Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 25 JULY 1922

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The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 3.30 p.m.

QUESTIONS.

ESTABLISHMENT OF PICTURE FILM INDUSTRY IN AUSTRALIA.

Mr. SIZER (*Yundah*): asked the Premier—

"1. Has his attention been drawn to a resolution passed by the Brisbane sub-branch of the Returned Sailors and Soldiers' Imperial League of Australia objecting to the excessive dissemination of foreign ideas into our national life by means of imported films shown at the picture theatres, and urging that action be taken to ensure at least 50 per cent. of the films shown in each programme shall be of Australian production?

"2. As such action would assist in developing a keen Australian sentiment, and at the same time assist in establishing the industry of picture-producing in our midst, is he prepared to co-operate with the other State Governments and Commonwealth Government towards this objective?"

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

"1. Yes.

"2. This is a matter which could be considered by a Premiers' Conference.

INSTRUCTIONS RELATIVE TO ISSUE OF GOVERNMENT RELIEF RATIONS.

Mr. VOWLES (*Dalby*) asked the Home Secretary—

"1. What instructions were issued during last financial year relative to the granting of rations to men without dependants?

"2. What is the present allowance per week in such cases?

"3. What instructions have been issued by him relative to the supply of rations to persons occupying rent-free houses, but who are otherwise destitute?

"4. Is it true that rations issued in the metropolitan area are now charged at retail prices instead of, as hitherto, at wholesale cost prices?

"5. Is the granting of rations in any case or cases dependent upon the production of a recommendation or certificate of a union official?"

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*), in the absence of the Home Secretary (Hon. W. McCormack, *Cairns*), replied—

"1. Officers of police were expected to observe the practice which had been followed for many years with regard to travellers' rations.

"2. Except where circumstances warranted other action, travellers' rations not exceeding 5s. a week.

"3. Not aware of any instructions.

"4. No.

"5. No."

APPLICATION OF SECRETARY OF ANTI-REVOLUTIONARY LEAGUE FOR PERMISSION TO ADDRESS OPEN-AIR MEETINGS.

Mr. VOWLES asked the Home Secretary—

"1. Has an application been made by Mr. E. J. Price, Secretary of the Anti-Revolutionary League, for a street permit to address public open-air meetings?

"2. Has such application been granted, refused, or deferred?

"3. If permit has not been granted, does he not consider that, in view of the resolutions passed and statements made by delegates at the All-Australian Labour Congress held in Melbourne recently, and also in view of events in Russia, the issue of such a permit is most desirable in the public interests?"

The SECRETARY FOR MINES, in the absence of the Home Secretary, replied—

"1. Yes.

"2. Permits have been granted to speak in three places.

"3. See answer to No. 2."

CONCESSIONS APPLIED FOR BY HAMPDEN-CLONCURRY COPPER MINES.

Mr. GREEN (*Townsville*) asked the Secretary for Mines—

"1. Has his attention been drawn to a statement appearing in the Press of the 21st instant to the effect that the Hampden-Cloncurry Copper Mines, Limited, have found it necessary to cease bailing and to allow their mine to become flooded, owing to the fact that the Government has refused certain concessions which were necessary for the further working of this mine; also that the concessions asked for have been granted by the Government in other cases?

"2. Will he kindly advise in detail what concessions have been so applied for, which the Government has refused to allow?

"3. What similar concessions have been allowed in other cases?"

The SECRETARY FOR MINES replied—

"1. The statement was perused by me.

"2. In January, 1921, the company asked for reductions of 30 per cent. to 50 per cent. off railway freights on ores under 15 per cent. on Cloncurry branch lines to Hampden smelters. The company desired a reduction of 30 per cent. on coke from Townsville to the smelters, and 30 per cent. on blister copper from smelters to Townsville; also to revert to 1919 rates on timber, firewood, explosives, and general stores. The company also advised that, to justify the restarting of mining and smelting operations, the company must see a reduction by at least £20 per ton of copper in the cost of production, which obtained prior to the shutting down of the smelters. I called a conference of copper producers operating in the Cloncurry district to discuss this and other matters with a view of encouraging the industry; the Hampden Company refused to attend.

"3. Owing to the depressed state of the market, copper producers in the Cloncurry district are allowed a 75 per cent. rebate of railway freights."

IMPROVEMENTS TO STATE SCHOOLS—NUMBER AND COST.

Mr. EDWARDS (*Yanango*) asked the Secretary for Public Instruction—

"1. What is the number of schools in respect of which approval has been given for the effecting of improvements?

"2. What is the number of schools in respect of which such improvements have not yet been commenced?

"3. With respect to (2), what is the estimated cost of such improvements?"

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. J. Huxham, *Buranda*) replied—

"1. 456 for financial year 1921-1922.

"2. Nil.

"3. See answer to No. 2."

MOUNT GRAVATT SOLDIERS' SETTLEMENT—ARTICLE IN "BRISBANE COURIER."

Mr. WINSTANLEY (*Queenton*), without notice, asked the Secretary for Public Lands—

"1. Has his attention been drawn to an article in the 'Courier' of this date on the Mount Gravatt Soldiers' Poultry Settlement, in which article it is stated that two land experts and a prominent parliamentarian had visited the settlement and declared that the land was unsuitable and the scheme a failure?

"2. Will he inform the House whether the state of affairs as reported in that article is correct?"

The SECRETARY FOR PUBLIC LANDS (Hon. J. H. Coyne, *Warrego*) replied—

"1. Yes.

"2. I have made inquiries and find that the hon. member for Oxley (Mr. A. C. Elphinstone), accompanied by two other gentlemen, visited the settlement on Wednesday last, and accordingly I can come to no other conclusion than that the article referred to was the outcome of their visit. In that article it is reported, inter alia, that 'the land is quite unsuitable, being hilly, gravelly, dry, sour, and hungry to a degree. There is no soil capable of growing green food'; also, 'that after some years out of fifty houses erected there are only about twenty occupied, 60 per cent. of the buildings to-day are unoccupied; that means 60 per cent. of failures, because at one time all the houses or farms were tenanted, but the pioneers have gone.' These two extracts appear to form the basis of the article. I can hardly imagine a representative of the people in Parliament being associated with such a tissue of misstatements and misrepresentations; but hon. members and the general public are fully aware of the value of the hon. member for Oxley's (Mr. Elphinstone) utterances, and accordingly now, knowing that he formed one of the party who had visited the settlement, I am sure that hon. members and the general public will place very little reliance on the truthfulness of the article. However, in fairness to the Land Settlement Committee, a body of public spirited men who have made a success of their various business enterprises and who control the affairs of the settlement of discharged soldiers on the land, I desire, for the information of hon. members, to deal with the two foregoing

extracts from the report, viz.:—(1) 'Unsuitability of area.' In July, 1917, a subcommittee of the Land Settlement Committee, under the chairmanship of one of the leading land experts and valuators in Brisbane, was appointed for the purpose of approving of areas suitable for poultry farms. Mr. Beard, poultry expert connected with the Agricultural Department, and Mr. W. Hindes, formerly poultry expert at Gatton College, were also appointed advisers to the subcommittee. In company with these advisers, the subcommittee carefully inspected several areas, and as a result it was decided to acquire the area known as the Mount Gravatt Soldiers' Poultry Settlement. In the report submitted to the Land Settlement Committee the land is described as well watered, easily subdivided, and also approved by the experts as being most suitable for the purpose required. In view of that report, the Land Settlement Committee recommended that the area be resumed for subdivision into areas suitable for poultry farms, and action was taken accordingly.

"I can now leave hon. members and the general public to judge for themselves the truthfulness of the statement made as the result of the visit of inspection by the hon. member for Oxley (Mr. Elphinstone) and his alleged land experts regarding the suitability of the area for poultry settlement purposes.

"I may also mention that the supervisor of the settlement, who was brought from South Australia, and who is recognised as one of the finest poultry experts in the Commonwealth, has advised me that from their conversation with him the two alleged land experts who accompanied the hon. member for Oxley (Mr. Elphinstone) showed a lamentable ignorance of all matters pertaining to commercial poultry farming.

"(2) 'No soil capable of growing green feed.' In regard to this matter, I have to say that instructions were issued to subdivide the area into holdings, each holding to include an area capable of growing sufficient green feed for up to 2,000 head of poultry. This was done, and a careful inspection of the blocks will disclose these areas. In a report submitted by the supervisor to the Land Settlement Committee on 24th instant, it is stated that 'the continued advice of growing green feed has resulted in more green feed being cultivated than at any time previously.' I may add that practically every settler on the settlement is growing green feed, thus disapproving the assertion that the soil is incapable of growing green feed and that the settlers had to purchase green feed in the city.

"(3) 'Sixty per cent. of houses or farms unoccupied.' In regard to this misstatement I may state that there were fifty-five improved blocks in the area, all of which except one had been occupied. At the present time thirty-seven were occupied, and not twenty, as stated in the article. The reason that the remaining eighteen blocks were unoccupied is not on account of failure, as stated, but on account of the action of the Land Settlement Committee, who had insisted on the holder of each block engaging in the industry for which the holding was opened, as this settlement had been exploited by some who had only selected the holdings to receive the special benefits connected therewith. At the present time applications for several of these portions are being considered, and reallotments are being made at the rate of over two per month.

"I do not desire to dwell further on this matter, but only to add that had the hon. member for Oxley (Mr. Elphinstone) wished to obtain the true facts regarding the Mount Gravatt Soldiers' Poultry Settlement, it was open to him to peruse reports, etc., at the Department of Public Lands, and, if desired, facilities would have been afforded him to inspect the settlement. The hon. member for Oxley had, however, taken a different course, and had lent himself to a visit of inspection, the result of which had been the publication of an article teeming with gross misrepresentations."

GOVERNMENT MEMBERS: Hear, hear! (Loud Opposition laughter.)

Mr. CORSER (*Burnett*), without notice, asked Mr. Elphinstone (*Oxley*)—

"Is he in any way connected with the report which appears in to-day's 'Courier' with reference to the tragic state of affairs at the Mount Gravatt Soldiers' Settlement?"

Mr. ELPHINSTONE (*Oxley*) replied—

"I, by invitation, accompanied a party that visited the Mount Gravatt Soldiers' Settlement last week. I saw a great deal that was open to criticism, but I was not identified in any manner with the report which appears in to-day's 'Courier.'"

ALLEGED SALE OF AUSTRALIAN BEEF AND MUTTON TO GERMANY.

Mr. MORGAN (*Murilla*), without notice, asked the Premier—

"1. Can he confirm the report appearing in the 'Daily Mail' that 8,000 tons of Australian beef and 2,000 tons of Australian mutton have been sold to Germany?

"2. If not, will he make full inquiries?"

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

"I am afraid that I cannot throw any light upon the matter referred to in the newspapers. My attention was called to it, but I have no official information on the subject."

Mr. MORGAN: Will you make inquiries?

TRADE UNIONS (PROPERTY) BILL.

THIRD READING.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I beg to move—

"That the Bill be now read a third time."

Question put and passed.

CRIMINAL CODE AMENDMENT BILL.

THIRD READING.

The ATTORNEY-GENERAL: I beg to move—

"That the Bill be now read a third time."

Question put and passed.

LAND TAX ACT AMENDMENT BILL.

RESUMPTION OF COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

Mr. DEACON (*Cunningham*): I beg to move the insertion of the following new clause to follow clause 6:—

"The following subsection is added to section thirteen of the principal Act:—

(3.) If the owner of any land having an unimproved value exceeding £2,500, but not exceeding £5,000, and situated not less than twelve miles from the nearest railway line, proves to the satisfaction of the Commissioner that he regularly and personally cultivates for crops in connection with his agricultural or dairying or grazing pursuits part of his said land, he shall be entitled to exemption from land tax to the extent of the unimproved value of the said part, but in no case shall such exemption be granted in respect of a greater unimproved value than £1,500."

The amendment will improve the position of the man who is situated far away from a railway line, as he must have a considerable area for the purpose of carrying on grazing. For instance, if the unimproved value were £2,500, and there were £1,000 worth of improvements, the total value would be £3,500. If the owner got an income of £525 per annum off that kind of country—which would be very good on the average—he would have to pay an income tax of £14 and a land tax of £18, or a total of £32, which is altogether too much. If he had £3,000 unimproved value, and an income of £600, he would pay £18 15s. income tax, and £36 land tax, or £54 5s. altogether. If he had unimproved land up to £5,000—that is where the exemption stops—and had an income of £975, his income tax would be £46, and his land tax £95—more than double his income tax—or £141 altogether. If he were a business man with the same amount of capital, he would only have income tax to pay. It would not matter what his business was—it could be anything—he would have £95 less taxation to pay than the man on the land. It must be remembered that, when a farmer is so far away from a railway line, it is difficult to get labour. The land tax would amount to 2.1/6 per cent. if the value of his property was £5,000. Assuming that the land is worth 25s. an acre unimproved, and the area 4,000 acres, the land tax alone is equal to 5.7d. per acre per annum. Similar land would be let by the Government at 6d. per acre. This is practically confiscation of a man's capital. I understand that the Government are desirous of doing something to encourage men to bring their land under cultivation, and under this amendment some encouragement would be given in that direction. It will give exemption with regard to the part of the farm which is cultivated, but no more than that. Under the terms of the amendment, if a railway came closer to the land, the exemption would disappear. I wish to urge the amendment upon the favourable consideration of the Government.

The TREASURER (Hon. E. G. Theodore, *Chillagoe*): I do not know what the hon. member is trying to achieve by this amendment. The exemption from land tax of land being used for agricultural, dairying, or grazing purposes up to a value of £2,500 is provided for in clause 5, which we have already passed. The hon. member wants the exemption to be increased to include land exceeding £2,500 in value but not exceeding £5,000. A man may have a farm, and he may also have land in town of considerable value and he would be entitled to an exemption from land tax with respect to the town land under this amendment.

Mr. DEACON: I am not referring to town land. I am referring to land situated not less than 12 miles from a railway.

The TREASURER: Clause 5 makes full provision for an exemption from land tax for lands up to £2,500 in value. If a man uses land for agriculture up to a value of £2,500, he will get an exemption from land tax, and over that amount the exemption is £300. The hon. member for Cunningham proposes an amendment to give a man with £5,000 worth of land an exemption up to £1,500, but I cannot see any reason for making that concession. I recognise, perhaps, that land not less than 12 miles from a railway may not be fully used for agricultural purposes; but the unimproved value of that land will be considerably less because of the distance from a railway, while land of the same quality near a railway will be valued at a much higher rate. The Bill is not framed for the purpose of inducing people to go in for grazing where the land ought to be used for agriculture. The hon. member's amendment would be giving too great a concession, and I cannot agree to it.

Mr. DEACON (*Cunningham*): I quite understand that the Bill provides an exemption from land tax for land under cultivation up to a value of £2,500, but I want the value increased to £5,000 on land not less than 12 miles from a railway. I know cases where lands situated more than that distance from a railway cannot be subdivided for agriculture. If part of that land is put under cultivation, then my amendment will provide that the owner of that land shall receive exemption from land tax for the area he has under cultivation. The value of the land under cultivation might be £500 or it might be £1,000; but, at any rate, he would not get exemption for more than £1,500.

Mr. BEBBINGTON (*Drayton*): I think the amendment is certainly justified. I believe the Treasurer and everybody else is desirous of encouraging the cultivation of land long distances from railways as much as possible. Beyond 12 miles from a railway it is almost impossible to
[4 p.m.] make cultivation pay at any price, so that I think the small amount of relief proposed by the hon. member is fully justified. The remainder of the land, which is uncultivated, has to compete with Western grazing land, which could be leased at anything from £2 to £4 per square mile. The Treasurer knows perfectly well that there are practically millions of acres of land in Queensland going begging for tenants at 8s. per square mile, and yet the

men for whom the hon. member for Cunningham is making representations are paying about £50 a square mile, that is, the Federal and all other taxation on land worth £5,000 will run to between £40 and £50 per square mile. You can only graze cattle on that land, and those cattle have to compete with stock grazed on land that is only paying £2 a square mile. The hon. member knows that 200 miles inland from Townsville the bulk of the land is leased for only about 10s. a square mile. There are millions of acres leased at that figure.

The TREASURER: They are getting it pretty cheap.

Mr. BEBBINGTON: They may be getting it pretty cheap, but the other man has to compete with them. We know that some miners in that country who were getting about 4 oz. of gold to the ton had to abandon their claims because, if the rivers were in flood, they knew they would not get any food for about three months, and they are also affected by drought. Those are reasons why the land is cheap.

Mr. SWAYNE (*Mirani*): I desire to support the amendment. We must remember that things change as the years go by and, as has been pointed out before, we seem to have nearly reached our limit in stocking up, under natural conditions. I think somewhere about the "nineties" we reached our record, and for about twenty-five years we have fluctuated under and over those figures. When the seasons have been good we have exceeded them, and when the seasons have been bad we have gone below them. I contend that it points to the probability that under natural conditions, depending wholly and solely on natural grasses, we have about reached our limit of carrying capacity, and, if we want to increase it, we shall have to go in for grazing on artificial grasses on the lands nearer our railways—in fact, use the plough more—ascertaining first, of course, the best drought-resistant pastures. It seems to me that the amendment is very far-reaching and will encourage the adoption of new methods in this regard. Anything that tends to increase our carrying capacity should have every encouragement, and, if the removal of this tax will assist it, then the tax should certainly be removed.

Mr. MORGAN (*Murilla*): I take it that the intention of the Bill and of the Treasurer is to exempt from taxation what may be looked upon as a living area of land. Take my own case. I live 31 miles from a railway, and, in order to make a living, I cultivate, on the average, 150 acres a year, growing wheat, maize, and other crops, but on the rest of the 5,000 acres, owing to the fact that I am so far from a railway, I have to go in for grazing. That land is leasehold, but, if it were freehold, it would be valued at 10s. an acre—that is a very low value—or a total of £2,500, and I would not get exemption from land tax in any shape or form.

The TREASURER: You would get the £300.

Mr. MORGAN: Yes, but that is all. It cannot be the intention of the Treasurer to supertax a man under those conditions?

The TREASURER: No: but surely you cannot urge that 5,000 acres, if cultivated, is necessary as a living area?

Mr. MORGAN: I have barely made a living on that land. Some of that land has been thrown open under occupation license, because the men who took it up under lease would not remain upon it. Unfortunately, the Government value it at 10s. When the Government opened it for selection, notwithstanding that it was pear land, they valued it at 10s., and 12s., and even 15s. an acre, and the selectors received a reduction owing to the fact that it contained a quantity of pear.

The TREASURER: The present Government put more reasonable values on land.

Mr. MORGAN: If we make an application to have the rent reduced on the ground that it has been overvalued, the present Government will not reduce it. I just quote that case to show that there is every reason for the amendment. I feel sure that the hon. gentleman is not out to tax the man who has only a living area, and I maintain that in some cases 5,000 acres is not more than a living area, more especially for those men situated like myself and many others in the district, from 30 to 50 miles from a railway, and on small areas on which they combine mixed farming with grazing. If the amendment were accepted, it would encourage those people who at the present time are struggling under adverse circumstances.

Mr. EDWARDS (*Yuango*): I hope the Treasurer will accept the amendment. I will give a concrete case. A man in our district known as "The Corn King," with two of his sons, took up land 22 miles away from a railway.

Mr. COLLINS: You are opposed to the land tax altogether. Why not say so?

Mr. EDWARDS: I am not in favour of the land tax up to a living area; I have said that again and again.

The TREASURER: What is the value of the land in the case you are quoting?

Mr. EDWARDS: The improvements they made created its value. They cut down the scrub and did the whole of the work themselves. That man carted his maize 22 miles. He was the biggest maizegrower in that district, and, I believe, one of the biggest in Queensland.

The TREASURER: Will he not get the exemption we are providing under this Bill?

Mr. EDWARDS: The exemption necessary for a man in a big way like that would not be given. I believe the Treasurer is out to have land cultivated which is some distance from a railway. The more of such land we get under cultivation the better it will be. Many soldiers have been placed on areas 30 and 40 miles away from a railway, and they are attempting to cultivate it. I think on every occasion they should receive the exemption.

The TREASURER: Under the Bill they will not have to pay.

Mr. MOORE (*Aubigny*): I would like the Treasurer to give further consideration to this matter. The object of the land tax is to bring land under cultivation. The hon. member for Cunningham is not asking for the exemption of the whole £5,000, but only on the portion cultivated. When you consider the expenses such men have to undertake to get their produce to market and the difficulties they have to overcome, you will see they are suffering a hardship. The granting of this concession will mean very little loss to the Taxation Department, but it will

mean a good deal to the man who is a long way away from the railway.

The TREASURER: If he is cultivating land not exceeding £1,500 in value he will get the exemption notwithstanding the total value of the holding.

Mr. MOORE: I cannot read that into clause 5. It seems to me that the exemption is cut out altogether when the value reaches £2,500. I think the Treasurer is reading into clause 5 something which is not there.

The TREASURER: You will admit that would be the case if there were two parcels of land. I say that, so long as the area he is cultivating does not exceed £1,500, notwithstanding that the total value is greater, he will get the exemption.

Mr. SIZER (*Yundah*): I think that what the hon. member for Cunningham wants to get at is the case of a fairly large estate where a man has a certain quantity unimproved. The hon. member desires that that man should have two separate assessments—one for the area which he has cultivated, on which he would be entitled to the greater exemption, and the other for the portion which is unimproved. That would assist him very considerably. I hope the Treasurer will make that clear.

The TREASURER: I have made it clear half a dozen times.

Mr. SIZER: I do not think many hon. members understand that clause 5 meets the case of the hon. member for Cunningham. That hon. member wants a special exemption for that portion of an estate which has been cultivated; in other words, he wants to be allowed to make two assessments—one for the greater area which is unimproved, and a separate one under these provisions for the area which he has cultivated; thus entitling him to different exemptions, and lessening his taxation. The fact that he will get a greater exemption on land which is cultivated will have the effect of breaking up large estates; and that, the Treasurer says, is the object of the land tax.

Mr. VOWLES (*Dalby*): There seems to be a good deal of doubt about this. Personally, I am satisfied with the assurance of the Treasurer. If that is to be the Commissioner's determination, it settles the whole business.

Mr. T. R. ROBERTS (*East Toowoomba*): What is exercising my mind is the paragraph in clause 5 which says—

> "If the unimproved value is over £2,500, the exemption shall be £300."

I take it that the hon. member for Cunningham wants to provide that, where land is over £2,500 in value, the owner will get a special exemption up to £1,500 for the portion which he has cultivated. From the statement of the Treasurer, I cannot see that he will get that exemption.

Mr. G. P. BARNES (*Warwick*): The matter is not by any means clear. The Treasurer, by interjection, indicated two different lines of argument. One was that a man with a property of £5,000 unimproved value would be able to make a living from that area, and there would be no reason for allowing him to participate in the full exemptions under this Bill. On the other hand, the Treasurer also indicated that the owner of such an area would participate in the benefits of this Bill. Which is right? Hon. members on this side of the Chamber are out for the encouragement of industries in every way possible.

Mr. COLLINS: For the benefit of the big man.

Mr. G. P. BARNES: This amendment will have the effect of bursting up big holdings. A man with 5,000 acres may cultivate a portion of that land, which will have the effect of enhancing the value of adjoining lands, and closer settlement will follow. That means that there will be a subdivision of big holdings. Hon. members on this side desire to know what the clause really means. If it means what the Treasurer says it does, then it should be set out clearly that that is the meaning. We are out to assist men to make two blades of grass grow where previously one has been growing. We are out to help the man who is going to help himself—the man who works under adverse conditions on account of being far removed from railway conveniences. It needs only a little reflection, following on the admission by the Treasurer, to convince one that an owner of such land should receive some benefit, and it would only be a simple matter for the Treasurer to agree to the amendment. The amendment is somewhat complicated, and could be made clearer, and at the same time embody the ideas desired by the Treasurer, so that later on there will not be any diversity of opinion when the taxgatherer comes round. Hon. members on this side of the Committee will be satisfied to accept an amendment embodying those conditions. Every encouragement should be given to the man who goes out to cultivate land under most difficult circumstances. He should also be relieved of taxation. I have very much pleasure in supporting the amendment.

Mr. J. H. C. ROBERTS (*Pittsworth*): I hope the Treasurer will accept the amendment. There is a number of settlers on the land below the Main Range, in the West Moreton district. They are settled 18 to 25 miles away from railway lines, and the roads are in a very bad state. They have constructed some roads in order to get their produce to market. They are carrying on agricultural and grazing pursuits, and a very large portion of that land is very poor quality grazing country, and probably would not be worth more than from 10s. to 15s. an acre, in the opinion of most people. At a distance of 18 to 25 miles from the railway line it is necessary to have from 2,000 to 2,500 acres of land in order to make a living. I would ask the Treasurer if a man owning land of an unimproved value of £1,500 to £1,750, and holding land of a value of £250 to £300 closer to the railway line, is to receive the full exemption applicable to land of an unimproved value of £1,500, or will he have to pay the tax applicable to land of an unimproved value of £2,500?

Mr. G. P. BARNES: The Bill says he shall be taxed on the basis of an exemption of £300.

Mr. J. H. C. ROBERTS: Yes; he shall not be allowed an exemption of more than £300. The Treasurer should realise that these men deserve as much assistance as men with smaller areas closer to a railway line. The wear and tear on horses and harness in going 18 to 25 miles to the railway line is very considerable. The inconvenience that settlers are put to under these

circumstances should also be taken into consideration. If the Treasurer will not accept the amendment, he should at least set out clearly what exemptions a taxpayer is entitled to.

The TREASURER: Hon. gentlemen opposite do not seem inclined to accept my explanation of clause 5, and they desire that the clause should be made clear. I am quite willing, when it comes to the proper stage, to ask for the recommittal of the Bill in order to make clause 5 quite definite, and providing that, when a landowner has land of greater value than £2,500 and uses a portion of that land for cultivation, the cultivated portion of that land shall come under the exemptions provided in the Bill.

HONOURABLE MEMBERS: Hear, hear!

Mr. DEACON (*Cunningham*): In view of the Treasurer's promise to amend clause 5, I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 7—"*Repeal of section 14*"—

The TREASURER: I beg to move the insertion, on line 12, after the word "repealed," of the following words:—

> "and the following section is inserted in lieu thereof:—
>
> [*14.*] (1.) Notwithstanding anything contained in this Act, land owned by a mutual life assurance society shall be charged land tax at the rate of two pence in the £ on each and every £ of the unimproved value of all such land, without any exemption as provided by section eleven of this Act, and if such unimproved value in the aggregate exceeds £2,500, in lieu of super tax so long as such tax is payable, an additional land tax shall be charged at the rate of one penny in the £ on each and every £ of such value.
>
> (2.) For the purposes of this section, a mutual life assurance society means any life assurance society all or part of the profits of which are divided among the policy-holders."

Since the Bill was drafted, there has been a discussion as to the wisdom of applying the full rate of taxation to mutual life assurances, and two deputations have waited on me in connection with the matter. The question was also raised on the second reading of the Bill. I think the amendment will be a fair one. Instead of mutual life assurance societies coming under the incidence of taxation provided in the principal Act, it is proposed that the tax payable by them shall be 2d. in the £1 on an unimproved value not exceeding £2,500 and a super tax of 1d. in the £1; but the super tax will only apply while the ordinary super tax is current. I think that will be satisfactory to the companies.

Mr. VOWLES (*Dalby*): During the second reading of the Bill I referred to this matter, and I asked the Treasurer to show some good reason why mutual life societies should be brought under the Land Tax Act.

[4.30 p.m.] When the matter was under review on a previous occasion the Treasurer said he hoped that, in the course of time, he would be able to reduce the taxation generally which was being paid by mutual provident life assurance societies.

The TREASURER: The income tax; we were discussing the income tax.

Mr. VOWLES: I said taxation generally. The hon. gentleman could not reduce the land tax when they paid no land tax. Although we find that promise is on record in "Hansard," we find now that these companies are asked to pay taxation in a new form so far as land held by them is concerned. It must be considered that these mutual provident societies are co-operative societies, and the shareholders hold the land co-operatively; that is, they are co-partners in the whole of the properties of the society, land or otherwise. In other cases where three people are joint owners of a piece of land, the fact of each of them having a third interest in the land will reduce the amount of taxation, because, if the one-third interest only comes up to the taxable minimum, then the whole of the land is exempt. That being so with regard to private individuals, why should we not apply the principle with greater force to institutions that we all desire to encourage, that is, co-operative or mutual life assurance societies? I do not think the Government are giving these societies the consideration that they should, and they have not reckoned on the fact that one of these societies in particular—the Australian Mutual Provident Society—in which many of us are policy-holders—has lent vast sums of money, not only to the State, but to the Commonwealth. They lent the State money when the State was very much in need of it.

The TREASURER: The Australian Mutual Provident Society are very friendly to the Government.

Mr. VOWLES: I suppose they are. They found you money when no one else would find it.

The TREASURER: I do not say that.

Mr. VOWLES: I am informed that the Australian Mutual Provident Society hold over £700,000 worth of Queensland Government debentures, the average rate of interest being only 4 per cent., and the company are only allowed to deduct £100,000 from their taxable income. That is a very low rate of interest.

The TREASURER: Their taxation is very light. It is only 1s. 6d. in the £1 on their profits.

Mr. VOWLES: The basis of taxation is open to criticism.

The TREASURER: It is very light.

Mr. VOWLES: The fact remains that we are told that taxation was going to be decreased on these societies, and, instead of that, it is being increased. It struck me as a strange thing that the State Insurance Office, which competes with these mutual life assurance societies, should be placed in a better position than the mutual provident societies. It appears that the Government are taking a little extra taxation out of these people so as to put the policy-holders in a worse position than the policy-holders of the State Insurance Office.

The TREASURER: There is not much in that argument.

Mr. VOWLES: I know that there is not very much money concerned, and I know that the compromise which the hon. gentleman is offering is one which will be acceptable, but it is not what the companies asked for. They desire the exemption which they have had in the past, and, by way of a compromise, the Government are only half

taxing them; but it is putting them in a worse position than the State Insurance Office, which is in competition with them.

The TREASURER: If the State Insurance Office were taxable under this Bill, the amount it would pay each year would be £2.

Mr. VOWLES: That is because it is in its infancy. The Australian Mutual Provident Society is not in its infancy, and the amount it would have to pay on its property is a very considerable sum. However, the amendment makes the position a little better so far as the societies are concerned, and it places them in Queensland practically in the same position as they are in New South Wales. There are over 200,000 policy-holders in Queensland, and the interests of all these people will be taxed. I do not think that was the intention when land taxation was first instituted. For very good reasons they were exempted in the beginning, and no good reason has been shown to us why they should be included now.

Mr. SIZER (*Yundah*): I intend to oppose the amendment. It certainly is an improvement on the original proposal, but at the same time it somewhat weakens the argument in so far as the principle of taxation on life assurance companies is concerned. Either the Government are right in now taxing them or they were wrong in their original exemption. The Government admit that they were inflicting a hardship in the Bill as it stands, and now they are attempting to tone it down by this amendment. That is a good argument why the amendment should be opposed, and why life assurance companies should be exempted from taxation so far as land is concerned. We have recognised the principle that friendly societies should be exempt from taxation, and there is no intention, under this measure, to tax friendly societies in any shape or form. Friendly societies and mutual life assurance societies are more or less analogous; but there is a slight difference in this respect—that in a friendly society a contributor does derive some benefit himself during a time of sickness, but, in the case of a life policy, it is only the dependents of the assured who reap any benefit.

The TREASURER: That is not always so. The holder of a policy may get the surrender value.

Mr. SIZER: It is generally so. In the one case the man is exempt and in the other case he is not. This taxation will not fall on the assured, but on his dependents. The dependents will get a little less when the principal support of the family has gone. For that reason no difference should be made between friendly societies and life assurance societies. Assume that a man invested £50 in banking shares and he died, and another man at the same time invested £50 in paying a premium on a life assurance policy, and he also died. The Government would only charge probate and succession duties on £50 in the case of the man who took up banking shares; while in the case of the man who took up a life assurance policy they would probably collect probate and succession duties on £5,000. Therefore, the Government would reap a much greater benefit from the investment in life assurance than they would from the man who put his money into ordinary banking shares. I admit that there is not a big sum involved in this amendment, but the taxation will fall on the dependants who are least able to bear taxation. The principle is recognised in the Federal Act, under which life assurance societies are exempted from land tax, and it is also the same under the New South Wales Act. This particular clause is inconsistent with the other clauses of the Bill, the principle in all of which is to grant relief to those who need it. There will be about five mutual life assurance companies which will be affected by the clause—the Australian Mutual Provident Society, the National Mutual Life Assurance of Australasia, and the Colonial Mutual Life Assurance Society, amongst others.

The TREASURER: They are not all mutual companies.

Mr. SIZER: I understand that the only companies which will be affected are mutual companies, of which there are about five, and that the solitary proprietary company will not be affected in any shape or form.

The TREASURER: Because it is taxable now

Mr. SIZER: I understand that a proprietary company which does not own land pays no tax, and that the only companies which will be affected are five mutual companies which own land.

The TREASURER: That is incorrect.

Mr. SIZER: I do not know whether it is incorrect or not.

The TREASURER: Will you not take my assurance?

Mr. SIZER: I think the hon. gentleman has made a mistake. I would ask the Treasurer why this particular clause is aimed at mutual societies, which are admittedly of great benefit to a large number of small people in the community—the amount is only small, I admit—when the farming community are to be exempted. In view of the small amount involved, I think the Treasurer ought to allow the clause to be deleted, and thus relieve the mutual life assurance societies of this charge. At present, I understand that the Australian Mutual Provident Society throughout Australia only pays about £400 a year in land tax. I presume that the amount of land tax that they will pay in Queensland, if this amendment is carried, will be about £500.

Mr. KERR (*Enoggera*): I do not think that the Treasurer is justified in asking for this clause and the amendment without giving further reasons for it. The mutual life assurance societies already pay land tax when they are mortgagees in possession, and they give the Government considerable assistance in the way of revenue. I am not altogether satisfied that the amendment is a compromise on the part of the Treasurer. It appears to me that it is a reduction on large amounts from the maximum of 6d. in the £1 to a minimum of 1d. in the £1. The alteration would be—

> Less than £500—1d. in each and every £1:
>
> Over £500, but less than £1,000, 1½d. in each and every £1;
>
> Over £1,000, but less than £2,000, 1¾d. in each and every £1:
>
> and so on until the maximum of 6d. in the £1 on unimproved value is reached.

I think a good deal of the land concerned may range under that value. If that is so, I cannot see how the rate of 2d. is going to

be of any assistance. But it is the principle of imposing taxation on something like 200,000 policy-holders of the Australian Mutual Provident Society with which I am concerned. The hon. member for Nundah dealt with friendly societies. In those societies, certain funds are vested in the hands of a few to use for the benefit of the many.

Mr. HARTLEY: It is used to rob people of their policies.

Mr. KERR: It is not easy to rob people of their policies. I think it is a pretty "game" man who will say that the Australian Mutual Provident Society robs people of their policies.

Mr. HARTLEY: I say that they robbed me of a £500 policy. They are a set of sharks.

Mr. KERR: That is something which the hon. member dare not say outside this Chamber. The money in the hands of the Australian Mutual Provident Society is distributed in bonuses to the policy-owners, who are mostly workers. In speaking on this matter, we do not take the amount involved into consideration so much as the principle of the thing. Friendly societies are exempt, and also trade unions. The trade unions impose a levy on their members, and, should a strike occur, the money is paid out to the members. There, again, are mutual societies which are exempt from taxation. We know that, in regard to racing clubs, the land on which their buildings are erected is exempted, and that is a bad exemption. There is a number of anomalies in regard to this matter, and we should not attempt to remove those anomalies by putting a burden on to the mutual life assurance societies. The following figures show the succession duty received in this State from the proceeds of life assurance policies in 1916 and 1921 respectively:—

1916—£322,000;
1921—£660,000.

That is an increase of over 100 per cent. There, again, we are at a disadvantage compared with some of the other States. In Victoria the increase was only 47 per cent. If any argument were needed for unification, it would be in the additional taxation which is being placed upon Australian companies to-day by the different States. We propose to impose additional taxation on them in Queensland, but in New South Wales that taxation is not imposed. I hold that we should manage our own affairs, but the Commonwealth would be justified in stepping in and not allowing these companies to suffer the disabilities under which they are labouring to-day. Companies in this State will transfer their capital to other States, and also convert their land into leasehold under these circumstances. I remember that, when the Bill to establish State insurance was brought in and on subsequent occasions, it was stated that the best thing for Australia to do was to take over insurance and give a decent State policy. To-day the State Insurance Department is different to the mutual life insurance societies, as the State Insurance Department is out to make profits while the mutual companies are not. This clause will give the State Insurance Department an advantage. I trust that the Treasurer will take into consideration what I have said, and not tax the people indirectly by this means.

Mr. TAYLOR (*Windsor*): I very much regret that the Treasurer has seen fit to introduce this taxation of mutual life assurance societies. He has not told us what amount he expects to receive from this form of taxation. The main object of some of the principal clauses of the Bill is to assist the small men. We have been talking about assisting the producer and the man who is making his living by cultivating the soil. Looking back over the history of Australia, everyone, I take it, will be prepared to recognise that the mutual life assurance societies have done excellent work, particularly so far as the small men are concerned. The friendly societies have also done excellent work in their particular line. To bring in such a tax as this just now is most inopportune. It is not a proper way to impose taxation at all. I do not think we should adopt the principle of taxing mutual assurance companies like the Australian Mutual Provident Society and other mutual life assurance companies in existence in Australia to-day. There is no doubt that this taxation will reduce the benefits which otherwise would accrue from those insurance companies to the dependents of those who have their lives insured. In the past the life assurance societies have proved of great benefit to Queensland and Australia, owing to the fact that the thrifty invested their savings in such institutions. I well recollect that, when I was a young man about to get married, I proposed to take out an endowment policy of £100 in the Australian Mutual Provident Society, but the agent induced me to take out a life policy for £200. I was learning a trade at the time, and getting £2 10s. a week, and it was pointed out to me that the premium on a life policy of £200 would not be very much more than the premium on an endowment policy of £100. That policy is in existence to-day.

The TREASURER: And I hope it will be in existence for a long time to come. (Hear, hear!)

Mr. TAYLOR: The policy is now worth double the amount that I was originally insured for. I suppose there are thousands in the same position as myself who hold policies which have increased at the same rate. That has been the object of mutual life assurance all over Australia. It was to encourage young men getting weekly wages to take out policies for the benefit of their dependents, so that, when they died, their dependents would not be a burden upon the State. Here we propose to introduce a new form of taxation which these companies will have to pay. We are already the most highly taxed State in the Commonwealth. We are famous for our high taxation, and we recognise that it is one of the principles of the present Government to see that every person in Queensland who has an income at all shall pay a higher rate of taxation in Queensland than in any State of the Commonwealth.

The TREASURER: No—not every person who has an income.

Mr. TAYLOR: There are certainly a few who do not pay; but, taking it by and large, we are the heaviest taxed people in the Commonwealth, and now we propose to put on to the life assurance companies the highest rate of taxation in this particular direction of any State in the whole of Australia. I do not think this is a proper method of taxation at all; but it is quite evident, notwithstanding that this is an amendment of the Land Tax Act to grant

an exemption in certain directions, that the Government are going to impose heavier taxation on the life assurance societies in another direction. If the Bill goes through in its present form, then, by the time that it becomes law, the Government will be getting more from land taxation than they got previously. No doubt that is the intention of the Government. While they claim to be magnanimous on the one hand, they say on the other that they will get the taxation from someone else in another way, so that they will not lose any revenue at all. I ask the Treasurer to reconsider the whole business. If he is not prepared to withdraw his amendment, he might take off the super tax of 1d. in the £1, which he is proposing in his amendment, because he is making the taxation on the mutual life assurance companies the highest in the Commonwealth.

Mr. FLETCHER (*Port Curtis*): I also regret that the Treasurer has brought forward this clause to remove the exemption from the mutual life assurance companies. There is no doubt that the mutual life assurance companies have been of great benefit to this country, particularly such an institution as the Australian Mutual Provident Society, which stands pre-eminent throughout the world in life insurance business. That society has been of incalculable benefit to this country. I do not suppose there is a finer method of encouraging thrift amongst the people than through the medium of life assurance. That society is run on co-operative principles for the mutual benefit of all the policy-holders, and this is an unjust measure of taxation to impose upon them. When we know that the State Insurance Department is not called upon to pay land taxation, I consider it is an unfair advantage to allow the State concern to be exempt while at the same time calling upon the private concerns to pay land tax. I hope the Treasurer will give further consideration to the clause.

The TREASURER: Why should the life assurance societies have an exemption if the banks are not exempt?

Mr. FLETCHER: Because they are totally different institutions. The life assurance societies encourage thrift.

The TREASURER: Do not the banks do the same?

Mr. FLETCHER: A bank is a proprietary concern.

The TREASURER: No; it is a company. There are shareholders in a bank, and they may run into thousands.

Mr. FLETCHER: But the bank makes profits for its shareholders.

The TREASURER: The life assurance societies also make profits. I do not see where the difference comes in. The life assurance society is a financial institution just the same as a bank.

Mr. FLETCHER: There is capital invested in a bank for people to make a profit on their capital. That is totally different to a life assurance company. The whole of the people of the Commonwealth, both great and small, have an interest in the life assurance societies.

The TREASURER: There is no difference between a life assurance society and a building society.

[*Mr. Taylor.*

Mr. FLETCHER: The building society makes profits on capital.

The TREASURER: So do the life assurance societies.

Mr. FLETCHER: No, they do not. You want to encourage thrift, and you can do it with the assistance of the life assurance societies. It is the best way to encourage thrift, and it is a protection for one's family. The present Treasurer, when speaking in 1918, must have recognised that the principle of taxing life assurance societies was unjust, because he said—I think he was speaking on the Income Tax Bill at the time—

"Later on we might find some means of reducing the taxation."

That shows that the hon. gentleman recognised that that form of taxation was not fair. The principle is not right, and, if you remove the exemption which they now enjoy, you are doing something which is not fair and just.

The TREASURER: The hon. gentleman seems to overlook one or two very patent facts in connection with this proposal. To me there does not seem to be any great difference in the principle of taxing a life assurance society and taxing other financial institutions, such as a bank or a building society.

Mr. FLETCHER: I don't agree with you.

The TREASURER: I know that the hon. gentleman does not agree with me; but he did not show where the difference comes in. The life assurance societies are co-operative concerns, in that they confer benefits on their policy-holders. A bank is co-

[5 p.m.] operative in the same way; it confers benefits on its shareholders. The hon. member also used the argument that a life assurance society encourages thrift; but so does a banking institution encourage thrift.

Mr. FLETCHER: Yes, but of a different nature.

The TREASURER: All banking institutions encourage thrift; building societies especially do so.

Mr. FLETCHER: Their profits are made for their shareholders.

The TREASURER: And so are the profits made by life assurance societies. Take the Australian Mutual Provident Society, which has been mentioned during this debate. It has large premises in Queen street. Many of the chambers there are let for office purposes, and bring in a return—possibly not a high return—but at any rate a return, and so the land in question returns to the society a profit. But the Government, recognising that the mutual life assurance societies are carrying on a very valuable work in encouraging thrift, have decided to extend special consideration to them by charging them a flat rate of 2d. in the £1.

Mr. FLETCHER: Thus proving that you see the equity of our argument.

The TREASURER: I do not think the hon. member spoke before the amendment was circulated.

Mr. FLETCHER: No.

The TREASURER: So that it could not be his argument. As a matter of fact, the matter was raised by the leader of the Opposition, and at a deputation which waited upon me from the Australian Mutual Provi-

dent and other mutual life assurance societies, and I gave full consideration to their arguments.

The hon. member for Port Curtis referred to what I said in 1918 to the effect that we might lift, or at any rate reduce, the taxation on mutual life assurance societies. I still hold that view, and, recognising that fact, we have always given special consideration to mutual life assurance societies. It is possible to assess their rate of income tax on the same basis as that of other institutions—that is, by arriving at their capital and fixing their rate of tax accordingly. Under that method they would have to pay in many cases 3s. in the £1, which, with the super tax of 1d. in the £1, to which they are not now liable, would render them liable to pay, instead of £52,000, which was the amount for 1920-1921, no less than £125,000, or a difference of £73,000 in their favour. Or take the lesser rate of 2s. in the £1—although there is not the slightest doubt that under the method of arriving at their capital some of them would pay the maximum rate of tax because their profits are over 17 per cent.—under those circumstances they are getting a concession worth £31,000. These figures show that we have given a concession to mutual life assurance societies. No one begrudges them that, because they are carrying on a specially beneficial work in the community; but nobody can say that we treat them harshly. I believe there are hundreds of thousands of policy-holders in these institutions, and the adoption of the amendment will place them under an obligation to pay only about £500 in land tax. Does that decrease to any extent the benefits in which the policy-holders will participate? It seems to me that hon. members opposite are, as it were, thrashing the thing threadbare when it is not worth it. The hon. member for Oxley the other night agreed that we should leave in these societies; his complaint was that we should extend the provision to the State Insurance Department, too. I pointed out that in that case the taxation would be about £2.

Mr. SIZER: Does it not seem like throwing away a principle for £500?

The TREASURER: No. We are endeavouring to correct anomalies.

Mr. GREEN: And getting more money by it.

The TREASURER: The amount that will be collected is £500, and this Bill makes a concession which will cost over £17,000. I challenge hon. members to point out to me a reason why we should treat them on a different basis from a banking company, with its thousands of shareholders—who in this sense are just as much co-operators as the policy-holders of a life assurance society—or from a building society, which encourages thrift.

Mr. SIZER (*Yundah*): I would like to point out to the Treasurer that there is a most distinct difference between a banking company and a life assurance society. He may remember that we allowed the clause dealing with building societies to go through, because we hold that all persons who contribute to them do so with a view to getting cheaper money, but the fact remains that the people who subscribe capital to them reap a benefit.

The TREASURER: The same thing applies to a life assurance society.

Mr. SIZER: In a bowkett society a benefit may be conferred on a man who draws the lucky number, but there is no particular benefit to the other subscribers. The greater benefit goes to those who subscribe the original capital. The same thing applies to a bank: the shareholder gets his dividends; but in the case of a life assurance society the policy-holder, exclusive of the endowment policy-holder, reaps no benefit from subscribing to the society. His dependents only reap a certain amount of benefit, and in many cases the State is thus saved from the necessity of keeping them.

Let us follow the Treasurer's argument to its logical conclusion. A banking institution, he says, is a co-operative concern. Then any limited liability company is equally a co-operative concern.

The TREASURER: Any joint stock company is co-operative in the same sense as this.

Mr. SIZER: Take an ordinary bank. According to the Treasurer's definition, any banking company in the world is a co-operative concern.

The TREASURER: In the same sense as a life assurance society is co-operative—that is my argument.

Mr. SIZER: The man who subscribes to the capital of a bank draws dividends at the end of the year, but the people who reap the benefits from life assurance societies are the dependents of the subscribers, and the object is not so much profit as protection.

There is a misunderstanding in regard to the meaning of the term "bonus" in regard to life assurance policies. Bonuses are generally looked upon as dividends, but they are capable of an explanation which will put them in a different light. The societies offer to assure one's life for so much, fixing the rate high for safety purposes. At the end of the year they find that, through their business acumen, they are able to give the same amount of assurance for a cheaper rate, and, being purely mutual and co-operative, they hand a certain amount back to the policy-holder. But, if a banking institution overcharges its customers, the profits go into the hands of the few who have subscribed the capital of the bank. In that direction there is a great distinction between the bonus of a life assurance society and the dividend of a banking company or any other institution. I hope the Treasurer will accept that view.

Mr. ELPHINSTONE (*Oxley*): This debate is not influenced by the amount of money at stake, but on the principle that is involved in the matter. I suppose, if the Treasurer's amendment were carried, it would mean only an extra couple of thousand pounds.

The TREASURER: I doubt whether it would be £600 in the aggregate.

Mr. ELPHINSTONE: The point I wish to stress is that, when the Land Tax Act was introduced in 1915 by the present Government, it expressly exempted mutual life assurance offices. If the principle were sound then, it is just as sound to-day. I do not know what has happened in the meantime to cause the Treasurer to alter his attitude in regard to these particular companies. He feels he is on thin ice.

The TREASURER: I had the hon. member supporting me on the second reading.

Mr. ELPHINSTONE: I am not withdrawing it. The hon. gentleman finds himself in

an unsound position because of his having departed from his original attitude and met the companies half way. If the principle were sound in 1915, when complete exemption was given to mutual life offices, what has happened in the meantime to cause the hon. gentleman to alter his attitude? The hon. gentleman tried to draw an analogy between people who invest money in banking institutions and those who take out life assurance policies. He tries to say there is no difference between those two. In my opinion, there is a vast difference. Taxation should be levied only on those who invest money for personal gain, or who take out protection against personal loss. The great bulk of the policy-holders in a mutual life company have not in mind their own personal gain, but have in mind the protection of those who are dependent on them and may be deprived of the bread-winner at some future time. I am quite prepared to admit that endowment assurance is a popular form. Even so, practically every policy taken out is taken with the objective of making provision for those who are dependent on the policy-holders. Therefore, it seems to me, we are making inroads on the protection which is proposed to be given to widows and orphans. Ever since I have been in this House, the Treasurer has been the champion of the widows and orphans, and has claimed that he is the only man who has the welfare of those unfortunates at heart. Yet he is now making inroads on the provisions of the bread-winner. Why this change? It seems to me to be rather extraordinary in this the eighth year of Labour misrule in Queensland.

Another point is, why exempt friendly societies? What is the difference between a mutual life office and a friendly society? They both are institutions which encourage thriftiness—not so much the thriftiness which is going to be a personal gain, but that which is going to give some benefit to those who are dependent on the policy-holder.

The TREASURER: Friendly societies have no property which they are renting for revenue purposes.

Mr. GREEN: They have.

Mr. ELPHINSTONE: The hon. member for Townsville says they have. Personally, I have no knowledge on the subject. As far as I am able to deduce, I see no difference between a friendly society and a mutual life office. Another point which the hon. gentleman touched upon was the profit which a mutual life assurance company makes. In my opinion, it is a misnomer to call it a profit. What is the underlying principle in life assurance? A rate of premium is struck, based upon a certain mortality table, and upon the assumption that the rate of interest earned upon the premiums paid is going to amount to a certain figure. Of course, they err on the safe side; and, therefore, any excess which those moneys earn, or any improvement in the mortality as compared with the table upon which the premiums are based, is profit—according to the hon. gentleman, but, according to my view, is a return to the policy-holder of the excess amount which he has been charged in the way of premium. It is not correct to use the word "profit."

The TREASURER: Would not your argument apply to moneys which banks return to shareholders in the way of dividends?

Mr. ELPHINSTONE: A bank is quite different. When a person invests money in a bank, it is for personal gain; there is very little intention, when making such an investment, of protecting those who are dependent on him. When a person takes out a policy, it is done with the distinct objective of protecting those who are dependent on him. Therefore, there is a very wide difference between the shareholder in a bank and the policy-holder in a life office.

Another point to which the leader of the Opposition directed attention was the unfair discrimination in favour of the State office in this regard. Here we have their building on the corner of Elizabeth and George streets, which is on Crown land, and therefore is not called upon to make any contribution in the way of land tax.

The TREASURER: They are paying rent.

Mr. ELPHINSTONE: In arriving at the rent, consideration is not given to the question of what they should pay in land tax.

The TREASURER: It is Crown land.

Mr. ELPHINSTONE: Admitting that it is Crown land, why give Crown institutions an advantage over other institutions with which they are competing?

The TREASURER: It would not amount to more than £2 per year.

Mr. ELPHINSTONE: That does not matter. It is not a matter of the amount; it is the principle which is involved. If I remember correctly, when the State Insurance Office started, it prepared a policy on all-fours with that of other companies with which they were competing. Therefore it stands to reason that they had an unfair position to start from, in that they were relieved of certain business obligations which were imposed upon competing companies. In my opinion, it is an undignified position to place a Crown institution in; and, further than that, it is unfair in its competition. Therefore, although it is quite true that on the second reading I supported the Treasurer in his argument and said I saw no good grounds for exempting mutual life offices, the hon. gentleman has cut the ground from under his feet in having gone half way towards meeting the companies, showing clearly it is not, with him, a matter of principle, but a matter of expediency. Having gone so far, the hon. gentleman ought to go the whole length. Having conceded the point, the hon. gentleman must admit that those offices have some reason in their argument, and they should be exempted entirely.

Mr. KERR (*Enoggera*): The Treasurer has said that, if it can be shown that there is a difference between a private company and the Australian Mutual Provident Society, he would give this matter his consideration. I think the difference is apparent to everybody. It is that money is put by people into a private banking company for the one purpose of collecting dividends. A person may have £500. He puts it in the hands of experts with the instruction to get a decent return. Those experts invest the money in industries, or in any other way—not for charity, not for the progress of the State, or anything else, but with the one object of getting a return and keeping the principal secure. A man in taking out a policy is actually taxing himself to the extent of the amount of his premium. In nine cases out of ten a man takes out a policy in order to provide for his wife and family in the event of his death. The different conditions

existing between banks and assurance societies are so apparent that I cannot understand the Treasurer putting forward such a fallacious argument.

Mention has been made of bonuses and they have been likened to dividends. They are not the same in any way at all. If the Treasurer gave me £10 to purchase an article which cost £7, and I gave that article to the Treasurer, and said, "Here is your £3 change" is he prepared to call that a dividend? In taking out life assurance policies a certain margin is allowed in case of errors, and at the end of the year, when the figures are worked out on an actuarial basis, it is found that too much has been extracted from policy-holders by way of premium, and the surplus is handed back in the shape of bonuses. I cannot see that any concession has been made by the Treasurer in this Bill. Life assurance societies in Queensland have invested in Queensland debentures to the extent of £700,000. Only £100,000 can be deducted from the profits as interest. There can only be a concession when some burden of taxation exists, and then relief is given. I hope the Treasurer will reconsider the principle involved. If he agrees that he should get back his £3 change, he will recognise the principle of giving to the people what they are also entitled to.

Mr. HARTLEY (*Fitzroy*): I have listened to the pleas of hon. members opposite in the interests of these wealthy life assurance societies.

Mr. FLETCHER: Have you not got a life policy?

Mr. HARTLEY: I once had a policy, and that is why I am rising to speak now. One would think, in listening to hon. members opposite, that these societies existed for no other reason than to confer benefits on a poor struggling worker, so that his wife and children shall be provided for. That is practically what has been said by the hon. member for Enoggera. No greater fallacy was ever conveyed. The Australian Mutual Provident Society, like many other societies, has amassed its funds by means of surrendered policies in a great many instances. I have had personal experience with the Australian Mutual Provident Society, and it is because of that that I am prompted to speak. I congratulate the Treasurer in endeavouring to get from the company some of the profits that it has extracted from the workers of this State.

Mr. FLETCHER: There is no fairer company in the world.

Mr. HARTLEY: Like many other young men who want to provide properly for the girl they desire to marry, when I decided to get married, I took out a policy with the Australian Mutual Provident Society for £500, which I carried on for a number of years until the bonuses had accumulated to between £85 and £90, and then bad times came and I was out of work. Hon. members opposite wonder why I do not sympathise with them. This is one reason.

Mr. FLETCHER: I have been out of work, too.

Mr. HARTLEY: I was kept out of work by the employers and manufacturing interests represented by hon. members opposite.

Mr. EDWARDS: Don't be foolish.

Mr. HARTLEY: The time came when I could not pay my premiums. I allowed only two premiums to lapse, and then I desired to apply the £85 to £90 of bonuses to keep the policy in force, but I was told that I could not make use of that money unless I paid off a small loan of £22 that I had with the company on the policy. The policy had to be surrendered, and my money was lost. The bonuses were sufficient to pay both loan and the two lapsed premiums.

Mr. FLETCHER: There is a surrender value.

Mr. HARTLEY: I did not get surrender value. That has been the experience of hundreds of other men in Queensland. The profit made in that way has been used for the purpose of investing in Government debentures, loans, in speculation, and in creating mortgages, not for the benefit of the policy-holders, but for the shareholders, and it is only fair that they should pay this tax.

Mr. BEBBINGTON (*Drayton*): I suppose the hon. member for Fitzroy was insured during the currency of his policy.

Mr. HARTLEY: I was not insured for my own benefit. I did it to provide for my wife in case of my death.

Mr. BEBBINGTON: If the hon. member had been unfortunate enough to die at that time, he would have been saved any further trouble.

Mr. HARTLEY: Then the Australian Mutual Provident Society would not have got the benefits that they did?

Mr. BEBBINGTON: This is another case where the full tax will fall mostly on the working people. It is the same as the case where land tax is charged to a storekeeper who pays that tax, but eventually the public pay it. The whole of this tax will have to come out of the bonuses. These companies have done a great deal of good in granting small loans in the way mentioned by the hon. member for Fitzroy. I know of dozens of farmers who have obtained small loans from life assurance societies at a reasonable interest when they could not get money from the Agricultural Bank or elsewhere. I think these companies should be encouraged in every way.

Mr. GREEN (*Townsville*): As a question of principle, I am opposed to the repeal of the original section under the 1915 Act. If the Treasurer at that time thought it was a good thing to allow exemption to these societies, then it is a good thing now. It appears to me that it is not so much a question of principle with the Treasurer in connection with these amendments as a question of getting more money. He stated in his second reading speech that Queensland was the first State to commence the reduction of taxation; but, if this Bill is any evidence of the reduced taxation that Queensland is going to have, then it is a bad outlook for the taxpayers of this State. The Treasurer himself remarked in connection [5.30 p.m.] with the exemptions granted to the primary producers that they would only amount to about £8,000, and in reply to an interjection, he stated that the carrying on of the super tax till 1923 would bring in an additional £130,000.

The TREASURER: That is not new taxation.

Mr. GREEN: It is new taxation. Peace was officially declared in January, 1921, and the original Act provided that the tax was to be collected for twelve months after peace was declared. In opposing this amendment, I am not particularly urging the claims of the Australian Mutual Provident Society

any more than the claims of every other life assurance society. These societies are out to assist the thrifty and those unfortunate enough to lose their breadwinners. The least the State Government can do is to follow the example of the Federal Government and the Government of New South Wales, and follow the example of the Queensland Government also in exempting friendly societies and forgo the little additional taxation they are going to receive under this amendment.

The TREASURER: In this amendment we are following the example of Victoria.

Mr. GREEN: It is a pity the Treasurer did not follow the example of Victoria right through, and then we would be one of the lowest taxed and most prosperous States in Australia. During the second reading speech of the Treasurer on this Bill, the hon. gentleman stated, in reply to an interjection in regard to taxing the State Insurance Office, that the argument was puerile. I do not accept the Treasurer's statement in connection with that matter. If we are going to have a correct financial statement from the State Insurance Office, then all these charges should be made against it.

The TREASURER: Which charges?

Mr. GREEN: Income tax and land tax.

The TREASURER: Income tax is charged against it.

Mr. GREEN: When I argued that income tax should be charged, the hon gentleman said it was a puerile argument.

The TREASURER: You must have misunderstood me.

Mr. GREEN: The State Insurance Office should not be placed in a better position than other life assurance companies. Up to a certain point the Treasurer has recognised the principle that these societies should not be taxed by agreeing to reduce the amount the Government intended originally to charge. Why not be generous and grant full exemption?

The TREASURER: As a member of the Country party, can you tell me why you are stonewalling this relief measure for the farmers?

Mr. GREEN: I very much doubt whether it is a relief measure. In saying that, I go back to the pamphlet which the Treasurer issued some years ago, wherein he said it was the producer who paid and the worker who suffered. That is so in connection with the additional taxation which is to be levied on the life assurance societies. It is the producer who will have to pay. I very much doubt, if this Bill is passed as it now stands, whether the producer will be any better off. If it is just to allow friendly societies to have relief in this regard, then the life assurance societies should also get relief. The Treasurer admitted that he agrees with that principle; but he felt that they should be taxed to some extent on account of certain income which they derived from buildings erected on the land which is to be taxed. The same argument applies to friendly societies and also to trade unions which have buildings erected on their own land. The Treasurer has stated right through this session that he is out to assist co-operation, and, in connection with these mutual provident societies, we have co-operation of the best kind—co-operation which induces others to be thrifty so as to provide for their old age or for those dependent on them. Every life assurance society is as deserving of assistance as the Australian Mutual Provident Society, because, by inducing people to insure their lives, they also assist the State in connection with the succession duties which are paid on the policies. When it is realised what a great advantage the life assurance societies are to the State, the Treasurer should be prepared to withdraw the amendment.

Question—That the words proposed to be added (*Mr. Theodore's amendment*) be so added—put: and the Committee divided:—

AYES, 33.

Mr. Barber	Mr. Jones, A. J.
,, Bertram	,, Land
,, Bulcock	,, Larcombe
,, Collins	,, Mullan
,, Conroy	,, Payne
,, Cooper, F. A.	,, Pease
,, Cooper, W.	,, Pollock
,, Coyne	,, Riordan
,, Dash	,, Ryan
,, Dunstan	,, Smith
,, Ferricks	,, Stopford
,, Foley	,, Theodore
,, Forde	,, Weir
,, Gilday	,, Wellington
,, Gillies	,, Wilson
,, Hartley	,, Winstanley
,, Huxham	

Tellers: Mr. Dash and Mr. Foley.

NOES, 33.

Mr. Appel	Mr. Kerr
,, Barnes, G. P.	,, King
,, Barnes, W. H.	,, Logan
,, Bebbington	,, Macgregor
,, Bell	,, Maxwell
,, Brand	,, Moore
,, Cattermull	,, Morgan
,, Clayton	,, Nott
,, Corser	,, Peterson
,, Costello	,, Roberts, J. H. C.
,, Deacon	,, Roberts, T. R.
,, Edwards	,, Sizer
,, Elphinstone	,, Swayne
,, Fletcher	,, Taylor
,, Fry	,, Vowles
,, Green	,, Warren
,, Jones, J.	

Tellers: Mr. Brand and Mr. Nott.

The CHAIRMAN: "Ayes," 33; "Noes," 33. The voting being equal, I give my casting vote with the "Ayes." (Government cheers.) The question is resolved in the affirmative.

Question—That clause 7, as amended, stand part of the Bill—put; and the Committee divided:—

AYES, 33.

Mr. Barber	Mr. Jones, A. J.
,, Bertram	,, Land
,, Bulcock	,, Larcombe
,, Collins	,, Mullan
,, Conroy	,, Payne
,, Cooper, F. A.	,, Pease
,, Cooper, W.	,, Pollock
,, Coyne	,, Riordan
,, Dash	,, Ryan
,, Dunstan	,, Smith
,, Ferricks	,, Stopford
,, Foley	,, Theodore
,, Forde	,, Weir
,, Gilday	,, Wellington
,, Gillies	,, Wilson
,, Hartley	,, Winstanley
,, Huxham	

Tellers: Mr. W. Cooper and Mr. Weir.

NOES, 33.

Mr. Appel	Mr. Kerr
,, Barnes, G. P.	,, King
,, Barnes, W. H.	,, Logan
,, Bebbington	,, Macgregor
,, Bell	,, Maxwell
,, Brand	,, Moore
,, Cattermull	,, Morgan
,, Clayton	,, Nott
,, Corser	,, Peterson
,, Costello	,, Roberts, J. H. C.
,, Deacon	,, Roberts, T. R.
,, Edwards	,, Sizer
,, Elphinstone	,, Swayne
,, Fletcher	,, Taylor
,, Fry	,, Vowles
,, Green	,, Warren
,, Jones, J.	

Tellers: Mr. Kerr and Mr. Sizer.

The CHAIRMAN: "Ayes," 33; "Noes," 33. The voting being equal, I give my casting vote with the "Ayes." (Government cheers.) The question is resolved in the affirmative.

Clause 3—"*Tax on timber and coal*"—

The TREASURER: I beg to move the omission, on line 13, of the word "thirteen," with a view to inserting the word "fourteen." This amendment merely alters the order in which the new section will appear. It will now appear after section 14 instead of after section 13.

Amendment agreed to.

The TREASURER: I have a consequential amendment in line 15. The proposed amendment will now be section 14A of the Act. I move that the letter "A" be inserted after the figures "14."

Amendment agreed to.

Mr. VOWLES (*Dalby*): I dealt with this matter on the second reading. The clause relates to the tax on timber and coal. It has become the practice of the department in recent years to include the value of growing timber in assessing the unimproved value of the land. It is strange that, if the interpretation clause of the principal Act is sufficiently comprehensive to enable them to do that, it is necessary now to include in the new section the following paragraph:—

> "Land tax shall be chargeable on the value of marketable timber growing on and on the value of coal contained in any land."

What constitutes marketable timber? It is the practice of the department to include as marketable timber all timber with a circumference of 40 inches.

Mr. MOORE: And less than that, too.

Mr. VOWLES: To my mind, the section is very vague when it states that marketable timber shall be taxed. I understand that it will include timber for girder purposes and timber used in many other directions if there is any value attachable to it for the purpose of sale. In such cases it will be competent for the Commissioner to say, "You must add a certain value to the land for the timber growing thereon." The important question then arises that there is no distinction made between natural timber and reafforested timber. I suppose the hon. gentleman will say that the reafforested timber must be added to the unimproved value?

The TREASURER: Yes.

Mr. VOWLES: The clause does not say that. It just uses the words, "marketable timber growing on . . . any land." Under the original section it is perfectly clear that reafforested timber is an improvement. Now land tax is to be chargeable on all marketable timber growing on the land. Instead of clearing up the position, it is making it obscure. It is really getting away from the question of timber growing on the land. I know that it is going to create a great hardship. When I spoke before I cited a case where a man had 160 acres in one district, and, because of the fact that he had timber growing on it, that land was valued for taxation purposes in the vicinity of £27 per acre, thereby creating a prohibitive value, which ran into a tremendous annual payment. That is in a district where there is no market for timber. That being so, this tax is in the nature of confiscation. I know that in the Bunya Mountains, in my district, there are some valuable timber properties, but the timber is not accessible. It is impossible to get the timber out except by aerial tramways. Is the owner going to be put into the position that his land will be forfeited because of the taxation, because it is impossible for him to get that timber to market? What is the basis of the value of timber going to be? Is the basis going to be the value of the timber brought into market, or will the Commissioner impose a flat rate of so much per 100 superficial feet, especially on the pine, and say, "That is the basis you are going to pay upon?" If we are going to adopt this principle, it should be made clear and definite. The clause is full of loopholes as it stands. I have referred to the question of reafforestation. Timber which is classed as marketable timber may include all classes of timber other than timber for building purposes. Then, in regard to the coal deposits, all the Jimbour properties in my district are described by the Geological Department as coal areas. Ever since those lands were sold by the Crown, those areas have only been used for grazing: but, in the future, that land will have an added value put on it, and the owners will be compelled to pay for the value of the coal deposits which are supposed to be there. Then this question arises: Under our Mining Act prospectors have the right to come on a man's land and take up a coalmining lease in certain cases. That applies to leasehold country as well as freehold, but we are only dealing with the freehold now. Why should a man be charged on the unimproved value of an asset which it is impossible for him to market?

The TREASURER: He will not be so charged.

Mr. VOWLES: Is it only coal won from the ground and being mined which will be included in the unimproved value?

The TREASURER: That is the only coal I know of.

Mr. VOWLES: Is that what you are going to charge the tax on?

The TREASURER: The Commissioner will not tax for coal which is merely described by the Geological Survey Department as existing there.

Mr. VOWLES: If the land is being worked for coal purposes, it has an added value, and so has the contiguous land; but if it is described as coal bearing land, and the man who has the privilege of owning the land is compelled to pay land tax upon it when he has no intention of working it as a coalmine, then it is in the nature of confiscation. I would like to know the real intention of

the clause in that respect. Then, again, the clause says that the Commissioner has power to decide between joint owners of the land; but I think that you will find that the wording there is wrong. The Commissioner should not have power to determine interests. He should simply have the right to determine the basis of assessment, and not the power to determine the interest itself, because you are placing him in the position of a Supreme Court judge when you permit him to do so. I think the drafting is faulty, and the Treasurer will be well advised if he alters the clause to read—

> "The basis of assessment of their respective interests in the land shall be determined by the Commissioner"—

instead of reading—

> "Their respective interests in the land shall be determined by the Commissioner."

It seems to be a rather peculiar method to attack the unimproved value of timber year after year until such time as it is marketed. I could understand the provision [7 p.m.] if the taxation was imposed on the timber for one year; but why the value should be attacked year after year, and not the increased value of the timber as the result of natural growth, I do not know. I know of a case where a man has 160 acres of land of an unimproved value of £2 an acre, the timber on which is valued at £5,000. He will have to pay on about ten times the value of the land on account of the added value in the form of timber, not only in the first year, but in the second year, and the third year, and the fourth year, and he will have to pay, in addition, income tax when he sells the timber. It appears to me that the principle is wrong.

Mr. COLLINS: Does he not get the £1,500 exemption?

Mr. VOWLES: Certainly not. If he is grazing on the land he does not get the exemption. As I have already said, I think the definition of marketable timber should be made very exact. Timber may be marketable; but the Bill provides no basis for arriving at its value from a taxation point of view. The distance from railway lines, the cost of transit, the cost from time to time of cutting it, labour conditions—all should be taken into consideration by the Commissioner.

Hon. W. FORGAN SMITH: The Commissioner takes those facts into consideration now.

Mr. VOWLES: I understand that there is a flat rate of 10s. per 100 superficial feet on the value of the timber, and that there is no sliding scale reflecting differing distances from market or differing marketing costs. If that is so, it is wrong, and a proper basis should be set down for the Commissioner. At a later stage, if the Treasurer is not prepared to alter the clause to suit my views, I intend to move an amendment in the direction I have already indicated, and subsequently a proviso by which timber growing on the land shall be specially defined. As I pointed out before, "all marketable timber growing on the land" includes natural timber and timber which is being reafforested. That is an improvement pure and simple, and it would not be attachable as unimproved value were it not for the wording of this clause, which brings it within the taxation power. There should be a distinction between natural timber and that which has been planted. If the clause has to stand, it should be made practicable; as it is, it is impracticable.

Mr. HARTLEY (*Fitzroy*): I confess that I would like a little explanation about this clause, particularly with regard to the marketable value of timber. The words "marketable timber growing on the land" can have a very wide interpretation. If it means millable timber growing on the land and a specific girth is defined, it is going to be all right. Almost all hardwood timber—I do not know anything about pine—is marketable to a greater or lesser extent. Where you see natural reafforestation going on with straight young saplings coming up, these saplings are marketable as scaffolding poles. They should not be allowed to be marketable; but, if they are to be included, they are going to put value on the land. Hollow trees of certain classes—such as bloodwood, yellow stringy bark, blackbutt, and several others—are no good for milling purposes, but they certainly are good for fencing; and a lot of men make a fair living cutting that timber, splitting it, and selling it. But if the man who is growing this timber has to pay tax on the value of it, he is going to have something to pay. Take the smaller saplings about 9 inches in diameter. They can be called marketable, because they can be used for mining timber; but a man may not wish to cut them for marketing. Yet a land valuer going on the area to value the property would certainly value them, and it may have the effect of destroying the whole object of raising the exemption under this Bill. Anyone who knows anything about hardwood timber would say that £10 an acre would be a low timber value for fair average quality hardwood in the timber areas of the State. On a 160-acre block that would represent a timber value of £1,600, and, if the land was valued at £1 an acre, it would mean an additional sum of £160 for the land, which would mean somewhere in the vicinity of £210 taxable value over and above the exemption of £1,500 allowed under the Bill. I would like an expression of opinion from the Treasurer as to what is meant by marketable timber. In order to make the clause clear so that the full value of the exemption intended by this Bill shall be received, there should be a later clause providing that timber above a certain girth shall be marketable timber for such and such a purpose.

The TREASURER: The leader of the Opposition and the hon. member for Fitzroy are labouring under a very extraordinary misapprehension in regard to this matter. It is assumed by those hon. members that we are for the first time proposing to levy land tax upon the timber and coal value of the land. Nothing of the sort is intended. The clause does not mean that. In order to arrive at the unimproved value of land, the value of the natural standing timber has always been taken into account by the State and by the Commonwealth for the purpose of land taxation.

Mr. HARTLEY: There is no authority for it under the definition of "unimproved value."

The TREASURER: The hon. member may say that, but it is not so.

Mr. HARTLEY: I would like someone to point it out

The TREASURER: If there was no authority for it, no taxpayer would have paid it, or it would very soon have been contested. Hon. members opposite do not seem to know that these values are taxable now. This clause is being put in to prevent the evasion of taxation by the owners of land on which standing timber is situated. In order to evade taxation, landowners reduce their values by selling the timber, making more or less a fraudulent sale of the timber, and, when they make their land tax returns, they return only the unimproved value of the land minus the timber, and state that they are not the owners of the timber.

Mr. CLAYTON: You receive income tax on the timber sold.

The TREASURER: Of course we do, and the taxpayer makes a deduction for the amount of timber that he sells when he makes his land tax return.

Mr. KERR: It is proposed that the timber shall be taxed as it stands.

The TREASURER: It is being taxed as it stands now by the Commonwealth and by the State. The hon. member does not seem to have known that. The leader of the Opposition raised the point of possible valuation on timber in some inaccessible place, and stated that the value of such timber would be considered for taxation purposes. This clause states that the value is to be arrived at by having regard to the marketable value of the timber, and, if the timber cannot be marketed, it will not be returned as conferring any additional value on that land.

Hon. W. H. BARNES: Who is to decide that?

The TREASURER: In the first instance the Commissioner, and, if there is any appeal, then the tribunal, in the same way as other points of a similar nature arising under the Act are decided. There is land situated in various parts of Queensland containing timber of great potential value—but not of any marketable value, because it cannot be marketed, and in that case it adds no value to the land for taxation purposes. If the country is developed by the extension of railways or roads and the timber takes on a marketable value, it will then come within the realm of taxation, just as the unimproved value of the land increases by those means.

I want to clear up a misapprehension on the part of the leader of the Opposition and other hon. members that the principle of adding the value of the timber is now being introduced for the first time.

Mr. VOWLES: I did not say that.

The TREASURER: The hon. member for Dalby did not say that; but the hon. member for Fitzroy did. I also want to clear up the misunderstanding on the second point—that the marketable value will be taken to relate to any standing timber of a certain girth, wherever it is situated. That is not so. It will only be taken by the Commissioner and added to the value of the land if it is marketable.

Mr. HARTLEY: Why not specify the marketable girth?

The TREASURER: If the timber has a value, even if it is not up to a certain girth, it should be taken. Why not?

Hon. W. H. BARNES: You will get that in the income tax.

The TREASURER: If the hon. gentleman thinks this is unjust, then his brother Nationalists in the Commonwealth Parliament are also unjust.

Hon. W. H. BARNES: I am responsible for my own actions.

The TREASURER: The hon. gentleman is not too responsible for those either. The same principle applies in regard to coal. Coal always has been subject to valuation when arriving at the unimproved value of land; but it is absurd to assume that, because geological surveys disclose coal measures in certain country, the Commissioner is going immediately and arbitrarily to add to the unimproved value of land in that district because it is supposed that coal underlies the land.

Mr. BRAND: He will have power to do so.

The TREASURER: It is only the value of the coal that is likely to be enjoyed by the owner of the land under which the coal is situated that will be taxed. If a man takes up farming land in the Dalby district, even if it is certain there are coal measures underlying the land, it is not going to make any difference for valuation purposes unless the coal can be realised by him or realised by someone who purchases the land and who takes into account the existence of that coal measure.

Mr. HARTLEY: Take a reafforested area.

The TREASURER: In the case of a reafforested area, the amount expended in reafforestation is allowed as an improvement, and it does not add in any way to the unimproved value of the land.

Mr. VOWLES: It says "All timber grown."

The TREASURER: The definition of "improved value" covers that. There are instances of this in the experience of the Taxation Departments, both of the Commonwealth and the State, where reafforestation has taken place. Where money is expended on the land for reafforestation it is an improvement to the land, and it does not add to the unimproved value of the land for taxation purposes.

Mr. VOWLES: And when you pass this Bill it will.

The TREASURER: It is absolute nonsense for the hon. member to say that.

An OPPOSITION MEMBER: Is the difference between the actual value of the timber and the cost of reafforestation taxable?

The TREASURER: No. If it is land that has been reafforested, that may add to the improved value, but that improved value never becomes taxable. This is following a well-recognised principle of taxation, and recognised by the Commonwealth. It has been inquired into very frequently, and has, in some cases, been the subject of appeal. There is no innovation in regard to it, and the hon. gentleman is putting a strained interpretation upon the clause. In order to give his interpretation to this, we would have to ignore the definitions of "unimproved value" and "improved value" in the principal Act. If the hon. gentleman can show to me that what we propose here is in some way going to render nugatory the definition of "improved value," "unimproved value," and "capital value," as they appear in the principal Act, I will be prepared to listen to him.

Hon. E. G. Theodore.]

Mr. FLETCHER (*Port Curtis*): Notwithstanding the Treasurer's remarks, I do not approve of the clause as it stands. It distinctly states—

> "Land tax shall be chargeable on the value of marketable timber growing on and on the value of coal contained in any land."

The Commissioner has unlimited power; he has power to say what the marketable value is.

The TREASURER: He has power now under the principal Act.

Mr. FLETCHER: I recognise that, but it was not expressly stated in the principal Act as it is in this Bill.

The TREASURER: It was definitely stated, with regard to coal, for instance.

Mr. FLETCHER: Coal being mined at the time could be assessed; but this gives the Commissioner unlimited power. He may not exercise it, but he may. We know what has happened under the Sugar Acquisition Act. When you have power you are apt to use it under certain circumstances. The giving of this power will create a lack of confidence, because people will not know exactly where they stand. The Commissioner, under this Bill, has power, whether he uses it or not, to assess coal on mere supposition.

The TREASURER: If he makes a wrong assessment, the taxpayer can appeal.

Mr. FLETCHER: The taxpayer may appeal, but at what expense? He may have to take it to the High Court.

The TREASURER: He need not take it to the High Court; he can go to a State judge sitting in chambers.

Mr. FLETCHER: This lays it down that the Commissioner has unlimited power to assess the value of coal on land situated anywhere.

The TREASURER: He can only assess the unimproved value—not the improved value.

Mr. FLETCHER: A man may buy a piece of land, and may afterwards find that there is coal on it, and the Commissioner may say that the value is a certain amount. Under clause 11 he has power to charge retrospectively.

The TREASURER: If that coal can be worked for the benefit of the owner, it will, of course, add to the improved value of the land.

Mr. FLETCHER: But who is going to decide when it can be worked? There may be innumerable areas of coal quite close to the surface, which could all be mined and marketed, but, owing to the number of areas, it would be economically impossible to work them all yet. The Commissioner might say that, as the coal was all marketable, he would put a value on it. It is also unfair, when you consider that private owners have to compete with the State mines—that is another unfair burden. Private owners have also to compete with people shipping coal overseas. The Government have power to charge land tax on the value of the land, and then can charge income tax on the coal which is mined, which is a fair thing. This provision is so unfair that we should not pass it. The Treasurer assures us that they have the power now, but it has never been definitely stated like this. When we pass laws it is for all time, and we do not know how other Governments will view them.

The TREASURER: We will not be answerable for the Nationalists.

Mr. FLETCHER: We should define in clear terms what is meant before we pass this clause. The power would, perhaps, be justifiable where you can see the coal, and know what its marketable value is. Then, again, you may have a good class of coal with inferior strata underneath, but the Commissioner may say that it is all good marketable coal.

The TREASURER: You are ignoring the fact that that applies now. How do they get on now in all these cases?

Mr. FLETCHER: It applies now because the Commissioner has power to say what the value of the land is; but this includes the value of the marketable coal on the land.

The TREASURER: They are assessed now on that basis.

Mr. FLETCHER: I know; but a man ought to have the right to ask the Commissioner what his authority is for assessing the value of the coal.

The TREASURER: The authority is given under the principal Act.

Mr. FLETCHER: I recognise that; but it is not so definitely stated as here. If you are going to give the power, why not state clearly exactly how far the power extends? I hope that an amendment will be made to do that. The same argument applies to the timber, except that you can see the timber and will not be likely to make a mistake about it.

The TREASURER: During all the time I have been Treasurer I have not had one complaint from a coalowner that he has been wrongly assessed.

Mr. FLETCHER: I am not saying that; but you are bringing in a clause which is to apply for all time, and you should state the meaning clearly.

The TREASURER: It is intended to deal with those persons who want to evade the law.

Mr. FLETCHER: It ought to be clearly defined. As regards timber, you are putting an imposition on people who have large areas of timber more than a reasonable distance from a market. It is asking people to cut their immature timber, otherwise they will have to pay taxation for all time upon it. There may be some stands of timber which you could not get rid of in a hundred years, and yet it will be marketable timber under this Act in the eyes of the Commissioner, and will be taxable all the time.

The TREASURER: It is assessable now for taxation.

Mr. FLETCHER: I know; but suppose anyone with freehold land sets himself out to go in for reafforestation?

The TREASURER: We can make it perfectly clear that it does not apply to reafforestation. There seems to be some misunderstanding about it; but, if we insert the word "natural" before the word "timber," it will then apply only to naturally growing timber. That will make it perfectly clear.

Mr. FLETCHER: I do not think it will alter the sense of it at all. The clause undoubtedly wants amending, and the leader of the Opposition has foreshadowed an amendment which I hope he will move.

The Treasurer cannot convince me that I am wrong.

The TREASURER: Although timber and coal are now assessable, you want to exempt them.

Mr. FLETCHER: No. The Commissioner has been assessing them on a sound and equitable basis; but this gives the Commissioner unlimited and indefinite power for the future. We do not want to give that power, because we know what has been done under the Sugar Acquisition Act. Once we give this power, we do not know how it will be operated on later. I hope the leader of the Opposition will move his amendment.

Mr. DEACON (*Cunningham*): I do not agree with the clause, and I move the insertion of the following words after the word "land," on line 17—

> "Provided that where timber is planted on land, or naturally growing timber is protected or cultivated, so as to increase the value or the growth of the timber, such operations shall be deemed to be improvements for the purpose of this Act."

The TREASURER: That is all right.

Amendment agreed to.

Mr. MOORE (*Aubigny*): I do not agree with this clause at all. I think it is most iniquitous that the tax is being collected at the present time. I know men who have been driven out of business through this tax being put on their land. They were forced into the market when there was an oversupply of timber, because they could not pay the taxation on the timber.

The SECRETARY FOR AGRICULTURE: Timber is very dear now.

Mr. MOORE: We are trying to get people on the land to conserve the forests of Queensland, because we are told that later on we shall suffer from want of timber. Now these people are being forced on to the market because they cannot afford to pay the taxation on it.

Mr. COLLINS: Give us something easy.

Mr. MOORE: I would like to point out to the hon. member for Bowen that, if you take land with ordinary timber—by no means a first-class area—you will find that there is perhaps 10,000 superficial feet to the acre, of which 33 per cent. is probably
[7.30 p.m.] third class and 6,300 superficial feet of marketable timber. That man's land is valued at £2 per acre. He has 100 acres of scrub with 6,300 superficial feet of marketable timber per acre and 60 acres of forest land—which is by no means a large or a small area—on which there is no marketable timber. The timber is valued at 10s. per 100 superficial feet. The unimproved value of the land is £320, the value of the timber is £3,150, and the total value £3,470, on which he pays £33 0s. 5d. land tax and £19 16s. 3d. super tax, or a total of £52 16s. 8d.

The SECRETARY FOR AGRICULTURE: There must be something wrong with the valuation.

Mr. MOORE: It is arbitrarily assessed, and he has to pay. I know cases where a man has come down here and asked the Commissioner to send up his own valuer to count the sticks on the land.

The TREASURER: The assessment is subject to appeal if he thinks the Commissioner is wrong.

Mr. MOORE: But the man must pay. They tell him they will send up a valuer when he is available. I know a man who has been waiting two years to have his appeal settled.

The SECRETARY FOR AGRICULTURE: Has that been done under the principal Act?

Mr. MOORE: Yes. The Secretary for Agriculture does not worry how much the people are taxed off the land.

The SECRETARY FOR AGRICULTURE: What I am objecting to is your trying, from your poor knowledge of the question, to mislead the Committee.

Mr. MOORE: It is not a question of misleading the Committee. I have been down here with men who have been forced on to the market with their timber; and my district is not as badly off as others. In the Killarney district, there is three times as much timber to the acre as there is in the Cooyar district, and the taxation is correspondingly heavy. The clause is a blot on the Bill.

Mr. DUNSTAN: You know that there has been a timber tax?

Mr. MOORE: I know there has, and it has been an iniquitous tax. If the owner has to pay income tax when the timber is sold, why should he have to pay land tax year after year on it while it is standing?

The SECRETARY FOR AGRICULTURE: How can you regard timber as being an improvement?

Mr. MOORE: If it is cultivated or looked after, it is.

The TREASURER: After he sells it he is not charged.

Mr. MOORE: But why force him on to the market when there is not a good market for it? Just as you force land into the market by putting a high tax on it, so you force the man to put his timber on the market by putting a high tax on his timber. The Commissioner assessed the value, but it is purely a nominal value, and, when you force that timber on to the market, there is no value at all, or only a very small value; and it immediately brings down the value of timber. On the other hand, if they cannot sell the timber, they have to continue paying land tax on the timber; and, naturally, that reduces its value and eventually forces it on to the market, because they cannot afford to pay. Is there any advantage to the State in doing a thing like that? I do not know that the Secretary for Agriculture has had much experience. I know a man who had a beautiful stand of timber and was forced to sell it.

The SECRETARY FOR AGRICULTURE: I regard myself as one of the best timber experts in this Chamber.

Mr. MOORE: Then I wish the hon. gentleman had had something to do with the drafting of this Bill. Then, again, the matter to which the hon. member for Fitzroy referred, in regard to mining timber, is going to hit people very hard. I have had no experience in my district, because it is nearly all pine there, but I know that it is going to be a very great hardship where there is hardwood. I repeat that it does not pay the State to force timber on to the market, and I have known timber in the Cooyar district that has been burned because the owners preferred not to keep on paying taxation. The whole of the scrub, youngish pine included, has

been felled. The State should be perfectly satisfied with the income tax when the timber is sold.

Mr. KERR (*Enoggera*): I think we might divide this question into two sections—that dealing with artificial timber and that dealing with natural timber. The amendment moved by the hon. member for Cunningham only makes it clear that the value of artificial timber is to be deducted from the unimproved value of the land. There was nothing to be lost by accepting the amendment, and probably that is why the Treasurer agreed to it. But, as pointed out by the hon. member for Port Curtis, the clause still stands in such a form that any marketable timber will be taxed, irrespective of whether it is artificial, and is deducted from the unimproved value. Marketable timber means any timber that is standing. Exactly the same position has arisen as arose in regard to natural increase in cattle—the timber will be removed in preference to paying taxation on it.

As regards the question of natural timber, I should like to quote from a little book by Mr. E. C. Landeman, assessor of State land tax—a very excellent book it is, too, and worth its price of one guinea. It says—

> "If the timber is natural to the country, it must not be regarded as an improvement from the standpoint of land tax, as its presence there is not due to the operation of man."

That is quite correct; but, unfortunately, that timber is taxed. Let me give an example of what I mean. Suppose you purchase a piece of freehold property at £2,000, the improvements being valued at £500. A notice of purchase must be sent in, and on that notice the unimproved value must be returned as £1,500. The only deduction allowed is the £500 for fencing and other improvements; therefore, the taxation is paid on £1,500. The fact is, you are paying a duplicated tax—on the purchase price of the land and on the marketable price of the timber. When that timber is sold, you have to pay taxation on it a third time. You also have to pay another tax on it as undeveloped land. I do not think this is an equitable clause at all. What applies to timber applies to coal. The whole clause should be voted against. I am quite sure the hon. member for Fitzroy will vote against it.

Mr. HARTLEY (*Fitzroy*): I will disabuse the hon. gentleman's mind in regard to which way I will vote. I will vote with this party, because I belong to this party.

An OPPOSITION MEMBER: We knew that. (Laughter.)

Mr. HARTLEY: Notwithstanding that assertion, I would again urge the Treasurer to reconsider the clause and place at the end a provision which will exempt certain values. I listened attentively to what the hon. gentleman said about taking into consideration the value of timber on land, when assessing the value of the land. That may have been done, but there is no statutory authority for doing it. I will quote the definition of "unimproved value"—

> "In relation to land, the capital sum which the fee-simple of the land might be expected to realise if offered for sale on such reasonable terms and conditions as a bonâ fide seller would require, assuming that the improvements (if any) thereon or appertaining thereto and made or acquired by the owner or his predecessor in title had not been made."

That is to say, a fair market price, not taking improvements into consideration. The Treasurer argued that the timber is an added value on the land. In some cases it is not.

The TREASURER: I did not say it is an added value; it is an inherent value.

Mr. HARTLEY: In land tax values, the proper principle is to tax the value of the land in proportion to what it will produce.

The SECRETARY FOR AGRICULTURE: Would not a bonâ fide seller want something extra because of the existence of the timber on the land?

Mr. HARTLEY: Let me answer the Secretary for Agriculture with another question: Would not a bonâ fide buyer, looking at heavy hardwood forest country, particularly with a lot of hollow timber on it, say, "I want a certain amount knocked off because of what it is going to take to clear this land"?

The TREASURER: What the seller is willing to give determines the price.

Mr. HARTLEY: But it does not determine the Land Tax Commissioner's valuation of the land. He takes what the seller is ready to give, and puts on his estimation of the value of the timber. If this clause goes through as it is, nearly every 160-acre block in Queensland——

An OPPOSITION MEMBER: Including your own block. (Laughter.)

Mr. HARTLEY: My own two blocks, although, if the hon. member wants to infer that I am fighting on my own account, I am not worrying a bit about it. I know that, if it hits me, it is going to hit ninety-nine out of every hundred other men a hundred times harder. I do not think it can hit the two blocks I happen to own, because already the timber has been sold off them and cut over; still there is sufficient timber there to remove those two blocks from any exemption under the wide interpretation of this clause. What I want to get at is the position of a man with a 300-acre block who has about 30 or 40 acres cultivated and has forest timber on the rest. It is going to put the value of his block up to at least a couple of thousand pounds' taxable value, and destroy any exemption provided by this Bill. Not only is the timber—particularly hardwood timber—not always an asset, but, as the Treasurer and particularly the Secretary for Public Lands must know, it is a big cost on land in heavy hardwood forest country, where the average price for falling, stumping, and grubbing is £27 an acre. Let the Treasurer take into consideration the cost of putting land under cultivation. We had an example at Beerburrum, where they had to pay £40 an acre to clear the land of the timber; yet, I will undertake to say, the value of that timber was only about £20 an acre. If the man who had that block had to pay land tax on an added value of £20 an acre because of the existence of the timber, he would not have been able to take up the land, and nobody would have looked at it. I hope the Treasurer will allow a provision to be added which will

make it clear that only timber shall be charged for which is of a certain girth or that is marketable for certain purposes. It is all very well to say that hollow timber is marketable. In certain circumstances it is. But the man who has 20 or 30 acres to clear and cultivate does not want to put in his spare time splitting fence posts and sending them down here. He has not any time to spare.

Mr. W. COOPER (*Rosewood*): There seems to be some misapprehension in the minds of hon. gentlemen as to what is the unimproved capital value of land which is heavily timbered. I listened to the hon. member for Fitzroy making a statement about the value which may be placed upon hollow timber. If any mistake is made in the assessment of land that has hollow timber on it, it is not the fault of the Act, but of the inspector who assesses that timber.

Mr. GREEN: You believe in this additional burden, then?

Mr. W. COOPER: If the hon. member will listen to me very carefully, he will soon find out whether I believe in it or not. That hon. member says here a lot of things he does not believe in. Would any hon. member think for a moment that any man was sane if he valued 100 acres of standing pine at the same unimproved capital value as 100 acres of hollow spotted gum? Ask any man who owns 150 to 200 acres of red cedar whether he would take the same price for that land with the cedar on it as he would with the cedar removed. The fact that the timber stands on it gives that land an added unimproved capital value. There are large millowners in Queensland owning large areas of land who allow the timber to stand on it for their own purpose. Hon. members ask the Treasurer to accept an amendment whereby there will be no added unimproved capital value to these pine forests.

An OPPOSITION MEMBER: There is double taxation.

Mr. W. COOPER: There is not. Whether the timber is spotted-gum, ironbark, stringybark, pine, red cedar, or Queensland maple, or any other valuable timber, the assessor takes the various timbers into consideration and assesses the value accordingly. There is nothing else for it but to pass a clause enabling the Government to fix an unimproved value on account of timber where the land is thickly timbered.

Mr. HARTLEY (*Fitzroy*): I must reply to the hon. member for Rosewood. He stated that he rose to remove any misapprehension that I had in my mind about hollow timber. I was under no misapprehension. Hollow timber is very easily split for rails and posts for fencing purposes, and under certain conditions can be classed as marketable timber. Posts that are split outside Brisbane are sold for about £5 10s. per 100, and I believe rails bring £2 10s. to £4. That is marketable timber, but it is not right that it should be valued on a block of land for taxation purposes.

The TREASURER: As a consequential amendment, I beg to move the insertion of the word "further," after the word "provided," in line 18.

Amendment agreed to.

Question—That clause 8, as amended, stand part of the Bill—put; and the Committee divided:—

AYES, 33.

Mr. Barber	Mr. Jones. A. J
,, Bertram	,, Land
,, Bulcock	,, Larcombe
,, Collins	,, Mullan
,, Conroy	,, Payne
,, Cooper, F. A.	,, Pease
,, Cooper, W.	,, Pollock
,, Coyne	,, Riordan
,, Dash	,, Ryan
,, Dunstan	,, Smith
,, Ferricks	,, Stopford
,, Foley	,, Theodore
,, Forde	,, Weir
,, Gilday	,, Wellington
,, Gillies	,, Wilson
,, Hartley	,, Winstanley
,, Huxham	

Tellers: Mr. F. A. Cooper and Mr. Dash.

NOES, 33.

Mr. Appel	Mr. Kerr
,, Barnes, G. P.	,, King
,, Barnes, W. H.	,, Logan
,, Bebbington	,, Macgregor
,, Bell	,, Maxwell
,, Brand	,, Moore
,, Cattermull	,, Morgan
,, Clayton	,, Nott
,, Corser	,, Peterson
,, Costello	,, Roberts, J. H. C.
,, Deacon	,, Roberts, T. R.
,, Edwards	,, Sizer
,, Elphinstone	,, Swayne
,, Fletcher	,, Taylor
,, Fry	,, Vowles
,, Green	,, Warren
,, Jones, J.	

Tellers: Mr. Deacon and Mr. Costello.

The CHAIRMAN: "Ayes," 33; "Noes," 33. The voting being equal, I give my casting vote in favour of the "Ayes." (Laughter.) The question is resolved in the affirmative.

Mr. FLETCHER: I beg to move the following new clause to follow clause 8—

> "For the purposes of the preceding section, provided the coal contained in any land remains the property of the owner of the land, it shall not be deemed to have a value unless or until it has become available for winning on a marketable basis."

The preceding clause is so indefinite that I desire to submit this new clause to define the powers of the Commissioner, so that for the future any one who has land with any coal upon it will know exactly how he stands. It means that the owner of the land with coal upon it cannot be taxed until he is winning the coal on a marketable basis. I do not desire to reiterate my arguments in connection with this point. If he should sell the coal under the land, it is a [8 p.m.] different matter. The new clause will prevent the Commissioner from assessing coal when it is economically impossible to market it. I hope the Treasurer will accept the new clause, as it does not alter what is being done by the Commissioner at the present time, but it makes the position quite clear for the future.

The TREASURER: It is impossible to accept the amendment, as it would have the effect of upsetting the whole basis of taxation applying to land containing coal measures. The Act at the present time relates to the coal that the hon. member wishes to exempt.

Mr. FLETCHER: Why bring in the new clause, then?

The TREASURER: The clause will prevent evasion; it will prevent the owner making a fraudulent sale of coal or timber in order to evade taxation. If the hon gentleman can tell me of any instance of hardship or gross injustice in connection with the taxation of coal under the present Act I shall be prepared to listen to him. During the five years I have been Treasurer I have not received one complaint in this respect.

Mr. FLETCHER: Suppose a man purchased a property for £10,000 because he thought there was coal under it?

The TREASURER: If a man pays £10,000 for a piece of land because there is coal under it, that establishes the unimproved value. He is not going to pay £10,000 for the land if the coal is not worth anything to him.

Mr. FLETCHER: He may buy on the chance of finding coal.

The TREASURER: He is not going to pay that price on the chance of finding coal. There is no necessity for the amendment. The hon. member is labouring under a misapprehension in regard to the application of the Act at the present time.

Mr. FLETCHER: The clause is absolutely crude.

The TREASURER: Clause 8 accomplishes what is intended—that is, to prevent any evasion of taxation. It does not increase the tax, nor does it alter the basis of arriving at the unimproved value of the land.

New clause put and negatived.

Mr. DEACON (*Cunningham*): I beg to move the insertion of the following new clause to follow clause 8:—

> "Provided further that where the owner of the land is personally working the timber growing thereon, and is also the owner of the timber, he shall be entitled to the like exemption in respect of the land tax upon the value of the marketable timber as is provided by subsection two of section eleven of this Act, in respect of land used for agricultural, dairying, or grazing purposes, and the terms and conditions of that exemption shall be applicable so far as they can apply."

In many instances when a new selector takes up land he depends on the proceeds from the timber on the land in order to make a living, and this new clause is for the purpose of giving him some assistance in the way of relieving him of taxation.

The TREASURER: I cannot accept the new clause. If a man takes up land with the intention of working the timber on it, he will, no doubt, be marketing the timber and getting rid of it. If he takes up the land for agricultural purposes, he will get exemption, and there is no necessity for the amendment in that case. If he takes up the land for the value of the timber, and has no intention of improving the land for agriculture, then he is a menace to the district. That has happened in my own district, where men have taken up land for the timber value, and have no intention of felling the scrub or otherwise improving the land. In my electorate there is a large scrub, and in a great many instances throughout that scrub there are selections that have never been improved. They are harbours for pests and weeds, and are only a menace to the surrounding selections. Some of the selectors have harvested as much as £5,000 worth of timber by holding up the land for years, and they have in no degree added to the permanent settlement of the district. This amendment is designed to give those people a concession.

Mr. ELPHINSTONE: Why don't you protect them? You have only 1,800 electors!

The TREASURER: I have 4,600 electors.

New clause put and negatived.

Clause 9—"*Amendment of section* 16"—

Mr. VOWLES: This clause relates to the section which gives the Commissioner the right to prescribe the nature of the returns to be sent in by the taxpayer. We always contend that that is a function of Parliament; that it should be determined here, or it should be dealt with in the form of regulations approved of by this House. I do not see why we should delegate our powers in any direction to Commissioners or individuals outside Parliament. If we do that, we may have inquisitorial returns asked for, and then we shall be charged as an Opposition with not bringing the matter before the Government. We find that there is a desire on the part of departments—more particularly the Taxation Department—to ask for information which was never contemplated when the Acts were passed. The taxpayers are feeling that they are being treated more like insolvents than anything else. They object to giving all this information which is asked for, because they think it unnecessary and inquisitorial. I referred, the other night, to the fact that one department had access to the records of other departments. I think that, on the broad principle, Parliament should decide what the form of return should be, either in the form of a schedule to the Act or by regulation approved of by the House.

The TREASURER: The objection of the hon. member has something in it, but I do not think there is as much in it as the hon. member contends for. It is necessary that there should be some discretionary power vested in the Commissioner, in regard to, say, a verbal alteration. The hon. member would have a good case if he could show that any returns which have been asked for contain questions of an inquisitorial nature such as he suggests, but he cannot point to any case of that kind. In the State income tax or land tax returns there are no questions which are unnecessary. It is not likely that the Commissioner will put any questions which will cause any taxpayer to give information which is not necessary. The information in the returns is confidential, and is not open to inspection by other departments, but there is a reciprocal arrangement between the Commonwealth and State Taxation Departments to give each other information, but it is only for the information of those departments, and is not available to other departments. The information is strictly confidential.

Clause put and passed.

Clause 10—"*Amendment of section* 19"—put and passed.

Clause 11—"*Amendment of section* 20; *refund of excess*"—

Mr. GREEN (*Townsville*): I move the insertion after the word "power" on line 54, of the words—

> "within three years from the date wher such additional tax became due."

It is intended by the amendment to put a time limit on the Commissioner. It will be noticed that the clause enables the Commissioner to put a time limit upon the taxpayer, but, on the other hand, the Commissioner can go back for a practically unlimited time if he discovers that an error has been made which is to his advantage, and the additional tax may be recovered from the date of the discovery of the error, even if it is a good many years back. If we take this clause in conjunction with the Treasurer's amendment, which dealt with timber and coal, it appears to me that a man would require a coal diviner or a timber specialist to find out how much coal was in the ground or what timber was on the land, otherwise the Commissioner would be able to go back for a long period and practically ruin a man. The Treasurer should accept this just amendment, which will place the Commissioner in the same position as the taxpayer. If an error has been discovered in regard to the unimproved value of the land, the Commissioner should not have power to go beyond a three years limit.

The TREASURER: I cannot accept the amendment, as it would be placing an undesirable restraint on the Commissioner. According to the hon. member, if the Commissioner finds out that a taxpayer has been evading taxation, he should be limited to three years.

Mr. GREEN: If a man finds the Commissioner has been overtaxing him, he can only go back three years.

The TREASURER: The Commissioner deals with 33,000 taxpayers, while the individual taxpayer is only dealing with one Commissioner. The individual knows whether he is being overtaxed at once, but the Commissioner does not find out that there has been an evasion perhaps until after a lapse of years. The information may be disclosed in probate proceedings or in the registration of transfers, and the Commissioner may only then find that deliberate evasion has been taking place.

Mr. GREEN: And he can collect retrospective taxation.

The TREASURER: Not collect retrospective taxation, but taxation which should have been paid. The same power as this is in the Income Tax Act, and it is perfectly just.

Mr. GREEN: I do not think it is.

The TREASURER: I think it is. Why should the Commissioner not have this power if he finds that deliberate evasion has taken place?

Mr. GREEN: What if it is not deliberate evasion?

The TREASURER: If it is ordinary evasion, why should he not collect it? If the taxpayer has not made a correct return, why should the Commissioner not collect the unpaid tax? The Commissioner has to deal with so many people that he is not in the same position as the taxpayer. One would think from the hon. member that the Commissioner was doing this for purposes of gain.

Mr. GREEN: He is doing it to get more money for you.

The TREASURER: The Commissioner, as I said, deals with 33,000 cases, and he must use his discretion.

Mr. GREEN: I am not blaming the Commissioner. The Government are in this Bill making it practically imperative for him to go back as far as he possibly can.

The TREASURER: Not imperative; he can use his discretion. If he finds, as often happens, that, through some excusable error, a taxpayer has evaded taxation, due allowance is made. No one can complain that the Commissioner screws taxes heartlessly or callously out of a taxpayer. The Commissioner is fair with all taxpayers.

Mr. VOWLES (*Dalby*): I desire to support the amendment. It seems to me that there should be mutual rights so far as the Commissioner and the taxpayers are concerned. If the taxpayer is allowed to go back only three years, so far as recovering over-payments are concerned, then the Commissioner should be placed in exactly the same position with regard to making claims for under-payments. During the second reading debate, we found hon. members who did not know that agriculturists under certain conditions could set off one form of taxation against another. From my personal experience, I found cane farmers in the Herbert district, represented by a Minister of the Crown, who did not know they were entitled to do that.

The TREASURER: It has been made public often enough.

Mr. VOWLES: You have given a certain amount of publicity. There are hundreds of people in Queensland who, if they went to the Commissioner to-morrow, would be entitled to a refund of duty because they paid under one form of taxation without setting off another form of taxation against it. In this clause it is proposed to limit the right of the individual to a refund to three years. Why should the Commissioner have power to go back into the records of the past to the extent of six years or more? Why should he have the power to compel individuals, or trust estates where taxpayers are dead, to pay taxation which should have been paid years before, when you do not give the individual a corresponding right? That is inequitable. The Crown and the individual should have mutual rights in that respect.

Mr. J. H. C. ROBERTS (*Pittsworth*): I certainly think the amendment is a reasonable one, and it is not right that the Commissioner should not be put on the same basis as the taxpayers.

The TREASURER: You want to put the Commissioner on the same basis as a defaulting taxpayer?

Mr. J. H. C. ROBERTS: Occasionally he is a defaulting Commissioner. (Laughter.) When the Commissioner finds out that a taxpayer has been paying too much, one would naturally expect that he would advise the taxpayer to that effect; but I have never known that to take place yet. The Commissioner has a lot of high-class officials in his department.

Mr. COLLINS: He wants more, and we shall get more taxes then.

Mr. J. H. C. ROBERTS: I advise the hon. gentleman to get a job there. Although the Commissioner has all these high-class officials, we never know them to tell a taxpayer when he has overpaid. They never tell a taxpayer when there is a refund due to him.

The TREASURER: It is frequently done.

Mr. J. H. C. ROBERTS: I have never known it.

Mr. COLLINS: I have known it.

The TREASURER: The Commissioner has often corrected a return that has been sent in, and has notified the individual.

Mr. J. H. C. ROBERTS: That is a different thing. We know that taxpayers often pay too much tax. There should be absolute equity between the Commissioner on the one hand and the taxpayer on the other. This amendment would have the effect of bringing about reasonable equity between the Commissioner and the taxpayer. With the clause as it is, the Commissioner can go back twenty or thirty years, if he wishes.

The TREASURER: If a man has been defrauding the Commissioner for twenty years, should he not be made to pay?

Mr. J. H. C. ROBERTS: If a man can defraud the Commissioner for twenty years, he must be pretty smart. The Government ought to say to him, "Come into Parliament and sit on the front bench on our side." (Laughter.)

The TREASURER: Where did you get your experience of a taxpayer defrauding the Commissioner? (Renewed laughter.)

Mr. J. H. C. ROBERTS: I am not casting any reflection on anyone—not even on the Treasurer. The hon. gentleman should realise that the request is a reasonable one. We are quite willing to accept a longer period; but let it be absolutely defined what time the Commissioner can go back.

The TREASURER: Don't let him go back further than 1915.

Mr. J. H. C. ROBERTS: I thank the Treasurer for his interjection. He is up to all the tricks in the game, and this is one of them. At any rate, I hope he will give the matter a little further consideration, and have a defined period in which the Commissioner can go back as regards the returns. Personally, I do not believe that people deliberately defraud the Government. I do not think there is anyone who would defraud the Government wilfully. They simply send in a return wrongly through not knowing the Act.

Mr. GREEN (*Townsville*): I regret the Treasurer will not accept the amendment. He said this afternoon that the Bill was introduced to correct anomalies, and I certainly think that this is an anomaly that we are trying to correct. Evidently the Treasurer wants to get all he can out of the taxpayer.

Question—That the words proposed to be inserted in clause 11 (*Mr. Green's amendment*) be so inserted—put; and the Committee divided:—

AYES, 31.

Mr. Appel	Mr. Jones, J.
,, Barnes, G. P.	,, Kerr
,, Barnes, W. H.	,, King
,, Bebbington	,, Logan
,, Bell	,, Maxwell
,, Brand	,, Morgan
,, Cattermull	,, Nott
,, Clayton	,, Peterson
,, Corser	,, Roberts, J. H. C.
,, Costello	,, Roberts, T. R.
,, Deacon	,, Sizer
,, Edwards	,, Swayne
,, Elphinstone	,, Taylor
,, Fletcher	,, Vowles
,, Fry	,, Warren
,, Green	

Tellers: Mr. Deacon and Mr. J. H. C. Roberts.

NOES, 33.

Mr. Barber	Mr. Jones, A. J.
,, Bertram	,, Land
,, Bulcock	,, Larcombe
,, Collins	,, Mullan
,, Conroy	,, Payne
,, Cooper, F. A.	,, Pease
,, Cooper, W.	,, Pollock
,, Coyne	,, Riordan
,, Dash	,, Ryan
,, Dunstan	,, Smith
,, Ferricks	,, Stopford
,, Foley	,, Theodore
,, Forde	,, Weir
,, Gilday	,, Wellington
,, Gillies	,, Wilson
,, Hartley	,, Winstanley
,, Huxham	

Tellers: Mr. Ferricks and Mr. Pollock.

Resolved in the affirmative.

Mr. GREEN (*Townsville*): I desire to move the insertion, after the word "tax," in line 55, of the following paragraph:—

> "He shall not have power to recover any such additional tax from a bonâ fide purchaser of the land in respect of which such additional tax has been discovered to be payable."

This amendment is intended to protect the bonâ fide purchaser of land from being unjustly hit up for any tax which at the time he bought the land the Commissioner himself did not know was due, and which [8.30 p.m.] he had no means of discovering. I think it should appeal to the fairmindedness of the Treasurer. He cannot advance as an excuse the statement that we are asking for consideration for a man who has deliberately falsified his returns. The amendment will apply to a case of a man who, without any knowledge of any error, purchases a piece of ground which it is afterwards discovered has, perhaps, been undervalued. If it is not inserted, a bonâ fide purchaser, an honest man in every respect, might buy a piece of ground and discover that there is coal underneath it, so that the value might prove to be incorrect. If the Commissioner can go back to 1915, when the Labour party introduced this land tax, and imposed additional burdens on the primary producer——

Mr. COLLINS: That is not true; they never placed any additional burdens on the primary producer.

Mr. GREEN: It is true, as all primary producers know. If the Commissioner can do that, it might inflict serious hardship on the primary producers and other landowners of the State.

The TREASURER: Section 37 of the principal Act provides that land tax shall be chargeable in priority over all other encumbrances other than land tax due to the Commonwealth, but in the case which the hon. member has in mind the proviso applies—

> "Provided that no such charge shall be of effect as against a bonâ fide purchaser for value who at the time of purchase made inquiry of the Commissioner as prescribed, and was informed there was no liability."

Mr. J. H. C. ROBERTS (*Pittsworth*): I should like to point out to the Treasurer that people do not realise that they have to ask these questions.

The TREASURER: The agents know that they have to make the inquiries.

Mr. J. H. C. ROBERTS: All agents do not, and I want to make it absolutely

certain. I know of cases where owners have mortgaged up to the hilt and have received certain concessions from the Commissioner. When such land has been sold and the purchaser has not made inquiries—purchasing, as he did, more or less directly from the bank—he has been asked to pay land tax on it for a period of one, two, or three years back. I think it should certainly not be incumbent on the purchaser to make the inquiries from the Commissioner. I think if he makes inquiries from the agent, and he is told that there is nothing owing on the land, he should be able to purchase on absolutely safe grounds, and not afterwards have to deal with the Commissioner if he points out that it was incorrect. The hon. member may say that it is ignorance of the law on the part of such a man. I am quite prepared to admit that that is so; but, at the same time, very few small farmers read the Act, and, although they may not apply to the Commissioner for the information, they purchase on the understanding that there is no land tax in arrears, and they should not be disqualified from the relief we want to give them. I hope the Treasurer will reconsider the matter and see if he cannot get over the difficulty.

Mr. KERR (*Enoggera*): I think the Treasurer should accept the amendment. He says that section 37 of the principal Act gives sufficient protection. That is not so. All that it lays down is that the purchaser shall make certain that there is no land tax payable when he buys the property. This amendment is quite apart from that. Even if the Commissioner gives the purchaser a statement in writing that there is no land tax payable, the clause as it stands gives him power to recover within three years if he finds there are certain taxes not collected. I think the hon. member for Townsville has done right in bringing forward this amendment. Take the case of a purchaser at an auction sale. He should receive a letter from the auctioneer stating that no rates are due. I know that no transfer will be made out by the Titles Office if land tax is due on the property. To retain this clause is like making the legislation retrospective for three years.

Mr. KING (*Logan*): I hope the Treasurer will accept this amendment, which is a very reasonable one. Although the principal Act makes provision for registering the charge with the Registrar of Titles, it is purely discretionary with the Commissioner. It should be mandatory. Where succession duty is payable, the Registrar of Titles endorses the certificate that succession duty has not been paid. If the same practice were adopted here, any purchaser of a piece of land could tell at once whether land tax, or arrears of land tax, were payable or not.

Mr. FLETCHER (*Port Curtis*): The Treasurer has stated that, in effect, this amendment is practically the same as section 37 of the principal Act. It is not, because every buyer is supposed to go to the Commissioner and ascertain whether there is any tax due on the land. If the land is purchased through an agent, it might be reasonable to suppose that the agent should be aware of the provisions of the Act; but the great majority of transactions will not be done through an agent, but will be done individually.

The TREASURER: The hon. member is wrong in saying the great majority will be done individually.

Mr. FLETCHER: I may be; but a certain percentage are so done. Individuals, especially in the country, will not be aware of the provisions of the Act, and may miss that point. They will be liable for a tax going back for years, if the other man has been remiss and has not paid. It is not a fair thing. Exactly the same thing obtained in regard to retrospective rents. This amendment overcomes that. I hope the Treasurer will accept it; he must recognise that it is fair.

Mr. TAYLOR (*Windsor*): I think the proposed amendment is a reasonable one. If a party purchases a piece of land and the seller of the land produces his last receipt for the payment of his land tax, 99 out of 100 persons would accept that as being satisfactory proof that there was no land tax owing. But, according to section 27, application has to be made to the Commissioner to find out whether there is any land tax due.

The TREASURER: There is no necessity to make application if the vendor produces a receipt.

Mr. TAYLOR: There may have been a reassessment. Although that receipt may be for the last payment of land tax, there may have been an evasion of the proper payment due on that particular property, and the buyer of the property will be liable for any assessment that the Commissioner may make.

The TREASURER: If there were any evasion on the part of the original holder of the land, he would be liable for the evasion.

Mr. TAYLOR: The subsequent purchaser is the individual to whom the Commissioner will look for payment of that money. In North Queensland a transfer might be hung up for weeks or months before a satisfactory reply is received from the Commissioner. I do not think it is a fair thing to have land sales held up in that way.

Mr. VOWLES (*Dalby*): Section 37 is well known to most of us. I think it is one of those sections which is honoured rather in the breach than in the observance. You have to file last year's receipt for taxation, but that may not be good enough, because you have not a letter from the Commissioner stating that that receipt covers all payments and there is no further liability. I take it that the object of the amendment is to make the procedure less cumbersome. We all know that that section deals with a charge upon the land. If the Commissioner knows there is a payment due to his department, he has the right to put a charge on the deed, and it is then a first mortgage. He does not do that except in rare circumstances. A purchaser might purchase on the strength of the receipt, and subsequently the Commissioner might find there has been another valuation on timber which has not been paid, or there might be coal deposits which ought to have been included as unimproved value. If he finds that, he reassesses on the later valuation or in respect of any of those improvements, and the holder of the land is liable because the tax follows the land. It would be better for everybody if the procedure were made simpler, and if the production of a receipt were sufficient, or the introduction of the words suggested were accepted by the Treasurer.

Mr. GREEN (*Townsville*): I hope the Treasurer will repent even at the eleventh hour.

The TREASURER: If the amendment were accepted, how would it read in conjunction with section 37?

Mr. GREEN: I do not think it would affect it.

The TREASURER: You have to read it into the principal Act.

Mr. GREEN: The Treasurer has said that it is a fair amendment.

The TREASURER: I said it was fair to protect the purchaser.

Mr. GREEN: Why not, then, make it absolutely distinct?

The TREASURER: Because we have it already in the principal Act.

Mr. GREEN: There seems to be a great difference of opinion as to whether you have or not. It seems to be a cumbersome method, according to the arguments of the leader of the Opposition and the leader of the Nationalist party. If the Treasurer recognises that it is fair, it will do no harm to make it clear.

Mr. POLLOCK: Could you not get word through by telegram if you wanted to?

Mr. GREEN: The hon. member for Gregory must admit that up in the North there are many people who are not conversant with the Land Tax Act or the Income Tax Act. The Treasurer himself admitted that on Friday evening, when he stated that about £16,000 was paid by primary producers, and practically £8,000 of that amount ought not to have been paid and the men could have had it deducted from their income tax. We cannot do better than make the clause as clear as possible.

Amendment (*Mr. Green*) put and negatived.

Clause 11 put and passed.

Clause 12—"*Amendment of section 24*"—

The TREASURER: I beg to move the omission, on lines 4, 5, and 6, of the following words—

> "call on a mortgagee to pay tax on behalf of the owner, and if he pays the same he shall have the right to recover the amount thereof from the owner,"

with a view to inserting the following—

> "require a mortgagee to pay tax on behalf of the owner, and the mortgagee shall thereupon pay the same, and, if he fails so to do, shall be liable to the penalty provided by section fifty of this Act for evading taxation; and upon such payment shall have the right to recover the amount paid from the owner, and in addition such amount shall be deemed to be part of or added to the principal moneys advanced under the mortgage and shall be recoverable as such, with interest accordingly."

This has not been provided for in the principal Act.

Mr. VOWLES (*Dalby*): I strongly object to this clause on principle. It is a new departure. Mortgagees are compelled to pay tax if the Commissioner so desires. The practice in the past has been for the Commissioner to have recourse to subsection (2) of section 37 of the principal Act, which makes the tax a charge superior to a mortgage, and places the Commissioner in a better position than the mortgagee. Now, the department will require the mortgagee to find the money under penalty, with the right of charging the mortgagor. It is all very well for the department from a collecting point of view; but why should a mortgagee be compelled to find money when the department is unable to get it from the owner? Supposing that the trustee of an estate is the mortgagee and there are limited funds, amounting to, say, £10,000, the whole of which is invested in securities at 6 per cent.—which is a good investment—and there happens to be a bad season, the mortgagor gets in arrears with his payments of interest to the mortgagee and also with his land tax to the department. Where on earth is the mortgagee going to get the money from to pay the taxation?

The TREASURER: I do not know why you want to quote these extreme cases.

Mr. VOWLES: It is not an extreme case. It is an every-day case. It is proposed that the trustee should supplement the trust by finding money out of his own pocket to pay taxation to the Commissioner of Taxes. It is the duty of the Commissioner to collect the tax, and I dare say, like everybody else, he has to do what the Treasurer tells him. When the Treasurer gets near the 30th June he wants as much cash as he can get to show as respectable a balance as possible, and he is urged to get in money. I have actually seen letters from the department offering certain concessions to taxpayers if their taxes were paid within a certain time.

The TREASURER: The Commissioner acts within his own discretion.

Mr. VOWLES: He does not worry how the accounts stand at the 30th June; but, if he is told to hurry up, then he hurries taxpayers up. If you are going to hurry up trust estates under conditions such as I have stated, then you are going to do an injustice, because you are giving the Commissioner power to compel taxpayers to pay money when they have not got it to pay. The Treasurer can say that the banks can be squeezed, and that they have plenty of available cash, and that he can make them pay. We want to look at the other cases where an injustice may be done. So far as banks are concerned it is all right; but what about the case that I refer to where the money is not available? Are those people liable to the £100 fine referred to in one of the amendments? We should act with caution. Taxation is necessary and all very well in its way, but it should not bring about such a condition of affairs as to cause an injustice such as would happen in the case I have just stated.

Mr. G. P. BARNES (*Warwick*): This Bill furnishes some very strange contradictions. When the Bill was introduced we were assured that it was introduced out of very great consideration for the man on the land, and, whilst we find that some degree of consideration is shown in some directions, there is a very contrary attitude in regard to many other things. We have already passed certain clauses which entirely do away with any benefits that the man on the land is likely to receive, and now we have come to a clause which is going to have a very serious effect. There is in the country scarcely a man who is not dependent more or less upon banking institutions or moneylenders; and one can immediately see what effect this clause will have on them. The

Treasurer indicated that the Bill would ameliorate the condition of the farmers in certain directions, but this amendment will make the conditions ten times worse. I have not lived in the country all these years without being cognisant of the fact that the great bulk of the people are dependent upon money-lenders of some kind. This amendment is simply going to deter people from helping other men at a very needful time. I venture to say that immediately this Bill is passed no end of people will be called upon to pay up advances. What is the good of security under such circumstances?

The TREASURER: You mean small selectors?

Mr. G. P. BARNES: Yes.

The TREASURER: They are exempt under this Bill.

Mr. G. P. BARNES: From my business life in connection with these matters, I am aware of the conditions affecting the man on the land generally, and I know that this amendment will have an extremely serious influence upon them, and I am sure that the farmer and the representatives of farming constituencies will realise, as I realise, that it is going to have a very serious influence, and will cause immense trouble to men who, of necessity, have to obtain loans from various institutions.

Mr. FOLEY: The banks are squeezing now.

Mr. G. P. BARNES: The hon. member is quite right, and this clause will only mean that they will be further squeezed. We have no right by a clause of this kind [9 p.m.] to increase the difficulties of the man developing the country. I can assure the Treasurer that this clause is going to have a very baneful influence upon the small man, and I shall not be at all surprised if many a loan is called up in consequence of this clause.

Mr. KERR (*Enoggera*): The object of this clause and the amendment is to give power to recover land tax from the mortgagee, and it also provides a penalty in case of failure to pay. Section 24 of the principal Act reads—

> "A mortgagee, or other person, owning any estate or interest in any land by way of security for money, shall not be liable to land tax in respect of that mortgage, estate, or interest."

Turning to section 23 of the principal Act, we find this—

> "A mortgagor shall be assessed and liable for land tax as if he were the owner of an unencumbered estate."

Under these two sections and the proposed amendment the Government are asking double security for the payment of taxation. This is going to apply whether the mortgagee is the mortgagee in possesion or otherwise, and naturally one looks to see what other protection the Commissioner has in regard to failure to pay the tax. If the Treasurer will turn to section 37 of the principal Act, he will find this—

> "Land tax shall until payment be a first charge upon the land taxed in priority over all other encumbrances whatever."

It appears to me that there is quite sufficient security for the Commissioner in that section without putting the burden on the mortgagee. The effect of this clause will be that the banks or financial institutions will immediately call up a certain amount of the advances that have been made on small farms or holdings. Perhaps the farmers will not be able to pay up, and the result will possibly be foreclosure. It is going to penalise many of the men on the land, and in future a number of men will not be able to get the money required for necessary improvements if the mortgagee is to be liable for the payment of the land tax. Then, again, there is nothing in the clause which says it cannot be made retrospective. The clause is wholly unnecessary.

HON. W. H. BARNES (*Bulimba*): It seems to me that this clause——

Mr. PAYNE: More stonewalling.

HON. W. H. BARNES: We want to let the people know what is happening in regard to this Government, who are squeezing at every turn, and yet a supporter says "More stonewalling!" What is the effect of taxation to-day? Queensland to-day is the highest taxed State in the Commonwealth.

The TREASURER: The most equitably taxed.

HON. W. H. BARNES: Most equitably squeezed by the Treasurer at every turn.

The TREASURER: You are an authority on squeezing.

HON. W. H. BARNES: So squeezed that a very large number of taxpayers in this State have had to appeal to the Commissioner, and ask for time in order to pay their taxation.

The TREASURER: They all receive reasonable consideration.

HON. W. H. BARNES: The taxation is such that it is becoming alarming. We know that, if taxation goes on at the rate it has been going on since this Government took office, enterprise and everything else will have to be laid on one side in order to pay the taxation.

The TREASURER: This is the only Government that is reducing taxation.

HON. W. H. BARNES: Reducing taxation on the one hand, and on the other hand doing something else. The effect of taxation has been such as to retard progress in Queensland. I say further that the Government—who profess to be the friends of the small man—are absolutely hitting him by this taxation. There is no question about it that help that has been given to individuals in the past will be restricted as a result of this Bill.

The TREASURER: Do you think the Bill ought to be withdrawn?

HON. W. H. BARNES: This clause is only another plank of the platform towards nationalisation. The hon. gentleman or some of his colleagues have stated that the policy is to squeeze, squeeze, squeeze, until there is nothing left. It is only part of the policy. The hon. gentleman is squeezing at every turn to see if he cannot get something into the grinding mill. It has all been brought about through the reckless financial administration of the Government, and now they are in such extremes, so far as the finances are concerned, that they do not know which way to turn. The position in Queensland to-day, from the taxpayers' point of view, is an entirely unsatisfactory one. There is not the slightest doubt whatever that the small man, when he goes to the bank or someone else for assistance, will be told "No." What confidence have the people outside in this Government?

The TREASURER: Every confidence.

HON. W. H. BARNES: The commercial people have no confidence in the Government; the farming community have no confidence in the Government. Right throughout the State they are discredited. They come along now with a dying kick and try to squeeze the people. In view of all the actions of the Government in certain directions, I am amazed that the people themselves have not risen in protest against the Government.

The TREASURER: If you think the people are so much afraid, why do you not hurry on the elections?

HON. W. H. BARNES: The hon. gentleman is very much afraid. He will get the surprise of his life at the elections. He is not game to hurry them on. I am not reflecting on you, Mr. Kirwan, but we have the spectacle to-night of a Government staying in office on the casting vote of the Chairman in regard to questions of finance. That is the position of this strong Government in Queensland to-day! Their object is to kill and to destroy, and our lands will have to be nationalised in every direction, so that they may carry out the policy which is being directed by the Bolshevik element in the party.

Mr. KING (*Logan*): This appears to be a most extraordinary amendment. It refers to section 24 of the principal Act, and, if we look at that section, we shall see how contradictory the amendment is in terms. Section 24 distinctly says that the mortgagee shall not be liable, but this clause provides that—

> "The Commissioner may call on a mortgagee to pay a tax on behalf of the owner, and if he pays the same he shall have the right to recover the amount thereof from the owner."

If the mortgagee can extract the tax from the owner after the Commissioner has failed to extract it, he is a hero, and deserves to be decorated.

The TREASURER: It is not very easy to prove that the mortgagee is in possession.

Mr. KING: If the mortgagee receives the rents and profits, he is legally deemed to be in possession. That is very simple; there is no difficulty there. The amendment is absolutely contradictory to section 24 of the principal Act, and is going to have the effect of very much lessening the assistance which the financial institutions are going to give to borrowers. It will affect the security; and, furthermore, I think it is going to have the effect, to a great extent, of causing financial institutions to call up the loans which they have out now. When a borrower goes to a financial institution, or to some private person for a loan, the margin of security, which at present is about one-third, is going to be very much widened, and it will mean that a borrower will have to give security to considerably more than double the value of the advance he is asking for. It means that, whenever default is made, the amount which has become due on the security will be increased to such an extent that probably in a very short time the value of the security will be absorbed by the claims which will be made. I hope the Committee will negative the clause altogether.

Amendment (*Mr. Theodore*) agreed to.

Clause 12, as amended, put and passed.

Clause 13—"*Assessment of trustee*"—

Mr. T. R. ROBERTS (*East Toowoomba*): I move the insertion, after the word "thereof," on line 15, of the words—

> "or any beneficiary or beneficiaries is or are under the age of twenty-one years."

There are cases in which a trustee has found it impossible to find money for the education of children, by reason of the taxation imposed in connection with land and income tax. I had occasion last year to bring such a case under the notice of the Commissioner. He was courteous, and willing to allow consideration in this particular instance; but, in the meantime, the children had been taken away from school. If we give exemption to a person who is over the age of twenty-one, the least we can do is to give consideration to the trustee who is administering an estate for children under twenty-one. I hope the Treasurer will accept the amendment, as it is very desirable to help beneficiaries in this direction.

The TREASURER: This is a very complicated subject. The question depends upon the nature of the trust itself. The terms of the will or instrument of trust determine whether the beneficiaries are entitled to separate assessment, or whether the trustee is entitled to assessment based upon the separate assessment of each beneficiary. An infant at law may be entitled to separate assessment, but it depends entirely upon the nature of the trust itself. I think it would only complicate the clause by putting in the amendment.

Amendment (*Mr. T. R. Roberts*) put and negatived.

Clause 13 put and passed.

Clause 14—"*Commissioner may declare agent*"—

Mr. ELPHINSTONE (*Oxley*): In the principal Act, the definition of "agent" reads—

> "'Agent' includes every person who in Australia for or on behalf of any person out of Australia (herein called 'the principal'), has the control or disposal of any land belonging to the principal, or the control, receipt, or disposal of any rents, issues, or proceeds derived from any such land."

Evidently that qualification has been found to interfere with the collecting propensities of the Land Tax Commissioner, and consequently the definition of "agent" has been very considerably extended by this clause. So far as I read it, the position at present is that, if an absentee landowner resident in Sydney with whom a person in Queensland is doing business fails to make a return or pay land tax, as the case may be, you can make any debtor to this Sydney resident the agent under the wording of this clause.

The TREASURER: We are simply following the practice which obtains under the Income Tax Act.

Mr. ELPHINSTONE: I am simply endeavouring to show the wide scope of this clause. In regard to an agent's duties under the original Act, he may be required to make returns of land and all other matters pertaining thereto on behalf of an absentee landowner. Imagine the position one might be placed in in that regard! For instance, suppose he receives goods from Sydney

belonging to the absentee landowner who has evaded his obligations under the Act, because he is indebted to the Sydney man he may be called upon by the Commissioner to act in the capacity of agent for land which may be held in Queensland by the Sydney resident of which he has no knowledge.

The TREASURER: The Commissioner would not put so foolish a construction on it.

Mr. ELPHINSTONE: The power is there.

The TREASURER: He must have the power, but he is not going to exercise it so foolishly as that.

Mr. ELPHINSTONE: I move the addition to line 26 of the words—

"other than the making of returns or other matters in connection therewith,"

which simply means that the debtor I referred to would be responsible for the moneys owing, but he would not be responsible for the making of returns, which is imposing an impossible obligation upon him. The acceptance of this amendment will relieve the situation.

Amendment agreed to.

Clause 14, as amended, put and passed.

Clause 15—"*Amendment of section 46*"—put and passed.

Clause 16—"*Amendment of section 48*"—put and passed.

Clause 17—"*Amendment of section 56*"—

Mr. ELPHINSTONE (*Oxley*): Under this clause the Commissioner has power to go back six years to recover penalties from defaulters under the Land Tax Act. Whilst agreeing that the Commissioner should have power to bring those to book who evade the law, if this clause is passed it will give the Commissioner power to go back practically to the inception of the Land Tax Act. Any transgression against the Act since 1916 can come under the operation of this clause. If that is the proper construction, I beg to move the insertion, after the word "incurred," on line 17, of the following words:—

"But such date shall not be prior to 1st January, 1922."

That will limit the retrospectivity of this clause to almost the present moment. The Treasurer may advance the same argument in respect of this as he did with regard to the amendment of the hon. member for Townsville. In matters of taxation, I think the taxpayer is certainly entitled to some consideration. We chase him almost to the grave to collect from him moneys that are supposed to be due. In fact, my memory carries me sufficiently far back to an amending Bill which was passed through this House claiming £80,000 in stamp duty under the estate of a man who had recently died.

The TREASURER: It was a fraudulent evasion.

Mr. VOWLES: It was not. It was perfectly legal.

The TREASURER: It was a deliberate evasion. It was an unscrupulous evasion.

Mr. ELPHINSTONE: It must have been legal, because it was necessary to bring in an amending Bill to make the collection retrospective.

The TREASURER: Dishonest people will always evade payment.

Mr. ELPHINSTONE: "Dishonest" be blowed! You are taking up the position today that you can search a man's pockets to such an extent that you force him into that position.

The TREASURER: Would you allow a wealthy man like Yuill to evade taxation?

Mr. ELPHINSTONE: He was not evading it. If he had been evading it, there would have been no necessity for fresh legislation. It was because legislation had been rushed through this House without receiving proper consideration that someone found a loophole in the Act, and it was necessary to introduce an amending Bill. It was because he was smarter than you were.

The TREASURER: I cannot accept the amendment. Hon. members opposite, in discussing prior clauses of this Bill, have been putting up a strong protest on behalf of defaulters under the Act. They really assume the role of apologists for defaulters. They really want to place the Commissioner in the position of the offender, while the real offender against the Land Tax Act is a person sympathised with and held up as a paragon of honour. A similar provision to this is already provided in the Income Tax Act where an offender can be prosecuted within six years.

Mr. ELPHINSTONE: You can go back to the inception of the Act under this clause.

The TREASURER: I cannot see anything wrong with that. I do not know why hon. members opposite put up such a strong case for a man who deliberately breaks the law, and I cannot see why they want to hold up a man to public recognition and honour when he dodges his obligations.

Mr. KING: Because you make him responsible after the lapse of six years.

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

Clause 17 put and passed.

Clause 18—"*Amendment of section 58*"—

Mr. SIZER (*Nundah*): I move the omission of the word "not," on line 22, with a view to inserting the following words after the word "land," in line 23:—

"the Commissioner shall within three days after receipt of such notification, forward to such owner an acknowledgement in writing thereof. If such owner has not subsequently notified the Commissioner of the sale or the disposal of that land"

The clause as it stands throws an onus upon the owner of the land to notify the Commissioner of any sales, and that is presumed to be sufficient evidence in any court of law. To protect the taxpayer against any loss of documents in the office, my amendment proposes that he shall receive some receipt for every document within three days after it has been received by the Taxation Department. I think that is reasonable, because it protects the taxpayer to a certain extent. A large number of documents get mislaid, and the onus is then put upon the taxpayer.

The object of the amendment is that the taxpayer shall have a copy of a receipt or an acknowledgment to protect him.

The TREASURER: I cannot accept the hon. member's amendment. There is such a tremendous number of returns that it would entail a very great deal [9.30 p.m.] of work on the department, and would be impracticable. Further than that, the Commissioner would be able

to proceed against the owner only in respect of the particular land involved, whilst there might be other pieces of land in respect of which he could not proceed.

Mr. KING (*Logan*): I cannot altogether follow the Treasurer's explanation. I think is is a very reasonable thing indeed that the Commissioner should acknowledge the receipt of a document. It can be managed very simply, and will be a protection to the taxpayer. I can give a case in point that came under my notice. Certain papers had to be sent in, and were delivered to the Commissioner's office before 12 o'clock on a Saturday. Monday was a holiday, and they were marked as having been received on Tuesday, which made them late and liable to a penalty, and a penalty was actually imposed When I explained things, it was all right; but, had I not been certain of the facts, it might have been very serious.

Mr. SIZER (*Yundah*): The adoption of the amendment will not enable the taxpayer to evade the Act.

The TREASURER: Why should not the owner notify the Commissioner? Why leave out the word "not"?

Mr. SIZER: The Treasurer will see that the word "not" has to come out at that point.

The TREASURER: The clause is very well thought out; and I cannot accept the amendment.

Mr. SIZER: The amendment will not interfere with the Commissioner's business in any way. It merely provides that certain documents shall be accepted as primâ facie evidence of the lodging of a notice. There should be an acknowledgment of some kind.

Amendment (*Mr. Sizer*) put and negatived.

Clause 18 put and passed.

The TREASURER moved the insertion of the following new clause to follow clause 18:—

> "The amendments of the principal Act made by this Act shall have effect with respect to all land owned on and after the thirtieth day of June, one thousand nine hundred and twenty-two"

New clause put and passed.

The House resumed.

The CHAIRMAN reported the Bill with amendments.

The TREASURER moved—

> "That the House resolve itself into a Committee of the Whole for the purpose of further considering clause 5."

Question put and passed.

RECOMMITTAL.

(*Mr. Kirwan, Brisbane, in the chair.*)

Clause 5—"*Amendment of section 11*"—

The TREASURER: I beg to move the insertion, after line 6, page 3, of the following amendment:—

> "If the owner of any land having an unimproved value exceeding £2,500, but not exceeding £5,000, and situated not less than 12 miles from the nearest railway line, proves to the satisfaction of the Commissioner that he regularly and personally cultivates for crops in connection with his agricultural or dairying or grazing pursuits part of his said land, he shall, in respect of the unimproved value of the said part, be entitled to the like exemption from land tax as is provided by this subsection in respect of land used for agricultural, dairying, or grazing purposes, and the terms and conditions of that exemption shall be applicable so far as they can apply."

That is to give effect to the proposal of the hon. member for Cunningham. It provides that, where land not less than 12 miles from a railway is used for dairying and grazing purposes, and where portion of the land is used for cultivation, that portion shall come under the exemption in clause 5.

Mr. ELPHINSTONE: Is that the exact amendment the hon. member for Cunningham moved?

The TREASURER: Not exactly.

Amendment agreed to.

Clause 5, as further amended, put and passed.

The House resumed.

The CHAIRMAN reported the Bill with a further amendment.

The third reading of the Bill was made an Order of the Day for Tuesday, 1st August.

The House adjourned at 9.40 p.m.