

## Legislative Assembly,

Wednesday, 27th November, 1907.

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

Prayers.

### PAPER PRESENTED.

By the Attorney General : Thirty-first Report of Lands and Titles Office.

### QUESTION—DIVIDEND DUTY, W.A. NEWSPAPER COMPANY.

Mr. TAYLOR asked the Treasurer : What is the total amount received from the W.A. Newspaper Co. by the Treasurer under the Dividend Duty Tax since the introduction of that measure?

The TREASURER replied : Under the provisions of "The Dividend Duties Act, 1902," all returns made thereunder are confidential and cannot be disclosed except in proceedings taken to recover duty under this Act or otherwise enforce its provisions. In view of this fact, the hon. member will realise that I am not in a position to give the information desired.

### QUESTION—RAILWAY CARRIAGE OF LIVE-STOCK.

Mr. FOULKES asked the Minister for Railways : 1, Has he observed a letter published in the *West Australian* of the 23rd inst., and written by Mr. R. Burges, of York, concerning the carriage of live-stock on the Railways? 2, Will he obtain a report from the Acting Commissioner of Railways on the subject of Mr. Burges's letter?

The MINISTER FOR RAILWAYS replied : 1, Yes. 2, Yes. Report herewith.

Report laid on the table.

### BILL—POLICE ACT AMENDMENT.

Read a third time, and transmitted to the Legislative Council.

### BILL—VACCINATION ACT AMENDMENT.

#### Second Reading.

Mr. A. J. WILSON (Forrest) in moving the second reading said : This is the same Bill that was introduced last session, and passed through all its stages in this House. I will content myself with formally moving—

*That the Bill be now read a second time.*

Mr. J. SCADDAN (Ivanhoe) : I enter an emphatic protest against this Bill taking precedence. The Treasurer may look surprised, but if he will glance down the business paper he will see many matters of vital importance to the country, yet they are put down low on the Notice Paper, and a measure which is in the hands of a private member is given preference. The Nedlands Park Tramways Bill is down as low as it ought to be. We sat till four o'clock this morning considering various clauses of the Land and Income Tax Bill, and probably we shall be sitting to-night until all hours to suit the Government, yet we are to have measures of this character, practically of no importance, given preference to; we ought to give preference to matters of vital importance. I am not very much concerned whether the Bill passes this session or not, and I do not think other members are; but it is unfair to sit till four o'clock in the morning and then have our time wasted by such a measure as this.

The PREMIER (Hon. N. J. Moore) : This Bill was put on the top of the Notice Paper, on the understanding that it was a purely formal matter, and was not likely to be debated.

Mr. H. BROWN (Perth) : I move—

*That the debate be adjourned.*

We have had no explanation whatever about the Bill.

Motion put and negatived.

Question (that the Bill be now read a second time) put, and a division taken with the following result:—

Ayes	..	..	..	23
Noes	..	..	..	9

Majority for	..	..	14
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tries, they would be vaccinated before leaving the State; which made it appear there was some value in vaccination. He was surprised that the division was not taken on the motion for adjournment.

The CHAIRMAN: The hon. member must not discuss what happened in the House.

Mr. TAYLOR: There must be some reason for the Government's withdrawing their opposition to the measure. It struck him forcibly that before the Bill went through Committee he would have to indicate why it was the measure had such prominence on the Notice Paper.

Mr. A. J. WILSON: No one knew better than the hon. member how absolutely untrue and unworthy were statements imputing reasons why the division list on the second reading was so large. Everyone knew the Bill passed through the House last session through all stages with a substantial majority, and it was now absurd for the hon. member to offer petty and puerile opposition. But the hon. member was only out for an airing. There was no justification for his attitude.

The CHAIRMAN was not clear that he could accept the proposed amendment, as it would simply destroy the clause. The hon. member, if he pleased, could move on the following clause to delete certain words which no doubt would be effective for the purpose aimed at.

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

Ayes	..	..	..	23
Noes	..	..	..	9

Majority for	..	..	19
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AYES.	NOES.
Mr. Angwin	Mr. H. Brown
Mr. Bath	Mr. T. L. Brown
Mr. Bolton	Mr. Foulkes
Mr. Brebber	Mr. Holman
Mr. Butcher	Mr. Ma-e
Mr. Collier	Mr. Scaddan
Mr. Cowcher	Mr. Taylor
Mr. Daglish	Mr. Underwood
Mr. Gregory	Mr. Hudson (Teller).
Mr. Gull	
Mr. Hayward	
Mr. Heitmann	
Mr. Horan	
Mr. McLarty	
Mr. N. J. Moore	
Mr. S. F. Moore	
Mr. Smith	
Mr. Stone	
Mr. Veryard	
Mr. Walker	
Mr. A. J. Wilson	
Mr. F. Wilson	
Mr. Gordon (Teller).	

Question thus passed.

Bill read a second time.

#### *In Committee.*

Clause 1—Short Title:

Mr. TAYLOR moved an amendment—

*That all the words after "Act" in the first line be struck out.*

He intended to take the same attitude against the Bill as he did on a former occasion. He could not accept the statement of the mover that ample reasons were given last session why the Bill should be passed. The measure was opposed by the only doctor we had in the House when it was previously before us, and it was bitterly opposed by the Minister for Works when the member for Forrest (Mr. A. J. Wilson) was not so closely allied with the Government as the hon. member was to-day. The Minister had brought down statistics to show that legislation similar to the existing Act had been the safeguard of people in other countries. The Government had not only dropped opposition to the Bill, but on this occasion were facilitating its passage and giving it precedence over other legislation that was more pressing. Medical men said that if they were about to leave Western Australia to go to other coun-

AYES.	NOES.
Mr. Angwin	Mr. H. Brown
Mr. Bath	Mr. T. L. Brown
Mr. Bolton	Mr. Foulkes
Mr. Brebber	Mr. Hudson
Mr. Butcher	Mr. Ma-e
Mr. Collier	Mr. Scaddan
Mr. Cowcher	Mr. Taylor
Mr. Davies	Mr. Underwood
Mr. Gregory	Mr. Heitmann (Teller).
Mr. Gull	
Mr. Hayward	
Mr. Holman	
Mr. Horan	
Mr. McLarty	
Mr. N. J. Moore	
Mr. S. F. Moore	
Mr. Smith	
Mr. Stone	
Mr. Veryard	
Mr. Walker	
Mr. A. J. Wilson	
Mr. F. Wilson	
Mr. Gordon (Teller).	

Clause thus passed.

Clause 2—Exemption from penalties:

Mr. UNDERWOOD moved as an amendment—

*That all the words after "Act" in Subclause 1, line 2, be struck out.*

It was provided that no parent should be liable to conviction or any penalty under the principal Act if a magistrate's certificate was obtained. The penalty would thus be provided, not for failing to have the child vaccinated, but for failing to get a magistrate's certificate. It was most ridiculous this running after magistrates. The magistrate's certificate was altogether useless against smallpox. We should not compel people who did not desire to have their children vaccinated to run around looking for a magistrate. Many people seemed to be of opinion that vaccination was no preventive against smallpox, while some believed it somewhat endangered the health of the child. If we decided it was unnecessary to vaccinate the child, those who had no conscience on the point should not be fined any more than those who had. The Bill simply provided that a parent must have a conscientious objection. But the point was that if a man believed vaccination good for his child he would have the child vaccinated; on the other hand if he thought it was not good for the child, he would not have the child vaccinated. There was no conscience in that. It was a matter of opinion.

Mr. HUDSON supported the amendment. The Bill should not be passed because it would have little effect in application. The words proposed to be struck out provided that a person could escape the necessity for complying with the principal Act by making a declaration, but there was nothing in that affecting the health of the child. It was simply a matter of whether some people would go to the trouble of getting a child vaccinated or of making the declaration. In view of the opinions expressed by the member for Roebourne previously, the hon. member assuring us that it was necessary the original Act should remain intact, these words in the subclause should be deleted.

Mr. T. L. BROWN supported the amendment as a protest against prece-

dence being given over Government business to a measure of this character. [Mr. A. J. Wilson: The Police Act Amendment Bill was allowed to go through two or three days ago without protest.] A few days ago the Government secured the sanction of the House to a motion that for the remainder of the session Government business should take precedence of all other business; yet on to-day's orders of the day important Government business was placed lower on the list than this measure which had been frequently introduced and put on one side as of small importance.

Mr. FOULKES: Last year, in speaking on a similar measure on the 19th September, the member for Roebourne (Dr. Hicks) gave the House some valuable information on this subject; and he (Mr. Foulkes) now thought it desirable to repeat for the information of members some of the information then supplied. The member for Roebourne—not now present—was the only medical member of this House; and last year he opposed the Bill as strongly as possible, urging the House, with his medical knowledge, to throw out the Bill. In stating his reasons why the Bill should not pass, the member for Roebourne traced the history of the discovery of vaccination, and pointed out that between the years 1838 and 1853, during which the practice of vaccination became general in England and Wales, the death rate from smallpox fell from 3 or 4 per thousand to 0.42 per thousand. Experience showed, as then stated, that when the number of smallpox cases in a hospital reached to 20 or more, the people living in the vicinity of the hospital were liable to the infection in varying degrees, depending on their distance from the hospital and independent of whether the sanitary conditions were or were not perfect. The member for Roebourne had also quoted from the report of the Vaccination Commission which sat in Great Britain during eight years, showing that one medical witness (Dr. Gayton) deposed that during his term as medical officer at Homerton hospital (1873-4) 10,403 smallpox patients were treated; that out of 8,234 vaccinated 869 died,

about 10 per cent.; while of 2,169 unvaccinated, 938 died, about 43 per cent. Also, of children vaccinated only 2 per cent. died, as against 36 per cent. of unvaccinated children below the age of 10 years. This was a most telling argument quoted by Dr. Hicks in favour of vaccination. Referring also to the smallpox epidemic in the old country in 1891, 1892, 1893, the town of Leicester was quoted as a striking example, the people having been mostly opposed to vaccination and resorting to the conscience clause. Among children under 10 years of age, of those unvaccinated there were 283 contacts, and of them there were 100 cases of smallpox and 15 deaths. Among the vaccinated children, the incidence of the attack of smallpox was 2.5 per cent. with no deaths, whereas on unvaccinated children the incidence was 35.3 per cent., the death rate being 5.3 per cent. Of vaccinated persons over 10 years there were 754 contacts with 168 attacked, or 22.2 per cent. with 2 deaths, representing 26 per cent., while among the unvaccinated over 10 years there were 105 contacts with 50 cases of smallpox, or 47.6 per cent. with 4 deaths, representing 3.8 per cent. An English medical journal stated that of the Leicester hospital staff five out of the six attacked by the disease were among those who had refused to be re-vaccinated. The German army statistics were all in favour of vaccination; for after re-vaccination was introduced there had not been a death from smallpox since 1874. The member for Roebourne pointed out also that the vaccine used in this State was imported from New Zealand, and its quality was undeniable; that there were careless operators, who should be punished, but that the existence of poor operators was no argument against vaccination; that medical men would make twenty times as much if vaccination were not enforced, as one case of smallpox would be far more remunerative than many vaccinations; that in England the conscience clause had raised the fees for vaccination; that vaccination was particularly advisable in this State, so near to Asiatic ports where smallpox was rife; that the people of this State could not be opposed to vac-

cination, as no public meeting had yet been held to protest against it; and that the Government should think twice before supporting the conscience clause. The great majority of doctors in the State were strongly opposed to any alteration of the Act; and as members of the House, with one exception, were laymen, they were not qualified to discuss so important an alteration in the law. For the sake of medical evidence the Bill should have been referred to a select-committee. Nevertheless, statistics showed that amongst the unvaccinated, mortality from smallpox was three or four times higher than amongst the vaccinated.

Mr. SCADDAN moved—

*That progress be reported.*

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

Ayes	..	..	22
Noes	..	..	16
			—
Majority for	..	..	6

AYES.	NOES.
Mr. T. L. Brown	Mr. Angwin
Mr. Draper	Mr. Bath
Mr. Foulkes	Mr. Bolton
Mr. Hayward	Mr. Butcher
Mr. Heitmann	Mr. Collier
Mr. Hicks	Mr. Cowcher
Mr. Hudson	Mr. Davies
Mr. Keenan	Mr. Gregory
Mr. McLarty	Mr. Gull
Mr. Mule	Mr. Holman
Mr. Mitchell	Mr. Horan
Mr. N. J. Moore	Mr. Stuart
Mr. S. F. Moore	Mr. Varyard
Mr. Piesse	Mr. Walker
Mr. Price	Mr. A. J. Wilson
Mr. Scaddan	Mr. Troy (Teller).
Mr. Smith	
Mr. Stone	
Mr. Taylor	
Mr. Underwood	
Mr. F. Wilson	
Mr. Gordon (Teller).	

Motion thus passed.

Progress reported, and leave given to sit again.

## BILL—LAND AND INCOME TAX ASSESSMENT.

*Machinery Measure—in Committee.*

Resumed from the previous sitting; Mr. Daglish in the Chair, the Treasurer in charge of the Bill.

Clause 31—Deductions from taxable amount [clause discussed at previous sitting]:

*House Rent, as to Exemption.*

Mr. BATH moved an amendment that the following be added as Subclause 10—

*Sums expended by a tenant for the lease or rental of land with improvements thereon used for the purpose of residence or enjoyment.*

In this State the rent of a house was not only a return to the landlord of the actual value of the building; it was in great part a return of the value represented by the unearned increment of the land; and to impose on the tenant income tax in respect of his rent was in a great measure allowing the landlord to go free from taxation on the unearned increment, or free outside the paltry amount of a halfpenny in the pound he paid as land tax. Any consideration should be extended to the unfortunate in the grip of the landlord. We should exempt his taxable income or allow him to deduct the amount he paid in rent. Take a civil servant in receipt of an income of £250 or even £300 a year, and it would be realised that the position he occupied compelled him to pay from £1 to 30s. a week for rent. He had to be convenient to his office and keep up a certain appearance and the rent represented by the amount he paid was not only what he paid as rent of the building but as a return to the landlord on the unearned increment of the land. A taxpayer paying rent was entitled to consideration.

The TREASURER: When considering Clause 19, the Committee fully debated the principle which underlaid the present amendment, and came to the decision that it was right for the person who lived in his own house to contribute, by way of income tax, on four per cent. of the value of the land and improvements. The Committee had decided that it would be most unfair to accept the amendment and exempt the rental of a house as a set-off against the income tax. He knew of no country, certainly there was no State in the Commonwealth, where it was provided that exemptions should be made of house rent, which was an ordinary daily expenditure to the taxpayer and his family.

Mr. SCADDAN: In view of the fact that at the previous sitting the Committee had decided that a landlord should pay on four per cent. of the value of his land and improvements, it would be most unfair to make a deduction now in the way required by the amendment. He would oppose the amendment.

Mr. ANGWIN supported the amendment. Two wrongs did not make a right, and if a wrong were done the previous day there was no reason why another should be perpetrated now. In the case of a person carrying on business, would not the amount of the rent be included in the cost of his business and thus be a set-off? A person paying rent should not be compelled to pay income tax on that amount.

The TREASURER: With regard to the position of rent for business premises, that was regarded as a set-off. If a man resided on the premises in which he carried out his business he would have as a set-off the rental for that portion of the building used for business purposes.

Amendment put and negatived.

*Deduction for Each Child.*

Mr. BATH moved that the following subclause be inserted:—

*A sum representing ten pounds for each child under the age of sixteen years, residing with and dependent upon the taxpayer.*

The effect of this subclause would be that there would be deducted from the amount on which a taxpayer would have to pay income tax the sum of £10 for each of his children under the age of 16 years. It had been said that the provision was not contained in any other income tax measure; but in Tasmania there was a similar proviso. In various income tax measures provisions had been made for deduction where a taxpayer had a number of children. He appealed to the patriotic sentiments of members to support the amendment. President Roosevelt had advised that the cradles should be kept full. We were always talking about Western Australia being a big country with great national resources, but with an undeveloped territory and with insufficient population. The people to develop Aus-

tralia were those who had been bred up to Australian conditions and knew what they had to combat. The best settlers here were those who had come from the other States and who had been born in similar conditions to those existing in Western Australia. A proposal of this kind, which sought to encourage men who were carrying out President Roosevelt's advice, should have every consideration under a measure of this kind. Those members who were married and had children would realise that the rearing of children in their earlier years and the cost of sending them to school—education was free, but there was heavy expenditure in the way of obtaining books, etcetera—amounted to a great deal more than £10 per annum for each child. It was not an extravagant proposal that he was recommending, but was merely a request that there should be a recognition of the good work done by taxpayers. The new sub-clause would mean that a man having four children would only have a deduction of £40 per annum. Surely that was reasonable, as no man could bring up a family of four children for that sum. Those who had scanty incomes, not only here but everywhere, had the largest families, and those who could bring up families in comfort were not following the advice given to them of keeping the cradles full.

The TREASURER: Whilst sympathising with the member, he could understand that the member hoped to take full advantage of this exemption, if it passed, and he (the Treasurer) wished him every luck in that direction; but one would like to point out that we had already passed a very high exemption of £200, which would make a considerable difference in the revenue to be collected from the tax.

Mr. Bath was making provision for that later on so that the revenue would not suffer.

The TREASURER: People could not grumble at the provision made as to exemptions. The hon. member said in Tasmania there was a certain exemption of £30, with £10 for every child under 17 years of age. If the Committee were prepared to accept a certain exemption of £100, then the Government might be

willing to allow an exemption of £10 for each child.

Mr. Bath: The basis was different in Tasmania.

The TREASURER: Not only had the Government given a very liberal exemption, but provision was also made for life insurance premiums being deducted. The Government had gone about as far as they could go. Personally he would receive a considerable advantage if the amendment were passed, but he hoped the Committee would not agree to it. The hon. member in regard to Tasmania was referring to the ability tax.

Mr. TROY supported the amendment. If a man had a family he was doing more towards the development of the State and was a better citizen than the man who had no family. This would be a great boon to many people resident in the State, and Parliament would be creating a good precedent if we adopted the amendment. The person who had a large family paid a good deal of taxation through customs duties.

The Treasurer: There was free education.

Mr. TROY: The State owed a lot to those citizens who had large families.

Mr. ANGWIN would like to see the amendment go farther. If the Treasurer thought that this proposal would take away a great deal of revenue he might put a double tax on bachelors. The man with a wife and family was of more benefit to the State than the man who had no wife and no family. In many parts of the world bonuses were granted in regard to families, and if we desired to increase the population this might be an easy way of doing it.

Mr. TAYLOR: There was a Standing Order, or a provision, in the Constitution, which precluded any member voting on anything in which he was personally interested. That being so he was confident the amendment would be carried because it would be dealt with by those who were not personally concerned and not directly interested. We should not place the man with a family on the same footing as the man who had no family. This provision would help the man with a family. In the matter of employment, all things

being equal, the preference was given to the married man. The married man was less able to face competition in the labour market than the single man. When by a majority we had decided to abstract taxation that was iniquitous, there was justification for in some measure giving relief by means of this amendment.

*The Treasurer:* Had not that been done by the £200 exemption?

*Mr. TAYLOR:* That was not sufficient for a married man with a wife and family. The calculation was based on the single man. A man who lived in Perth or the goldfields and paid rent, could not keep himself, a wife and family on £200 a year, and he would be exceedingly lucky to get that salary. The amendment should be passed to give those with families an opportunity of bringing their families up in that enlightened way that was necessary in the interests of the well-being of the State. Probably the Government would oppose the amendment with the idea of securing as much money as possible to carry on a bold public works policy, but he hoped some members on the Government side would accept his views in connection with this matter. At a proper time he intended to draw attention to Standing Order 192, which provided that no member was entitled to vote in any division on any question in which he had a direct pecuniary interest. However, he hoped there would be no division on the question, and that it would be decided on the voices.

*Mr. T. L. BROWN:* Married people should have some consideration apart from the £200 exemption. He had four children who were at school, and it cost a trifle to keep them there and bring them up. There was a time when the Education Department provided books and writing pads for these children, but now the children had to purchase them.

*The Attorney General:* Had not the hon. member noticed the expansion in the education vote?

*Mr. T. L. BROWN:* That was a good sign; none would begrudge it; but the cost of educating children was increasing. It would be an infliction to call upon married men affected by the tax to pay the same as single men.

*Mr. BUTCHER* felt strongly in sympathy with the amendment. If the clause passed without the amendment it would be penalising the man who happened to have a family to bring up. That man contributed more to the State through customs and other forms of taxation than the single man. He hoped the Ministry would see their way clear to accept the amendment.

*Mr. HOLMAN:* The extra taxation on the man with a family came about in every direction, for instance, on the railways. He knew what it was to bring up five children on a small income. If it was necessary to put extra taxation on bachelors in order to lighten the burden on married men with families, he would assist in doing so.

*Mr. WALKER* supported the amendment, not from a married man's standpoint, though the arguments advanced from that standpoint were perfectly sound, but from a national standpoint. According to the *Statistical Register* a large percentage of the male population of the State had their families residing in the Eastern States. This was more particularly the case with men on the goldfields because of the cost of living. All these men had constantly to send money out of the State.

*Mr. Collier:* To Victoria alone £25,000 per month was despatched.

*Mr. WALKER:* The total sent out must be probably £50,000, but the amount that could be recorded did not cover all that was sent.

At 6.15, *the Chairman* left the Chair.

At 7.30, Chair resumed.

*Mr. WALKER* (continuing): Not only was the State losing revenue by money being sent abroad to support families and to support those who supplied those families, but at the same time we lost the advantage of the presence of the families in our community. He did not think it was possible for a country to get truly patriotic or progressive unless we had all social elements, as well as the industrial and political. The amendment was a direct incentive to those who were at present what we might call batching

in the State of Western Australia to bring their families here. The rearing of a family, the preparing for future citizenship, might do for us what was done by more questionable agencies. We could not have a better advertisement for the State than happy, thriving families; but we had not the families, because of the disadvantages the State offered, chiefly in the way of expensive living. It was intended by the amendment to cheapen family life in the State, to offer direct encouragement for families to come here, for those who had braved the wilds of nature to become domesticated and to become the centres of the home and therefore industrious units of the State. It was because it would help more firmly to establish our nation and make us self-contained, and to give us here not only the hardship of industrialism, but the pleasures and contentments and patriotism that arose out of the home. Until we got that condition more thoroughly disseminated throughout the State, we could not become truly great or attract people to our shores. On the fields at the present time many were living in camps and boarding-houses, men who had no home but hotels, who, were it not for the cost, or fear of the cost of family life, would be building houses and making homes and would therefore be doing for that part of this State an incalculable good. That was what we wanted. The expense was no mere imaginary thing; it was a real difficulty; it was an active, potent terror to the workers on the fields. And therefore, if in addition to the exemption made last night we could offer this farther exemption as proposed by the Leader of the Opposition, we should have accomplished so much good not for the individual but for the State. Some people might think he was dreaming; but he was of opinion that families growing up on the fields, becoming contented with their lot, would turn what appeared a desert to-day into an actual garden. He was firmly convinced that around the gold-fields centres there were lands that would support not only the agricultural but the pastoral industries to an enormous extent. We could almost have another State supporting teeming millions between Kal-

goorlie and the northern seas. Irrigation and proper water conservation could accomplish all this. It only needed to have people contented to look for these sources. Already the people were beginning to utilise the land for other purposes than mining. This mere exemption seemed a small thing, but very often small things determined events.

**THE ATTORNEY GENERAL:** The Leader of the Opposition could well anticipate sentimental support from all sections of the Committee in a matter of this character; but before allowing sentimental support to carry us away, we had to examine a proposition of this character more minutely than when dealing with it in a general way. The member said he took his proposal from the Ability Tax Act in Tasmania. He (the Attorney General) ventured to say that there was no more crude piece of legislation ever placed on a statute-book of any country than the Act referred to. It purposed to create a standard of taxation by judging of a man's income from the residence he lived in. In its very conception it was absurd. On reading the amendment suggested by the Leader of the Opposition, one came to the conclusion that it covered the cases of children residing within the State with their parents who were taxpayers, and also residing in the State. The hon. member thought it covered that, but it meant nothing of the kind. It meant a taxpayer whose children resided anywhere could obtain this particular exemption. It would cover an absentee taxpayer whose family was in the East and his family living with him in the East. It would enable him to claim exemption up to £10 for any child up to the prescribed age. Again, many children under sixteen were sources of revenue to their parents.

**Mr. Bath:** The amendment referred to children dependent on the taxpayer.

**THE ATTORNEY GENERAL:** The Commissioner would be unable to prove that the child was not dependent on the parent, though the dependency might be nominal. Even if not money-earners, children might relieve the parent of expenditure by performing onerous domes-



tic duties. Finally, some exceptional parents did not support their children, but left that to the charitable. To be tangible the amendment should allow some deduction for actual expenditure incurred by the parent in the maintenance and education of the children; but the amendment, like a concertina, was too elastic. The member for Kanowna (Mr. Walker) arguing from a sentimental point of view, said the amendment would induce certain residents of this State to bring their families here from the East. A man who wilfully deprived himself of the society of his wife and family would not be induced to bring them here by a remission of 3s. 4d. per annum for each child. In addition to the £200 exemption agreed to, every taxpayer would be entitled under Subclause 3 of Clause 31 to add to that exemption all sums he had paid as insurance premiums on his own life or his wife's, or for a deferred annuity, or for provision for his wife and children, which provision would include moneys paid to insure him a bonus or payment in any fixed eventuality, or in respect of any fidelity bond or guarantee which he had to enter into in connection with his profession or employment, up to a total sum of £50, making the maximum exemption £250. Thus a man with the modest income of £350 a year would pay income tax on £100, or £1 13s. 6d. If members thought that exemption unjust, suggest another or negative the amendment, which would give an undue advantage to the undeserving rather than to those it was designed to benefit.

Mr. BATH: The poverty of the Attorney General's argument showed the value of the amendment. It was not always advisable to be guided by sentiment; but the sentiment of family life was the foundation of good citizenship, and legislation which disregarded that fact tended to break up the family. The Attorney General denounced the amendment as crude; but how crude was the whole Bill, when Ministers welcomed amendments from all sides of the House, and moved amendments of their own to remove crudities and imperfections. It was said the amendment would benefit the absentee; but last night the Treasurer

promised to provide that the absentee should not have any advantage from the exemptions. The Attorney General said that because a few parents did not care for their families, we ought to reject what was from a sentimental point of view an excellent proposal. Parents who neglected their children could be dealt with according to law. The Minister said he might have considered a deduction for the maintenance and education of children. To maintain and educate the children was the main duty of a parent, hence their education was made compulsory between certain ages. The State employed compulsory officers to see that the regulation was carried out; so that by the wish of the parent and by the laws of the State we provided that children should be not only maintained but educated. However, we should also see if we could not by our legislation, and efforts in many directions, lighten the burden on the people, and encourage them in their efforts in the up-bringing of their children. This was one step in that direction. Certainly £10 was not sufficient to bring up a child under the conditions desired; but there was no wish to make the deduction too large. On the other hand the very modesty of the proposition should commend it, showing that there was no wish to mutilate the Bill. The Treasurer, of course, approached the matter from a revenue point of view; but were we to consider the mere question of pounds, shillings and pence before the welfare of the State, which was involved in the proposal? We were endeavouring to foster the up-bringing of the children of the State as a future asset of the State. If it was merely a question of raising revenue there were other ways to do it. In fact, the arguments of the Attorney General and the Treasurer should commend the subclause.

Amendment (Mr. Bath's) put, and a division taken with the following result:—

Ayes	..	..	..	20
Noes	..	..	..	17
				—
Majority for	..	..	..	3

AYES.  
 Mr. Angwin  
 Mr. Bath  
 Mr. Bolton  
 Mr. H. Brown  
 Mr. T. L. Brown  
 Mr. Butcher  
 Mr. Collier  
 Mr. Draper  
 Mr. Heitmann  
 Mr. Holman  
 Mr. Horan  
 Mr. Hudson  
 Mr. Johnson  
 Mr. Male  
 Mr. Scaddan  
 Mr. Stuart  
 Mr. Taylor  
 Mr. Underwood  
 Mr. Walker  
 Mr. Troy (Teller).

NOES.  
 Mr. Brebber  
 Mr. Cowcher  
 Mr. Eddy  
 Mr. Gregory  
 Mr. Gull  
 Mr. Hayward  
 Mr. Keenan  
 Mr. McLarty  
 Mr. Mitchell  
 Mr. N. J. Moore  
 Mr. S. F. Moore  
 Mr. Piesse  
 Mr. Price  
 Mr. Smith  
 Mr. Veryard  
 Mr. F. Wilson  
 Mr. Gordon (Teller).

Amendment thus passed, the subclause added.

Mr. DRAPER moved an amendment that the following be added as a subclause:—

*Sums expended for repairs of premises occupied for residential purposes.*  
 Probably the amendment was unnecessary. The provision might be already included; but if so, it was in a somewhat doubtful manner, and it would be well to make the point clear. For instance, it was provided in Clause 19 that the man who improved land and occupied it for residential purposes was deemed to derive an income of four per cent. on the capital value of the land and improvements. That was purely an arbitrary description of income, and it appeared somewhat doubtful whether Subclause 1 of this Clause 31 providing for a deduction in regard to losses, outgoings and expenses incurred in the production of income would apply. The probability was that the court would hold that the cost of repairs should be deducted from the four per cent. on the capital value. To put it beyond doubt this new subclause should be inserted.

The TREASURER: It was provided in Subclause 32 that there should be no deduction as to repairs or alterations of premises occupied as a dwelling-house. The object of fixing four per cent. as the sum to be added in respect of a house was to have it low enough to make allowance for repairs.

Mr. DRAPER: Seeing that Clause 32 contained this prohibition, even if the amendment were passed it would be contradicted.

Amendment withdrawn.

Clause as previously amended put and passed.

Clause 32—What deductions not allowed:

Mr. ANGWIN: No deduction would be made in regard to payments of any kind made by husband to wife or by wife to husband. There might be a possibility of a double tax being paid on the one income if the husband, for instance, paid a salary to the wife.

The TREASURER: There was no possibility of a double tax being paid on the one income, but there was a possibility of preventing a husband entering into any collusion with his wife to pay her certain sums of money and charge it up against his income. It would prevent a bogus payment which might bring a man earning £250 within the exemption of £200.

Clause put and passed.

Clause 33—Commissioner may require farther returns:

The TREASURER moved an amendment—

*That the word "of" be struck out, and "or" inserted in lieu.*

Amendment passed; the clause as amended agreed to.

Clauses 34 to 48—agreed to.

Clause 49—Public officer of a company, duties and liabilities:

The TREASURER moved an amendment—

*That the words "or income" be inserted after "land" in line 1.*

Amendment passed; the clause as amended agreed to.

Clauses 50 to 53—agreed to.

Clause 54—Notice in *Gazette* when tax payable:

The TREASURER moved an amendment—

*That the words "on completion of the assessment books" be struck out.*

Amendment passed.

Mr. ANGWIN moved an amendment—

*That the words "half-yearly instalment of the" be inserted after the word "the" in line 3.*

The object of the amendment was to

provide that the land and income tax should be paid in two half-yearly instalments instead of in a lump sum once a year as was provided by the Bill.

The ATTORNEY GENERAL: The result desired by the hon. member would not be achieved by the amendment, for the clause dealt merely with the giving of notice in the *Gazette* as to the time when the tax was payable.

Mr. ANGWIN: When the Land Tax Assessment Bill was before the House last session the question of payment of the tax in two equal instalments was discussed, and the Committee were then so evenly divided on the question, that he expected a clause would be inserted in this Bill providing for the payment in two instalments. Perhaps the Minister would suggest to him a means by which he could bring forward his amendment in a more suitable manner than under the present clause.

The ATTORNEY GENERAL: If the member had adopted the usual course of asking either the Parliamentary Draftsman or him, when the House was not sitting, the best course to adopt in order to have his amendment debated, he would not have experienced any difficulty. The hon. member, however, did not adopt that course. The services both of the Parliamentary Draftsman and himself were always available to members, no matter what part of the House they occupied, if required, but they had to ask for them. The amendment was quite out of place in the present clause. The member did not wish to amend the regulation clause, but he wanted a provision to be inserted in the Bill that there should be half-yearly instalments. Although under Clause 65 the Governor could make a regulation that the tax should be paid half-yearly, the Governor could also revoke that regulation at any time. He suggested that the member should draft a new clause and move that it be inserted at the end of the Bill.

Hon. F. H. PIESSE: The feeling previously expressed by members in regard to the payment of the tax in two half-yearly instalments should be accepted by the Government. This practice was followed in regard to land rents. A new clause could be added to the Bill providing for

this. It would be better than having a regulation framed to this effect.

The TREASURER: Last session, when the Land Tax Assessment Bill was before the Committee, he opposed the payment of taxation in moieties for the reason that he would not be able to collect anything like the full amount of the tax in the current financial year. That was the only reason, and he pointed out then that the Governor-in-Council by regulation could provide for the tax being collected in half-yearly instalments, but suggested that members should let the matter go for the first year and later on a regulation could be framed for the purpose. He (the Treasurer) did not intend to oppose half-yearly payments longer if the Committee thought it ought to be adopted. He recognised it would be easier for the taxpayer, although the Government would suffer this year. Very little would be collected this year, but the assessments would be got out.

Amendment by leave withdrawn.

Mr. SCADDAN: While it might be advisable to provide by regulation that the tax should be paid in half-yearly instalments, in certain cases it would be an expensive system to adopt, for a person might only have to pay 1s. 9d. or 2s.

The Treasurer: A minimum could be fixed in the regulation.

Clause as previously amended agreed to.

Clauses 55 to 63—agreed to.

Clause 64—Application of proceeds of sale:

Mr. DRAPER moved an amendment—

*That after the word "shall" in Sub-clause (a), the words, "be paid into court and after such advertisement as the court or Judge may direct, shall" be inserted.*

The amendment was proposed in order to protect a man who held a certificate of title by way of security. When a transfer was lodged in the Titles Office for registration, the registrar called up the certificate and would not register the transfer until the certificate was obtained. It had been found by experience under the Municipalities Act where land had been sold for the purpose of payment of rates, that there was great difficulty in

obtaining the title or giving a title to the purchaser, and necessarily it meant that the purchaser frequently obtained the land at less than its real value. No doubt to meet the necessity, to give a title to the purchaser when the land was sold for the purposes of the land tax, the provision was imported into the Bill. As the clause stood at present, the purchaser could take his transfer to the Titles Office and as soon as he lodged it there under the provisions of the Bill it would be registered, and it would leave any one who had advanced money on the security of the title out in the cold. Without in any way interfering with the efficacy of the clause—because the property was not sold until after advertisement had appeared and on the order of a Judge—we could provide that the proceeds of the sale should be paid into court until such time as the advertisement had appeared, and we would then give the man who held the certificate of title an opportunity of seeing the advertisement and going to the court and saying he was entitled to some of the money in court and that until the claim was decided he objected to the money being paid out.

*The Treasurer:* The Government agreed to the amendment.

Amendment put and passed.

Mr. DRAPER moved a farther amendment—

*That in line 6 of Subclause (d.) the word "but" be struck out and "provided that" inserted in lieu; also that in lines 7 and 8 the words "make such orders and publish such advertisements" be struck out and the words "do and perform all such acts and things" inserted in lieu.*

This was really an amendment to make the clause a little clearer. On looking at the Transfer of Land Act it was difficult to see how this clause applied to it. If the clause read as he suggested, it would be easy to understand, and the reference to the Transfer of Land Act. It would enable the registrar if he thought fit to advertise any lost certificate or make some third person bring in the certificate. It would not interfere with the clause.

Amendment passed; the clause as amended agreed to.

Clauses 65 to 70—agreed to.

Clause 71—Penalties may be imposed by regulation:

The TREASURER: moved an amendment—

*That the words "except where otherwise expressly provided" be inserted after "shall" in line 2.*

Without these words the clause would conflict somewhat with Clause 68, which provided specific penalties.

Amendment passed; the clause as amended agreed to.

### *Mortgages Assessment.*

New Clause—Assessment of mortgaged lands:

Mr. DRAPER moved that the following new clause be added as Clause 75:—

*(1.) For the purpose of the Land Tax all lands shall be assessed after deducting the amount of all moneys secured by any mortgage to which such lands are subject.*

*(2.) For the purpose of this section the word "mortgage" means and includes any charges whatsoever upon land for securing the payment of money, and whether created by deed or other instrument in writing or by any other means whatsoever.*

He would not repeat his argument of the other evening, when he adopted the suggestion to move this as a substantive clause. The Bill as it stood would tax mortgaged lands twice over. It would tax the owner in respect of the land and the mortgagee in respect of the income. Suppose a block of land worth £1,000 carried £700 worth of improvements, while the unimproved value was £300 and the land was mortgaged for £600. Under the new clause the amount of the mortgage would swamp the land tax, which would not be payable at all; but the State would get the equivalent from the income tax on the interest. The lender would probably not be entitled to any exemption. His interest at 6 per cent. would be £36, on which his income tax at 4d. would be 12s., while the land tax at £300 would be 12s. 6d. Thus under the new clause the State would receive the same amount, but the incidence of the tax would be fairer, as it was unreasonable to

tax the mortgagor on the full unimproved value, seeing that the land was mortgaged and that the mortgagee would pay income tax on the interest.

Mr. BATH moved an amendment that the following be added to the proposed clause—

*Provided that such mortgage shall so far as the amount of the moneys thereby secured does not exceed the unimproved value of the said land, be deemed to be the unimproved value of the land, and be liable to taxation under the provisions of this Act.*

He agreed with the mover (Mr. Draper) that it was unfair to tax the full unimproved value of mortgaged lands, when the only amount the mortgagor could be really said to own was the value in excess of the money borrowed. The new clause would only free him from taxation on the amount covered by the mortgage, and the proviso would make the mortgagee liable for land tax on the amount which he had advanced.

*The Attorney General:* What about the balance?

Mr. BATH: The mortgagor would pay on the balance.

*The Attorney General:* That was setting off money lent on improvements against a tax on unimproved values.

Mr. BATH: No. For the income on the money received from improvements the mortgagee would be liable under the income tax, whereas the Bill as it stood would enable the mortgagee to escape the land tax and put it on the mortgagor, who would have to pay the full amount, though he held only the amount in excess of the sum secured by the mortgage. Under the Bill the mortgagee would have to pay nothing but income tax on the interest derived from the mortgage; and unless the interest exceeded £200 he would escape taxation, while the whole burden would be imposed on the mortgagor. If a man lent on mortgage £10,000 to different persons, each borrower would be liable for land tax on the unimproved value of the land, while the mortgagee would escape, except for income tax.

*The Premier:* The difficulty was, the mortgage was on the land and improve-

ments. To be equitable, the tax would have to be *pro rata*.

Mr. BATH: Suppose a block of land with an unimproved value of £4,000 and £3,000 worth of improvements, or a total value of £7,000. If a mortgagee advanced £5,000 at 5 per cent. he would have an income of £250. He would thus be liable for income tax on £50; but under the proviso to be moved he would pay land tax on £4,000. The proviso would ensure that the mortgagee should pay the land tax or the income tax, whichever was the greater; and even with the rebate for improvements, the greater amount would generally be the tax on the unimproved value of the land.

*The ATTORNEY GENERAL:* To grasp the position members would find it necessary to give close attention to the new clause and its suggested amendment. Though highly technical the subject was put in a light that might well appeal to members' sympathies, though this was merely a question of the incidence of taxation, which incidence the Committee had already determined by making the owner of land liable to pay a tax on its unimproved value. A mortgage was simply a pledge. If the owner borrowed money for any purpose, he mortgaged his land as security for repayment of the money borrowed. Was it to be said that because a man chose for any purpose to borrow money, and in order to do so made use of the asset of the land that he held, he was to be removed from the operation of the general law which imposed a tax on the unimproved value of land? One could conceive no reason for that. It seemed to be a proposition of an entirely original character. It seemed absurd to put forward such a bald contention. Furthermore, it must be remembered that in 90 cases out of 100 money was only lent on the value of improvements. With the Agricultural Bank, which was the institution that dealt more than any other in advancing money on the security of land and which was far more generous than the ordinary commercial institution, it was an absolute rule to make no advances except on the value of the improvements.

*Mr. Scaddan* : Improvements were the only security the bank had for advances on conditional purchase land.

The ATTORNEY GENERAL: Members would see that apart from the absurdity of allowing a man to step outside the operation of the law, there was the absurdity of setting off against the unimproved value of the land any part of the sum lent on improvements. This should make members pause and not rush to a sympathetic conclusion that a dual tax was to be paid. It was no such thing. Wisely or unwisely, we had said it was a fair tax to impose to ask land holders to pay a tax on the unimproved value of land; but now we were asked to say that because a man borrowed money he should be allowed to set-off the money borrowed or any part of it against the amount of the assessment he became liable to under this legislation. The amendment moved by the Leader of the Opposition was to provide that a mortgage should, so far as the amount of it did not exceed the unimproved value of the land, be deemed to be the unimproved value of the land, and should be liable to taxation under the provisions of this Bill. That was a phase of the question one could discuss wholly apart from the proposition of the member for West Perth. It was a proposition whether a mortgage should be treated under the category of an income tax, or dealt with under a land tax as was the case in New Zealand. One could come to a conclusion on that point without touching upon the question submitted by the member for West Perth. The two propositions were distinct. There were many things to be said for or against the proposition of the Leader of the Opposition, but it was to be hoped the hon. member would not seek to have it attached to the proposition made by the member for West Perth. Standing entirely on its own basis the proposition of the Leader of the Opposition was worthy of consideration, but it had no connection with the proposed clause; and members should not, from some misleading idea of sympathy, rush to a conclusion which calm consideration would show them was a false one, and one to which they should not be parties.

The TREASURER: To adopt the proposal of the member for West Perth would be dangerous. It would have a more far-reaching effect than members would suppose from the remarks of the hon. member. In our legislation we had followed the practice of South Australia and Victoria in ignoring mortgages, as such, in our taxation proposals. It was true that in New Zealand they exempted these mortgages, because there was a special taxation on them, a land tax on the capital value of the mortgages. In Tasmania there was a small rebate on mortgages to one-sixth of a penny in the pound; but owing to the fact that there was no *Hansard* published in Tasmania, he had been unable to read up the debates which took place so as to ascertain the reason for the rebate. In connection with the proposal of the member for West Perth, the man who loaned money on the security of land was in no sense the owner of the land; our tax was against the land itself and against the owner of the land, who got the increased value of the land. Therefore the mortgagee had no interest in the land beyond the repayment of his advance, which was lent on the covenant of the owner to repay it; and until the mortgagee took possession of the land, he was not interested in it and should not be called upon to pay the tax. If we were to make the mortgagee pay the land tax, or to exempt the amount of money borrowed from the incidence of the land tax, then why should we penalise the man who paid cash for his land? The man who mortgaged his land did not part with the ownership. The member for West Perth pointed out that it might well happen that the exemption would swallow up the whole of the land tax. That condemned the proposition. It showed what the Attorney General pointed out, that mortgages as a rule were not on the unimproved value of the land, but they were on the land with improvements thereon. If we were to give an exemption because a man had actually signed a mortgage deed, what about the man who had given an equity mortgage, depositing his deeds by way of security with the bank? Should he not also be taken into consideration?

*Mr. Draper* : That was covered by the proposed clause.

The TREASURER : Take the case of the Midland Railway Company's lands which were all under mortgage to debenture-holders; was it proposed they should be exempted? No member would say that those debenture holders should get off scot free because they had a mortgage on the land. The question was who received the benefit from the sale of those lands? The mortgagee could only get his capital back and it was the mortgagor who benefited. If the owner, say of unimproved land, wanted money and mortgaged his property, utilising the amount borrowed in a business in order to earn an income, he could in that case set off the interest he paid on the money so borrowed. If he gave a mortgage on his land for the purpose of improving it and derived income from the land, he could set it off as outgoing against the income tax. If the land were improved and earning an income, there was the position that the owner or borrower of the money had to pay land tax irrespective of the mortgage; but he could take from the income tax the interest he paid in respect of the mortgage, and could set off his land tax to the extent of the amount as against the income tax, if he had cultivated the land and was using it for horticultural or agricultural purposes. It was provided that in every case where a man was utilising his land he should not by any chance have a double impost, but where a man had unimproved land and was keeping it for speculative purposes, he had to pay.

*Mr. DRAPER* : In referring to the amendment, the Attorney General had adopted a somewhat narrow view. He gave one or two isolated instances which apparently satisfied him there was nothing in the amendment. It was surprising to hear him say that in 99 cases out of 100, mortgages were on improvements; in other words, that for every 100 mortgages on land containing improvements there was only one on unimproved land. His (*Mr. Draper's*) experience might be different from the Attorney General's, but other members would bear him out when he said that

frequently unimproved land was subject to mortgage. Unimproved land was often purchased, and a portion of the purchase money was left on mortgage. In such a case the owner's interest in the land was really the unimproved value less the amount of the mortgage. If a man purchased a block of land for £100 and could only pay £50 cash for it, leaving the balance on mortgage, the purchaser's interest was £50 and the vendor's £50. Notwithstanding this, according to the Bill the purchaser would have to pay land tax on £100. It was quite immaterial whether the borrowed money was obtained on land or any other form of security. Whatever the money was borrowed on, and whatever mortgage was given over the property, the owner's interest in that property was only the difference between its value and the amount of the mortgage.

*Mr. Hudson* : Did it not all depend on the use the borrower put the money to? He might re-invest it with profit.

*Mr. DRAPER* : The revenue would not suffer in any case. If the borrower invested the money and obtained interest on it, or made a profit out of it, he by that means obtained an income upon which he would have to pay income tax. The Attorney General had cited the instance of the Agricultural Bank in support of his argument that advances were made only on improvements. All knew that it was a necessary feature of the bank's transactions that there should be advances made only on improvements, and it must not be forgotten that land upon which money from the bank was borrowed was not freehold but conditional purchase. The Treasurer stated that we were following the South Australian law. The Act in that State was the oldest land tax in the Commonwealth. The Victorian Act could be practically disregarded, for it was merely a tax for the purpose of bursting up big estates. He could safely say there was no land tax in Victoria at all, for it only existed on property worth more than £2,500, and over 650 acres in area. In Tasmania, New Zealand and New South Wales, the principle that where a man mortgaged his land he should only pay the tax on

the difference between the value of the land and the amount of the mortgage was recognised, although in different ways. We were not seeking to impose taxation for the purpose of punishing people, or to tell them how they should invest their money. The Treasurer had said a man who paid cash for his land should not be penalised as against one who bought on credit. By that very suggestion he proved the point urged in the amendment. Take the case of two men, each of whom had £500. One purchased a block of land valued at £500 and paid cash for it, and the other purchased a block worth £1,000 and paid £500 cash, leaving the balance on mortgage. Each of them really had an interest in land to the value of £500. It was easy to say we should have nothing to do with the amendment, because it was possible that the amount of the mortgage included improvements, which might swamp the total unimproved value of the land. That instance could be disregarded because the country was getting the benefit. The man who mortgaged for the sake of improvements probably increased his income, or should do so, and therefore would pay an additional income tax; while the man who had a mortgage increased his income and also paid a tax on it. The country would be no whit the worse off if the amendment were carried, and the revenue of the State would be practically the same in each case. If the amendment proposed by the Leader of the Opposition were adopted it would possibly make the Bill a little simpler, but the effect would be the same as under the new clause he (Mr. Draper) had proposed. In each case the incidence of taxation would be more fairly distributed than under the present incidence of the Bill.

Mr. JOHNSON : There was a new clause before the Committee and an addition by the Leader of the Opposition. If the two questions were put together, the Committee might vote both down, and while he (Mr. Johnson) favoured the amendment by the member for West Perth, he would like the proposal of the Leader of the Opposition farther discussed.

The CHAIRMAN : The question he was putting was that the amendment of the Leader of the Opposition be added to the new clause.

Amendment (Mr. Bath's for adding to the new clause) put and passed.

New Clause (Mr. Draper's) as amended put, and a division taken with the following result :—

Ayes	..	..	15
Noes	..	..	24

Majority against .. 9

AYES.	NOES.
Mr. Bath	Mr. Angwin
Mr. Bolton	Mr. Brebber
Mr. H. Brown	Mr. Collier
Mr. T. L. Brown	Mr. Cowcher
Mr. Butcher	Mr. Davies
Mr. Draper	Mr. Eddy
Mr. Heitmann	Mr. Ewing
Mr. Holman	Mr. Gregory
Mr. Hudson	Mr. Gull
Mr. Johnson	Mr. Hayward
Mr. Stuart	Mr. Keenan
Mr. Taylor	Mr. McLarty
Mr. Troy	Mr. Male
Mr. Underwood	Mr. Mitchell
Mr. Horan (Teller).	Mr. Monger
	Mr. N. J. Moore
	Mr. S. F. Moore
	Mr. Price
	Mr. Scaddan
	Mr. Smith
	Mr. Stone
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (Teller).

New clause thus negatived.

#### *Payment Half-yearly.*

New Clause (Instalments) :

Mr. ANGWIN moved that the following be added as a new clause :—

*Where the amount payable by any taxpayer, either in respect of land tax or income tax or in respect of both, exceeds the sum of 10s., the same shall be payable in two half-yearly instalments at such times as the Governor may direct by notice published in the Government Gazette.*

The TREASURER understood the member accepted the suggestion that this provision would be embodied in the regulations, and that a minimum would be provided.

Mr. Johnson : The member had stated he would move a new clause.

Mr. ANGWIN : Municipal rates, water rates, and the land and income tax might become due at the same time; therefore it was necessary the tax should be made payable in two instalments.



*The Treasurer* : Make it £1 instead of 10s. and it would be accepted.

Mr. ANGWIN was agreeable to make the minimum one pound.

New clause (amended to read "one pound") put and passed.

Title—agreed to.

Bill reported with amendments.

## BILL—LAND AND INCOME TAX.

### *To impose a Tax—Second reading.*

Debate on this Bill had been suspended until the Assessment Bill was dealt with; now formally resumed from the 7th November.

Question put and passed.

Bill read a second time.

### *In Committee.*

Mr. Daglish in the Chair, the *Treasurer* in charge of the Bill.

Clause 1—agreed to.

Clause 2—Grant of land tax and income tax :

Mr. SCADDAN : Could one move to increase the amount of the land tax from 1d. to 1½d., in Subclause (a) ?

The CHAIRMAN : No. It was not within the province of the Committee to increase the tax.

Mr. SCADDAN : Last year the amount of the proposed land tax was 1½d.

The TREASURER : Was the hon. member in order in arguing for the increase of a tax which the Committee had no power to increase ?

The CHAIRMAN : The hon. member was quite in order in expressing his views either for or against any part of the clause, or in giving reasons why taxation should be either higher or lower than was proposed in the clause.

Mr. SCADDAN : The land tax had been reduced because an income tax was added ; yet it was proposed that none should pay the two taxes, but should pay whichever was the greater. Why then should the land tax be reduced ?

*The Attorney General* : The taxes were amalgamated only when the income was derived from the land.

Mr. SCADDAN : The sole reason for the joint tax was to meet the wishes of another place, by roping in the whole

of the public as well as the landowner. Amalgamating these taxes would permit many landowners to evade the land tax owing to the amount of their income tax being the greater. The exemptions proposed in the income tax as introduced had been radically altered, and would reduce the total amount to be received ; hence the amount of the land tax should be increased to 1½d., and in that increase the Treasurer would receive the support of the majority of members.

### *Tax to be graduated.*

Mr. BATH moved an amendment that paragraph (b) be struck out, and the following inserted in lieu :—

"The rates of the duties of income tax which shall, pursuant to the Income Tax Acts, be charged, levied, collected, and paid for the use of his Majesty in aid of the consolidated revenue for the year ending on the thirty-first day of December, One thousand nine hundred and eight, are hereby declared to be as follows, that is to say :—

### *On Personal Exertion.*

(a) On all incomes derived by any person (not being a company) from personal exertion—

For every pound sterling of the taxable amount thereof up to five hundred pounds, threepence ;

For every pound sterling of the taxable amount thereof over five hundred pounds and up to one thousand pounds, fourpence ;

For every pound sterling of the taxable amount thereof over one thousand pounds and up to one thousand five hundred pounds, fivepence ; and

For every pound sterling of the taxable amount thereof over one thousand five hundred pounds, sixpence.

### *On Produce of Property.*

(b.) On all income derived by any person (not being a company) from the produce of property—

For every pound sterling of the taxable amount thereof up to five hundred pounds, sixpence ;

For every pound sterling of the taxable amount thereof over five hundred pounds and up to one thousand pounds, eightpence ;

For every pound sterling of the taxable amount thereof, over one thousand pounds and, up to one thousand five hundred pounds, tenpence ; and

For every pound sterling of the taxable amount thereof, over one thousand five hundred pounds, twelvepence.

*On Incomes of Companies.*

(c.) On the income of any company liable to tax (not being a life assurance company) for every pound sterling of the taxable amount thereof, sevenpence.

*On Income of Life Assurance Companies.*

(d.) On the taxable amount of the income of any company which carries on in Western Australia the business of life assurance, for every pound sterling of the taxable amount thereof, eightpence."

The amendment would make the income tax press less heavily on those liable; and while it would in some instances reduce the amount payable, that amount would in other instances be increased.

*The Treasurer :* The hon. member could not increase taxation.

*Mr. BATH :* This was not increasing taxation. It was, up to a certain point, reducing taxation.

*Point of Order.*

*The Treasurer :* According to Standing Order 387—

"It shall not be competent for a private member to move the House into a Committee of Supply, or of Ways and Means, nor into a Committee of the whole House, for imposing any tax, indent, or impost, nor shall it be competent for a private member of any such Committee to propose increases on the amounts proposed therein."

*Mr. Bath :* The impost was already fixed by the provisions of the Bill, and he was not introducing the proposal, but

merely seeking to amend what the Treasurer had introduced under cover of a Message from the Governor. As to increasing the tax, if he were to move that "fourpence" in paragraph (b) be struck out and "fivepence" be inserted in lieu, he would be out of order. But his amendment proposed a reduction of the amount proposed in the Bill, and was merely an adjustment of the burdens to be borne by different taxpayers, not an increase of the burden. By the machinery measure discussed to-night the taxpayer would pay either the land or the income tax, whichever was the greater ; and by that Bill, as well as by paragraph (a) of this clause, we had provided that greater amounts should be paid under the land tax than were specified in any paragraph of his amendment, which, therefore, in no way conflicted with the Standing Order.

*The Chairman* must rule against the amendment, on the Standing Order quoted and also on the practice of the House of Commons as laid down in *May* (1906 edition, page 564) as follows :—

"The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue applies equally to taxation levied to provide that revenue. No motion can therefore be made to impose a tax save by the Minister of the Crown, unless such tax be in substitution by way of equivalent for taxation at that moment submitted to the consideration of Parliament ; nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration be made in the area of imposition.

In like manner, no increase can be considered by the House, except on the initiative of a Minister, acting on behalf of the Crown, either of an existing or of a new or temporary tax for the service of the year ; nor can a member other than a Minister move for the introduction of a Bill framed to effect a reduction of duties, which would incidentally effect the increase of an existing duty, or the imposition of a new tax, although the aggregate—

This was bearing on the point raised by the hon. member—

amount of imposition would be diminished by the provisions of the Bill. When a schedule of duties has been reported from a Committee, and agreed to by the House, the Committee on the Bill cannot increase such duties, nor add any articles not previously voted; but if the duties so voted are less than those payable under the existing law, it is competent for the Committee on the Bill to increase them, provided such increase be not in excess of the existing duties."

And so on. There were other references relating mainly to duties and customs. On page 625 this subject was farther dealt with, and it was specifically provided:—

"No augmentation of a tax or duty asked by the Crown, as has been already explained—

On page 563 in the words just quoted—' can be proposed to the Committee, nor tax imposed, save upon the motion of a Minister of the Crown; and accordingly an amendment designed to extend the imposition of licenses upon brewers, as proposed by the Government, to other manufacturers, was ruled to be irregular; nor would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted."

These, coupled with our Standing Order read by the Treasurer, left no alternative but to rule the amendment in its present form out of order.

*Mr. Bath:* The authorities upheld the contention of the Treasurer that the amendment was out of order; but under what circumstances was it possible for a private member to move in regard to the alteration of the incidence of any tax?

*The Chairman:* The hon. member could move a specific amendment on the clause for the purpose of testing the feeling of the Committee. The amendment could take any form, so long as the mover specified the purpose for which it was moved. The hon. member could propose to strike out words, or to insert words, and in doing so specify what his object

was, to obtain an expression of the opinion of the Committee in favour of taking a particular course. That had been done repeatedly in other Parliaments, and invariably allowed the Committee, if it so pleased, to give what practically amounted to an instruction to the Government of the day in regard to the imposition of a tax, and in regard to other financial propositions.

*Discussion resumed.*

*Mr. BATH* then moved an amendment—

*That the word "fourpence" in line 7 of paragraph (b.) be struck out, with a view to inserting "one penny" in lieu.*

*The CHAIRMAN:* The hon. member would have wider scope in regard to the particular proposition, and would get a more thoroughly reliable expression of opinion, if he moved the first part of his amendment on the Notice Paper down to "fourpence," in the second paragraph of (a.).

Amendment withdrawn.

*Mr. BATH* moved an amendment that paragraph (b.) be struck out, and the following inserted in lieu:—

"The rates of the duties of income tax which shall, pursuant to the Income Tax Acts, be charged, levied, collected, and paid for the use of His Majesty in aid of the consolidated revenue for the year ending on the thirty-first day of December, One thousand nine hundred and eight, are hereby declared to be as follows, that is to say—

*On Personal Exertion.*

(a.) On all income derived by any person (not being a company) from personal exertion—

For every pound sterling of the taxable amount thereof up to five hundred pounds, threepence;

For every pound sterling of the taxable amount thereof over five hundred pounds, fourpence."

While it might sound inequitable to impose a tax which increased the amount on higher incomes, the verdict of the Com-

mittee on the Land and Income Tax Assessment Bill, as expressed by the general approval of exemptions, was that before an income tax was imposed it was always advisable to make sufficient exemption to secure to the taxpayer the means of livelihood at a comfortable standard. If we accepted that verdict and fixed the exemption at £200, though the taxation would increase under a graduated scheme, the surplus which the taxpayer would have over and above £200 would be greater in the larger incomes. If we imposed a tax of 1s. on incomes over £1,500, the imposition of that tax would really be felt less by the taxpayer than would a tax of 4d. be felt on incomes under £500. That was the view accepted by every community where income taxation had been proposed; and President Roosevelt, of the United States, in attacking "the fruits of predatory wealth" in that country, advocated a tax on incomes with a considerable increase in the amount per pound sterling on large incomes. The Treasurer repeatedly made the statement that something was in the New Zealand Act or in the South Australian Act. If the example of those States was good enough to follow, why was it not good enough to follow in the universal policy pursued of having graduations in imposing the tax? If the Treasurer wished to increase the revenue here was an opportunity to follow an example well honoured by those countries, and the result would be that the tax would not be so burdensome on the taxpayer after we had exempted the income that would give a man a comfortable living.

[Mr. Hudson took the Chair.]

The TREASURER: It was not his intention to detain the Committee to-night to debate the proposal at length, for he desired merely to explain that the Government, when considering the drafting of the Bill, took the matter into full consideration and after having discussed it thoroughly, came to the conclusion that the best and simplest form would be that which was adopted in the Bill. As to what the Leader of the Opposition had said to the effect that in every State there was a graduated tax, he had evidently

overlooked New South Wales, whose measure was the one we copied particularly, and where there was no form of graduated taxation. In that State it was simply a tax of 6d. in the pound, with £200 exemption. We proposed in the Bill a tax of 4d., and now the Committee had decided that there should be a £200 exemption. We were, therefore, practically in line with the legislation of the mother State of the Commonwealth.

[Mr. Daghish resumed the Chair.]

Mr. SCADDAN moved—

*That progress be reported.*

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

Ayes	..	..	..	15
Noes	..	..	..	23

Majority against .. 8

AYES.	NOES.
Mr. Angwin	Mr. Brebber
Mr. Bath	Mr. Cowcher
Mr. Bolton	Mr. Davies
Mr. T. L. Brown	Mr. Draper
Mr. Collier	Mr. Eddy
Mr. Holman	Mr. Ewing
Mr. Horan	Mr. Gregory
Mr. Hudson	Mr. Gull
Mr. Johnson	Mr. Hayward
Mr. Scaddan	Mr. Keenan
Mr. Stuart	Mr. McLarty
Mr. Taylor	Mr. Male
Mr. Troy	Mr. Mitchell
Mr. Underwood	Mr. Monger
Mr. Heitmann (Teller).	Mr. N. J. Moore
	Mr. S. F. Moore
	Mr. Piesse
	Mr. Price
	Mr. Smith
	Mr. Stone
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (Teller).

Motion thus negatived.

[Mr. Hudson took the Chair.]

The TREASURER: There had been a misunderstanding. The arrangement he made with the member for Guildford (Mr. Johnson) as he understood it—

Mr. Scaddan: The Treasurer made the arrangement, and should know what it was.

The TREASURER: Would the member for Ivanhoe behave decently? Surely he could listen to an explanation. The arrangement with the member for Guildford was that if the Chairman ruled the amendment of the Leader of the Opposition out of order, then the Committee would sit on to pass the Bill. If on the other hand the Chairman ruled that the

amendment was in order, then the debate would be adjourned until the following day.

*Mr. Johnson:* That was correct.

The TREASURER: The Chairman had ruled the amendment out of order. True, he gave the Leader of the Opposition some advice as to how to get the sense of the Committee; but still he ruled the amendment out of order, and therefore the discussion would be continued according to the arrangement. He (the Treasurer) was not going to be bounced by the member for Ivanhoe or anyone else. He made a compact honourably and straightforwardly, and would keep it.

Mr. BATH: Even if the case were as stated by the Treasurer, he was merely getting out of the position by a technicality.

*The Treasurer* was trying to get out of nothing.

Mr. BATH: After the Chairman had ruled the amendment out of order, he gave advice as to how a discussion on the graduation of an income tax would be in order; that the whole thing could be discussed and the sense of the Committee obtained by moving the first portion of the amendment; and that if the decision of the Committee were favourable, it could be deemed an instruction to the House. Had the Chairman stated the amendment was in order, the debate would have been adjourned until the following day, under the arrangement made by the Treasurer. From a straightforward point of view, the promise made by the Treasurer should hold good, and especially seeing that we were here until four o'clock this morning and had now put the Land and Income Tax Assessment Bill through Committee.

Mr. JOHNSON: On the previous night there had been no blocking of business on the part of the Opposition; but there was a somewhat lengthy discussion, and in the early portion of the evening that was contributed to largely by Ministerial members. It was only fair to adjourn early to-night. The agreement between the Treasurer and himself was in the terms indicated by the Minister. Why the member for Ivanhoe felt so aggrieved

was that while he was speaking on the question, he (Mr. Johnson) appealed to him to stop, as it was desired to adjourn the House early that night. In order that this might be done, the member for Ivanhoe ended his remarks; but he now found that the Treasurer desired to continue the debate and put the Bill through at this sitting. As the Leader of the Opposition had pointed out, the discussion would be exactly the same as if the amendment had been allowed by the Chairman. Mr. Daglish had pointed out how the Committee could discuss the question of a graduated income tax in the same manner as would have occurred had the amendment been permissible. The Treasurer ought to carry out his compact, and adjourn the debate until the following day.

The TREASURER: The member for Guildford admitted that the explanation made as to the terms of the agreement was correct. He knew there would be a way of raising a discussion.

*Mr. Taylor:* Now, now.

The TREASURER: Would the member keep quiet, and behave himself as a gentleman?

*Mr. Scaddan:* Evidently no one in the House was decent except the Treasurer.

The TREASURER: If members would continue to interject and to cast reflections, he would sit down and let the debate go on; but he desired to meet the wishes of the Committee, and did not want to keep members here all night again. He was not going to be bullied into giving up his position.

*Mr. Scaddan:* The Treasurer might keep his promise.

The TREASURER: The member for Mount Margaret knew well there were always means to be found by which a discussion could be raised on a question of this sort. When the agreement was made, he said that if the amendment of the Leader of the Opposition was ruled out of order the Bill would be taken through Committee at that sitting. If the Leader of the Opposition, however, wished the debate on the question to be adjourned, he (the Treasurer) would not now stand in the way. He trusted members would treat him with politeness and courtesy.

Mr. TAYLOR : On this question—

The CHAIRMAN : There was no necessity for farther explanation. Those who were interested in the compact had dealt with it, and it need go no farther.

The TREASURER : In deference to the wishes of members opposite, who desired to discuss the principle of a graduated income tax, he moved—

*That progress be reported and leave asked to sit again.*

Progress reported, and leave given to sit again.

### ADJOURNMENT.

The House adjourned at 10.31 o'clock, until the next day.

## Legislative Assembly,

Thursday, 28th November, 1907.

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

Prayers.

### APPROPRIATION MESSAGE.

Message from the Lieutenant Governor received and read, recommending an appropriation for the purposes of the District Fire Brigades Bill.

### PAPERS PRESENTED.

By the Treasurer : Report of Aborigines Department for 1907.

By the Premier : By-laws of the Municipality of Fremantle.

By the Minister for Works : By-laws of the Williams Roads Board.

### \* QUESTION — PUBLIC SERVICE CLASSIFICATION, PROFESSIONAL.

Mr. DRAPER asked the Premier: 1, Does the Government intend to accept the professional classification of the Public Service Commissioner without considering the question of amending the Public Service Act, 1904? 2, If so, is it the intention of the Government to permit the Commissioner to sit as a member of the Appeal Board? 3, Can the Government obtain an explanation from the Commissioner why in his table of grades and salaries for professional men he classifies them after 13, 14, 15, and 16 years' service at a smaller salary per annum than non-professional men of a like period of service? 4, If the Government are able to obtain the explanation, what is it?

The PREMIER replied: 1, Yes, with certain reservations. 2, There is no alternative under the Act. 3, Yes. 4, The Commissioner states that the basis of classification under the Public Service Act is neither the age nor the number of years of service of the officer who for the time being may occupy a position. The salary proposed by the Commissioner for each position is, he believes, a fair and reasonable remuneration for the actual services required to be rendered to the State, and due regard has been given to the salaries paid for similar services elsewhere, the salaries paid by private employers; and present population of the State. If an officer possesses information which he has reason to believe the Commissioner has not taken into consideration, the proposal of the Commissioner is, at the instance of the officer, subject to review by the Appeal Board, composed of the Commissioner as Chairman, a member appointed by the Governor, and a member elected by the Division of the Public Service in which an officer is placed.