, is what you can get for a property if you want to sell it.

Mr. O'SULLIVAN: The speculative value.

Mr. VOWLES: It is not the speculative value. On account of increased taxation, Federal and State, and on account of legislation generally, land values have decreased. There has been a decline right throughout my district, even up to 50 per cent. in many cases. Lands which probably had a 40 per cent. loan granted against them on that 100 per cent. basis have decreased 50 per cent., and the position now is that with that mortgage on it a £10,000 estate is practically reduced down to £5,000, and so on. That succession that the widow or the children would get under those circumstances is mortgaged up to 40 per cent. of the original value, so that there would be a very small margin of succession. In that case the total value of the estate would far exceed £2,500, yet there might be only £500 or £1,000 succession, and, because the capital value of the estate was over £2,500, that deduction could not be granted. That should not be so. We should be generous with a man's widow and children. They are the last persons from whom we should exact increased duties. Previous Governments never did it, and I do not see any reason why this Government, which has always held itself out as the friend of the widow and the orphan, should be the Government that is going to take away from them the relief that they have always held in the past. Then, again, the resolution says—

“Where such total value of the estate does not exceed £500, and the predecessor was domiciled in Queensland, and the successor is the wife or the lineal issue of the predecessor, no succession duty shall be payable.”

That exemption is limited to the case of the predecessor who is domiciled in Queensland, although the Minister said that the exemption was general. And it is only when the successor is the widow or lineal issue of the predecessor that the exemption is to apply even in the case of the predecessor who was domiciled in Queensland. Starting at the beginning of the scale of duties, there is a difference in the rates according to the capital value. And I would point out that the resolution reads—

“For determining the rate of succession duty so payable, there shall be aggregated so as to form one estate the value of all property, wherever situated.”

If a man has property in Queensland and dies here, it is proposed to charge duty here upon all property he may have owned, wherever it may be situated, notwithstanding the fact that, if he has property in New South Wales, Victoria, or any other State of the Commonwealth, that property will not only have to pay duty to the Commonwealth, but also to the State in which it is situated. I had a case in my office of the manager of a cattle station in Northern Territory, where he was killed. He was a provident man, and his father, who was his next-of-kin, lived in my district. This man had taken out an insurance policy in Queensland; he banked in New South Wales, and had fixed deposits and a current account. His domicile was Northern Territory. We took out letters of administration in South Australia. In that State we had to pay duty on the whole of his estate in all the States. We had to reseat all the documents in Queensland, and pay duty in this State, and

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then we had to pay duty in New South Wales. The rate was exceptionally high, because a father is not a lineal descendant, so he had to pay the full duties, instead of having to pay only one-half rates, as would have been the case if the succession had been the other way round. The father was a very strong supporter of the Labour party, and he was very irate over it, and that is one of the things he was going to proclaim from the housetops. The fact remains that the Government are going to charge duty on all property wheresoever situated as if it were property situated in Queensland, notwithstanding that property in other countries or States will have to pay duty there. That strikes me as being an imposition. I do not see why the Government should be so grasping. Why they should be so technical in their exactions, why they should try to draw the last drop of blood out of every individual, we can only surmise. Then I come to something calling for comment in the next paragraph. I do not know, when these resolutions are carried and embodied in an Act of Parliament, they are going to be carried out according to the strict letter of the law, but here is the paragraph to which I allude—

“Provided that the rate of duty payable where a beneficial interest in possession in any property or the income thereof on the determination of any charge, estate, or interest upon any death accrues after the first day of June, 1918, shall be calculated according to the principal value thereof when it falls into possession.”

That is very definite—“when it falls into possession.” There is a practice in the department, and a practice that this Government have been following pretty generally, of compounding duties in order that they may get revenue in anticipation. I want to know whether that power is to be continued in the future—whether the Commissioner will still have power to compound in anticipation of a succession. According to the wording of that paragraph, he will not have that power, for it says “when it falls into possession,” which means that the duty will become payable only “when it falls into possession.” If it is intended still to compound duty, then I cannot see any reason for inserting those words. Duty will only become payable when the person falls into possession in remainder and a life estate expires. Under the present practice, payment has been compounded with respect to successions which may not accrue for many years. On page 4 I find this paragraph—

“Upon the death of any person, after the first day of June, 1918, all moneys held by any bank or financial institution upon any account, whether ‘and/or,’ or joint, or joint and several, on which the deceased had the right to operate or draw, shall be deemed to form part of his estate, and confer a succession on his death, and succession duty at the rate aforesaid shall be paid accordingly.”

It has not been the practice in the past to collect succession duty under those circumstances. It is not the practice under the Federal law. We are going to create something that is quite new in that respect. If a man and his wife have a joint account, and one of them dies, according to banking rules, the other can draw the balance if that person thinks fit to do so. According to

our present law, there is no succession in such a case. Under this, if it is intended to regard that as a succession, why should that succession be deemed to exist in regard to the whole of the account? Yet that is what that paragraph means. Why should not the succession be restricted to one-half of the amount in the account, since the two hold equal shares in the account?

Mr. FREE: Because it is done to evade duty.

Mr. VOWLES: It is not being done to evade duty at all, but for the purpose of convenience in many instances. There are other provisions dealing with attempts to evade duty. Power is proposed to be given to the Commissioner to make all sorts of inquisitorial inquiries. He can go to very great extremes. He can bring successors, he can bring executors before him and examine them; he can examine books of account, and the onus is being placed upon the persons who are charged by the Commissioner with being liable to duty of proving that the property is not so liable. That is the position, and I ask why should it be so? There is all the power of inquiry asked for here, and no doubt it is going to be given, the same as there is under the Stamp Act at present. The Commissioner is seeking all that right, and the onus is put upon the person charged with paying duty. Under those circumstances, if that fund is held in equal shares or proportionate shares, the Commissioner has the right to determine what rate of duty or interest the deceased had in it, and what rate of succession is accruing in respect to a portion of it. I say it is altogether wrong that the whole of these moneys should be attacked, under the circumstances. It is very necessary where a husband and wife are in business that the two of them should operate a banking account. Under these circumstances, if the man or the woman died, the other party would have to pay succession on the whole of the property. It is inequitable. Why should it not be on the actual succession, if there is a succession, under the circumstances.

Now, there are very strong clauses here dealing with firms outside Queensland which have branches registered in Queensland and which have assets here, and also companies incorporated according to the laws of some country, possession, or place, other than Queensland, and which are incorporated in Queensland and carry on business here. In those cases, succession duty is payable on the shares of the deceased person, no matter where he lives. If a man is living in America, and is the owner of shares in a company which is interested in another company in Queensland, his estate has to pay through the company succession duty on the interest, and the remarkable thing is that no deductions whatever are allowed under those circumstances. If you follow that on, you will find on page 5, subsection (ii.), the following:—

“Where the company carries on any business outside Queensland, the value of the shares or other interest on which duty is payable by the company shall bear the same proportion to the full value of such shares or other interest as the assets of the company situated in Queensland bear to the total assets of the company.”

Then it goes on to say—

“For the purposes of this provision the term ‘assets’ shall mean the gross

amount of all the real and personal property of the company of every kind, including things in action, and without making any deduction in respect of any debts or liabilities of the company.”

I say that is altogether iniquitous. It further says this—something which, to my mind, is absolutely drastic and beyond all reason—

“When any part of the property of the company consists of ships, such ships shall be deemed to be in Queensland during all the time during which the ships are in Queensland waters, or are passing from one port in Queensland to another port in Queensland.”

It simply means that if a man dies under these conditions, and he has shares in an English shipping company, then those ships which are in Moreton Bay or the river, or travelling up the coast, shall be deemed part of the property and to be an asset in Queensland; it does not matter what the law is or what the company may be in respect to its share register, or how much money they owe as against their capital, that is to be regarded as an asset without any deduction whatever. There is no question that this taxation is scientific. It is more than that: it is not taxation, it is not only trying to take a proportionate part of property, but an attempt to take the whole. Let us follow the matter I was referring to last night under the Stamp Act in connection with deeds of gift, voluntary conveyances for nominal consideration. We found last night that, if the Stamp Act becomes law, the duty, instead of being a nominal duty of 10s. on such transactions, will be up to 5 per cent. on the capital value of the articles which are being transferred. You will find that under our existing succession law, if a man makes a gift, and dies within twelve months thereafter, the money or property, as the case may be, which is donated or transferred becomes liable to succession duty, not on the value of the grant or gift, as the case may be, but in accordance with the capital value of the estate of the deceased. It may vary right up to 10 per cent., and if he is a stranger it may vary up to 20 per cent. It is proposed to extend that period of twelve months to three years, and if a man dies within three years the succession duty is to be paid. The only thing is that the amount of stamp duty which has been paid on the transaction previously will be credited against it. Why should that principle apply for three years? Why not make it retrospective for as long as you like? Then, in dealing with the future, it does not say any transactions which come three years hence shall be within the operations of that section. In the existing law all deeds of gift and settlements made twelve months ago are attacked, because it extends back three years from the date of the passing of these resolutions, and they tax every one of them. I do not know whether the Committee realise that. It is going back on the existing law for actions which have been done even before these resolutions were foreshadowed, and when the settlements were not made with a view of overcoming these resolutions and evading duty. The settlers were acting strictly in accordance with the law at the time those documents were made. When this Bill becomes law, if anyone has made one of those settlements outside the last twelve months, although the document was perfectly legal at the time and above criticism, it will be attacked under this section.

Mr. Vowles.]

I sincerely trust that that is not going to be the law, because twelve months is long enough to my mind. You can imagine all sorts of cases which would come within it; gifts which were made to wives, without the slightest intention of evading duty, if through sickness or sudden death the donor dies within three years. These settlements will immediately be attacked, and the Government will be exacting duty from the wives and children of people the Treasurer always says he is out to protect. I sincerely trust that when that section comes before the Committee the Minister in charge of the measure will be reasonable and accept amendments that he will realise that it is most unfair that legislation should be brought in to-day which, in effect, will say that some actions which were perfectly legal when they were transacted and in accordance with the law of the land, are to be illegal for something done within three years' time.

The TREASURER: It does not make them illegal.

Mr. VOWLES: But you are going back and making the taxation retrospective.

The TREASURER: What is the main object of the disposition? Probably to evade duty.

Mr. VOWLES: No, to make necessary provision. That man may last twenty years, but if he dies within the three years his successors and donees will have to pay the duty. If you are going to make it three years, it is unfair, and we should not consent to it.

Hon. W. N. GILLIES: It is the same in New Zealand.

Mr. VOWLES: What is the use of talking about New Zealand? I am talking about documents which have been executed under the existing law, and which should be protected.

The bell indicated that the hon. member's time had expired.

Mr. G. P. BARNES (*Warwick*): I think it is to be regretted that when a very far-reaching and important measure such as this is brought before the House, the Committee are not enlightened to a very much greater extent than they have been to-day. It is only necessary really to emphasise the complaint in this regard which was made by the leader of the Opposition. I think it is scant courtesy, in connection with a measure of such extreme concern to every individual who realises his responsibility in life, and desires to make some attempt to make provision for those who may follow him, to come down and in a very few sentences to lay the measure before the Committee—and, indeed, not only the Committee, because the whole country is interested in a measure of this kind. It is beyond the ordinary individual such as myself, or the Acting Minister for Justice, to deal with a comprehensive measure of this nature; but still, in the ordinary practice of life we come against matters which have to do with the administering of estates, and we begin to realise the need there is to be fully informed in regard to all such matters. No man here to-day would

for a moment concede that the [4.30 p.m.] facts placed before us to enlighten the community on this matter are sufficient for the purpose. It is unfortunate that some legal mind on the other side of the House should not be present to give us information regarding these proposals. What do we know as to the real facts

[*Mr. Vowles.*

or what will be effect of this legislation if it is passed? It surely comes within the province of the Minister to lay before this Chamber the existing duties as well as the proposed alterations. The two sets of duties might be placed side by side, and we should then be able to form some idea as to what will be the effect of these proposals on different estates. The matter is a more serious one for the community than many individuals realise. In these days taxation is so extreme, and is likely to be more extreme if the proposals of the Government are adopted, that estates will be harder to administer than they are at present, simply because the liquid cash available at the time of the decease of an individual will be so much less than it is at present. The great bulk of the possessions of deceased persons is in property, not in cash, and I know that over and over again people have had to depend on some friend coming to their rescue, in order that they might be able to raise funds to pay succession and probate duties. It is idle to say, "Sell properties," because properties are exceedingly difficult to sell, and why should you force sales in order that estates may be administered? The measure before us completes the great list of taxation proposals submitted by the Government. In this instance, they are literally following individuals to the death. What they have not succeeded in taking from them by taxation during life, the Government, who profess a degree of anxiety for widows and orphans, propose to take from them at death. The Treasurer has shown a good deal of consideration sometimes for the position of orphans, State children, and now he proposes to levy a heavy tax on property to which they succeed. Any man who occupies a prominent position in the community is constantly appealed to for advice in connection with different estates that have to be administered, and has often been asked to assist in providing funds to enable an estate to be administered. The retrospectivity of these proposals is extremely unfair, and will lead to many and great complications. We have had no explanation given as to why they should be made retrospective to the extent proposed. In making them retrospective in this way, you are opening up a very wide field for the legal mind to make trouble. If you go back three years and reopen estates, there will be something for the enterprising lawyer to do, and you will play into the hands of such individuals. The apprehension the Minister appears to have regarding this matter, as I understood from a remark made by an hon. member opposite, is that gifts may have been made in order to evade the payment of duty, and so it is proposed that an opportunity should be given to delve into estates which have been administered. There are ample safeguards with regard to all such documents, as they have to be prepared for the administration of estates, and copies have to be furnished to the Justice Department. When these documents are in order, there is no further need for anyone to concern himself with any imagined breaches of the law in connection with them. The effect of the present proposals will be increased taxation. On estates up to the value of £40,000, the duty will be ahead of the duty payable to the Federal Government. On an estate of £5,000 which goes to the widow and children of the deceased, the probate duty in Queensland is £200, and the Federal duty is £55. That difference goes on with

a gradual rise till we come to estates of the value of £40,000. On such estates the duty levied in Queensland is £2,400, while the Federal duty amounts to £2,293. After estates of that value are passed, the Federal duty certainly exceeds the duty payable to the State. But I hold that the present succession and probate duties are severe enough in all conscience, and in view of the fact that we shall not have so much liquid cash in the future as we have had in the past, owing to the demands made by the Commonwealth and the State for increased taxation, it will be much more difficult for persons who are charged as trustees with the administering of estates to perform their duties in a satisfactory manner. And I think a little of the milk of human kindness and forethought should be evinced in what the Government are doing in this matter. Possibly, members on the other side of the House will make some further attempt to enlighten the Committee as to the actual incidence of this taxation, and the effect it will have on estates which will be administered in the future.

HON. W. H. BARNES (*Bulimba*): Before these resolutions are agreed to, I would appeal to the Minister to see if he cannot furnish us with some information as to the probable amount the Government will receive from these duties. I am quite certain that the officers of the department must have furnished the Government with some idea as to the amount of money they are likely to receive, and I think the Minister, out of courtesy to hon. members, should furnish us with that information. Is it part and parcel of the policy of the Premier, Mr. Ryan, who stated that he was out to make people squeal? I am quite prepared to admit that you cannot make dead people squeal, but you certainly can make living people squeal. Is this part and parcel of the threat which was used by the Premier that he was going to make people squeal; because it seems to me that one is quite right in coming to that conclusion, because there is a combination of circumstances which point in that direction. Would the Minister let us know what he actually expects to get from these particular duties? Right throughout, the attitude of the Government, since the opening of this Parliament, has been in the direction of showing that their object is to bring in as much money as possible, and they do not care how they bring it in. The Treasurer smiles, but it seems to me that that is the position which the Government have taken up.

The TREASURER: We care very much how we are going to get it. It is a very important consideration.

HON. W. H. BARNES: I admit that the question of finance is an important consideration. I also admit that it is equally important—I am sure the Treasurer will agree with me—that you should not absolutely cripple people in regard to the provision they are making for the support of those they leave behind.

The TREASURER: We are protecting the widows and orphans.

HON. W. H. BARNES: It is surprising that the hon. gentleman generally trots out something about widows and orphans. I think, when he dies—may that be a long time hence—(hear, hear!)—there will be found on his coffin, "The man who was ever saying he was looking out for the

widows and orphans." Apparently the Government's object, right throughout, has been to see what they can do in the squeezing process. The point I wish to make is this: That people make provision for their dependents, and the hon. member must know that some of the provision that has been made by those who have departed for those left behind has been practically all taken. I have known such cases, and no doubt the Treasurer knows of such cases, because he tells us he is sympathetic towards widows and orphans, and I am quite sure he has had a number of people to see him in connection with these cases. Is it not a fact that a number of people who believe that they were making provision for their survivors have found that, owing to the increased taxation, nothing has been left for their dependents?

The TREASURER: They could not come to that conclusion under these proposals. What is the maximum under these proposals?

HON. W. H. BARNES: That is what we want to find out. Surely the Minister knows what he expects to receive?

HON. W. N. GILLES: The Treasurer told you yesterday; £75,000 from probate and succession duties and £25,000 from stamp duties.

HON. W. H. BARNES: I am much obliged to the Minister for Justice for supplying that information. Now that he has supplied that information, I can inform him that he is altogether out, and instead of getting £100,000, he knows that he is going to get a great deal more than that.

The HOME SECRETARY: Is that the old order of financing?

HON. W. H. BARNES: It is the new order of financing.

The TREASURER: You can only say that if you knew how many rich men are going to die next year.

HON. W. H. BARNES: I admit, seeing that we do not know who is going to die, that these duties are an uncertain quantity.

The TREASURER: As a matter of fact, under the present Government, the people of Queensland are less likely to die than previously. (Laughter.)

HON. W. H. BARNES: I was about to say that the increased taxation proposals are going to hasten a great number of deaths, and I am quite sure that those deaths will be laid at the door of the Treasurer and of the Minister for Justice. I am afraid that when the Treasurer comes to the end of his own life he will be worried by the remembrance of those facts. Is this not another machine that is being used by the Government to try and grind out of the people all the money they possibly can? I think we can call this Government "the grinding Government; the Government that are out to grind out of the people every shilling they can get." Talk about Jews! I say that with all due deference, because some of my best friends are Jews. (Laughter.) We talk about some of the money-lenders oppressing the community, and shame on them, too, but this Government are emulating them. I am very much surprised that this Government, which is supposed to be a government for the people, is showing its anxiety to serve the people by getting them over its knees and whacking them, and then saying, "How much we love them."

The TREASURER: We would rather tax the rich than oppress the poor.

Hon. W. H. Barnes.]

HON. W. H. BARNES: The hon. gentleman is very good at sounding notes of that kind, but the people outside are beginning to doubt that.

The TREASURER: It did not seem so on the 16th March.

HON. W. H. BARNES: They say some hon. members were very approachable before the elections, but since then their hats have grown, and their heads have grown. They say a member of the Liberal party may be fairly approachable, but some members on the other side have got such swollen heads that you cannot approach them at all, and the position is, that instead of being the friends of the poor now, they are directly the opposite. Again I say that this legislation is legislation which is going to hurt Queensland, and again I say, as I said yesterday, it is going to be a boomerang that is going to come back and injure the Government.

The TREASURER: Boomerangs do not come back and injure the thrower.

HON. W. H. BARNES: Certainly they do. I have seen them come back and injure the thrower, and these proposals are going to injure the hon. gentleman. Surely it is up to the Government to look round and see if the time has not come when, instead of piling on the agony, an attempt should be made to reduce the burden upon the community. I hope that the Acting Minister for Justice will see his way to modify these proposals.

Mr. GUNN: There is one point which I would like to emphasise under this proposal, and it is this: If a man dies now, he not only dies, but he is going to be penalised for dying, or his widow, or the people he leaves behind him are going to be penalised, because he has had the misfortune to lose his life. My idea is that people should be encouraged to cut up their estates and divide them during their lives. I think it is a great mistake for people to hoard up their property, while their sons and daughters, perhaps, are going about on wages, working for somebody else, waiting for the old man to die, until, when the money comes to them, they are in a very sad position, because these young people pass the proper time to marry, and so on, and they miss their opportunity in life because their father has not seen fit to distribute his property while living. It is all very well to think that we are going to get money under these Bills, but money is not everything. I suppose we want the State to go ahead, and we want this to be a happy community, and to see our young people settle on the land or other property on something that they can call their own. We do not want to see money hoarded up in big estates, and when the old man dies, the Government come along and leave nothing for the young people. I think the old Act provides that if a man gives his property away twelve months before he dies, it is free of succession duty. I think that was a very fair proposition, but this proposal makes it three years. The consequence is that there will be no encouragement for people to distribute their estates while living. It will encourage them to continue to hold their big estates, and hoard up their property, so that the children will be debarred from the privilege of having what they ought to have before their fathers die. I think that is the most important matter

[Hon. W. H. Barnes.]

in this proposal, and I sincerely hope that if this House is not able to amend it in some way, it will be done in another place.

Mr. MACARTNEY: The subject has been dealt with fairly fully by the hon. member for Dalby, who discussed the resolutions last year, but there are two points upon which I think probably some information ought to be given. One is to be found on page 4 of the resolutions, in paragraph (h)—

“Upon the death of any person, after the first day of June, 1918, all moneys held by any bank or financial institution upon any account, whether ‘and/or,’ or joint, or joint and several, on which the deceased had the right to operate or draw, shall be deemed to form part of his estate, and confer a succession on his death, and succession duty at the rate aforesaid shall be paid accordingly.”

It occurs to me that if a man happens to be a bare trustee of a certain sum of money, that clause would operate to compel the amount to be added to his own private estate, and so make him pay succession duty on the money for which he is trustee and, perhaps, a higher rate.

The TREASURER: Not necessarily on a trust account.

Mr. MACARTNEY: That covers trust accounts. If a man has the right by reason of his trusteeship to operate on the account the clause becomes effective.

The TREASURER: If he is a trustee, he could easily safeguard himself by not having the right solely to operate.

Mr. MACARTNEY: That shows that the proposition is not framed in such a way that we are clear about what we are doing. It might be a joint account with power to either to operate, and if that is so, the fact that either of them has power to operate and dies, would in all probability compel the amount of the account to be included in his estate, and make duty payable upon it. It seems to me that that is a matter which ought to be made clear. It may not, perhaps, be necessary to deal with it now, but at a later stage we should understand what it means.

The TREASURER: Succession duty only taxes a beneficial interest.

Mr. MACARTNEY: If the law says that it must be added to the amount of his estate, that is in effect saying that the duty shall be payable on the whole.

The TREASURER: If he were only a trustee, he would not have a beneficial interest.

Mr. MACARTNEY: The clause, to my mind, catches a trustee. It may not be so intended, but it seems to me that it will do it. At any rate, I think I am quite justified in asking whether it is intended in that way. Another clause provides—

“Succession duty shall be chargeable in respect of all property within Queensland, although the testator or intestate may not have had his domicile in Queensland.”

It is a well-known fact, or a well-known rule, at any rate, that personal property follows the domicile, and a man dying in New South Wales possessing only personal property in Queensland, his estate would pay on that personality in New South Wales, the succession being there, but the effect of that clause is to make his estate have to pay

duty also on the same amount in Queensland. I say that is not a fair or reasonable thing to do, because if a man dies in Queensland and leaves personal property in New South Wales, he has got to pay in Queensland on the succession, to the personal estate in New South Wales, and New South Wales does not claim it. Here, now, the effect is to collar duty in both cases, and it only shows the extent to which the department are prepared to go to save what we hear of as evasions. I say it is not a fair thing; it is not a reasonable thing. We know that at the present time there is difference between the British authorities and the colonies, because the old country insists on charging double income tax on incomes earned in Australia. I say it is not a fair thing, and it ought to be an arrangement understood between the old country and the Commonwealth, and it ought to be an arrangement understood between the different States of Australia.

Mr. SIZER (*Nundah*): There is only one clause in connection with this matter which I would like to bring under the Minister's notice. I refer to the clause under which it was sought in the other Chamber last year to exempt all those persons who benefit from a soldier's estate. I understood the Minister to say that soldiers' widows are exempt from succession duty, but I would like to impress upon the Committee that a man may go to the war, who is a single man, and who may have a considerable or a little amount of money, which he may leave to his mother, or his brother, or his sister, and I think the same privilege should be extended to them as applies to the widow, because they are otherwise being deprived of something which possibly they would not have been deprived for many years had it not been for the abnormal circumstances. I think it is extremely unfair for the Government to contemplate, in any way possible, placing additional taxation on any of those persons, whether they be the widow or a distant relation, so long as they are blood relations.

The TREASURER: That subject is dealt with in a special Act which we passed, I think, the session before last.

Mr. SIZER: Does not that deal only with the widow?

The TREASURER: Father, mother, widow, or children.

Mr. SIZER: I had a case brought under my notice of a man who was killed, and left his property to his brothers. I think the succession duty amounted to about £100, and I want to know whether the Government will make provision for all beneficiaries of all soldiers' estates to be exempt, and not confine it to the next-of-kin.

Mr. PETRIE (*Toombul*): I think the fixing of these succession and probate duties will have the effect of driving capital out of the State altogether. Wealthy men, on account of the increased duties in this respect, have withdrawn their money from this State, and there will be no investment, so far as their money is concerned,

[5 p.m.] for this State. As was pointed out before, we have increased the burdens of the people, and now, instead of encouraging people to die, we are encouraging them to live. (Loud laughter.) It is interfering with some private enterprise. (Renewed laughter.) Of course, I suppose the Government wish to get as much money

in as they can, to meet the deficits they are faced with on account of the extravagances that they have been going in for for the last two or three years. There is no encouragement here for private enterprise, or for people to invest their money, when we have this sort of legislation introduced year after year.

Hon. W. N. GILLIES: This is not a land settlement Bill. (Laughter.)

Mr. PETRIE: No, it is not a land settlement Bill; but you are placing burdens on the people, and it won't encourage land settlement. I think, though, it is too serious a subject to joke about. These duties may, as was pointed out by the Assistant Minister for Justice, bring in a certain amount of money. Whether the amount is going to be realised which they anticipate, I don't know. Certainly, amendments were needed in the Stamp Act; but in connection with income tax, land tax, and all the other taxes we are having imposed upon us, our life will hardly be worth living in this State.

Mr. SIZER: I would just like to supplement my remarks, made previously, on the interjection of the Minister that the 1915 Bill exempted those beneficiaries of soldiers which I have mentioned. Well, the 1915 Bill, I understand, exempts up to £2,500 the widow and children, the father and mother; but it does not exempt those people I was mentioning—the brothers and the sisters. I think that, as the Government have gone that far, it was evidently an oversight on their part when they left out the brother and sister.

The TREASURER: It was not an oversight. It was meant to cover all dependents. It goes further than any other State.

Mr. SIZER: I would ask the Minister to go further still and include all the dependents.

The TREASURER: The brother is not a dependent.

Mr. SIZER: He may be.

The TREASURER: He may be, of course.

Mr. SIZER: You are going to take the risk of penalising someone, in the possible hope that one of them may not be a dependent. I think a little special consideration should be given in those particular cases, if only for a sentimental reason. It is quite possible that the brother of this soldier might be incapacitated, and the one who went to the war was an ambitious man and saved up a bit of money. He leaves this money to his brother or his sister. He would have to pay these duties. I think—and I hope that the Minister will think so, too—that it is unfair, and that he will make provision in that particular case and exempt all.

The TREASURER: What is the percentage of incapacitated brothers?

Hon. W. N. GILLIES: I should like to point out to the hon. member for Nundah that he must be aware that almost every man in Queensland has some relative at the war. I don't think there are many families that have not, and it would be just as well to exempt them all. I am quite prepared to suggest to the hon. member that if he is prepared to assist, and get a guarantee from the Opposition that the revenue will not suffer, by imposing greater duties on the wealthy people of this State, we will consider such an amendment as he has suggested in the Bill.

Mr. ROBERTS (*East Toowoomba*): I think the idea of the member for Nundah is to try and set out that, as far as this State is

Mr. Roberts.]

concerned, they shall not benefit at the expense of someone who has sacrificed his life and comfort. I think that that is a fair proposition. Now, complaint has been made this afternoon that we have not had an opportunity of finding out the effect which this Bill will have when it becomes law. It is only by looking up some of the discussions which arose in another place that we see some of the incidence that will accrue. In that connection we also find that last year an effort was made by a gentleman in another place to get an amendment in this direction in which the member for Nundah is seeking. It was pointed out there by Mr. O'Shea that the Government should not try to make revenue over the blood of a soldier. That, I think, is what we want to prevent. As a matter of fact, I notice in that connection that there have been eighty-seven estates in Queensland where men who volunteered for active service have lost their lives, and this Government has benefited thereby to the tune of £19,812.

Hon. W. N. GILLIES: I suppose that was all spent for the benefit of the soldiers.

Mr. ROBERTS: I don't know whether it was spent on them at all. There is the fact that under ordinary conditions the Government would not have collected that money. Those men, probably, were in the full vigour of manhood, and probably their lives would not have come to an end for many years; but in the interest of their country they have gone away, they have lost their lives, and this State, by their taxation methods, becomes the gainer. That is the point, I think, that we want to make; and I want to ask the same as Mr. O'Shea asked in the other Chamber—is it fair?

Hon. W. N. GILLIES: Are you prepared to support an amendment to put that £19,000 on to someone else's shoulders?

Mr. ROBERTS: It is not a matter of putting it on to someone else's shoulders. If it were not for this unfortunate calamity of the war it could not have been collected—that is the position. If the war ceases, then that source of revenue will have passed. I have read the debate in another place, and I can quite understand some of those men speaking somewhat warmly on the subject—that this Government may talk about passing a few small minor taxes or duties on these men. Why should the Government be richer at the expense of a man who has gone at the call of this war, for his country's good?

Hon. W. N. GILLIES: Do you know that one of the estates to which you refer was worth £170,000?

Mr. ROBERTS: I propose to deal with that before I sit down. I do not want to shirk anything. In my opinion the Government should not get rich at the expense of the unfortunate men who lose their lives in defence of the country. I honestly say that the estates of these men should not be expected to contribute anything to the cost of governing the State. We are always being told how much the Government are doing for the soldiers. I want to show what the Commonwealth is doing. Certainly, the Commonwealth has set us a noble example. From page 3626 of "Hansard" for last year, I find that section 9 of the Commonwealth Estate Duty Assessment Act of 1914 reads—

"Nothing in this Act shall apply to the estate of any person who during the present war or within one year after its

[*Mr. Roberts.*

termination dies on active service or as a result of injuries received or disease contracted on active service with the military or naval forces of the Commonwealth or any part of the King's dominions."

That shows that the Commonwealth Government recognised that it was their duty to do something for the men who have given their lives for the country, and that they did not consider that they should derive any portion of their revenue from the death of these men.

Hon. W. N. GILLIES: That was purely a war measure.

Mr. ROBERTS: It might be a war measure, but it shows that the Federal Government did not intend to get rich at the expense of the men who have given their lives for their country.

Mr. SIZER: With regard to the remarks which have just fallen from the Minister, I would suggest that the hon. gentleman should bring this into line with the provisions of the Act of 1915 and apply the exemption from duty up to £2,500 to brothers and sisters. The duty on an estate of a value of £1,000 which a sister or a brother dependent on a deceased soldier would have to pay would be £16, and I think it is unfair that they should be asked to pay that amount of duty.

The TREASURER: The brother or sister might be worth £50,000.

Mr. SIZER: It is more likely that in the great majority of cases the brother or sister would have less than £1,000 than that they would have £50,000. They would not be likely to have £50,000 in one case out of 10,000. Like the hon. member for East Toowoomba, I do not see why the Government should want to make money out of these unfortunate men.

The TREASURER: It is not proposed to make money out of these unfortunate men.

Mr. SIZER: It is proposed to make money out of their dependents.

The TREASURER: Is a brother a dependent on a brother?

Mr. SIZER: He may be.

The TREASURER: He might be in one case in 100,000.

Mr. SIZER: The brother might be a boy at school, and his deceased brother might have been desirous to have him educated. As the Minister has suggested that he is willing to go a certain length, I would ask him to make the amount the same as in the Act of 1915 and grant an exemption up to £2,500 in the case of sisters and brothers who are dependents on the deceased.

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

The House resumed. The TEMPORARY CHAIRMAN reported that the Committee had come to a resolution.

The Committee obtained leave to sit again to-morrow, and the resolution was ordered to be received to-morrow.

INCOME TAX ACT AMENDMENT BILL.

SECOND READING.

The TREASURER: We had a long discussion on the subject-matter of this Bill when the resolutions were before the Committee,

but I desire to place before the House some statistics bearing upon the question dealt with by the Bill which may prove of interest to hon. members. The main purpose of the Bill—which, I think, is pretty well understood now by hon. members—is to raise additional revenue by means of an adjustment of the income tax and the imposition of a super tax for the purpose of meeting the deficiency which has occurred in the finances of the State for the present financial year. The chief revenue from this Bill will be derived by the method of slightly readjusting the incidence of the income tax as applicable to individuals by bringing in new resting places and by the imposition of a higher tax upon the larger incomes, at the same time imposing a 20 per cent. super tax on all payers of income tax, but allowing a further exemption from that super tax of £200. This will have the effect of altering the incidence of the tax as applicable to incomes derived from personal exertion in the following manner:—

Income Derived from Personal Exemption.	TAX.	
	Present Rate.	Rate inclusive of Super Tax.
	Pence in £	Pence in £
If total income subject to the tax does not exceed £500	7.5	9
Exceeds £500 and does not exceed £1,000	9	10.8
Exceeds £1,000 and does not exceed £1,500	12	14.4
Exceeds £1,500 and does not exceed £3,000	15	18
Exceeds £3,000 and does not exceed £4,500	18	21.6
Exceeds £4,500 and does not exceed £8,000	21	25.2
Exceeds £8,000	24	28.8

The measure has had the effect, of course, of applying a higher rate of income tax upon taxpayers in receipt of incomes over £3,000 a year. The maximum rate was reached at £3,000 under the present law, and from then onwards remained a flat rate, no matter how much the income may have been. We propose resting places in this Bill, one at £4,500, and the other at £6,000, at which there are

higher rates of tax, making the income tax payable by persons in these cases much larger than it was under the old Act.

With regard to income derived from property, the present rates are and the new rates will be as follow:—

Property.	TAX.	
	Present Rate.	Inclusive of Super Tax.
	Pence in £.	Pence in £.
If the total income subject to the tax does not exceed £500	12	14.4
Exceeds £500 and does not exceed £1,000	13.5	16.2
Exceeds £1,000 and does not exceed £1,500	15	18
Exceeds £1,500 and does not exceed £3,000	18	21.6
Exceeds £3,000 and does not exceed £4,500	20	24
Exceeds £4,500 and does not exceed £6,000	24	28.8
Exceeds £6,000	27	32.4

Mr. G. P. BARNES: Is that a 20 per cent. calculation all through?

The TREASURER: Yes, the 20 per cent. is added to the tax payable. I have been careful to work out the exact effect of this altered incidence of taxation, so that hon. members can see how the super tax will apply. It is fair in its incidence, and I think that, taking all things into consideration, it is as fair a basis of taxation as we can have. The graduated income tax is undoubtedly a fair method of taxation, because those with higher incomes can better afford to pay, even relatively, a larger amount than those with a small income. That is, of course, the justification for the principle of allowing exemption to those who are in receipt of very small incomes—of exempting them entirely from the operation of the tax. I have had prepared some statistics showing the amount of income tax collected by the various States of Australia and New Zealand, and the amount paid per capita in income tax. It is a most interesting comparison, and bears out what

has been said from the Opposition bench, that compared with other States in the Commonwealth, Queensland has, perhaps, the highest amount of income tax paid per capita. I will give the figures, which hon. members can follow:—In New South Wales, the amount per capita is £1 1s.; Victoria, 10s. 10d.; Queensland, £1 1s. 11d.; South Australia, 12s. 2d.; Western Australia, 12s. 10d.; Tasmania, £1 1s. 3d.; and in the Commonwealth, £1 2s. 9d. Queensland is slightly higher than New South Wales, and only a few pence over Tasmania.

Mr. G. P. BARNES: Just double Victoria.

The TREASURER: About double Victoria, but it is more equitable than the Victorian tax. Fortunately, our system of raising revenue in Queensland depends more upon direct taxation than upon the iniquitous system of indirect taxation by means of railway freights, and in other ways, and is much fairer. In Victoria they have raised a very large sum of money by increased railway freights, but we desire that Queensland shall avoid that. It has been laid down by economists that it is far better and fairer for the State to have direct rather than indirect taxes, because each man then knows how much he contributes, and can fairly judge whether he is contributing a fair share or not. That is a better system than the old Liberal system, where they would strike at men with large families, irrespective of whether they had the means to pay. If I add the taxes paid in the respective States to the tax paid to the Commonwealth per capita, we shall get a better comparison with those States and other countries. In New South Wales the taxes paid to the Commonwealth per capita and those paid to the State amount to £2 5s. 9d.; Victoria, £1 13s. 7d.; Queensland, £2 4s. 8d.; South Australia, £1 14s. 11d.; Western Australia, £1 15s. 7d.; Tasmania, £2 4s.

Mr. G. P. BARNES: We are the highest in the Commonwealth.

The TREASURER: Yes, and that is brought about by deriving our revenue from direct taxation rather than imposing indirect taxation upon the people. The amount we pay here per capita is £2 4s. 8d.

Mr. MACARTNEY: At what date is this?

The TREASURER: These are the latest figures in Brisbane, got only a few weeks ago. In New Zealand the amount is £3 17s. 5d., and in the United Kingdom £7 12s. 5d.

Hon. W. H. BARNES: The cases are not analogous.

The TREASURER: They are analogous. It is a fair comparison when we have been accused of putting a crushing burden of taxation upon the people.

Mr. G. P. BARNES: You are trading on the war, when the war does not touch you.

The TREASURER: It is useless to say that the war does not affect us; it affects the State Governments as well as the Commonwealth Government. It is not our function to conduct the war, but the war has a direct effect on the State finances. We know what effect the war has had on the price of coal and other material. What does it cost now to buy a ton of galvanised iron as compared with 1913? Under the contracts in force when this Government came into office the price

for galvanised iron was £18 10s. per ton, and you cannot buy the same kind of iron now under £80 or £90 a ton. It is the same in connection with innumerable articles which enter into the necessities of the Government.

Mr. MACARTNEY: You have some advantages by way of set-off.

The TREASURER: We have certain advantages, but one set-off which Queensland has is the advantage of having a Labour Government.

GOVERNMENT MEMBERS: Hear, hear!

The TREASURER: The fact that we have imposed direct taxation in one form or another, which results in the collections being a greater amount per capita than in the other States, does not show that our system is a wrong system, or that there is anything unfair in it, as our taxes are imposed on a just basis. That is the

[5.30 p.m.] justification for this measure.

The taxes are imposed with a due regard to the abilities of the respective persons to contribute to the revenue. We have endeavoured so to arrange our exemption and our progressive scale as to allow those who cannot afford to pay to escape from contributing, and to impose the heavier burden on the broader shoulders. Surely that is a system of taxation that should be approved by this Assembly.

Mr. MACARTNEY: A scientific system.

The TREASURER: It is as nearly scientific as it is possible to get it, with due regard to the needs of the Government and the convenience of the taxpayer. The Government have been accused of having imposed crushing taxation on the people, but in order to prove that you will not only have to show that the taxation per capita here is higher than in other States, but you will have to show that our burden of taxation under the system adopted is of a more crushing nature than the burden in New South Wales and other States, and you will also have to demonstrate that those who cannot afford to pay are being compelled to pay. What I propose to show is, that our tax is so adjusted that those who have large incomes pay the most. Reference has been made by members opposite many times since the beginning of last week to the alleged evil we have brought about by taxing the people to such an extent that, as the hon. member for Bulimba put it, we are screwing the people down—screwing money out of them. That remark is incorrect, because we have not screwed money out of the pockets of the people.

Mr. BEBBINGTON: It is true; I could give you many cases; I have a case here now in which you screwed £11 out of a man who had not a shilling. (Loud laughter.)

The TREASURER: That is a miracle which I think is beyond us; it is not possible to show any case of actual hardship caused by the Queensland taxation. Our system of taxation is so arranged that the burden of it only falls on the rich people, most of the people escaping any contribution or burden. Let me make a reference to the schedules which are in force at the present time in Queensland, and the schedules which are in force in the other States and in the Commonwealth, to show that what I am saying is correct. By comparing those schedules you will find that our taxation is so adjusted that it falls

[Hon. E. G. Theodore.]

equitably on the taxpayers with large incomes. The following table will be interesting to hon. members:—

INCOME TAX.

COMPARATIVE TABLE SHOWING AMOUNT OF INCOME TAX PAYABLE TO THE GOVERNMENTS OF QUEENSLAND, COMMONWEALTH, NEW SOUTH WALES, VICTORIA, SOUTH AUSTRALIA, WESTERN AUSTRALIA, TASMANIA, NEW ZEALAND, AND ENGLAND.

Taxable Income.	PERSONAL EXERTION.								
	(a) Queensland.	(b) Commonwealth.	(c) New South Wales.	(d) Victoria.	(e) South Australia.	(f) Western Australia.	(g) Tasmania.	(h) New Zealand.	(i) England.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
300	9 7 6	6 8 10	13 15 0	3 15 0	5 12 6	5 0 0	5 18 9	18 15 0	33 15 0
500	15 12 6	12 13 10	23 2 6	6 5 0	9 7 6	8 6 8	11 17 6	39 11 8	56 5 0
1,000	37 10 0	35 3 1	43 2 6	18 15 0	29 3 4	19 15 10	28 15 0	90 12 6	300 0 0
1,500	75 0 0	67 7 7	73 6 8	31 5 0	43 15 0	34 7 6	52 14 2	195 16 8	450 0 0
2,000	125 0 0	109 7 6	100 8 4	45 16 8	58 6 8	51 0 10	79 15 10	313 0 5	600 0 0
2,500	166 5 0	161 2 7	127 14 2	60 8 4	72 18 4	69 15 10	111 0 10	436 5 0	750 0 0
3,000	187 10 0	222 13 1	156 17 6	75 0 0	87 10 0	88 10 10	142 5 10	625 10 5	1,575 0 0
4,000	300 0 0	375 0 0	215 4 2	104 3 4	116 13 4	130 4 2	204 15 10	1,042 3 9	2,160 0 0
5,000	375 0 0	568 8 1	275 16 8	133 6 8	145 16 8	176 0 10	267 5 10	1,563 0 5	2,625 0 0
6,000	450 0 0	796 17 6	338 6 8	162 10 0	175 0 0	226 0 10	329 15 10	2,188 0 5	3,150 0 0
7,500	592 10 0	1,215 16 4	436 9 2	206 5 0	218 15 0	301 0 10	423 10 10	3,243 15 0	3,937 10 0
10,000	750 0 0	1,995 17 6	605 8 4	279 3 4	291 13 4	426 0 10	579 15 10	4,337 10 0	5,250 0 0
15,000	1,125 0 0	3,559 7 6	959 11 8	425 0 0	437 10 0	676 0 10	892 5 10	6,525 0 0	7,875 0 0
20,000	1,500 0 0	5,121 17 6	1,313 15 0	570 14 8	593 6 8	976 0 10	1,204 15 10	8,712 10 0	10,500 3 0
30,000	2,250 0 0	8,246 17 6	2,022 1 5	862 10 0	875 0 0	1,426 0 10	1,829 15 10	13,087 10 0	15,750 0 0

PROPERTY.

Taxable Income.	PROPERTY.								
	(a) Queensland.	(b) Commonwealth.	(c) New South Wales.	(d) Victoria.	(e) South Australia.	(f) Western Australia.	(g) Tasmania.	(h) New Zealand.	(i) England.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
300	15 0 0	7 5 6	17 1 8	7 10 0	11 5 0	5 0 0	10 8 4	18 15 0	45 0 0
500	25 0 0	15 0 1	23 15 0	12 10 0	18 15 0	8 6 8	19 11 8	39 11 8	87 10 0
1,000	66 5 0	54 17 2	60 0 0	37 10 0	56 5 7	19 15 10	44 11 8	96 12 6	300 0 0
1,500	93 15 0	117 3 9	91 10 7	62 10 0	84 7 6	34 7 6	69 11 8	195 16 8	450 0 0
2,000	150 0 0	197 4 6	125 11 1	91 13 4	112 10 0	51 0 10	94 11 8	313 0 5	600 0 0
2,500	187 10 0	293 6 2	159 17 3	120 16 8	140 12 6	69 15 10	119 11 8	456 5 0	750 0 0
3,000	225 0 0	404 12 0	194 13 4	150 0 0	168 15 0	88 10 10	144 11 8	625 10 5	1,575 0 0
4,000	333 8 8	662 3 0	270 5 7	208 6 8	225 0 0	130 4 2	194 11 8	1,042 3 9	2,160 0 0
5,000	416 13 4	951 3 7	346 18 11	268 13 4	281 5 0	176 0 10	244 11 8	1,563 0 5	2,625 0 0
6,000	500 0 0	1,256 18 10	426 2 3	325 0 0	337 10 0	226 0 10	294 11 8	2,188 0 5	3,150 0 0
7,500	625 0 0	1,725 5 0	550 13 11	412 10 0	421 17 6	0 10 10	369 11 8	3,243 15 0	3,937 10 0
10,000	933 6 8	2,506 10 0	765 11 1	558 6 8	562 10 0	426 0 10	444 11 8	4,337 10 0	5,250 0 0
15,000	1,250 0 0	4,064 0 0	1,216 18 11	850 0 0	844 15 0	676 0 10	744 11 8	6,525 0 0	7,875 0 0
20,000	1,666 13 4	5,631 10 0	1,668 6 8	1,141 13 4	1,125 0 0	926 0 10	994 11 8	8,712 10 0	10,500 0 0
30,000	2,500 0 0	8,756 10 0	2,571 2 3	1,725 0 0	1,687 10 0	1,426 0 10	1,494 11 8	13,087 10 0	15,750 0 0

(a) Exemption £200, but no exemption for absentees or companies.

(b) Exemption—Married or with dependents, £156, less £1 for every £4 in excess for personal exertion, and £5 for every £11 in excess for property. Single and with no dependents, £100, less £1 for every £4 in excess for personal exertion and property. Absentees are taxed at the same rate as residents, but no exemption is allowed.

(c) Exemption £250.

(d) Minimum income subject to tax is £201, exemption of £150 is allowable on incomes between £201 and £500. No exemption allowed on incomes exceeding £500.

All income from live stock, wool, meat, milk, and dairy produce, fruit, grain, fodder, and other crops arising from any land and on which land tax is assessed, is exempt from income tax if unimproved value of land does not exceed £5,000, and the maximum amount of income tax payable in respect to the mentioned businesses if unimproved value of land does not exceed £9,000, is £12 10s.

(e) Exemption £200, but no exemption for absentees or companies.

(f) Exemption £200, and absentees are taxed at 50 per cent. extra. No exemption to companies.

(g) Exemption ranging from £70 to £20 is allowed on incomes between £100 and £400. No exemption on incomes above £400. Incomes under £125 in respect to married persons, and under £100 in respect to single persons, are exempt from tax.

(h) Exemption £300, but no exemption for companies or absentees. Includes super tax of 33½ per cent. of income tax, and a further addition of 6 pence for every £1 not exceeding £900, and 1s. for all other cases.

(i) Exemption ranging from £120 to £70 is allowed on incomes up to £700. Includes super tax on all incomes over £2,500, ranging from 10 pence in the £1 to 3s. 6d. in the £1.

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You will observe that on a taxable income of £300 derived from personal exertion a taxpayer in Queensland pays £9 7s. 6d., in the Commonwealth £6 8s. 10d., in New South Wales, with a Nationalist Government, £13 15s.; in Victoria £3 15s., in South Australia £5 12s. 6d., in Western Australia £5, in Tasmania £5 18s. 9d., in New Zealand £13 15s., and in England £33 15s. Taking incomes of £2,000, we find that in Queensland the taxpayer pays £125, in the Commonwealth £109 7s. 6d., in New South Wales £100 8s. 4d., in Victoria £45 16s. 8d., in South Australia £58 6s. 8d., in Western Australia £51 0s. 10d., in Tasmania £79 15s. 10d., in New Zealand £313 0s. 5d., and in England £600. As we ascend in the scale the Queensland tax gets stiffer as compared with the taxes in the other States. That shows the equitable nature of the tax in Queensland. Taking one long leap, I find that on an income of £30,000 from personal exertion the tax payable in Queensland is £2,250, in the Commonwealth £8,246 17s. 6d., in New South Wales £2,022 1s. 8d., in Victoria £862 10s., in South Australia £875, in Western Australia £1,426 0s. 10d., in Tasmania £1,829 15s. 10d., in New Zealand £13,087 10s., and in England £15,750; so that throughout the scale the taxation in New Zealand and England is much more severe than it is in Queensland, even with the Commonwealth taxation added.

Hon. W. H. BARNES: You are hard put to it when you bring in New Zealand and England.

The TREASURER: Why?

Mr. SIZER: Because they have taxation for the war—absolutely abnormal conditions.

The TREASURER: Australia is affected by the war just as much as New Zealand. I would not be allowed to go into the question as to what Australia has done in connection with the prosecution of the war, but if there were an opportunity of doing that I could show that Australia has done quite as much in the matter of raising men, and financing the war, as any other dominion in the Empire, and that what she has accomplished on the battlefield can equal what the other dominions have done; but it is not necessary to go into that question. I say it is perfectly fair to compare the taxation paid in Queensland, with the Commonwealth taxation added, with that paid in New Zealand—and the comparison is in favour of our system of taxation. I know there are some persons who think we should not have any taxation at all, and certainly the men with incomes of £3,000 or £10,000 a year are in that category.

Mr. MACARTNEY: Do you think that the few men who receive incomes like that make any difference to members on this side of the House?

The TREASURER: I do not know: I do not suppose they would make any difference, but the opinions of those men coincide very largely with the opinions of members on that side of the House. It has been suggested that there are capitalists on this side of the House; well, if there are, in proposing this tax we only show our self-abnegation. (Opposition laughter.) If you make a comparison between the taxes payable on incomes derived from the produce of property in the various States mentioned, you will find that the same argument as that which I have advanced is applicable. In our case the tax on the lower incomes is

lower than in most of the States, while the tax on the higher incomes is higher. The progressive scale is steeper, showing that we let off, as far as practicable, those in receipt of small incomes and impose the real burden of taxation upon those who can well afford to pay. What happens with regard to the man in receipt of £3,000 a year, about whom it is alleged they are about to be subjected to a crushing burden of taxation? At present, if they receive £3,000 taxable income from personal exertion—that is, their total income must be £3,300—they pay £187 10s. A man with £3,300 a year can afford to pay that. Of course, the taxation we are proposing in this Bill will slightly increase that amount, but it still will enable him to retain sufficient to meet all his obligations, and, no doubt, add to his capital.

Mr. MACARTNEY: Can you give us any idea what the increased tax will bring in, and what the super tax will bring in?

The TREASURER: I have not those figures available, and I do not know that they can be readily obtained, but, if I am able to get them before the Committee stage, I will be pleased to furnish the information to hon. members. I do not know that it is necessary to go into the details of the Bill itself. The main principles contained in the Bill are those that I have been dealing with, and when we reach the Committee stage I shall be only too happy to more fully explain the principles of the respective clauses. The alterations, as compared with the Bill of last year, have already been explained, when considering the resolutions in Committee of Ways and Means, and any further information required, I shall be only too happy to furnish when we reach the Committee stage. I maintain that all that is necessary at this stage is to discuss the principle as to whether our system of taxation, as embodied in this Bill, is fair and just and reasonable, and whether the taxation itself is necessary. I have already contended that it is, and it is not necessary to labour the matter any further. I beg to move—That the Bill be now read a second time.

Mr. G. P. BARNES: Approximately, how much do you anticipate to receive from the income tax?

The TREASURER: Under the Bill altogether, £190,000 per annum.

Hon. W. H. BARNES: I would like to say at the outset that I am quite sure every member sitting on this side of the House recognises that there is one principle which they must endorse, and that is that the people who have are those who should pay. The Treasurer has insinuated that we on this side are out to protect the big man in the community. We are not out to do that at all. We want to do justice by the big man, as we believe that every person has his rights, and we certainly think it is a duty cast on every legislator to see that the fair thing is done by every person in the community. We have heard a good deal about the presumably big man who is represented on this side of the House. I was looking through "Hall's Gazette" recently, and one hon. member sitting on the other side of the House, who occupies by no means a position that is not prominent, and apparently—judging by "Hall's Gazette"—Providence has been kind to him from the standpoint of wealth, and small blame to him. I am not, for one moment, suggesting that there is

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anything improper in that, but I do notice that on every opportunity the Treasurer gets up and, again and again, repeats that they on that side represent the poor man, while, as a matter of fact, we know that such is not the case. In dealing with the second reading of this Bill my words will be very few, but I think it will be necessary to reply to some of the arguments used by the Treasurer. The Treasurer desired to convey the impression that the necessity for increased taxation was altogether brought about as a result of the war. It must be admitted that some commodities have gone up as a result of the war—every man who knows anything about business, knows that some commodities have gone up as a result of the war—and the Treasurer is quite right in saying that galvanised iron, for instance, has gone up. We all know it has, but I want to draw the attention of the House to another fact; that whilst there have been large disabilities as a result of the war, on the other hand there are distinct advantages, as far as the State is concerned, as a result of the war. Am I not right in saying that the whole of the States, and Queensland in particular, have very largely benefited from some aspect as a result of the war?

Mr. HARTLEY: From what aspect?

HON. W. H. BARNES: That is a very very fair question. Have not, for instance, we received more money for some of our commodities than we would have received if conditions had been normal?

Mr. WINSTANLEY: Not the Government; the individual has received more.

HON. W. H. BARNES: The Government, of course, received the advantage. Would not, indirectly, the Government receive some advantage? Of course, we know that is so. Have not the railways very largely benefited as a result of the war?

GOVERNMENT MEMBERS: No.

Mr. KIRWAN: Read the Commissioner's report, and see what he says.

HON. W. H. BARNES: The fact remains that some of the commodities which were carried over the railways have been made particularly active, and there is no doubt about it, that from that standpoint there has been, indeed, a distinct advantage.

Mr. HARTLEY: No advantage to the Government.

HON. W. H. BARNES: The Treasurer has frankly admitted this afternoon that after all, notwithstanding the denial which was previously made when the discussion was taking place in Committee on the resolutions, Queensland is the most heavily taxed of the States, not including New Zealand.

The TREASURER: Not the most heavily taxed State.

HON. W. H. BARNES: Yes.

The TREASURER: I was only referring to the income tax.

HON. W. H. BARNES: When we get to the other proposals we will be able to show that Queensland is also the heaviest taxed in that regard. The Treasurer tried to make a great deal out of the fact—it is not a fact, although he said it was a fact—that direct taxation was the taxation which they, as a Government, were pursuing, as against

other forms of taxation which, he said, were not fair. At any rate, that it did not get at the person so well as direct taxation. But he very wisely forgot to say that, while Queensland is the most heavily taxed of the States, in addition to the direct taxation, fares and freights were put up.

The SECRETARY FOR PUBLIC INSTRUCTION: Infinitesimal.

HON. W. H. BARNES: Is it not a fact that fares and freights were put up in Queensland?

The SECRETARY FOR PUBLIC INSTRUCTION: To a small extent.

HON. W. H. BARNES: We will take the hon. gentlemen's own words, "To a small extent." The fact remains that they were put up. We know that at every turn an attempt has been made by the Government to get at the man on the land and squeeze him in connection with their taxation. This taxation, while I admit it will hit those who in the past have contributed most of the revenue to the country, will, at the same time, hit also the farmer. It is going to hit the man on the land, and the tendency of things in connection with this taxation is to make the employment of labour grow less and less, and in turn it is going to come back and reduce the amount of tax which the Treasurer thinks he is going to get. I have sounded the warning note again and again since I have had the honour of being in this House again, and pointed out that we are treading on most dangerous ground and the Treasurer himself is going to feel the effects of the reaction which is going to be brought about as a result of the increased taxation.

Mr. KIRWAN: That is what the hon. member for Murrumba used to say year after year.

HON. W. H. BARNES: The fact remains that increased taxation is being proposed. On top of the fact, admitted by the Treasurer himself, that we are the highest taxed of all the States in respect of income tax—to use his own words—he is going to pile on more and more. I say that it is altogether against the interests of the community, and again I say it is going to affect the Treasurer in regard to other things as the days go by. The Treasurer compared New Zealand and he compared England with Queensland. I ask, is that a fair comparison to make? Take, if you will, the taxation that comes from the local authorities here, and take the tax which we know is laid on property in England. Would you compare the two? Is there not rather an absolutely wide gulf between the two? I say there is no comparison.

Mr. POLLOCK: There is this difference—that Australia finances the whole of her war operations, and the other dominions do not.

HON. W. H. BARNES: The hon. member who interjects forgets for the moment that it is not the State Governments who are financing the war operations. The State Governments in one particular direction are reaping a harvest as a result of the war operations. Take the Meat Bill; take the meatworks. They have made use of it at every turn, political and otherwise. The comparison of the hon. member is altogether out of it. Surely it is not necessary to say that the Commonwealth and not the States are responsible for financing the war. I admit that every time a Minister gets on his feet

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on the other side he sings, "War, war, war!" That is the cry—the excuse for increased taxation. As a matter of fact, increased taxation is brought about by the fact—again I say it, because it cannot be repeated too often in the interests of the community—of the recklessness of the Government.

THE SECRETARY FOR PUBLIC INSTRUCTION: That is absolutely untrue and you never proved it.

THE TREASURER: It is true if you mean it is reckless to pay State children

HON. W. H. BARNES: The hon. member is again trotting out the State children—the widows and orphans—sounding the drum again in that regard.

THE TREASURER: Do you think it reckless to give increased wages to the railway men?

HON. W. H. BARNES: No. Let me say at once that this side recognises that labour has its rights and claims and we have always been prepared to do our duty to them.

MR. POLLOCK: You are beginning to recognise them.

HON. W. H. BARNES: We always recognised them. Where are we getting to-day? These proposals mean that the Government may have the opportunity of going in for more of these enterprises, which are going—some of which at least are going to land them in the position of showing a very big deficit.

THE TREASURER: In the aggregate they have shown a profit so far.

HON. W. H. BARNES: Will the hon. member tell me that they have all shown a profit?

THE TREASURER: In the aggregate a handsome profit.

HON. W. H. BARNES: The hon. member said in regard to the trust funds that the position had improved. By a stroke of the pen, by bookkeeping they have improved. The position as to the money in the Treasury or Savings Bank does not improve.

THE TREASURER: We vastly improved the situation there.

HON. W. H. BARNES: I am surprised to hear the hon. member say that. He knows that by a stroke of the pen about two millions or so of money was put from one account to another.

THE TREASURER: Was not that an improvement?

HON. W. H. BARNES: It did not improve the position so far as the State was concerned by a snap of the fingers. It was only done to wipe out those things which were an indication of reckless finance.

THE TREASURER: As a matter of fact, we had to vote £45,000 to liquidate bad debts left by you.

HON. W. H. BARNES: I have heard that story before. The hon. member talks about bad debts. Does he not know that in connection with the loan issue there was a credit balance at the Treasury?

THE TREASURER: I know that there are more bad debts which we will have to liquidate some day.

HON. W. H. BARNES: The hon. member talks about bad debts. In respect of these enterprises, which are amounting now to nearly £1,000,000, some Government will

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have to wipe out a tremendous amount of bad debts. Take Mount Hutton and the cattle that were apparently never there.

THE TREASURER: Take the public estate improvement accounts. There are many of your expenditures absolutely unrecouped, without any possibility of recouping them, unless we recoup them out of consolidated revenue.

HON. W. H. BARNES: I could follow that up a bit further, and remind the Treasurer that if he would only look at his recent figures, he will find some accounts which the Government have had to do with—I am not going to specify them, the Treasurer knows—which show that they have advanced money and goods and other things, and it does not look as if they are going to get them back.

THE TREASURER: That is a generality that I cannot meet.

HON. W. H. BARNES: I will draw his attention to it privately, if he wishes, at some later period. At any rate, that is the position.

MR. HARTLEY: Do you mean money advanced to the soldiers' settlement?

HON. W. H. BARNES: No. What is the position as to the extra amounts of money received since they came into office? Will the hon. member not admit that, excluding these proposals—the effect of which is unknown—through taxation alone over £1,000,000 has been brought in—extra money?

THE TREASURER: You do not mean £1,000,000 a year?

HON. W. H. BARNES: No; I mean since the Government came into office. As a matter of fact, these proposals are going to bring in a very large amount.

THE TREASURER: You are an optimist.

HON. W. H. BARNES: Let me say that the Treasurer is secretly an optimist, too. When he rakes in the money for the period that is past, and gets the money for the period due, he knows he is going to receive a very great deal of money, indeed. He tells us that these are for the period of the war.

THE TREASURER: The super tax is for the period of the war, not the other one.

HON. W. H. BARNES: The hon. member knows that the period of the war is not going to see these things through. He knows that either he or somebody else, if this reckless expenditure continues, will want extra taxation to meet it.

THE TREASURER: What is this reckless expenditure that you are referring to? Particularise.

HON. W. H. BARNES: You can see it at every turn—in connection with the railways, in connection with finding billets for friends.

THE TREASURER: Everywhere?

HON. W. H. BARNES: Yes, everywhere. (Government laughter.) I am asked for a specific case. I refer to the railways. I refer the hon. member to the returns which are furnished.

THE TREASURER: The increased expenditure on the railways is caused by extra mileage, and the extra wages paid.

HON. W. H. BARNES: No; there are fewer trains running now than there were,

and the hon. member knows that, as a matter of fact, the railways have been made the dumping-ground for men who are not worthy in all cases, but to suit the needs of politics.

The TREASURER: That is absolutely false.

HON. W. H. BARNES: I have no intention of prolonging the discussion in connection with the second reading of this Bill. I

want to say, in closing, that I [7 p.m.] hope the Treasurer will give attention to some of the statements that have fallen from this side of the House. I am quite sure there is reason for his doing so, and I am sure that in the days to come he will be made aware of the fact that his anticipations regarding revenue have been very much exceeded.

Mr. ELPHINSTONE (*Oxley*): Listening to the Treasurer's remarks, recently uttered, one would imagine that this deficiency was completely justified. As stated yesterday, we are not complaining of the method of taxation proposed; we are complaining of the incidents which have occasioned this deficiency; and any remarks which we have directed to the other side of the House have been on the basis of trying to make the basis of taxation as equal and as fair as possible, because we thoroughly admit and understand that this deficiency has to be wiped out, and additional revenue has to be found. The few remarks that I propose making are with a view to once more calling the Treasurer's attention to what we consider as being directions in which he can ease the burden. In my opinion, the alteration of the age up to which the exemption for children is allowed, from seventeen to sixteen, is a retrograde movement. I contend that a son is, as a rule, dependent upon his father, and is not earning sufficient to keep himself until he is at least seventeen years of age; and I contend that if the Treasurer would adhere to what was the practice last year in keeping the exemption age up to seventeen years of age, then he would be conferring a benefit which a great number of fathers in this State would very much appreciate. The Treasurer, in his remarks, disclosed a very considerable interest in the man with a family, and I think that we on this side of the House fully endorse and sympathise with his wishes in that direction; and our remarks are directed towards endeavouring to improve the lot of the man who is carrying the burden of the family. We admit that the increase in the exemption from £15 to £26 is a step in the right direction, but we contend that the Treasurer is giving with one hand and taking back with the other, when he decreases the age for exemption from seventeen to sixteen years. I ask, where is the generosity, where is the kindness, of giving with one hand and taking back with the other? I contend that a man who has a family in this State, in a young country such as this is, is the man whom we want to encourage in every way; that he is the best citizen, undoubtedly, and he is the man who deserves all the encouragement which this State can give him. The Commonwealth acknowledges that the man with a family is the man who deserves encouragement, by adopting what has been a very practical way of encouraging families—a baby bonus; and I contend that it is the duty of this State to encourage that man in every way possible, because he is carrying the burden at the present moment. We contend, and we must contend, that population in a State such as this is highly

necessary. We have seen exemplification of that in Europe, as probably most gentlemen in this House are aware, where the question of population has been of vital importance, particularly in the crisis which is existing at the present moment. We see where, in France in years past, the birth rate has been rapidly decreasing, and France is feeling the effect of this at the present moment. We also see the declining birth rate exemplified in Great Britain; and Great Britain is feeling that at the present moment.

The TREASURER: This is not likely to affect the birth rate.

Mr. ELPHINSTONE: Every encouragement should be given to the man with a family. The great complaint of this State is lack of population; and population from within, in my opinion, is very much more desirable than population from without. If we can encourage population by increasing the birth rate in this country, we will be doing very much more in the interests of this State than by encouraging strangers from without of whom we have no knowledge, and in whom, in some cases, we have no interest. I have advanced to the Treasurer arguments why the exemption should be allowed in the case of a wife or a mother or daughter dependent on the taxpayer; and without wishing to harass this question I certainly want to once more appeal to the Treasurer in this particular direction. I do not wish to make any capital out of it, but am simply advancing it as it seems to me to be a reasonable request. The Treasurer's reply is that the £200 exemption covers that position. It seems to me that the taxpayers of Queensland are divided into three distinct heads under that question of the exemption. There is the man who has no family responsibilities on him whatsoever—that is, the single man—who, in my opinion, is in one category by himself. The second is the man with a wife, or a mother, or a sister dependent on him. I am not referring to children for the moment. He is in a separate category, because he has someone dependent upon him that the single man has not. The third is the man with children. In my opinion, those three should be divided into three distinct classes. Under the present method of taxation, a man with a wife, or a mother, or a sister dependent on him is placed in the same category as the man who has no responsibilities whatsoever. I think every one of us must contend that the single man who evades his responsibilities to nature and to the State is the man who deserves least consideration from this House. Consequently I do put it before the Treasurer once more, and I urge and impress it upon him. At a later stage I intend to move an amendment, that an exemption should be allowed a man to the amount of £26 per annum, if he has a wife, mother, or sister dependent on him. I admit, of course, that this is certainly an innovation; but we have heard so many instances where this State is put up as being the leader of thought in this Commonwealth and in the whole world, that it seems to me here is a direction in which the Treasurer can give an actual exemplification of his assertions.

The TREASURER: We are quite in accord with that statement, that we are the leaders of thought.

Mr. ELPHINSTONE: I am simply making my remarks from deductions I have drawn from statements of gentlemen on the

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front benches opposite. I am going to advance one further question with regard to this, and that is with reference to the super tax. I contend once more—with some knowledge of taxation—that, instead of imposing a super tax, it would be much wiser to increase the income tax rate, but allow larger exemptions to a man if he is carrying family responsibilities. In my opinion, that would save a tremendous lot of trouble and inconvenience. It would not simply be increasing the basis of taxation, but allowing the deductions in the direction of those who are most worthy of our encouragement and sympathy.

Question—That the Bill be now read a second time—put and passed.

MOTION TO GO INTO COMMITTEE.

The TREASURER: Mr. Deputy Speaker, I beg to move—That you do now leave the chair, and that the House resolve itself into a Committee of the Whole to consider the Bill in detail.

Mr. MACARTNEY: I suppose that, after the discussion that has taken place on the resolutions in Committee of Ways and Means and on the second reading of the Bill, there is not much use in offering any opposition to the motion to take the Bill in Committee at once, but I think the hon. gentleman will recognise that it is not a good practice that we should discuss a Bill in Committee immediately after having agreed to the second reading.

The TREASURER: I admit that it is not usual in the case of a new Bill introduced for the first time this session.

Mr. MACARTNEY: I think the hon. gentleman will agree that it is not a practice that should be encouraged.

The TREASURER: It will not be made a practice of. I am always prepared to meet the wishes of the leader of the Opposition as far as I can.

Question put and passed.

COMMITTEE.

(Mr. Smith, Mackay, in the chair.)

Clause 1—“Short title and construction of Act”—put and passed.

On clause 2—“Amendment of section 7: Rates of income tax”—

Mr. MACARTNEY: Clause 2 represented the greater part of the Bill, and it contained the objectionable retrospective provision.

The TREASURER: We have already had a division on that.

Mr. MACARTNEY: They had already had a debate on the question, but the Treasurer knew that, when anyone turned to “Hansard,” they generally did not go further back than the second reading debate on a Bill. It was just as well that the Opposition should place on record their very strong objection to the retrospective operation of the Bill beyond the commencement of the current financial year. The effect of that provision was really to launch unexpectedly on the community a large amount of double taxation. He did not wish to cover the ground already covered, but he would refer the hon. gentleman to the arguments used in Committee of Ways and Means, and ask him to have regard to the harshness of such a proposal so far as the business community and a large number

of taxpayers were concerned. There was no question that the burden was going to be exceedingly heavy. The super tax was heavy enough in itself without this added burden of retrospectivity, which was going to make the tax harsh in the extreme. Surely the Treasurer must recognise that to impose practically two super taxes in one year was an unfair thing to do.

The TREASURER: It is to be spread over two years' incomes.

Mr. MACARTNEY: In effect it was practically compelling the taxpayer to pay two taxes in one year.

The TREASURER: They will be in no worse position than if the Bill had been passed last year.

Mr. MACARTNEY: He could not follow the hon. gentleman's argument that, because the Bill was not carried the previous year, the taxpayer should be made to pay two taxes in the one year. It did not matter whether the Bill was not carried last year by reason of the Upper House refusing to pass it, or whether it was by reason of any failure on the part of the Government. In either case the taxpayer was not responsible, and it was not fair to impose such a severe burden upon him.

The TREASURER: We are not holding him responsible; we are simply asking him to pay the same as if the Bill had been passed last year.

Mr. MACARTNEY: He suggested seriously that, perhaps, the principal factor in the rejection of the Bill last year in another place was the attempt that was made to incorporate in the Bill some measure of retrospectivity; and, if the hon. gentleman really wanted the Bill passed for the purpose of obtaining revenue during the present year, would it not be a fair thing to meet the other House in that particular, whilst at the same time giving the taxpayer some relief? During the discussion in Committee of Ways and Means the Treasurer said that the Upper House had it in their power to make suggestions, and that, if suggestions were made, perhaps there would be no necessity for a dispute occurring between the two Chambers through the other House attempting to amend a taxation measure. Surely it would be far better, instead of leaving it to the Upper House to make suggestions, to settle the matter in the Assembly, and not allow a vexed question to arise between the two Houses? Of course, it was possible to imagine a Bill being drawn of malice aforethought with a view to bringing about trouble between the two Houses. The hon. gentleman must admit that such things sometimes happened.

The TREASURER: I understand such a thing happened in 1907, when your party was in power.

Mr. MACARTNEY: There was an instance of the kind last year. He did not think he could do more than urge the hon. gentleman to look at the fairness of the contention of the Opposition. Of course, they had heard from the Secretary for Public Instruction that that tax was the most scientific that had been introduced in any part of the world. After listening to the Treasurer that afternoon the only indication he got of the science of the tax was that it was said that it was being transferred from the region of indirect taxation to the region of direct taxation,

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and that it was being transferred from the shoulders of those least able to bear it to the shoulders of those best able to bear it.

The TREASURER: Does that not add to the science of it?

Mr. MACARTNEY: That might be some justification for it, so far as it went, but he had not heard the hon. gentleman make any suggestion whatever as to any modification of the tax—anything that would advance the interests of the State in the direction of increasing settlement or encouraging enterprise; nor had he heard the hon. gentleman suggest any alteration that would reduce the harsh injustice which arose in connection with an income tax.

The TREASURER: Which are those?

Mr. MACARTNEY: The hon. gentleman was aware that under the present Income Tax Act a stockowner, be he small or large, who sold his stock was supposed to return all stock sold as income for the year of sale, whether the stock represented capital or whether they represented the profits of the year. He had particulars in his box of one case in which a stockowner had accumulated a small herd of cattle over quite a number of years, and, by reason of a tick invasion, had been compelled to sell his well-bred herd; and then he had to return the whole of the proceeds of the sale of that herd, accumulated over a number of years, as income for the one year.

The TREASURER: Still, he would not have paid any tax on that previously.

Mr. MACARTNEY: He might not have been attachable any previous year, being a small man, and yet he had to pay the tax on the whole of the capital for one year. The Government had the means of obtaining information from the department as to any particular class of case or cases in which hardship would be created, and, if they would endeavour to remove anomalies and injustices, hon. members could then understand that the taxation was scientific. But when they found that the taxation was not designed to attract settlement and develop enterprise, and would lead to anomalies and injustice, they were not called upon to give the Government credit for any assiduous intention to do justice by the people at large.

The TREASURER: He had already mentioned that the object of making the Bill retrospective was to make the tax apply to the same period to which it would have applied if the Bills had gone through last year. He contended that there was nothing in the argument that the taxpayers individually and collectively would be greatly hampered and subjected to gross injustice. He pointed out that the two years' tax under the Bill would not be payable by the taxpayer on the same day.

Mr. MACARTNEY: But in the same period of twelve months.

The TREASURER: Yes. It would have been so if the Bills had gone through last year.

Mr. MACARTNEY: That is not the fault of the taxpayer.

The TREASURER: He was not blaming the taxpayer, but the taxpayer was not being rendered subject to any greater hardship than if the Bill had passed last year.

Mr. MACARTNEY: Yes; but because the Bills were not passed last year, why punish the taxpayer?

The TREASURER: They were not punishing the taxpayer, but subjecting him to the same obligations as he would have been under if the Bill had gone through last year, and because the revenue was necessary to meet the shortage which had been incurred in the consolidated revenue during the last twelve months. The returns had been sent in, but if it became necessary to reassess them, and for the taxpayers in the course of the next few weeks to pay another £3, £5, or £10 on their returns, that was not going to bring about any ruination of business or commerce, or hardship to the taxpayer. If there was any individual hardship they could consider the case, and, if necessary, give an extension of time in which to pay. There might be something in the hon. member's argument if the effect of the tax was to take from the taxpayer the whole of his surplus income for the year, after having met his obligations up-to-date, but it did not mean anything of the sort. Taxpayers with an income of £3,000 a year had already paid under the ordinary assessment of income derived from personal exertion the sum of £187 10s. This would mean another 20 per cent. on that tax, which would only amount to a little more than £30 or £40.

Mr. MACARTNEY: That is a lot to a man with a small income.

The TREASURER: Was it a lot to a man with £3,000 a year? The amount which a man in receipt of £500 a year would pay was a mere bagatelle, because he had the ordinary exemption, and a further exemption of £200; he would only pay super tax on £100, which would be a few shillings. He had given full consideration to the producing industries, and that was why in one of the Income Tax Bills passed in 1915 they inserted a clause specially dealing with agriculturists, farmers, and graziers, the unimproved value of whose land did not exceed £1,280, enabling them to deduct from the income tax for the year the amount of land tax paid that year. The hon. member said that the chief reason which actuated the Council in rejecting the measure was the degree of retrospectivity included in it, but that could not be avoided in any measure of the same kind. This measure treated incomes as from 1st January, 1917.

Mr. MACARTNEY: The other to 1916.

The TREASURER: No; the other only went back to 1917. What had probably led to some confusion in the hon. member's mind on that point was that in regard to a declaration of law relating to the rate applicable to certain companies it did go back to 1916, but, so far as the imposition of the super tax was concerned, it only dated back from 1917, exactly the same as this Bill.

Mr. MACARTNEY: It was retrospective in part, and also covered the ground of legal decisions.

The TREASURER: It was only retrospective, as all such measures must be, unless they were going to impose a tax for future years. In the former case, as in the present case, they were imposing taxation for commitments already entered into. The taxation measures were forecasted by the Budget Speech, and was with the object of liquidating an expected deficit, also forecasted in the same speech, and it was proposed to collect the taxes relating to the financial year referred to in the speech. The very first Queensland Income Tax Bill introduced by the Philp Government, in 1902,

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went back to the past year as the basis of taxation, which was made retrospective in the same degree as the Bill last year was made retrospective. He admitted that this Bill went further back, and was retrospective for practically a year and a half, while the Bill of last year was only retrospective for half a year. The necessity for that was that the same deficit existed now, and had to be liquidated. If these Finance Bills were not passed now, they would have to seek other means of liquidating the deficit, and the only other means was to resort to the loan fund, which was not desirable in these times, as that would hamper the Commonwealth Government more than the imposition of such a Bill as this.

Mr. G. P. BARNES said that the burden which was going to be placed on the people through the retrospective application of the tax was going to be extremely heavy. They could scarcely comprehend anyone coming down with such a proposal as this, when they took into consideration the fact that it would double the incidence of taxation in one year. It was quibbling to say that a certain interval was going to elapse between the making of the assessment, as it would still come within the twelve months. The Treasurer

tried to simplify the matter just [7.30 p.m.] now by stating that a mere 20 per cent. super tax on a small income would amount to a bagatelle. But members were being led astray if they imagined that by passing legislation of this kind they were only getting at the man with an income of £3,000 a year or more. The super tax applied to everyone who had an income of over £300 per annum. The Premier and the Treasurer told the people that the taxation proposals would affect men with incomes of £3,000 a year, and amounts like this mostly belonged to limited liability companies. What were the facts? There were 954 companies who had an income of £333,220. Those companies were composed of small people who owned a certain number of shares in the companies.

The TREASURER: There are also 327 individuals who have incomes of over £3,000 a year.

Mr. G. P. BARNES: He had read a paragraph in the "Sydney Morning Herald," which dealt with this aspect of the question. In that paragraph, it was stated—

"Mr. Ashton found that there were 1,942 shareholders in the sugar company, and of those, 1,058 drew annual dividends of £50 and under, and only 100 of the shareholders drew annual dividends of over £300. Take a smaller company, Sydney Ferries, Limited, with 582 shareholders. Of that number, 450 drew £50 and under, and nine over £300. A remarkable case was that of the Australian Bank of Commerce, with 4,354 shareholders. Of those shareholders, at the time Mr. Ashton collected his figures, 2,569 drew annual dividends of £2 and under, 1,738 varied from £2 to £40, and only one shareholder drew over £200."

That was astounding evidence, and what applied to New South Wales applied equally to Queensland.

The SECRETARY FOR AGRICULTURE: What will the man who draws £2 in dividends lose by this taxation?

Mr. G. P. BARNES: He would not lose very much. The contention of the Govern-

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ment was that these people were drawing great incomes, and that they were the people to get at. The facts were as he had stated, and it must be remembered that, owing to the company having to pay the tax, they were limited in the dividends they could pay. These taxes of the Government were going to have a considerable effect on persons who needed to borrow money in order to carry on their businesses. He defied any farmer who wanted to raise a loan to succeed in getting it. The fact was that the Administration of Queensland had frightened almost every capitalist in the country.

Mr. KIRWAN: That is not true.

Mr. G. P. BARNES: It was true. Let them listen to the remarks made by a banker in Sydney in January last—

"In his address at the half-yearly meeting of the shareholders of the Australian Bank of Commerce, Limited, held in Sydney on 29th January, the chairman of directors (Mr. Mark Sheldon) said: 'There is one matter of grave importance which we have referred to once or twice in the past year or so, viz., the position of Queensland. Affairs have not improved there as far as legislation goes; the effect of the legislation that has been before Parliament must of necessity from its incidence retard and impede the development of that State, as new enterprise and development cannot take place under the burdens which they would be called upon to carry. Many people fail to realise that, after the terrible war which still rages is over, it is not likely that for many years Europe and America will have any difficulty whatever in finding investments of a satisfactory character, and at a good rate of interest, within their own bounds; and under these circumstances, apart from anything else, there will be a severe handicap placed on us in securing outside capital for the development of our vast resources.'"

The SECRETARY FOR PUBLIC INSTRUCTION: That is only the Tory way of putting it.

Mr. G. P. BARNES: That was the hon. gentleman's way out of the matter, simply because his experience did not lead him to realise what was going to take place as the result of the action of the Government. Men who were in constant contact with the people knew the disadvantages they were being subjected to in consequence of the injudicious legislation of the Government. Had it not been that the effect of the war was to the advantage of the Government, they would have been in a terrible plight. Had it not been that high prices had ruled in consequence of the war, the revenue of the Government would have been in a very sick way, as compared with what it was, and employment would have been very much less than it had been. The people were assured by the Treasurer that the high prices that ruled had to do with the good Government of the day, and many people were foolish enough to believe that; but the Government could be extremely thankful that the war had reigned. Had it not been for the war there would have been unemployment in the land, and things would not have been in the booming condition there were in.

The SECRETARY FOR AGRICULTURE: You are arguing that war is a good thing.

Mr. G. P. BARNES: It had been a good thing for the hon. gentleman, as the hon. gentleman enjoyed his position as a result of the war. All the legislation of the Government was having a direful effect, and that it would have a greater and greater effect as the days go on was apparent to every thinking man.

Mr. KIRWAN (*Brisbane*): The hon. member for Warwick had given a quotation from a speech delivered by the chairman of a bank, and anyone who followed those gentlemen very closely knew that when they were called upon to pay their share of the taxation they generally put forth a wail. The sum and substance of the hon. member's speech was that owing to the taxation proposals of the Government, all the capitalists were leaving the country. He would give a list of quotations from the "Trustees' Quarterly Review" of January, 1918, page 143, in relation to the share market. The quotation showed that the shrewd investing public looked on the share market of Queensland as a very good place to make money. The list was as follows:—

	Dec., 1916.	Dec., 1917.
Commonwealth war loan	£97	£99
Queensland Government debentures, 3½ per cent.	£70	£73
A.B.C. bank shares	11s.	15s.
Q.N. bank shares	73s.	103s.

That, after two years of Labour Government. Did the hon. member for Warwick want the Committee to believe that the investing public of Australia did not know a gilt-edged security when they saw it? Did not the member know that when the enemy shares in the Queensland National Bank were put up to auction that they fetched 105s. 6d., an increase on the quotation given in the "Trustees' Quarterly Review"?

Mr. MACARTNEY: Are you arguing that you are the friends of the capitalists?

Mr. KIRWAN: He was giving the hon. member some information that he did not appreciate. He was pointing out that instead of the capitalists fleeing from the country, Queensland to-day was the happy hunting ground for speculators. (Hear, hear!) The "Trustees' Quarterly Review" also gave the following quotations:—

	Dec., 1916.		Dec., 1917.	
	s.	d.	s.	d.
Australian Stockbreeders Adelaide Steamship Company	25	0	28	6
Goldsborough, Mort, and Co.	34	0	44	0
Walter Reid and Co.	32	6	44	0
Winchcombe, Carson, and Co.	38	0	41	0
City Electric Light	17	6	19	0
Moreton Central Sugar Mill (in spite of the Dickson award)	31	0	34	0
E. Rich and Co.	2	3	3	3
	14	0	17	0

If necessary, he could quote a leading article from the same paper pointing out that last year was a most prosperous year for the financial people. The Treasurer was doing the correct thing in calling upon the prosperous people of Queensland to pay their share of taxation. The friends of hon. members opposite were imposing taxation on the people of Australia, without the authority of

Parliament or the Committee or anyone else. The cattle kings of Australia had imposed taxation equal to £100,000,000 since the war began by increased meat prices. He wondered what would happen if the Commonwealth Parliament declared that the Australian public should contribute £100,000,000 extra towards the prosecution of the war. There would be a roar that would silence the artillery on the western front. Further than that, the wool kings last year secured £25,000,000 more for their clip than they did the year before. That was the taxation they exacted out of the war, and yet those people told hon. members on the Government side that they ought to make some sacrifice. He noticed that the only sacrifice they asked was that the manhood of Australia should go to the front, whether they liked it or not, but so far as their profits were concerned, they were determined that they would not sacrifice one copper. He commended the Treasurer for having the courage to bring forward a Budget that would ask the people well able to pay to bear their fair share of the taxation of the State, out of which they were doing remarkably well, even under the rule of a Labour Government.

Clause put and passed.

On clause 3—"Super tax"—

Mr. MOORE moved the insertion after the word "societies," on line 57, of the words "co-operative dairy companies." Dairy companies shipping butter and other produce to England had to make interim payments. They made a payment that left them on the safe side, and when the produce was sold in England, some four or five months after, the balance was paid to them. Consequently, that should not be counted as a profit on which they would have to pay the super tax. A sale of butter was made to the Imperial Government last year at 151s., and the dairy companies had just been notified that the Imperial Government's profits on the pool up to the present amounted to 19s. per cwt. more. That amount would come back to the suppliers. It was not a profit of the dairy companies. It was going to the men who produced the butter, and it was not fair that the dairy companies should have to pay a super tax on something which was really not a profit at all. It was recognised that the mutual insurance companies should not be subject to the tax, because the profits went into the pockets of the policy-holders. If the dairy companies knew what price they were going to get for their produce, there would be no need for those deferred payments, and he would ask the Treasurer to see if he could not accede to the request, and accept the amendment.

Mr. BEBBINGTON: When the Treasurer fully understood the position, he was quite sure the hon. gentleman would accept the amendment, because the suppliers of dairy companies were compelled to leave a certain amount of what was really their wages to stand over until the company got their payments balanced up. They could not draw the whole of their wages, because if they did, the dairy companies would be insolvent. Then they got the remainder of their payments, or their deferred payments. They had always maintained that it was a big mistake to tax those payments, although they were called profits, because there were no profits in a co-operative company. The Denham Government neglected their duty just

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as much as the present Government, or they would have had a co-operative Bill brought into the House long ago. He believed that one member on the Government side, who was very much interested in co-operation—Mr. Free, there was no harm in mentioning his name—was endeavouring to get the Government to bring in a Bill to that effect.

The TEMPORARY CHAIRMAN: Order! I request the hon. member to deal with the amendment.

Mr. BEBBINGTON: He was dealing with the surpluses or deferred payments, and if they had a Bill passed, such as they had in England and other countries, they would be called deferred payments and not profits. They heard a great deal at election time about the kindly thought that the party opposite had for the farmer; now they had an opportunity of showing it. But when the Opposition brought these little suggestions forward, they were only met with a kind of derision, as if the farmer were a kind of game for everybody. If that were the kind of sympathy that the Government had for the farmer, then they could only go back to him and tell him so.

The TREASURER: A strictly co-operative company should not be subject to income tax at all, because it would have no profits at all on which to pay tax if it managed its business with due regard to its own interest.

Mr. BEBBINGTON: They must have profits.

The TREASURER: He had no doubt that there were scores of co-operative companies who knew how to run their businesses, who did not have to make any return, because they did not earn any profit.

Mr. MOORE: How are you to help it if you get a payment four or five months afterwards, and it goes into the next half-year?

The TREASURER: There was no obligation on the company to carry a surplus forward. If the company were foolish enough to do it, then it would have to pay tax. But the trouble was that some of the allegedly co-operative companies were not co-operative. They were proprietary.

Mr. BEBBINGTON: Not dairy companies.

The TREASURER: He quite believed that there were some allegedly co-operative companies which were partly proprietary, and some allegedly co-operative sugar companies which were wholly proprietary. Hon. members would quite understand that where allegedly co-operative companies were partly proprietary, there would be a desire on the part of somebody to show a profit, otherwise some of those who had invested would get no benefit and others would get all the return. Co-operative companies which properly managed their businesses would have no profit to return; they would give those profits to the suppliers in the form of increased prices.

Amendment put and negatived.

Clause 3 put and passed.

On clause 4—“Amendment of section 13: Exemptions”—

Mr. ELPHINSTONE moved that after the word, “inserted,” in line 53, page 4, the following words be inserted:—“the amount of twenty-six pounds in respect of the mother, wife, and every sister actually

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dependent on the taxpayer, and each of them.” He had already dealt with the matter, and he was sure the Treasurer wanted no further words from him on the subject.

The TREASURER: He did not think it was desirable to make that amendment. If it were wise to make such an exemption, it would be far better to increase the general exemption, because it was intended to cover all those with small incomes who might have dependent on them such persons as those mentioned in the amendment. Of course, the hon. member drew a sharp distinction between the taxpayer who had a mother or wife as a dependent, and a single man, on the ground that a single man was not entitled to any consideration whatever in respect of the taxation they were about to pass. If that were the case, the hon. member would be more consistent in advocating that no exemption be given at all to a single man, but he contended that that would be a very bad thing to do. As a matter of fact, they could not overlook the fact that some consideration of the single man with small income was necessary, because the majority of them were only just starting their income-earning years—they might be nineteen or twenty or twenty-one years of age—and were making provision for the time when they would be married and take on responsibilities of married men. If they were going to grind down the single man, he would never have enough upon which to get married. The arbitration courts made no distinction between single and married men, because, though the married man had at present the greater obligations, on the other hand, the single man, if he was a good citizen, must prepare for the future obligations and responsibilities of citizenship. He fancied that that was why, in making income tax laws during the last decade in Australia, no discrimination had been shown against single men. It was recognised that the general bulk of single men had to make provision for the future. Of course, they knew that there were some of them who, for purely selfish reasons, never became married men, but the Government discriminated between that class and other classes who might be just as unselfish as the general bulk of them, who were making provision for the responsibilities which would come their way.

Mr. ELPHINSTONE: He would like to make it quite clear that he did not wish by that amendment to penalise the single man in the least degree. All he said was that the single man with no dependents

[8 p.m.] was obviously in a different category to the married man with dependents, and therefore the married man with dependents was entitled to some exemption to which the single man was not entitled. He did not think there was any argument to refute that. The Treasurer probably knew that under the Federal Government system of taxation there was £156 exemption allowed to anyone with dependents, as against £100 only for a single man. He saw no reason why that should not be permitted under their State system of taxation. It was only reasonable and only fair. They wanted the taxation spread over the shoulders of the people in such a way that they could bear it; and as it must cost a man with a wife, mother, or sister dependent upon him more to live by reason of that dependency, he should have some further exemption allowed to him, as against a single

man without dependents. He hoped the Treasurer would consider the further remarks he had made.

Amendment put and negatived.

Mr. ROBERTS: He had an amendment to propose which he foreshadowed on the previous day, and that was to take into consideration the parents of men who had volunteered for active service. Those men were engaged in the production of considerable income, and they were at a considerable loss through having left the State to take on very important work. They were entitled to some consideration. He would therefore move that, on line 53, after the word "inserted," the following words be inserted:—

"the amount of one hundred pounds in respect of each and every son, while on active service, on whose earnings the taxpayer was dependent or partly so prior to such son's enlistment."

The TREASURER: The amendment was rather a ridiculous one if the hon. member who moved it would pardon him for saying so. The hon. member proposed to give exemption to certain prospective taxpayers, of £100, on behalf of each son who might have enlisted, if the taxpayer was dependent upon that son's earnings. If he was dependent on the son's earnings, how would he be a taxpayer? If an individual who had three or four sons at the front was dependent upon those sons' earnings, how would he be a taxpayer under this or under any income tax law in force; and how would they take £100 from the taxation, which would not be payable at all? He would only be a taxpayer if he had an income of more than £200, and with the deductions allowed under the Act in this State he would only be a taxpayer in any case if he had an income of more than £250. The class which the hon. member was referring to would not be taxable under the Queensland Income Tax Act, and it would be accomplishing nothing to give a deduction from a tax which would not be payable. It would be right enough if the individual had an income of £1,000 or £500 a year; but in that case he would not be a dependent. If they were proposing to tax an individual who was being supported by sons at the front, or other dependents of that kind, there would be something in it; but they were not proposing to tax them; they were already exempted by the Act and were not subject to taxation.

Mr. BEBBINGTON: There were many parents whose sons were at the front, and perhaps they had a fair income; but those men who had gone to the front had left their businesses, left everything in the hands of their parents, who, quite probably, were controlling their income tax and everything else. Those men had had to pay wages to men to take their sons' places, who, perhaps, were not worth a fourth of the son's labour. There were men whom he knew, who had left here, to fill those places they would have to take a dozen of the men who were working about here. Those men were serving their country, risking their lives, leaving their incomes and everything in the hands of their parents; and yet the Treasurer said it was a ridiculous kind of thing to ask for an exemption on their income tax while they were away! The Treasurer had made himself ridiculous. He had shown that he had absolutely no knowledge whatever of the inconvenience and loss the parents had been

put to through their sons' going to the front. He had no knowledge whatever of the management that was left in the parents' hands, and what they had to do. Men of sixty-five and seventy years of age who had resigned their businesses, had gone back to manage those businesses and allowed their sons to go to the front. They were now controlling everything, while other people were making fortunes. The Treasurer did not seem to understand the position at all.

Amendment put and negatived.

Clause 4 put and passed.

The House resumed. The TEMPORARY CHAIRMAN reported the Bill without amendment, and the third reading was made an Order of the Day for to-morrow.

LAND TAX ACT AMENDMENT BILL.

SECOND READING.

The TREASURER: This Bill has been altered in a very small degree as compared with the Super Land Tax Bill of last year. The alteration itself, however, is important. The alteration will not have the effect of bringing in more revenue than was contemplated under the original Bill, but, as a matter of fact, will have the effect of bringing in less. But it will make the incidence of the taxation more equitable, I think, than that which was originally proposed. I think the incidence of the land tax which is now in force in Queensland is quite as equitable as could be devised without adopting what is known as the scientific basis, which has been adopted by the Commonwealth, and by other countries which have imposed a land tax. We have adopted a simple plan of commencing at 1d. in the £1 and rising by halfpenny and penny steps until we reach a maximum tax of 6d. in the £1, but we have endeavoured to approximate the rate at the various resting places as closely as possible to what the scientific rate would be if we had adopted that basis. I want to show what the effect of the super tax will be in regard to the incidence of the tax. At present, where the taxable value of land is less than £500, the land tax is 1d. in the £1. Where it does not exceed £1,000 it is 1½d. in the £1. Where it does not exceed £2,000 the tax is 1¾d. in the £1. Where it exceeds £2,000 but does not exceed £2,500 the tax is 2d. in the £1. Up to this point the super tax does not operate at all; but it commences to operate where the unimproved value—that is, the taxable value—exceeds £2,500. At this point it commences at 1d. in the £1. The proposal in the Bill of last year was that the tax was to commence at 2d. in the £1, making that a flat rate throughout, but it was thought that that would be too steep a rate of progression to go from 2d. in the £1 to 4½d. in the £1, as it was to have been in the Bill of last year. That is why we propose in this Bill to commence at 1d. in the £1.

Mr. G. P. BARNES: It shows how hasty your legislation was last year.

The TREASURER: No. I do not say it would have been unjust in any sense or form as proposed last year. It would only have been 4½d. in the £1 on the estates of taxpayers of over £2,500, but I realise that the present proposal is more scientific, and perhaps more equitable. I do not admit for one moment that any part of the tax proposed last year would have been in the slightest degree unjust or burdensome to the

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landowner. Hon. members will be astonished on looking at the incidence of this tax at the moderation of the Government in regard to comparatively small estates.

Mr. BEBBINGTON: No.

The TREASURER: In reply to the interjection of the hon. member for Drayton, I would like to emphasise the fact that the Government are particularly moderate in regard to the land tax, so far as primary producers are concerned. We have endeavoured to arrange the tax so that farmers and agriculturists generally will escape taxation almost entirely.

Mr. G. P. BARNES: They know all about that.

The TREASURER: The ordinary tax will progress above £3,000 at a steadily increasing rate until it reaches 6d. on an estate with a taxable value of £75,000. The super tax will increase by two steps until it reaches 2d. in the £1 on an estate with a taxable value of £5,000. Then it remains at that flat rate throughout the whole area of taxation. I will just read the various steps showing the increase in the rate of the ordinary tax and the super tax combined. It starts at 1d. in the £1, then it rises to 1½d., 1¾d., 2d., 3¼d., 4d., 4¾d., 5d., 5½d., 6d., 6½d., 7d., 7½d., and 8d. That is the maximum, including the super tax, so that it will be seen that the rate of progression is steady, and that there are no sudden leaps. At each resting place it approximates very closely to the rate of tax under the scientific basis which has been adopted elsewhere. That basis has not been adopted in Queensland because it has been considered too complicated and too difficult for the taxpayer to work out his own tax. That is why we have resorted to the simpler method which is in force here. As showing how closely our scheme approximates to the scientific basis, I will quote the following instances:—

Table showing the amount payable as per scale in Act, and the scientific rate at one penny, plus ⅓ of a penny progressive up to 3d. —

—	Rate and Amount payable under present Queensland Act.		Amount payable under Scientific Scale.
	d.	£ s. d.	£. s. d.
£ 499	At 1	2 1 7	2 9 11
500 to	At 1½	3 2 6	2 10 0
999	..	6 4 10½	5 16 6
1,000 to	At 1¾	7 5 10	5 16 8
1,999	..	14 11 6½	14 19 10
2,000 to	At 2	16 13 4	15 0 0
2,499	..	20 16 6	20 16 6
2,500 to	At 2½	23 8 9	20 16 8
2,999	..	28 2 3½	27 9 10
3,000 to	At 2¾	31 5 0	27 10 0
3,999	..	41 13 1½	43 6 5
4,000 to	At 2¾	45 16 8	43 6 8
4,999	..	57 5 7½	62 9 9
Above 3d. the scientific rate is at 3d., plus ⅓ of a penny.			
5,000 to	At 3	62 10 0	62 10 0
9,999	..	124 19 9	141 13 1
10,000 to	At 3½	145 16 8	141 13 4
19,999	..	291 13 0	316 13 0
20,000 to	At 4	333 6 8	316 12 4
29,999	..	499 19 8	524 19 8
30,000 to	At 4½	562 10 0	525 0 0
49,999	..	937 9 7½	1,041 12 11
50,000 to	At 5	1,041 13 4	1,041 13 4
59,999	..	1,249 19 7	1,349 19 7
60,000 to	At 5½	1,375 0 0	1,350 0 0
74,999	..	1,718 14 6	1,874 19 6
75,000	At 6	1,875 0 0	1,875 0 0

There are very small disparities in the [Hon. E. G. Theodore.

comparison, and I contend that our system is much preferable to the scientific system, as it is possible for the taxpayer under the method we have adopted to calculate his own tax when he has arrived at the unimproved, or taxable, value. Something has been said since I delivered the interim Financial Statement about the alleged onerous nature of the land tax and other taxes upon the producing classes. Let me make one or two brief references to that, because, from what I can ascertain with regard to the application of our various forms of direct taxation in Queensland on the producing classes, the land tax on the farmer is mostly a myth. True it is that farmers may have to pay a land tax in a particular year if they have land which is not subject to the exemption; but they are allowed a deduction from their income tax for the amount they have paid in land tax in the same year. They may pay a land tax in one year and claim it as a deduction from their income tax the next month. The total result of the operation of the two taxes is that the farmers as a class escape very lightly unless they are very large landowners. We exempt all graziers and dairymen who hold land of an unimproved value not exceeding £1,280. That concession cannot be claimed by large graziers and large landowners or land monopolists—nor, perhaps, by what may be called gentlemen farmers—but it certainly can be claimed by practically all working farmers and bonâ fide users of the land.

Mr. BEBBINGTON: No.

The TREASURER: The hon. member for Drayton is very fond of speaking in his various addresses, especially on the eve of an election, about the way this Government put a swinging tax on the farmers of Queensland. He has stated on occasion that we collected £360,000 in one year, and the farmers had to pay all of that amount. That is the kind of stuff we have had to put up with at election times.

Mr. BEBBINGTON: I gave the total of the land tax—£365,000.

The TREASURER: £362,000. That exactly bears out what I am saying. The hon. member contended that this Government put a swinging tax on the primary producers, and that we got £365,000. I was satisfied that we could go to any agricultural district in Queensland and explain the land tax and that our exposition would be received by the farmers with full satisfaction, and we have improved our position the more the land tax was discussed on a fair basis amongst them. At the last election we made no secret of our intentions regarding taxation, and the application of the tax is now in force, and we improved our position in all the agricultural districts.

Mr. BEBBINGTON: Not on the land tax.

The TREASURER: Speaking personally, during the campaign I was never listened to more interestedly than I was on the Darling Downs, in the electorate of the hon. member for Aubigny. One farmer in the adjoining electorate of Pittsworth, after my meeting, said to me, "I am satisfied. I have to pay 49s. a year land tax, but a neighbour of mine who owns a large area of land and does not use it has to pay over £49 a year."

Mr. BEBBINGTON: He is easily satisfied.

The TREASURER: He was easily satisfied, because even if he did pay 49s. land tax, he got a deduction from his income tax of that amount. Of the £362,000 which was

collected in land tax during the last financial year, there was not 10 per cent. paid by primary producers—farmers, graziers, fruit-growers, or horticulturists who use their land and who are not land monopolists—much less the whole of it, as certain members are fond of telling the electors.

Mr. G. P. BARNES: All the people are not on the land.

The TREASURER: All the people are not on the land, but the land tax is only collected from the land, and someone on the land must have paid the land tax. If the farmers did not pay it, other landowners had to pay it. If you take into account the amount of deduction allowed to farmers, less than 9 per cent. is paid by farmers; the balance of 91 per cent. is paid by other landowners, 5 per cent. of whom are monopolists in country areas. Farmers and graziers that year were assessed at £35,000. Many of them got relief because of losses through drought or other causes; under the Act they were entitled to claim remission of taxation, which was allowed. A very large sum was allowed in consequence of that, and a great deal of deduction was allowed in regard to income tax paid during that year. The farmers of Queensland holding areas the unimproved value of which does not exceed £1,280, did not pay more than £21,000 in land tax, yet the land tax collected in that year was £362,000. Part of that amount was derived from the undeveloped land tax. That is an important matter which we have to consider now. The definition of "undeveloped land" is contained in the original Act. It may be somewhat crude, and may not be having the full effect which was intended when the undeveloped land tax was imposed; but I have direct evidence that it is having some effect by forcing into use land which was previously held idle. It may become necessary later on, for the purpose of making it work more effectively, to revise the incidence of the undeveloped land tax, so that it will have the full effect of forcing land into occupation along railway lines which is held idle for purposes of speculation. If it has that effect, I feel that that land tax will be justified.

The super land tax we are discussing to-night is a temporary measure calculated to bring in a certain amount of revenue, the estimate of which I have presented to the House on more than one occasion. We expect to derive under this measure £130,000 additional revenue each year. It will only apply to large estates. It does not operate in an estate of a taxable value of under £2,500; that is, it does not apply to any estate owned by a resident which has an unimproved value of £2,800. That is taking into account the exemption, as well as the further exemption. We exempt an estate of the unimproved value of £2,800; and any estates under that do not pay the super tax. I think it may be contended that, generally speaking, this tax will not apply to any estate the improved value of which does not exceed £5,000, so that no one can say that this is an additional tax upon farming, because it will not apply to any working farmer in Queensland.

Mr. BEBBINGTON: You do not know what a working farmer is.

The TREASURER: I know that in North Queensland, in the vicinity of the Babinda Mill, we have a farmer who supplied 22,000

tons of cane, valued at over £35,000, to the mill last year. He never does any work himself, but drives about in a motor-car cursing the Labour party. (Laughter.) If that is what the hon. member calls a farmer, this tax may apply to him.

Mr. MACARTNEY: He is a sensible man.

The TREASURER: There are a number of men who supply 10,000 tons of cane to the mill and who never do any work themselves.

Mr. G. P. BARNES: There are plenty who are doing work, too, who are cursing you.

The TREASURER: They are not sensible men. (Laughter.) I think I have traversed pretty well the whole of the questions embodied in this very short measure. It is one we had a discussion upon last year, and several discussions this year. I think it can be justified up to the hilt. After all, it is only a temporary measure, which will cease to operate in the financial year after the war, and if it becomes necessary in that year to have increased revenue, whatever Government may be in power—and it is tolerably certain that this Government will be in power—they will have sympathetic consideration from that point of view, and if this is found to be an equitable tax they may continue it.

Question put.

Mr. BEBBINGTON: It would be a shame to let this matter go through without debate. I have stated that the Government screwed £11 out of a man who had not a shilling.

I want to explain that. (Laughter. [8.30 p.m.] ter.) In doing so I shall read a few lines from a letter I received to-day. The Treasurer can see the signature if he likes. My correspondent says he received "Hansard" and was very glad to get it, and that he must compliment me very highly on my speech. (Laughter.) But the part to which I wish to direct the attention of the Treasurer is as follows:—

"I had no income tax to pay, but I had to pay £11 10s. 6d. land tax."

The TREASURER: Why didn't he get an income?

Mr. BEBBINGTON: Because he had to pay for labour, and the amount he had to pay more than absorbed the income he got from his farm. That man did not get a living wage, though he worked on his farm, himself, and yet the Government took £11 10s. 6d. from him for a land tax. What has the Treasurer got to say about that? With the Treasurer's permission I shall be very pleased to call at the office of the Commissioner for Taxes to-morrow and ask him to return the £11 10s. 6d. to the man who paid it, and £9 10s. to another of my neighbours who rang me up before I left and told me he did not get sufficient off his farm to pay for the labour he had employed.

The TREASURER: Do you say those men are not using the land?

Mr. BEBBINGTON: No; I say the men are living on the land; but where a man has to pay wages he has to pay a good deal more than he gets from his land. The Treasurer looked a bit suspicious when I said the present Government had raised the railway freights on dairy produce.

The TREASURER: What I said was that dairy produce is carried at a cheaper rate in Queensland than in any other State.

Mr. BEBBINGTON: In reply to a question asked in the House on this subject, the Minister—

Mr. Bebbington.]

The DEPUTY SPEAKER: Order! The hon. member will not be in order in proceeding on those lines.

Mr. BEBBINGTON: Well, I will take it for granted, for the Minister's own words are that the rates were raised 42 per cent. I think I have explained to the Treasurer how he took £11 from a man who had nothing. (Laughter.)

Mr. WHITFORD: £11 from a man who had not a shilling?

Mr. BEBBINGTON: Yes; he had no income from his farm, and yet he had to pay land tax amounting to £11 10s. 6d. Moreover, the imposition of the land tax on his farm so reduced his credit that he could not borrow the money he needed to carry on. Some farmers pay a land tax on four times the area of land they own.

The SECRETARY FOR PUBLIC INSTRUCTION: The land is mortgaged, you mean?

Mr. BEBBINGTON: Yes the matter is easily explained. A man buys a piece of land and pays down 25 per cent. of the value of the land, but he has to pay land tax on the whole area, so that he pays on four times more land than he owns, and he does that in order to keep his family there. That is why we are fighting his battle. Why should the best of our boys and girls be driven by this land tax into the towns to get employment? Why should we not allow the people to stop on the land? I could, if necessary, quote a hundred cases similar to those I have mentioned, and I am sure that if the Treasurer will agree to instruct the Commissioner of Taxes to return to men who have not made a living wage on their farms the amount of money they have paid in land tax, I shall have the pleasure of advising those men to call for the money at the Treasurer.

Mr. DUNSTAN: How many small farmers in your electorate paid the land tax?

Mr. BEBBINGTON: Nearly every one, though they might have nothing left after they had paid for labour and for feed for their cattle.

The TREASURER: What was the value of the farm on which the man paid £11 10s. 6d.?

Mr. BEBBINGTON: You can get that from the Commissioner to-morrow.

The TREASURER: It must have been a big farm—worth over £1 800.

Mr. BEBBINGTON: Suppose it is, does that affect the case? The man was not getting a living wage, and yet you pushed him for the land tax. There have been thousands of tons of lucerne chaff sold in the Brisbane market at a price which would not clear the wages paid to produce it. How is a man going to get an income if the market is stocked in such a way that he cannot get a price for his lucerne which will pay for the cost of production? It would not matter if he had 10,000 acres under cultivation, he would be no better off. The more land he cultivated the more he would get into debt under those circumstances. How is it that land which has been sold in the market for £2 5s. an acre is assessed by the Federal Government at £3 10s. an acre, and that they refuse to take less than the tax on that value? How is it that such things are brought about?

The SECRETARY FOR AGRICULTURE: Ask the Federal Government.

[Mr. Bebbington.

Mr. BEBBINGTON: I might ask anybody but the present Government in Queensland. There is no one who knows less than the State Government when it comes to a practical question. They may be able to tot up a big row of figures, and may have the idea that they are well educated because they have been to a grammar school, but there is no one who knows less about production in the State than members sitting on the Treasury benches.

Mr. KIRWAN: Except the hon. member for Drayton.

Mr. BEBBINGTON: I have not had the benefit of a grammar school education. It is one of those things I missed, but my education has been in connection with the production of wealth in this State. The Treasurer talks about scientific taxation. I take it that his scientific taxation is merely robbery by legislation. (Government laughter.) That is the name I give to it. It is all a question of opinion, and I shall certainly vote against the second reading of this Bill, because it will prevent production and discourage the men on the land. It is only encouraging them to give their boys and girls a grammar school education, and put them into useless professions. How many useless professions have we got in Queensland? How many thousands are there who are simply parasites on the community? These taxation proposals are encouraging the people to give their sons and daughters a grammar school education—with what result? The other day I saw a girl from one of the high schools who went to be a nurse at a hospital. She was put on to night duty, and after the first night she said, "I have learned something to-night. I have learned how to make a cup of tea." The land tax is driving people off the land, and I shall vote against the second reading of this Bill.

Mr. GRAYSON (*Cunningham*): I have listened very carefully to the speech delivered by the Treasurer, and I must say I was very disappointed at his remarks. The hon. gentleman thoroughly understands the wants and conditions of the sugar-growers in North Queensland.

The SECRETARY FOR AGRICULTURE: That is one thing you do not understand—the wants of the sugar-growers.

Mr. GRAYSON: If I only knew as much as the Minister for Agriculture knows about the farming industry in Queensland I would be ashamed to hold the portfolio he does. I have every respect for the Minister for Agriculture as a man, but at the same time, as a man who pretends to administer the Department of Agriculture—

The DEPUTY SPEAKER: Order! Order!

Mr. GRAYSON: I will admit that he is the greatest failure that ever held that portfolio in Queensland.

The DEPUTY SPEAKER: Order! Order!

The SECRETARY FOR AGRICULTURE: Who burst up the wheat pool?

Mr. GRAYSON: I will give you something about the wheat pool. I was too able for you over the wheat pool.

The SECRETARY FOR AGRICULTURE: You were too wily for the poor farmer.

The DEPUTY SPEAKER: Order! Order!

Mr. GRAYSON: I was down on the Minister for Agriculture over the wheat pool.

The DEPUTY SPEAKER: Order! Order!

Mr. GRAYSON: I listened very carefully to the Treasurer when he introduced the land tax proposals in 1915, and he gulled the House when introducing those taxation proposals, but he did not gull me. The hon. gentleman at that time stated publicly in the House that the revenue that he would receive from the land tax would only amount to £150,000 per annum. Can the Treasurer deny that? He was misleading not only the House but the public of Queensland. What is the result? Last year the Government received £362,000 from the land tax. Why was not the Treasurer candid with the House when he introduced that taxation? He knew when he made that statement that he was trying to mislead hon. members.

The TREASURER: No.

Mr. GRAYSON: He did not mislead me, because I told him emphatically that the amount of revenue he would receive from the land tax would be £250,000 at least. The Government is not satisfied with receiving such a large revenue from the land tax, and are now introducing a super land tax, and they say it will not hurt the farmers of Queensland. It will certainly do a great injustice to the farmers of Queensland.

The SECRETARY FOR AGRICULTURE: How much of it will they pay?

Mr. GRAYSON: I do object to interjections from the Minister for Agriculture, because he knows absolutely nothing about the farming industry in Queensland. The hon. gentleman may know a little about sugar-growing at Innisfail, but when we consider the general farming industry, the hon. gentleman knows nothing. During the three years the hon. gentleman has been in office he has opened two or three shows on the Darling Downs, and he spoke very nicely.

The DEPUTY SPEAKER: Order! Order!

Mr. GRAYSON: At the same time, the hon. gentleman does not know anything about the conditions existing in the farming industry. It is utterly impossible for any farmer to grow wheat successfully on a farm of less than £2,500 in value, and the super land tax will be the means of killing wheat-growing in Queensland. Those who are interested in wheatgrowing know that wheatgrowing on small areas has been proved impossible. There is no chance of a man growing wheat on a small area and making it pay. In New South Wales, Victoria, and South Australia 80 per cent of the wheat grown in these States is grown on large areas. Take the Riverina district. All the wheat grown in that large wheatgrowing district is grown by men who own large areas of land. The wheatgrower is compelled to purchase £700 or £800 worth of machinery to harvest his crop, and it is utterly impossible for a man with a small area to make wheatgrowing pay under those circumstances. The super land tax will be a great injustice to the landowners of Queensland, and the Minister will be well advised to exempt from the operations of the super land tax all landowners who cultivate 25 per cent. of their land. That is a fair proposal. No matter what area a man holds, if he cultivates 25 per cent. of his land he should be exempt from the operations of this super tax. Now,

I notice that the Government, according to the Policy Speech delivered by the Governor, intend to call a conference of wheatgrowers of Queensland.

The DEPUTY SPEAKER: Order! Will the hon. member connect his remarks with the question?

Mr. GRAYSON: Yes. If it is the intention of the Government to encourage wheatgrowing in Queensland, they are going the wrong way about it when they impose this super land tax. What has been the result of the land tax proposals at the present time? I am representing a constituency where, I believe, 90 per cent. of the land is held under freehold tenure, and I state here positively that as a result of the land tax proposals of the present Government freehold land has depreciated in value fully 50 per cent. in the Cunningham electorate, and the same thing applies to every other electorate in Queensland. (Hear, hear!) There is no such thing as selling freehold land at the present time at anything like what many of the owners of the land paid for it some four or five years ago.

The SECRETARY FOR AGRICULTURE: Land is selling at Bundaberg at £70 an acre.

Mr. GRAYSON: Here we have the Minister for Agriculture talking about sugar lands again. Sugar-growing, as you know, is a protected industry. The sugar-growers are doing well; I do not envy them their prosperity. But they are protected by the Federal Government, and there is no question about their prosperity. But has the wheatgrower got any protection? Has the dairyman got any protection? None whatever. Has the maize-grower got any protection? None whatever. They have got to compete in the markets of the world. In fact, the maizegrowers of Queensland and Australia have to compete with maize grown in the Pacific islands by black labour and dumped into Sydney at 3s. a bushel—millions of bushels of it. I do not want to digress from the point, but at the same time I think, in answer to the interjection of the Hon. the Minister for Agriculture—

The DEPUTY SPEAKER: Order! I would point out that the Hon. the Minister was out of order in interjecting, and the hon. member was out of order in making a reply to him.

Mr. GRAYSON: I am very glad you have called him to order for his interjection. The present land tax proposals are quite unjustifiable. The Treasurer, in introducing this Bill to-night, said that the Government had improved their position in the agricultural centres during the last election. (Hear, hear!)

The TREASURER: We only lost Carnarvon, Aubigny, and Pittsworth by small majorities.

Mr. GRAYSON: I was opposed in the Cunningham by a Labour man—a very decent fellow. I will admit. I do not know whether he is in the Speaker's gallery at the present time; I believe he is, because I was speaking to him a minute or two ago. During that gentleman's campaign he never mentioned the land tax proposals of the present Government; he purposely omitted to do so. We had the Treasurer up on the Downs during that campaign, and he is a very forcible speaker, and a very good speaker from any platform he speaks from, but I can assure you that the Treasurer treated

that subject very, very lightly. The farmers who voted for the present Government at the last election were absolutely misled, and I am as certain as I am standing here that if an election took place to-morrow and the farmers thoroughly understood these land tax proposals, there would not be a hope in the world for the Government to get a candidate in for the Darling Downs. I admit that the Treasurer is one of those men who have a little bit of reason, and he ought to reconsider these land tax proposals, with a view to assisting production in Queensland. More cereal grains are grown in the Cunningham than in any other electorate in Queensland. Can the hon. gentleman say that his electorate produces anything like the Cunningham?

The SECRETARY FOR AGRICULTURE: Yes; far more money than you do.

Mr. GRAYSON: You refer to the protected industry again!

The DEPUTY SPEAKER: Order! Will the hon. member address the Chair?

Mr. GRAYSON: I am addressing the Chair. The Treasurer knows as well as I do that Queensland only produces half the wheat she requires for her own consumption. If there is any industry that should be considered and fostered in Queensland it is wheatgrowing. I say every encouragement should be given to the wheatgrowers of Queensland to increase their areas, and they should not be harassed with an unnecessary land tax. As I pointed out here some few nights ago, 90 per cent. of the wheat that is produced in Queensland is produced on freehold land. In fact, I believe I am correct in saying that 95 per cent. is produced on freehold land. There is a little produced in the Maranoa district on leasehold land.

The SECRETARY FOR PUBLIC INSTRUCTION: What is the value per acre of the freehold land?

Mr. GRAYSON: On which wheat is grown?

The DEPUTY SPEAKER: Order! I suggest to the hon. member that he address the Chair, and refrain from answering interjections.

Mr. GRAYSON: I believe the value of the land where the wheat is produced is anything from £5 to £15 an acre.

The SECRETARY FOR AGRICULTURE: Whew! Too dear.

Mr. GRAYSON: The Minister for Agriculture says that land is too dear.

The SECRETARY FOR AGRICULTURE: Fifteen pounds an acre is too much for wheatgrowing.

Mr. GRAYSON: On the greater portion of the land on the Darling Downs, the farmers are not depending entirely on wheatgrowing; they go in for mixed farming. The present Government has purchased Cecil Plains, of 120,000 acres, at £2 per acre, and I understand that when they add the interest to the money that estate has cost since it was purchased, and the cost of looking after it—the survey and other expenses—the price will run up to £4 per acre, before it is opened for selection.

The SECRETARY FOR AGRICULTURE: Oh, no!

Mr. GRAYSON: However, I hope the Hon. the Minister will reconsider this land

[*Mr. Grayson.*]

tax proposal, with a view to assisting the primary producer. If there is any class of men in Queensland that require encouragement, it is the men who are engaged in primary production.

Mr. KIRWAN: Can you tell why wheatgrowing is going down in Victoria, where they have a Liberal party, and no land tax?

Mr. GRAYSON: It is easy to give one instance how wheatgrowing is encouraged in other States in the Commonwealth. I would like to mention that in South Australia, one of the greatest wheatgrowing States we have in the Commonwealth—

Mr. KIRWAN: Quite correct

Mr. GRAYSON: The land tax exemption there is £5,000, exactly the same as it is under the Federal Government. What is the reason for that exemption?

The TREASURER: They are losing population in South Australia.

Mr. GRAYSON: It is in order to assist and encourage wheatgrowing in South Australia. Here in Queensland we have an exemption of only £300. Is that any encouragement to the wheat producer? It is no encouragement.

The TREASURER: They allow no deduction from the income tax, on account of the land tax.

Mr. GRAYSON: The land tax exemption is £5,000; the Treasurer cannot deny that. What is the reason? They have had a Labour Government in power there for four years. It is done with the object of encouraging wheatgrowing. Here in Queensland we only grow half the wheat required for home consumption, and yet the Government is persecuting those few for producing 2,000,000 bushels of wheat for home consumption. I trust that the Treasurer, before these proposals are passed through the House, will take into consideration the few remarks I have made.

Mr. MOORE: I would like to enter my protest before this Bill goes through, because I consider it is an unfair taxation at the present time, and it is not going to be for the benefit of Queensland. Now, considering the price of stock, and the price of cereals, land to-day ought to be rushed. Instead of that, what do we find? I would just like to point out the effect of the land tax in many places. The capital value of land has been reduced; the unfortunate farmers who borrowed money on it to start it and keep it going, were told to reduce their overdraft. They were unable to do it. I know of several cases in my own district where men have left their farms, which are now growing noxious weeds, and are a menace to the surrounding country. The bank does not take it over, because if they did they would have to pay an aggregate land tax on all the land they have. The farmer says he cannot carry on, the bank will not let him have any more, his security is depreciated, and these farms are lying idle to-day. When you see a man who has been for fifteen years in Queensland, and has put 1,000 acres every year under cultivation, leave his freehold property, and go down to New South Wales to take a farm on shares, there is something wrong.

The SECRETARY FOR AGRICULTURE: There is something wrong with the climate.

Mr. MOORE: No. When you see freehold land that was bought twenty years ago for £2 an acre, absolutely unimproved,

and to-day, highly improved, is only worth £2, and cannot be sold, does it not show that there is something wrong, when you see the high prices going for stock, and the demand there is for all cereals throughout the country? When land is going begging, and is idle, something must be wrong with the policy which induces such a state of things. The whole fact of the matter is the want of confidence in the Government, and the taxation. It is no good the Treasurer getting up and saying the farmers are not being hit by this taxation. The working farmers are being hit.

The SECRETARY FOR AGRICULTURE: It depends on the quality of the land.

Mr. MOORE: The quality of the land is equal to what it is anywhere else. The Government thought the quality of the land was all right on Gowrie and Jimbour. It is the conditions which the farmers work under.

The SECRETARY FOR AGRICULTURE: The rainfall is too uncertain.

Mr. MOORE: If you put a super tax on the large estates, it is going to come right down to the small ones; the effect is coming on the small people, more so than it is on the big estates. There is a certain amount of vindictiveness, as far as I can see, in this land tax. We had that illuminating statement of the Premier, where he said it was music in his ears to hear the pastoralist squeal. The Treasurer said it was for the purpose of cheapening land. Land is being cheapened all right, as nobody else is going on to it. In my own district there is land going begging, and land is going out of cultivation that was being cultivated. Now, the present Government seem to have a perfect mania for taxation, and it seems to me it is to try to pull somebody else down, with the fallacious idea that somebody else may be raised up. If you are going to put people off the land by taxation and making it untenable for people to go on, it is going to be to the detriment of the State. That is being proved to-day, and anybody that goes into the country can see it. Yet attempts are being made to make other excuses. The Minister for Agriculture says the land is not good, or the rainfall is not there. The rainfall was there before; it was not any better than it is now. The land is just as good. Yet this land was being occupied and worked, and now you see it going out of occupation, and noxious weeds are growing on it, and you cannot find an owner for it. What is the reason? It is no use the Treasurer getting up and trying to cover it up by saying the farmers are not being taxed at all. We have personal experience of it. The working farmer has to pay pretty heavy taxation.

The SECRETARY FOR AGRICULTURE: Why don't they surrender it to the Crown and not pay taxes?

Mr. MOORE: How can you surrender freehold land to the Crown? I think it is time the Government realised that this taxation is not going to be for the benefit of Queensland. It is not going to increase settlement. Instead of coming here, people are trying to get away. If you go to the farmers who still remain on their land and ask them why they remain they will say, "Because we cannot get out of it." Give them the opportunity to get out, and they will go to-morrow. When the country has got into a condition like this, when the farmers are doing their best to get away, surely

something is wrong with the land settlement and taxation policy of the Government.

Mr. KIRWAN: You ought to go to Victoria.

Mr. MOORE: I have been in Victoria before. A large number of people came here from Victoria, and they would get back to-morrow if they could get out. Unfortunately, they cannot.

Mr. KIRWAN: They are leaving the land in Victoria.

Mr. MOORE: They may be coming up into some portions of the State in protected industries.

Mr. KIRWAN: Read the Melbourne "Age" on the subject.

The DEPUTY SPEAKER: Order! Order!

Mr. MOORE: There is no necessity for me to read the Melbourne "Age." I know that when people in Victoria pay £2 and £1 10s. an acre rent for wheatgrowing land, there is prosperity in the country. In Queensland, when you see freehold land lying idle and not being cultivated that was being cultivated three years ago, and continually for years, something is wrong. When people come here from the South they say, "Look at the taxation on the land."

The SECRETARY FOR PUBLIC INSTRUCTION: The farmers were never so prosperous in the whole history of Queensland as they are to-day. (Opposition laughter.)

Mr. MOORE: Because the Minister chooses to say that, it does not make it true. Did not the hon. member for Bowen the other night quote figures to show the small number of farmers who are paying income tax? Does that not prove that the Minister is wrong in what he just said? If the farmers are so prosperous, would they not be paying income tax? The conditions are not being made better for them. The conditions are being made so hard that you find land is going out of cultivation instead of being brought under cultivation in increasing areas. The hon. gentleman should see if he cannot do something to improve the conditions of the man on the land. The whole prosperity of Queensland depends on increased production, and at present we find that production is actually decreasing. Surely something needs to be done to alter such a state of affairs, not only by reducing the amount of taxation on the land but also by altering the form of land tenure if it is found that the present tenure is not a success.

The SECRETARY FOR AGRICULTURE: A typical instance of the Jeremiah party.

Mr. G. P. BARNES: I sincerely hope that some attention will be paid by the Government to the indisputable facts which have been placed before the House by hon. members on this side. On the Downs the position is becoming so acute that, whether this Government is alive or not alive to the necessity for doing something in the interests of the farmers, some Government some day will certainly arise that will do so. Every argument that has been advanced from this side of the House goes to show the absolute necessity for doing something to encourage the farming community. I will admit that nearly every country in the world at the present time is finding it necessary to take steps to induce men to remain on the land. It is so even in America. There they are meeting the case by giving the farmers cheap money, and by offering them extra advantages. Hon. members on this side advocate doing the same thing here, because we realise what is going on. We tell the

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Government that, if the people are to be kept on the land, that can only be brought about by exempting them from taxation, or by giving them cheap money.

The SECRETARY FOR PUBLIC INSTRUCTION: We give them cheap land.

Mr. G. P. BARNES: Yes, at other people's expense. We have had some of the oddest interjections from the other side during the course of this debate, and some of the most mixed order from the Secretary for Agriculture that I ever listened to. We are told that we are giving them cheap land. Why, men are actually leaving the land because of its cheapness. Many a farmer has actually lost all his equity as a result of the taxation imposed by the present Government. Confidence is gone, and there is a positive exodus from the land.

The SECRETARY FOR AGRICULTURE: Some complain that they do not get fair treatment from the flour millers.

The DEPUTY SPEAKER: Order! Order!

Mr. G. P. BARNES: If there are any complaints in that direction, I would advise the hon. gentleman to make inquiries, and he will find that the best friends of the farmers—the men who give them a helping hand—are the storekeepers and the local millers, and to their cost, taking one year with another.

The TREASURER: How can the cheapness of land drive them off the land?

Mr. G. P. BARNES: Simply because all that a man has in the land is destroyed by the taxation imposed by the present Government. In many instances land is not worth anything to the owner. Can you expect anything but cheap land when you hear such remarks as have fallen to-night from the Secretary for Agriculture? He first discounts the quality of the land; then he discounts the rainfall; everything is wrong.

The SECRETARY FOR AGRICULTURE: Is the rainfall right?

Mr. G. P. BARNES: Then you find the hon. gentleman making the astounding suggestion that the farmers should surrender their land to the Government.

The SECRETARY FOR AGRICULTURE: I did not say that. I said, "If the land is not any good, why don't they give it back?"

Mr. G. P. BARNES: Surrender is in the hon. gentleman's mind, and that is just what is coming about.

The SECRETARY FOR AGRICULTURE: Another Jeremiah!

Mr. G. P. BARNES: The hon. gentleman is a Jeremiah, and I am just proving it. I will just point out to the House and to the country what this land tax means to the man on the land, and what it is going to do. I think I am right in these figures—the Treasurer will correct me if I am wrong. The present rate on a property with an unimproved value of £2,500 is 2½d. in the £1, and there will be an additional tax of 1d. in the £1, making a total of 3½d. in the £1.

The TREASURER: I would like to ask the hon. member if he thinks the super tax will apply to the working farmer at all.

Mr. G. P. BARNES: I will show that it will. When you are taxing the man who has land worth between £2,500 and £3,000, you bring down the value of his neighbour's land.

The TREASURER: There is no logic in that at all.

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Mr. G. P. BARNES: There is logic in it, and that is what is happening. There are plenty of farmers on the Downs who own property with an unimproved value of between £2,500 and £3,000. The present rate on a property with an unimproved value of £2,500 is 2½d., and there is to be an additional tax of 1d. in the £1, which will make a total of 3½d. in the £1. The rate on properties with an unimproved value of between £3,000 and £4,000 is 2½d., and the additional tax is to be 1½d. in the £1, making a total of 4d. in the £1. From £4,000 to £5,000 the rates are 2¾d. and 2d. respectively, making a total of 4¾d. in the £1. The increased taxation works out in this way: On a property with an unimproved value of £2,999 the present tax is £28 2s. 3¾d., the new tax will be £40 11s. 2¾d.—a difference of £12 9s. 11d., or an increase of about 40 per cent. On a property with an unimproved value of £3,999 the present tax is £41 13s. 1½d., the new tax will be £66 13s., an increase of £24 19s. 10½d., equal to 50 per cent. With regard to a farmer with £5,000 worth of taxable property, the present taxation is £57 5s. 7d., the new tax £98 18s. 9d., or an increase of £41 13s. 2d., which is a good 70 per cent. Is that fair or equitable? And is it going to encourage settlement?

The SECRETARY FOR PUBLIC INSTRUCTION: Yes.

Mr. G. P. BARNES: The hon. gentleman's calculations are completely out. I have several farmers in mind who have properties of the unimproved value of £10,000. At the present time they pay £124 19s. 9d. Under the new tax they will pay £208 6s. 3d.—an increase of £83 6s. 6d. The Treasurer talked about the simplicity of his calculations as against the scientific calculations. It would have been a very simple calculation to have doubled the assessment when you get to the larger sum, if it was simplicity he was looking for.

The TREASURER: You are making a mistake in your calculation if you say it is 70 per cent. increase on £10,000.

Mr. G. P. BARNES: These figures have been worked out most accurately by people who understand. I have given them to the House for the information of members, who are even astonished at their own figures, like the Treasurer himself, who should be seized with the iniquity of his own proposals.

Mr. MACARTNEY: I have listened with a considerable amount of interest to the objections raised by representatives of farming constituencies as to the effect of the land tax on the people in those districts. One cannot listen to these speeches without feeling that the imposition of this extra taxation is having a serious effect in connection with the settlement of our agricultural lands. The Secretary for Agriculture made an interjection to-night which leads one to suppose that the idea of the Government is to compel the men who own freeholds to surrender their freeholds and take perpetual lease instead. One can only come to the conclusion that there is some meaning behind it. I cannot understand the common sense of a taxation that depreciates not only the value of the freehold held by the general freeholder of the State, but also depreciates the full value of the Government estate. It is generally known that land is valued on a 5 per cent. basis, covering a number of years of purchase—say, twenty years—and every £5

of taxation that is charged against the particular piece of land depreciates its capital value to the extent of £100. That applies not only to the land which is actually taxed, but to every inch of land.

The TREASURER: The State will benefit the more the land produces.

Mr. MACARTNEY: If a man is not taxed one penny, and he owns a bit of land in the area the value of which is reduced by taxation, his land is correspondingly reduced. Remarks have been made with regard to country lands, but no remarks have been made with regard to the extraordinary position which exists with regard to taxation of city lands. I spoke earlier in the day in regard to the failure of the Government to endeavour to remove hardships in dealing with taxation. I pointed out last year a very extreme case which took place in Queen street. Of course, we have heard the fiction that this land tax is for the purpose of bursting up big estates. I do not know whether a 16-perch of a 10-perch allotment in Queen street is what the Government call "a big estate." I quoted a letter, on page 1805 of "Hansard" last year, written by a Mr. Haigh, at Ipswich, to the Commissioner for Taxes, in regard to a property in Queen street. Mr. Haigh takes a pretty strong view of the taxation methods of the Government, referring to them as "extravagant and confiscatory, as a form of spoliation and robbery," in an official letter sent to the Commissioner of Taxes. Mr. Haigh is a qualified accountant, one of the most qualified men in Queensland, and he deals with solid facts when referring to this particular property in Queen street, belonging to a number of members of a family who are not resident in Brisbane. I happen to know the property myself, which has an unimproved value of £16,000, and the total rental on the property is £1,100. I quote from my remarks last year as reported in "Hansard":—

" Approximate annual rental for 1915 connected with the assessment	£1,100	0	0
State land tax paid May, 1916	£223	5	5
State land tax paid November, 1916	214	13	4
State land tax paid November, 1916, being a super tax, the estimated value of the improvements being less than 25 per cent. of the estimated value of the freehold land	55	18	11
State income tax paid April, 1916	33	8	10
Federal income tax paid March, 1916	25	18	9
Federal land tax paid June, 1916	80	17	9
Estimated fire insurance, twelve months	39	0	0
Estimated maintenance, twelve months	28	0	0
Estimated municipal and water board rates and taxes	121	0	0
	£822	3	0
	822	0	0
Surplus	£278	0	0

I calculate that the effect of the super tax, which is included in this, will amount to £125. Taking that off the £278, we find that there will be £153 left as the result of the investment in this property, which has an unimproved value of £16,000."

Surely, that is evidence of confiscation, spoliation, and robbery! I ask the hon. gentleman when he is introducing legislation of this sort, when the department has knowledge of these hard cases, why some attempt has not been made to redress these things? The Commissioner for Taxes was referred to on the matter, and it was pointed out to him what the effect of it was. The hon. gentleman claimed the other day that the officials would not recommend or be a party to anything that was harsh. The Commissioner's reply in this case was that it was a political matter, and not a matter for him.

The TREASURER: In the figures you give you have quoted two years' land tax, as against one year's income tax.

Mr. MACARTNEY: There were two years' land tax paid in that year, but if I add the second year's land tax to the surplus, we get a surplus of £492 for £16,000 worth of unimproved value, plus the cost of high improvements. It is a property that is well improved. Of course, it is suggested that the properties are not improved to their full value, but is it not perfectly clear that it would be impossible in one or in two or three years to improve all properties in the city to the extent that they could be said to be improved to its highest possible limit. The demand that exists for accommodation would not justify the improvement of even a percentage of them in any one year.

The TREASURER: You have only taken into account the income derived each year by that amount, not the unearned increment.

Mr. MACARTNEY: These properties are in the possession of people who purchased them at their supposed market value during the last few years, and probably ten years ago they paid a bigger price for them than the unimproved value stands at to-day. You ought to endeavour to prevent injustice when you are introducing taxation, and to meet all circumstances. I have another case of a property which I know to be [9.30 p.m.] highly improved, and which, by reason of its use, should bring in a large rental. I am not prepared to identify the property for the moment. The gross income from this property is £3,192. The Federal land tax last year was £184, and the State land tax for the same period was £570. The State income tax for last year was £77, the Federal income tax, £60; water rates, £42; city rates, £406; repairs for the year, £80, which was about the average; insurance on £7,000 came to £227, fireman and watchman cost £42, and sundry expenses amounted to £50, making a total of £1,738, and giving a net revenue of £1,454, just a fraction over 2 per cent. on the unimproved value of the property. In view of facts such as those, you cannot get away from the conclusion that there is harshness in the State taxes, and one can hardly get away from the idea that vindictiveness is associated with such taxation. It cannot be said that taxation which permits results of that sort can be regarded as fair; it cannot be said that taxation of that sort imposed on business enterprise in the State is likely to attract people to Queens-

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land, or is likely to promote the prosperity and progress of the State. The Government who take charge of the Treasury bench to administer the affairs of the State ought to glory in doing justice to all classes of the community. If this party were in power, our friends opposite would say we are not sympathetic with the Labour man, but I say that we have at all times endeavoured to do justice to the Labour man. But we do not find our friends opposite acting on the same lines. Apparently, the suggestion of the Premier, when he talked about making certain classes squeal, still sways the party in power, and we find that there is harshness and absolute injustice in the taxation they have imposed, and that when this harshness and injustice are brought under the notice of the Treasurer, he does not take the opportunity which this measure gives him to rectify those injustices, or to give instructions to the Commissioner of Taxes to rectify them.

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. H. F. Hardacre, *Leichhardt*): The more one listens to the arguments of hon. members opposite the more one is convinced of the absolute justice of the judgment of the electors at the last election when they improved the position of the Labour Government, because their arguments show the utter weakness of their position. They show the true spirit of the Opposition, and they show that they are the same old Tory party who throughout our history have fought against every progressive reform that has been introduced by any party in the State. They further show that they are prepared to perpetuate the wrongs and injustices which have occurred under the legislation of the past fifty years, which this party has been called into existence to rectify. They show, too, no matter how they may clothe their actions, that they are the friends of the wealthy monopolists and opposed to the masses of the people. If this had been a poll tax, or the Government had introduced retrenchment which would reduce employment, cut down wages, and cause industrial depression all over the State, they would not have lifted their voices against that, so long as their rich friends escaped. I am glad that the people of the State prevented them from letting their friends escape the burden of taxation on wealth, rather than on the poorer classes. What is the justification of a tax on land values? The values that are taxed belong properly and economically to the community. It is not the individual who created the value that is taxed. This tax is not imposed on the trade done by a business man or on the crop raised by a farmer; it is a tax on the unearned increment which attaches to the land irrespective of the exertions or enterprise of the individual, a value which has resulted from the expenditure of public money in building railways, schools, etc., through the increase of population and the advance of the community generally. That value the private landowner has been allowed in the past to put into his own pocket at the expense of the community. We claim that the unearned increment is a value in excess of anything the individual has created by improving his land and building on it, and that when the State is in need of revenue to carry on the services of the State it is a fair and just thing to call upon those receiving a special benefit from the unearned increment on their land to contribute something for the services rendered to them by the State. That is the justification for a tax on land values. Now, I am going to show that

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every argument used by hon. members of the Opposition this evening carries no weight at all. Consideration has been shown to the poorer classes of the community in this land tax by allowing them to escape the payment of something which they ought to contribute to the revenue. Special provision has been made in these proposals to exempt from taxation all improvements. A landowner can make more improvements on his land, and he will not have to pay any more land tax. The land tax is not a tax on enterprise. Moreover, we exempt from taxation £300 of the value of land, and in addition to that have begun the tax at the low rate of 1d. in the £1. Further, we have exempted dairy land to the value of £1,280, and have provided that the amount paid in land tax may be deducted from the amount payable as income tax by the same person. Let me now deal with the illustrations which have been given by members opposite. We have been told that in a farming district a man pays the enormous sum of £11 in land tax, and that in spite of the fact that he did not earn anything from his land. What was the value of that land? As the Treasurer pointed out, the taxable value must have been £1,500, so that with the £300 exemption added it would be increased to £1,800. There must have been 50 per cent. of improvements on the land, which would bring the value up to about £2,700. In addition to that there was stock worth probably another £1,000. Here is a man who owns property to the value of nearly £3,700 and who has to pay £11 a year for £1,800 ground value, a value which has been made for him. Yet we are told that this is the kind of taxation—payment for benefits received—that is driving the poor farmer off the land.

MR. GUNN: What is driving him off the land?

The SECRETARY FOR PUBLIC INSTRUCTION: I will tell you what is driving him off the land presently. Then we have the illustration of the man who borrowed £3,000 in order to go upon the land; that he is mortgaged and heavily in debt, and we make him pay £11 a year. Is that not an illustration of the proof that the real thing that is burdening the farmer is the high price he has had to pay previously to monopolists who—by monopolising the farming land of this country—has made it difficult and dear to obtain, and has made the farmer go to the money-lender and borrow money at big rates of interest in order to get on the land at all? That is the real reason. Then we have another illustration of the poor wheat farmer who grew wheat on land of a value of from £5 to £15 an acre. Here we have another illustration that the real evil that is driving him off the land is the high price he has to pay for land that someone else has got and will not let him have unless he pays an exorbitant price before he can get it at all. That is the real evil in Queensland, and the one thing that this tax is going to prevent. This tax is the most beneficial thing ever introduced into Queensland, and I make the prophecy that in years to come the financial proposals of this Government will be looked upon as the one thing more than anything else that saved Queensland in its hour of difficulty and trial. (Hear, hear!) How is this going to benefit the farmer? Wherever there is a small centre of population growing up and the *bonâ fide* farmer is making improvements—cultivating his land and making progress—all round him is

the land monopolist and speculator holding land idle, getting the benefit of the farmer's progress, and they will not let anybody else come into that district without paying the big price asked by the land speculator who has locked land up and kept it idle. A land agent came to me the other day and he said, "The one thing that disgusts me more than anything else is when the owner of land in a farming district says to me when I have a client who wants to buy that land, 'No, no! it is going up in value because of the farmers progressing in that district.'" Because they are progressing the price of land is advancing and he has raised the price on the newcomer who cannot go on the land. The taxation upon land values is going to alter this. Everywhere throughout Queensland you see good, valuable, useful land alongside our railways, in the best country districts—fruitgrowing land, dairying land, all kinds of land in the best situations where there is a good rainfall, near markets, near centres of population—lying idle and blocking progress everywhere, preventing advancement, preventing our railways paying; and this taxation is going to fall upon those vacant lands and those land monopolists and make the land available for some other people to use it. Instead of blocking progress it is going to advance settlement. (Hear, hear!) It is going to increase production and it is going to redound to the prosperity of this State. Now let me take another aspect. As a matter of fact, it will not fall heavily upon country districts at all. If there is any class in this House who ought to support a tax on land values it is the farmers' representatives, because it is going to fall heaviest on the cities. Why, they talk about the poor farmer bearing the whole of this taxation, and a single corner in Queen street is worth probably more than 100 miles of country in some far-off district in Queensland. Take the corner of George street. There is a block for which £25 was paid originally and to-day it is worth £30,000. Finney, Isles's block of 32 perches was originally bought for £25, and to-day you cannot buy it for £30,000. The whole of Finney, Isles' side of Queen street, from Albert street to Edward street, was bought originally for £240, and you cannot get it to-day for £500,000. That is the unimproved ground value. Down in Brunswick street 10 acres, including the whole of that valuable business block, was bought for £56 originally, and because of the progress of Brisbane, the extension of the trams, the increase in population and settlement in the country which has helped to increase the ground value in Brisbane, that block to-day is worth about £1,000,000. This tax is going to fall upon those values, and it is going to fall upon Brisbane more than on any other part of Queensland. When the Hospital Bill was introduced some years ago it was shown that the rateable area within the suburban hospital area around Brisbane was £14,000,000, and the total value in Queensland to-day is only about £42,000,000. So that there is one-third of the whole of the value of land in Queensland in Brisbane and suburbs, and that is where the tax is going to be felt most. Just as in the country districts it is going to help progress where it is going to make land cheap for new farmers and farmers' sons without driving them into the other States or into the cities, it is going to help the cities' progress. Take the case mentioned by the leader of the Opposition of land worth £16,000 ground

value which would not enable the owner to pay the small sum of about £60 a year land tax. Why? Because it was quite evident it was not fully improved. Here is a case of land with £16,000 ground value in the principal street in the principal city of the State, which had a two-storey building on it. That is only typical of many other instances. In Queen street we find buildings of one storey only. Look at some of the principal streets of Brisbane containing ramshackle buildings not worth £200 on land with a ground value of £30,000. Look at our slum buildings on land with big ground values. Instead of fulfilling their duty by utilising the ground for the best purpose, beautifying the city and providing business places at low rentals for the people, we find, in some of the best portions of Brisbane, land with nothing on at all. One case that comes to my mind is Tattersall's corner in Adelaide and Albert streets; a valuable vacant block worth probably £20,000 without any improvements on it except some old fruit stalls, lying there waiting for somebody to come along so that they can get a big price for the unearned increment that they have no moral right to at all, put it into their own pockets and shoulder their burden on to the rest of the community. And yet our friends opposite want those people to escape their fair share of taxation.

Mr. BEBBINGTON: Nonsense! Nobody asked you to do any such thing.

The SECRETARY FOR PUBLIC INSTRUCTION: Under cover of one or two instances of distress, they try to let go from their fair share of taxation the big wealthy landowners of this country, who have reaped the benefit of the unearned increment at the expense of the community. What is their proposal? Why, we know it runs through all their speeches. What do they mean by economy? Reduce the working men's wages, reduce the number of men employed on the railways. Economy? That is what they mean all the time. They slander the working man when they talk about him, and say that he is not giving efficient service.

The DEPUTY SPEAKER: Order! Order!

The SECRETARY FOR PUBLIC INSTRUCTION: What efficient service are these wealthy landowners giving to the State for the value they receive? I say it is the same old Tory spirit through all their speeches, and it is a matter for which I think the people ought to thank God that they did not make the mischance of putting members of the Opposition on the Government benches. It would have been a calamity for the State. It would have been a catastrophe for the people of this State, and we would have seen over again, instead of the finances being rectified by enlightened taxation—systems that are going to make the right people bear their shares of the burdens—instead of that we would have seen it borne again by the working-classes, by the poorer people, either by a poll tax, or in some other equally wrong way, and it would have brought us back again to the old days of unemployment and distress and poverty. Instead of that, I am satisfied that the future will look back to this time when we have had to struggle with abnormal difficulties, when we have had to meet war, and drought, and flood, and other misfortunes, and say that this Labour Government rose to the

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height of the occasion, and introduced such financial measures as not only carried us over those difficulties, but also put the ship on the high seas of prosperity, and kept it there, and that they did it in the times of greatest difficulty, and pulled it through its trials more than was done by any other Government in the Commonwealth, up to the present. Up to the present, I say, because I am satisfied that, sooner or later, they will follow our lead in this matter, just as much as that splendid measure of rates reform, introduced in 1890 by Sir Samuel Walker Griffith, the rating of land values which corresponds to our taxation of land values, has been followed in every other State of Australia since that time. It has passed to America, and all through the world, and in like manner, our taxation proposals will, sooner or later, be followed, because of the excellence of their incidence, and their benefits economically in bringing about the progress of the community.

GOVERNMENT MEMBERS: Hear, hear!

Mr. GUNN: I remember when the hon. member who has just spoken was sitting behind the Morgan Administration. I remember when the Morgan Administration were short in revenue. I remember when they had a deficit, the same as the Government have at the present time. That Government was kept in power by the Labour party.

The SECRETARY FOR PUBLIC INSTRUCTION: Not by me. I fought them all I knew for the same reason.

Mr. GUNN: The hon. member could have turned them out if he had liked.

The SECRETARY FOR PUBLIC INSTRUCTION: I did my best.

Mr. GUNN: But he did not see his way to do it. He sat—his party sat—behind that Administration and kept them in power. What did they do about the finances? They came round my district—I received a circular—and they said to me, “You have a grazing farm of 20,000 acres. If you like to convert it into freehold you can do so at 10s. an acre.” I did not take it up, because I had not got the money and I did not want freehold, but some of my neighbours did, and they were patted on the back by the Government and told, “You are patriots; you have come to the assistance of the country and relieved the Treasurer of his deficit, and we make both ends meet.” There was no mention then of a land tax. They were only patted on the back and told that they were good boys. And the people who kept the Government in power were the Labour party! And after inducing those people to invest their money in that way, they come along and want to take it away. I admit that big estates are bad things. I admit that they should be subdivided. But after inducing those people to invest their money in them, they should acquire them in a legitimate way. They should buy at the current value or institute some means of dividing them. There are many ways of doing it. For instance, the State entered into a contract with those persons when it sold them or gave them the land, and it is easy to provide that when they die it should be divided amongst their families, and that no estate should be over a certain value. Have that if you like. But the method they propose to adopt is like giving a dog a nice juicy bit of steak, and letting him think, “What a nice bit of meat

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I have here,” and then chase him with a stick and take it away from him. (Hear, hear! and laughter.) This Government, after inducing them to invest their money in land, chase them with a stick and take it away. Now, since this heaven-born Government came into power and put on their tax, what is the result? Farm after farm has gone out of cultivation, because the people who have had those farms have not been able to finance them. Nobody else wants them. Cultivation is lost and the demand for land is reduced. What is the value of the land tax? We were told, “If you only put on a land tax the cost of living will go down.” The cost of living has gone up since this land tax was imposed. This is all a fallacy—this land tax. What crime has a man committed who has happened to develop his land and put it to proper use? He is taxed by the local authorities to provide money to keep the roads in repair.

Mr. O’SULLIVAN: What about the city man?

Mr. GUNN: The city man keeps the streets in order. These men come within the land tax and the super tax. The professional man—the doctor, the lawyer, and other sort of man that might sell rags or anything else—the profiteers if you like—get away free from all this sort of thing, while the unfortunate man who happens to follow the plough and live by the sweat of his brow is taxed and retaxed and taxed again. (Hear, hear!) We hear a lot about unearned increment. What about the unearned excrement? I remember the time when my father bought a piece of land over on Kangaroo Point. He gave £2,500 for it. I, as his executor, not very long ago could only get £1,600. I know another plot of land at Warwick. It was brought fifty years ago for £300, and I sold it for £100. When I was a youngster I took up one of the first stations on the Thomson—Kensington Downs—for my father, and passing through a place called Aramac I saw that the township had been surveyed and subdivided. Silly ass that I was, I bought two quarter-acres of land. I would pass them over to the Secretary for Agriculture to-day if he would pay the rates on them, and give him a good title. I have two allotments at Wallangarra.

Mr. G. P. BARNES: You should surrender them.

Mr. GUNN: I should. I am offering them if they will pay the rates. You say that this is a scientific way of taxing land. It is something like executing a man scientifically. You scientifically execute him with chloroform instead of hanging him. It does not matter to the man whether he is hanged or scientifically executed. It does not matter to the farmer whether you scientifically execute him or whether you do it in a rough-and-ready way. (Hear, hear!) This taxation is not going to be conducive to the welfare of Queensland.

OPPOSITION MEMBERS: Hear, hear!

Question—That the Bill be read a second time—put and passed.

COMMITTEE.

(Mr. Pollock, Gregory, in the chair.)

Clause 1 put and passed.

On clause 2—“*Super tax*”—

Mr. BAYLEY said he had several amendments to make to that clause. The matter

had been fully debated, and there was no need for him to keep the Committee waiting any longer. His amendment was as follows:—

“ On page 2, clause 2, line 6, add to the line the words ‘over and above the first two thousand four hundred and ninety-nine pounds.’ ”

He thought everyone in the Committee who was prepared to be reasonable and just could not but admit that that amendment was absolutely necessary. At [10 p.m.] the present time they found that the Income Tax Act allowed an exemption of £200, and the Land Tax Act as passed at the present day allowed an exemption of £300. Why, then, should exemption be made in this case? It seemed an absurd thing that if a man had a property the unimproved value of which was £2,490, he should not pay one cent super tax, whereas the man who owned property the unimproved value of which was £2,500 or £2,502, should be compelled to pay the super tax on the whole unimproved value of that land. He hoped that the Minister in charge of the Bill, and the Government, would be prepared to accept that amendment, which was so eminently satisfactory and just in every particular. He also had a similar amendment to propose on line 7, and also on line 8; and after line 8 he had the following amendment to propose—

The TEMPORARY CHAIRMAN: Order! I would ask the hon. member to move his amendments one at a time.

Mr. BAYLEY: He was just outlining the amendments he proposed to make.

The TREASURER: He did not think the amendment could be accepted. To accept the amendment would have the effect of bringing about the rather futile result that on an estate valued at £2,500 which would be subject to super tax the amount of the super tax payable would be one penny, under the amendment proposed by the hon. member. It would be too utterly absurd. The assumption on the part of the Government was that when the estate had a taxable value of £2,500—that was an unimproved value of £2,800—it should be subject to the super tax, and should pay the whole rate applicable at that stage—1d.; and the total amount in that case would be £10 8s. 4d. That was not an exorbitant amount.

Mr. BAYLEY: Why the sudden jump?

The TREASURER: It was only a jump of ten pounds on an estate which would have an unimproved value of £2,800, and a fully improved value, probably, of over £5,000. So that, under the circumstances, he did not think the hon. member should press the amendment.

Amendment put and negatived, and clause 2 agreed to.

Clause 3 put and passed.

The House resumed. The TEMPORARY CHAIRMAN reported the Bill without amendment, and the third reading of the Bill was made an Order of the Day for to-morrow.

The House adjourned at five minutes after 10 o'clock p.m.