

UNIFORM TAXATION

State's Protest

PREMIER'S MOTION CARRIED UNANIMOUSLY

Perth, May 13.—Without one dissentient voice the Premier's motion expressing opposition to uniform taxation was carried in the Legislative Assembly to-day. The House agreed to include in the motion a request that West Australian Senators oppose the tax plan.

The Premier's motion was as follows: "That this House expresses its strongest opposition to what are known as the uniform taxation proposals. These proposals would deprive the States of their Constitutional power to levy income tax and thus seriously impair the exercise of the functions entrusted to them under the Constitution for the welfare of the people. They would effect a fundamental change in the Constitution of Australia in an undemocratic manner, without reference to the people, and would violate the rights of the States and people. It has not been shown that the proposals are essential for the war effort, and it is the opinion of this House that they should not be put into effect.

Mr. Watts (C.P., Katanning) said that the idea that there would be a reduction of taxation had been created so that the people would swallow what would otherwise be a bitter pill. There would be no substantial gain to the war effort or finances of the Commonwealth by having uniform taxation. If the Commonwealth Government was anxious to secure more money for war purposes, the proposed extra expenditure on social services could be postponed.

Mr. Watts moved that the following clause be added to the Premier's motion:—"That West Australian mem-

clause be added to the Premier's motion:—"That West Australian members of the Senate be requested by this Parliament to exercise their privilege as protectors of State rights and, in the interests of this State, to oppose the proposals, and that other State Governments be requested by the Premier to take similar action." The amendment was agreed to on the voices.

Mr. Hughes (Ind., East Perth) pointed out that 22 taxes were being collected by the Taxation Departments. To the middle class business man uniform taxation would be a godsend. If the Federal Government intended to use its proposed taxation powers for unification, the Western Australian Parliament could be reduced to the possession of less power than the Perth City Council.

The Premier's motion, as amended, was then put to the vote and carried on the voices.

Upper House Motion

In the Legislative Council to-day, Sir Hal Colebatch resumed the debate on the following motion moved by Mr. Seddon:—"That in view of the effect of the Federal Government's proposal for unified income tax on the finances of the States, and while recognising the necessity for the Federal Government to have a field of finance free to be devoted to war requirements, the whole question of the financial relationship between the Commonwealth and the States should be submitted to the State Parliaments before ratification of the proposal."

"I compliment the Government and I hope this will be regarded as a precedent, so that whenever the rights of the people are threatened Parliament will be called together to express its opposition to such proposals," Sir Hal Colebatch said.

Under the proposals, he said, the whole matter of State development would be subject to Federal control. Previous experience had shown that New South Wales always received a larger proportional share of Federal money at the expense of the smaller States. If the Federal Government

money at the expense of the smaller States. If the Federal Government could take away the rights of the States under clauses 106 and 107 of the Constitution, then the States had been the victim of a confidence trick. Section 51 gave the Commonwealth power to impose taxation up to 20/ in the £1, and if the Commonwealth exercised this right, any taxation rights the States had under any other sections of the Constitution would disappear. Two members of the committee on uniform taxation, Mr. J. H. Scullin and Mr E. S. Spooner, were strong supporters of unification, so their recommendations could be anticipated. The anomaly mentioned in the report that taxation could rise above 20/ in the £1 was entirely a Commonwealth responsibility, which it could remedy. The solution of that was certainly not uniform taxation.

"Any policy," continued Sir Hal, "which places increased spending power in the hands of those on the lower scales of income in wartime is a fatal policy and the increase due could be deferred and paid in a sum at the end of the war." Referring to the rush to spend money on clothing, following the proposal to introduce rationing, Sir Hal said it should have been the simplest thing in the world for a ticket system to be introduced and put into operation at a moment's notice. Many people in the rush bought things they did not need. He said that he had no faith in the statement that £250,000 per annum would be saved in collection expenses and 1000 men made available from the Taxation Department.

The Chief Secretary, Mr. Kitson, said that it was well known that the proposals did not meet with the approval of the State Government. All of the Premiers had opposed the proposals, so he could not see where New South Wales could be getting such an advantage as Sir Hal Colebatch had suggested.

Sir Hal Colebatch: They will not surrender their rights, that is the point.

Mr. Kitson said that under the proposals it was claimed that income tax

posals it was claimed that income tax would be lower during the first year of the proposed scheme, but, while this was probable, there was no guarantee of what would happen in the succeeding years.

Mr. E. H. Hall (C.P., Central Province) said that, when Federation was first suggested, canvassers for the movement promised a reduction in the cost of Government, but it was unnecessary for him to say how erroneous that statement was.

Mr. J. Cornell (Nat., South Province) said that a deadlock had been reached, but there was still time for the Commonwealth and State Governments to come together and formulate a scheme, so that the sovereignty of the States would be preserved.

Mr. G. W. Miles (Nat., North Province) secured the adjournment of the debate.
