

ago. That verdict will yet be given against it, and it will be the result of having had the support of a cold-blooded Attorney-General.

Mr. OAKES: I move:

That the question be now put.

The House divided:

Ayes, 36; noes, 26; majority, 10.

AYES.

Anderson, D. M.	Kilpatrick, M.
Arkins, J. G. D.	Lane, A.
Arthur, Dr. R.	Lee, J. R.
Bagnall, W. R. C.	Ley, T. J.
Ball, R. T.	Missingham, W. T.
Bavin, T. R.	Morrow, T. H.
Bennett, W.	Morton, Mark F.
Bruntnell, A.	Ness, J. T.
Bruxner, Lt.-Col.	Oakes, C. W.
Chaffey, Captain	Perdriau, R. S.
Cocks, A. A. C.	Perkins, J. A.
Cromarty, M.	Rosenthal, Sir Chas.
Doc, B. J.	Stopford, Dr. R.
Drummond, D. H.	Wearne, W. E.
Fell, W. Scott	Wilson, J. C.
Goldstein, H.	
Hill, T. H.	<i>Tellers,</i>
Hoskins, T. J.	Fitzsimons, W. R.
Jacques, H. V.	Jackson, J.

NOES.

Bailey, J.	McClelland, A.
Birt, J. E.	McGirr, James
Burke, Frank	McKell, W. J.
Clark, J. A.	McTiernan, E. A.
Connell, Major	Murray, D.
Davidson, M. A.	Mutch, T. D.
Davies, W.	O'Hearn, W. F.
Dunn, Captain	Ratcliffe, W. J.
Greig, R.	Skelton, W. P. J.
Horsington, E. M.	Stuart-Robertson, R. J.
Keegan, T.	
Lang, J. T.	<i>Tellers,</i>
Lazzarini, C. C.	Flannery, M. M.
Loughlin, P. F.	Quirk, J.

Question so resolved in the affirmative.

Question—That the House do now adjourn—put. The House divided:

Ayes, 34; noes, 25; majority, 9.

AYES.

Anderson, D. M.	Kilpatrick, M.
Arkins, J. G. D.	Lane, A.
Arthur, Dr. R.	Lee, J. R.
Bagnall, W. R. C.	Ley, T. J.
Ball, R. T.	Morrow, T. H.
Bennett, W.	Morton, Mark F.
Bruntnell, A.	Ness, J. T.
Chaffey, Captain	Oakes, C. W.
Cromarty, M.	Perdriau, R. S.
Doc, B. J.	Perkins, J. A.
Drummond, D. H.	Rosenthal, Sir Chas.
Fell, W. Scott	Walker, R. B.
Fitzsimons, W. R.	Wearne, W. E.
Goldstein, H.	Wilson, J. C.
Hill, T. H.	
Hoskins, T. J.	<i>Tellers,</i>
Jackson, J.	Missingham, W. T.
Jacques, H. V.	Stopford, Dr. R.

[Captain Dunn.

NOES.

Bailey, J.	Loughlin, P. F.
Burke, Frank	McGirr, James
Clark, J. A.	McKell, W. J.
Connell, Major	McTiernan, E. A.
Davidson, M. A.	Murray, D.
Davies, W.	Mutch, T. D.
Dunn, Captain	O'Brien, W. J.
Flannery, M. M.	Quirk, J.
Greig, R.	Ratcliffe, W. J.
Horsington, E. M.	Stuart-Robertson, R. J.
Keegan, T.	<i>Tellers,</i>
Lang, J. T.	Birt, J. E.
Lazzarini, C. C.	McClelland, A.

Question so resolved in the affirmative.

House adjourned at 2.16 a.m.
(Thursday).

Legislative Council.

Thursday, 9 November, 1922.

First Readings—Gaming (Amendment) Bill—Suspension of Standing Orders—Public Works (Amendment) Bill (second reading)—Stamp Duties (Amendment) Bill (second reading)—Public Works (Amendment) Bill—Income-tax Management (Amendment) Bill (second reading)—Income-tax Bill (second reading).

The PRESIDENT took the chair.

FIRST READINGS.

The following bills were presented and (on motion by the Hon. Sir Joseph Carruthers) read a first time:—

Ambulance Transport Service (Amendment) Bill.

Cabramatta Park Bill.

Statute Law Revision Bill.

GAMING (AMENDMENT) BILL.

The Hon. J. ESTELL: There is a motion on the business-paper standing in my name for leave to introduce this bill. I wish to withdraw the motion. I have not had time, so far, this session to get the necessary petition or to have the requisite advertisements published; and I therefore ask the leave of the House to withdraw the motion.

Order of the day by leave withdrawn.

SUSPENSION OF STANDING ORDERS.

The Hon. Sir JOSEPH CARRUTHERS moved :

That so much of the standing orders be suspended as would preclude the passing of the undermentioned bills through all their stages during one sitting of the Council, namely:—(1) Sydney Harbour Bridge Bill. (2) Income-tax Bill. (3) Income-tax Management (Amendment) Bill. (4) Stamp Duties (Amendment) Bill. (5) Public Works (Amendment) Bill.

He said: I should like to assure hon. members that I do not intend to avail myself to the utmost of the privilege of this motion if it is passed; that is to say, I am not anxious to rush all this business through in one sitting. Take for instance the Sydney Harbour Bridge Bill. That will not be gone on with to-day. It will be gone on with on Tuesday. I promise to give hon. members sufficient time to discuss the second reading—time extending over a few hours; I do not want a whole week to be taken up on it, but what hon. members themselves will consider a reasonable time for discussion. I shall put this resolution into operation when the second reading is carried and the bill has gone through Committee, because I would like the third reading to be taken the same day. In no other manner do I intend to rush that bill through or deprive hon. members of their opportunity of very fair and full discussion of its merits.

The Hon. J. ASHTON: I hope to occupy a few hours myself on that one bill!

The Hon. Sir JOSEPH CARRUTHERS: We all live in hope. If the hon. member does take a few hours he will make up for some of the few hours he has not given us this session. I can assure him that there are many, like myself, who are inclined to take up a few hours more here. Many would be delighted to hear the hon. member on the bill for a few hours so long as he does not get a sufficient number to vote with him. As to the Income-tax Bill, like medicine, it is one of those necessary evils which the sooner we get them over the better. However, there will be full opportunity to discuss that; all I am asking is that the third-reading stage be taken at the same sitting as the Committee stage is taken. If there is any really well-founded objection to taking the third-reading stage of any of these measures at the one sitting, I

shall not press it. I feel sure I shall have the House with me, seeing that we are at the final stages of the session, so long as I do not work it too hard, and I do not intend to do that if I can help it. My remarks apply also to the Income-tax Management (Amendment) Bill, the Stamp Duties (Amendment) Bill, and the Public Works (Amendment) Bill. I want to get the third reading on the same day as I get the second reading, unless there is any well-founded objection.

Question resolved in the affirmative.

PUBLIC WORKS (AMENDMENT) BILL.

SECOND READING.

The Hon. Sir JOSEPH CARRUTHERS: moved :

That this bill be now read a second time.

He said: All the bills have explanatory notes attached to them. The explanatory notes attached to this bill will pretty well explain its provisions, and to that extent they relieve me of doing more than merely reading them, which, with the permission of the House, I shall do :

The Public Works Act, 1912, requires the Public Works Committee to be elected during the first session of each Parliament. During the first session of the present Parliament, and on a previous occasion, time did not allow of the election taking place during the first session. This bill provides that the election of the committee may take place during any session of Parliament upon a resolution of the House that the committee be appointed. The bill also includes an amendment of the Public Works Act, 1912, to enable the Governor, without reference to the Public Works Committee, to sanction public works up to an estimated cost of £25,000, instead of £20,000 as provided in that Act.

Hon. members will agree that £25,000 will to-day hardly go as far as £20,000 would go in the time when the Principal Act was passed, so there will not be any well-founded objection on that point. Hon. members will find on perusing the bill that the rights of this House have been fully safeguarded. The Legislative Assembly passes a resolution authorising the appointment of the committee but that resolution does not take effect until it has been concurred in by this Chamber on a message sent to it by the Lower House. Practically both Houses have to concur. We did have an instance in the last Parliament in regard to the Electoral Act of by-laws being passed without the

concurrence of this Chamber. That was a very bad precedent. In this case we safeguard the rights of this Chamber by providing that it must concur in the resolution for the appointment of the committee. I anticipate that possibly some hon. members may raise the question that the committee is unnecessary. We cannot stand still. Although we have a load of public works passed, a great many of them are not being carried out. They are authorised, but we do not intend to carry them out, because the time is hardly opportune. But there are other works which arise from time to time, and the occasion is about to occur for those works to be carried out. They are works connected with the settlement of the country, especially with regard to wheat-growing. A very fine area of country has fallen into the possession of the Crown out west of Wyalong, and it is necessary to construct a railway there from either Unanderie or Wyalong to a place called Monia Gap. The Crown has nearly 1,000,000 acres of Crown land there. There is no need to resume any land whatever.

The Hon. J. ESTELL: You are referring to the scrub leases!

The Hon. Sir JOSEPH CARRUTHERS: The hon. member knows it; it is good country.

The Hon. J. ESTELL: Yes!

The Hon. Sir JOSEPH CARRUTHERS: There will be necessity to refer a work of that character to the Public Works Committee. If a railway is constructed there we can put on the land hundreds of families. The whole district, Rankin's Springs, Monia Gap, and out towards Hillston, can be opened up by railways which have either been constructed or are to be constructed, and we can put 1,000 people there growing wheat, which is an annual crop, and those people would begin to pay off their holdings in a very short time.

There are other works which it is necessary to refer to the Public Works Committee in regard to water supply and also in regard to some railways. I think it is essential to have the Public Works Committee while the principle underlying its appointment is in operation.

The Hon. N. J. BUZACOTT: I would suggest the wisdom of conducting the election of this committee by preferential

[The Hon. Sir Joseph Carruthers.

voting. I am afraid it cannot be done this time, as we are at the end of the session, but if the election were conducted upon the system of preferential voting it would give the sense of the House in a better way. Under the present system, assuming that sixty members in the House took part in the election, thirty-one of them, by giving a block vote, could return any three members, whereas if preferential voting were used you would get a better index of the ideas of the House. It gives a better and more democratic opportunity to secure a committee which will be a reflex of the opinions of each section of the House—if there are any sections here. A little while ago we had an election here for a senator, and, it is my opinion that it is a good thing we held that election by preferential voting, otherwise the result might have been different. I think that in all cases the preferential vote gives a better indication of the opinion of the House. To give effect to what I am suggesting, an amendment could be made in section 10 of the Public Works Act, 1912. It would not apply to the Legislative Assembly. I should not like to dictate to the Legislative Assembly as to how they should conduct their election.

With regard to the appointment of the committee, the Minister has said that certain public works will have to go to the Public Works Committee, and I would not like to obstruct any of those important national works. As regards the amendment I suggest in respect of section 10 of the Act, we could add a proviso to this effect:

Provided that the Legislative Council may decide, by resolution of the Council, to elect its members on the preferential system of voting.

That would give the sense of what I mean. If the Vice-President of the Executive Council feels disposed to accept it, an amendment can perhaps be drafted to meet the wishes of the House.

The Hon. Dr. NASH: In the explanatory note to this bill it is stated that:

The bill also includes an amendment of the Public Works Act, 1912, to enable the Governor, without reference to the Public Works Committee, to sanction public works up to an estimated cost of £25,000, instead of £20,000 as provided in that Act.

The Hon. W. T. DICK : That is altered now !

The Hon. Dr. NASH : I do not see anything in this bill with regard to that.

The Hon. W. T. DICK : The bill was amended in the Lower House, to leave matters as they are !

The Hon. Dr. NASH : Then why is this put in the explanatory note? One is entitled to ask whether the explanatory note, as issued to us, refers to the bill or not. If the amount is to be increased to £25,000, it is a question upon which one might have something to say. We have had trouble in the past in regard to the limit of £20,000, and the manner in which the provision has been used by Ministers to get over the difficulty of spending money without authority. I could name lots of cases in regard to which there was a great deal of trouble, and a great deal of scandal over it. If this provision is in the bill I should like to know where it is.

The Hon. Sir JOSEPH CARRUTHERS : It is not in the bill !

The Hon. Dr. NASH : Then I should be glad of some information on the subject.

The Hon. Sir JOSEPH CARRUTHERS in reply : Somebody has given me this information, but I think it is like the little picture you see in the weeklies—it is a case of “Find the woman,” or “Find the rabbit.” I have been searching for it, and I cannot find it.

Question resolved in the affirmative.

Bill read a second time.

In Committee :

Clause 1 agreed to.

Clause 2. The Public Works Act, 1912, is amended as follows :—

- (3) (a) by inserting in section ten after the word “nine” the words “other than the provisions for passing a resolution that the committee be appointed” ;

The Hon. Dr. NASH : I should like some information with regard to sub-clause (3) of clause 2.

The Hon. Sir JOSEPH CARRUTHERS : Section 10 of the Public Works Act, 1912, reads as follows :—

The provisions of section 9 shall *mutatis mutandis* be observed in the election of members

of the Legislative Council to serve on the committee, and in carrying out such provisions the President of the Legislative Council and the Clerk of Parliaments, or officer acting in his place, shall respectively be charged with the duties and powers in the said section imposed and conferred on the Speaker and Clerk respectively.

Now an amendment has been provided that the committee is to be called into existence by the passing of a resolution, so it is necessary to put these words after the word “nine” :

Other than the provisions for passing a resolution that the committee be appointed.

That resolution is already provided for under a preceding section. It originates in the Legislative Assembly, instead of here, and a message is then sent to this House, and this House concurs in it. By that means the resolution is passed by both Houses, originating in the first instance in the Assembly, and then being sent by message to this House, which concurs.

Clause agreed to.

Clause 3. (Election of Committee for present Parliament).

The Hon. J. ESTELL : I would like some explanation from the Minister in charge of the bill as to whether this will apply to all future Parliaments. In the Public Works Act of 1912, it is provided that the Public Works Committee shall be appointed within a specified time after the House meets. On two or three occasions we have had to bring special bills up for the purpose of dealing with this particular question. In future it is to be optional on the part of Parliament to appoint the committee during any particular session, first, second, or third, without having to pass a special measure for the purpose of doing so. Is that right?

The Hon. Sir JOSEPH CARRUTHERS : It has to pass a special resolution !

The Hon. J. ESTELL : But no bill is necessary to give effect to the provisions of the Public Works Act of 1912?

The Hon. Sir JOSEPH CARRUTHERS : No !

The Hon. J. ESTELL : Then that is quite right.

Clause agreed to.

Bill reported without amendment and passed through its remaining stages.

STAMP DUTIES (AMENDMENT) BILL.

SECOND READING.

The Hon. E. H. FARRAR moved :

That this bill be now read a second time.

He said : Clause 2 amends section 42, subsection (6) and sections 47, 90, and 102 of the Principal Act (Stamp Duties Act, 1920). Section 42, subsection (6) of the Principal Act makes every conveyance or agreement to convey any property in which the name of the purchaser is not written in ink on or before the execution thereof null and void and imposes penalties on the parties thereto. The Government is satisfied that in the case of "marketable securities" which include stock and shares, &c., of companies, the subsection unduly hampers dealing with such securities. Where shares are given as security, the general practice is to lodge a transfer signed by the transferor only. The amendment recognises this practice and is approved by the Stock Exchange and the leading financial institutions.

Under the original section 47, debentures were included in the definition of promissory notes, as has been the case since the 1898 Act. In view of the fact that debentures are really charges by way of mortgage, they are now made subject to duty as mortgages instead of promissory notes, the duty being the same. This follows the Stamp Acts in England and the other States.

Section 90 of the Principal Act did not expressly provide that an acknowledgment of the receipt of a cheque (which is a bill of exchange payable on demand) should be liable to a 2d. receipt stamp. The amendment expressly imposes the liability to receipt duty in such cases. By clause 6 of the bill, the second schedule to the Act is amended so as to provide that an acknowledgment of the receipt of a bill of exchange or promissory note payable, in either case, otherwise than on demand is exempt from receipt duty. The amendment brings the New South Wales Act into agreement with the Stamp Acts of England and all the other Australasian States.

Under paragraph (d), subsection (2), section 102, all property the subject of a gift made by a deceased person within three years of his death is, nevertheless, included

in his estate for purposes of death duty. The amendment exempts from liability to death duty any such gifts made in favour of the charitable objects specified. Where the gift is made to a hospital or charitable institution, it can be made later than the three years and the bill gives exemption in that case. All other gifts within that three years are not to be exempt from stamp duty in case of death.

The Hon. J. ASHTON : Why do they not go a step further and exempt from probate duty amounts left for those purposes? If they exempt it if given a week before death, why not exempt it if given away under a will?

The Hon. E. H. FARRAR : The point is to make the distinction between a gift made to an individual before a person's death, and a gift made to a hospital or a charitable institution. The amendment will provide that if the gift is to a hospital or charitable institution it is not subject to stamp duty, but if given to an individual within three years, it will be subject to duty.

Clause 3 repeals the exemptions in the second schedule to the Principal Act to the duty on affidavits and statutory declarations. Those exemptions were found in practice to be too narrow. The present list of exemptions covers most cases in which exemption from the duty can be reasonably claimed. Many of them have already been adopted by Executive minute. It is proposed to put in the bill that which has been carried on by Executive minute so that everyone will know exactly the position in connection with those exemptions.

I come now to clause 4. The second schedule to the Principal Act made all mortgages not exceeding £500 liable to 10s. duty and all exceeding £500 liable to £1 duty. It also provided for the same duties on transfers and discharges, etc., of mortgages. It was recognised that in the case of small mortgages these rates were too high while in the case of large mortgages they were too low. This inequality was even more pronounced in the case of transfers and discharges, &c. The present scale is *ad valorem* according to the amount secured, the rate being the same as on bills of exchange, namely, 6d. for every £25, where the amount secured

exceeds £25. Below that amount the duty is 3d., where the amount secured does not exceed £10, and 6d. where it exceeds £10, but does not exceed £25. The rates on transfers, discharges, etc., are fixed at one half the rates on the mortgage itself. Collateral securities and re-conveyances, discharges, etc., of such securities pay a fixed duty of 1s. The rates are lower than the rates in England, Queensland, and New Zealand, and are thought to be fair and reasonable especially as regards small mortgages. Debentures of companies carry the same rate. Government debentures and those of the city of Sydney and of municipalities and shires are exempt from duty. It means this, that if to-day a small man holding an insurance policy with the Australian Mutual Provident Society, goes down to the society to borrow on it, he has to pay the rate of £1, even if the amount he borrows is £50 or £10. The amendment provides that he will have to pay only 6d. if the amount borrowed be £10 or £50. The small man will be in a better position than he was before.

The Hon. J. H. WISE: When the small man's mortgage period expires before the renewal of the mortgage, the practice has been to charge him. Are you doing away with that?

The Hon. E. H. FARRAR: No. Regarding clause 5, the second schedule to the Principal Act made contracts of reinsurance liable to 1s. for every £100. In view of the general practice of reinsurance amongst insurance companies, this has been found in practice to be unreasonable. The present amendment makes a policy of reinsurance liable to a fixed duty of 1s., and is accepted by the leading insurance companies as a reasonable duty. Policies of reinsurance were exempt from all duty under the 1898 Act. It is proposed to give relief to insurance companies. It must be apparent to hon. members that no insurance company can itself carry the risk which it takes. It has to reinsure the risk amongst other companies. Take for instance a large building like that of the Pastoral Finance Association, containing wool, which stood opposite Circular Quay, and which was destroyed by fire some time ago. Supposing that build-

ing were insured for £500,000. The insurance company which took that risk would reinsure portion of that amount with other companies, and would also reinsure the stock and goods in the building. The risk is spread over a number of companies. The companies which took the reinsurance had to pay 4d. in the £100 each time, which meant that the cost of reinsurance ran into a large amount each time a company covered itself. The bill proposes to impose a flat rate of 1s. for each reinsurance.

An Hon. MEMBER: 1s. for every £100!

The Hon. E. H. FARRAR: No, a flat rate. Clause 6 is the natural corollary to the previous amendment, and alters the exemption. The following new exemption is to be inserted:

(g) An acknowledgment of the receipt of a bill of exchange or promissory note payable in either case otherwise than on demand.

As to clause 7, the construction of the first two general exemptions was doubtful and capable of being extended to all contracts made with such bodies as the Sydney Harbour Trust. The exemption was only intended to apply to cases in which the Crown would have been liable to duty if it had been a private person—that is a purchase or lease by the Crown. This result is obtained by omitting the exemptions altogether. The concluding part of the clause expressly exempts from duty declarations of birth under Part VIII of the Friendly Societies Act, 1912, and adds this to the list of exemptions in the case of such societies. The position is that where the individual was dealing with a corporate body the intention was that individual should be liable. The schedule being drawn the way it is, and the Government being one party to the deal, it brought the other party into the exemption, and revenue has been lost in the State by that interpretation. The position was never clear, and it is proposed now to make it clear so that an individual placed in that category will be in the same position as other individuals under the laws of the State.

The Hon. Sir THOMAS HUGHES: I think, on the whole, this is a remedial measure, except in one or two particulars. I am gratified that it has been introduced because to a large extent it endeavours

to make good what I can only regard as a gross deception practised on this House when the previous bill was passed. When that measure was under the consideration of this House a conference took place between the representative of the Government here and one or two members. Certain amendments were agreed to, and they were left in the hands of the proper officers to be drafted and to be incorporated in the bill. I regret to say that by a distinct breach of faith, which was not even defended by the officers concerned, who stated that they were acting under Ministerial instructions, the amendments agreed upon were not all incorporated in the bill, and by that means not only was this House deceived, but a grave injustice was done to a large section of the commercial community, notably in the case of transactions on the Stock Exchange, and also in other matters. In saying this I make no reflection on the Minister in charge of the bill at the time. Although the bill is, to a large extent, a remedial measure, and we welcome it on that account, in some particulars the alterations do not achieve what I believe the Government is endeavouring to effect.

Take statutory declarations, which was a subject of discussion when the bill was previously before the House. The intention of the House undoubtedly was that all statutory declarations required in connection with matters passing through the Registrar-General's Office or the Land Titles Office, which were called for by the head of the department, should be exempt from taxation. I do not refer to documents declared voluntarily, but to documents called for by a competent legal authority, who has the right to call for them. Under clause 3 there is an exemption from duty of "every affidavit or statutory declaration required by law," but I do not think that a document called for by the Registrar-General, as that officer is constantly in the habit of calling for them at his own instigation, or at the instigation of the examiner of titles, would be exempt. Furthermore declarations are called for by regulation apart from statute law. Those may not be covered by the bill, and there are a great number.

[*The Hon. Sir Thomas Hughes.*

The Hon. Sir JOSEPH CARRUTHERS : That is covered by the term "required by law" !

The Hon. Sir THOMAS HUGHES : It is open to doubt whether that is so.

The Hon. Sir JOSEPH CARRUTHERS : In the case of doubt does not the law imply that it shall be to the benefit of the taxpayer ?

The Hon. Sir THOMAS HUGHES : True. But what tax-payer is going to have a test case over 2s. 6d. ?

The Hon. Sir JOSEPH CARRUTHERS : We are not going to have a test case over it !

The Hon. Sir THOMAS HUGHES : No, but you have to remember the enormous power of the Commissioner of Stamps, an officer for whom I have the highest respect, and who I am sure will as far as he can give a fair deal to those with whom he has to deal. But you have to recognise the danger of leaving questions of interpretation to any officer.

The Hon. Sir JOSEPH CARRUTHERS : I am told that it is intended to be done. If it is not done by that clause it will be done by Executive minute. That will go on record. I have asked several officers of the Treasury and I am authorised to make that statement !

The Hon. Sir THOMAS HUGHES : I accept the assurance with pleasure. I am sure the Minister is acting in accordance with the feeling of this House, and I thank him.

There is another direction where it seems to me an injustice has been done in the past, and this is in the case of the small man; not the big man. Documents registered under any of our registration Acts have to be verified by affidavit. These affidavits are exempt from duty. Up to the present, or at any rate until comparatively recently, it has been held by the department that this exemption does not apply to affidavits in regard to documents relating to liens on wool, and on crops, and other transactions of that kind. In many cases these are the documents of small men. A man may give a mortgage for a large sum, and it is a matter of comparative indifference whether or not he pays 2s. 6d. for stamping his affidavit. But to small farmers, who give liens over their crops or stock,

all these added charges are a consideration. Up to the present it has been the practice not to exempt such documents from the charge. If I have an assurance that documents of the kind I have mentioned—liens on crops, on wool and on stock—will not in future be charged these extra fees, I shall be content. But I am assured that the fees have been charged in the past.

I very much welcome one concession in regard to a matter on which the House was misled, and that is the repeal of a very unjust provision relating to the transfer of stocks and shares. That is a substantial concession to the commercial community and one which will be very much appreciated. I may say, in passing, that the omission of the provision from the Act of 1920 was regarded as a very grave injustice, and when I introduced a deputation from the members of the Stock Exchange to the then Treasurer I was surprised to find at that interview that the deception was admitted, but the argument was raised that the country could not afford to forego the revenue. That is a state of things which I am sure this Government will not countenance.

There is one particular clause to which my attention has been drawn by the hon. member Sir Henry Braddon, which appears to be the only clause in the bill which increases rather than reduces the existing duties. I refer to that portion of the bill which relates to charges on mortgages and the transfer or assignment, reconveyance or release of them. I notice that under the new scale of duties instead of a flat rate being charged there is now a sliding scale. It is only right hon. members should understand that in operation that alteration whilst reducing the taxation in the case of small transactions will greatly increase it on larger transactions.

The Hon. H. E. KATER: To which provision is the hon. member referring?

The Hon. Sir THOMAS HUGHES: The sliding scale which appears under the head of "mortgages," and is set out in paragraphs 2 (a), (b), (c), and (d) of clause 4. Hon. members will notice that instead of a flat rate, as was provided in the previous measure, there is now a sliding scale. I do not propose to move any amendment; but I would draw atten-

tion to the fact that the Government, is rather adroitly making up for concessions in other directions by an increased imposition on the person who is unfortunate enough to give a mortgage or who pays off a mortgage. This raises the whole question of the policy of taxing borrowers. It is perfectly fair that the purchaser of a property should pay something to the country on the transaction, but it becomes rather a grievous burden when the man who by his necessities, may be forced to borrow money, is taxed on a sliding scale on the documents relating to the transactions.

The Hon. J. ASHTON: And taxed again when he pays!

The Hon. Sir THOMAS HUGHES: And taxed again on a sliding scale when he discharges his indebtedness. That is one of the injustices of this bill and whilst I congratulate the Government on some attempts to redeem promises not honored by its predecessors we fail to see any cause for congratulation when by a side wind other burdens on the people are increased.

The Hon. E. J. KAVANAGH: I very much regret to hear the statement of the hon. member Sir Thomas Hughes that certain officers of the Government, with the cognisance of Ministers deliberately deceived this House.

The Hon. Sir THOMAS HUGHES: That is so!

The Hon. H. E. KATER: So they did!

The Hon. E. J. KAVANAGH: I take this opportunity to repudiate all knowledge of such deception. I have a distinct recollection of the bill coming before the House. I think that at the outset I pleaded ignorance of the whole subject of taxation and finance, and practically threw myself on the mercy of the House. It has often been said that this House does not interfere with the financial proposals of the Government. On that occasion this House for once asserted its rights to deal with taxation proposals with the result, as was mentioned by the hon. member Sir Thomas Hughes, that a conference was held between my colleague Mr. Sproule and others who were good enough to assist to see how far we could compromise in regard to that bill. After considerable delay and discussion with officers of

the Government and gentlemen who were reputed to know their business in regard to matters of the kind and who, I take this opportunity of saying, were very considerate and generous to the Government and helped me considerably on that and other occasions, we endeavoured to make arrangements that the bill should be passed by this House in a form that could be said to meet with the approval of the House. However, the bill on being sent to the other Chamber was, as we anticipated, rejected. That is to say the Speaker declared it out of order. Another bill was prepared on lines laid down by the conference and agreed to by members of this House. At any rate that is what I was led to believe when I handled the bill in the House.

The Hon. Sir THOMAS HUGHES: There is no suggestion whatever against you. You were misled as we were misled!

The Hon. E. J. KAVANAGH: I was handling the bill to the best of my ability and I was given to understand when the bill came back here that it was drawn in accordance with arrangements made. If there was any deception it was on the part of the officers connected with the Government and those same officers may be responsible for the bill before us to-day.

The Hon. Sir THOMAS HUGHES: I am happy to say the Commissioner of Stamps is not the same person. There is no suggestion against the present Commissioner of Stamps!

The Hon. E. J. KAVANAGH: I know the hon. member would not make charges here unless he considered he had good ground for making them. I can assure him I had no knowledge that the bill I handled was not in strict accord with that agreed to in conference between hon. members of this House, my colleague Mr. Sproule, and officers of the Taxation Department.

The Hon. Sir THOMAS HUGHES: I am sure the House will accept that without any reservation!

The Hon. E. J. KAVANAGH: I am very pleased to hear that. It is to be hoped that if the things complained of did occur they have been rectified on this occasion. I accept the assurance of the Minister for Labour and Industry that that is so and I will not go further on that point.

[The Hon. E. J. Kavanagh.]

With regard to the bill itself I do not profess to have much knowledge of finance and taxation. All I know is that what little taxes are demanded from me I pay and ask no questions. I suppose that is the case with most other hon. gentlemen, but there is one point, it is in clause 5, that catches my eye. Under the present law duty at the rate of 1s. in every £100 is charged on reinsurances. The bill alters that and fixes a flat rate of 1s. on each reinsurance. It is gratifying to find that the Government is so considerate to the poor insurance companies, which re-insure for £10,000 or £15,000 or much larger sums. I can understand they cannot afford to pay 1s. on each £100.

The Hon. J. ASHTON: But you may be perfectly certain that if they do pay it they will pass it on to the insurers!

The Hon. E. J. KAVANAGH: I am quite sure that the general public will pay the lot.

The Hon. J. ASHTON: Therefore, this is a relief to the poor man!

The Hon. E. J. KAVANAGH: Yes; but it is given to him in such an indirect way that it will be very difficult for him to feel the benefit. I am not one of those who are always looking for the blood of the capitalist because it has been my ambition for many years to be a capitalist myself. I have never become one and I suppose others are in the same position. But I think that if anyone is in a position to assist in the financing of the country's affairs and to help to meet the heavy taxation burden which has been cast upon the country in late years it is the big insurance companies.

The Hon. H. E. KATER: They make some big losses!

The Hon. E. J. KAVANAGH: No doubt, but of all the big business undertakings in the country they can best afford to pay. There are cases where a company insures some interest for £10,000 or £20,000 but it does not carry the whole of the risk. The custom is to reinsure, to farm out portion of that risk, and probably if it is very good business the company which takes it may retain the largest portion of it.

The Hon. E. H. FARRAR: The tax was collected on every reinsurance!

The Hon. E. J. KAVANAGH: Yes, and under the present law the company

pays on every occasion 1s. on every £100. In order to relieve these unfortunate poor people the proposal is to substitute a flat rate of 1s. for each reinsurance so that if a reinsurance amounts to £100,000 they are to pay only 1s.

The Hon. H. E. KATER: Remember they have already paid on the insurance!

The Hon. E. J. KAVANAGH: Quite so. I do not know much about the subject but I think I am right in saying that to-day they have to pay 1s. on every £100 of reinsurance and that they are to be relieved of that and will have to pay only a flat rate of 1s. That is the only point that catches my eye at present.

I have all sympathy with the Minister in handling a bill of this character because I know the difficulties attending such work. I, like other hon. members, will be very interested to learn more about the proposals which are now made. After we passed our Act many anomalies presented themselves. I want to take this opportunity of referring to one or two matters to which the hon. members Mr. Ashton and Sir Thomas Hughes alluded when the bill was before the House. They referred to the hardships that would be imposed on the poorer men in connection with the stamping of affidavits and other documents. When I was Minister for Labour and Industry I found that even where parents applied for exemption for their children to allow them to go to work before the age of 14 years they were called upon under the bill brought in by the Government of which I was a member to pay 2s. 6d. on a statutory declaration as to their financial position. Sir Thomas Hughes particularly referred to matters of that kind. He pointed out that, while we as a Labour Government were endeavouring to raise money we were in some cases inflicting great hardships on the class we represented, and that we little knew what we were doing. The remarks of the hon. gentleman were thoroughly justified, and subsequently by executive act we relieved the people to whom I have just referred of the necessity of paying that tax. In many other directions our Act pressed heavily on poor persons. A man who borrowed a few pounds on his furniture or who borrowed to buy a piece of land on which to build himself a home had to pay these

taxes. I acknowledge that in the introduction of that bill we were not assisting such persons, but were hampering them by imposing very heavy stamp duties on them. Wherever we turned we were confronted with the fact that persons who could ill afford to pay were being taxed. When the bill was under consideration the warnings uttered by hon. members of this House were proved to be well founded. I have no hesitation in admitting that. All that goes to show the seriousness of the whole proposal and the difficulties surrounding it. The facts as we know them now justify the view hon. members expressed at the time that the bill should have had more consideration than it received.

The Hon. J. ASHTON: The hon. member Sir Thomas Hughes has directed the attention of the representative of the Government to paragraph (c) of clause 3, pointing out that the words "required by law" do not cover sufficiently wide ground, inasmuch as declarations may be required by public officers from members of the public, although it is not a legal obligation that they shall be furnished. That recalls another instance in connection with which this House was deceived. It is not a big matter, but it shows the ingenuity to which public departments will resort in order to make a few dishonest pennies out of the public. The hon. member Mr. Kavanagh will remember the passage of the Brands Bill. It was pointed out that as the Government was calling in all the brands, the re-registration of the brands should be done free of cost, and the hon. member in charge of the bill accepted an amendment giving effect to that opinion of the House.

The Hon. E. J. KAVANAGH: And my colleague in another place had assured the House that no charge would be made!

The Hon. J. ASHTON: When the department issued the forms, it was set out in the body of the form that the application for registration would be without cost, but the applicant was required to make a statutory declaration, at a cost of 2s. 6d., that he was the registered proprietor of the brand. The ridiculousness of that is indicated by the fact that the

only person who could say whether "John Jones" was the registered proprietor of the brand was the Registrar of Brands himself. He was the only man who was a competent man to say whether "John Jones" was the registered owner, but "John Jones" was required to make a statutory declaration on a subject the truth of which was not within his knowledge, and to pay half-a-crown for doing so. There is not the slightest doubt that that device was resorted to for the purpose of adding to the revenue of the department, because the amendment made in the bill by this House prohibited the charging of a fee for re-registering the brands. That matter is all over, but it gives point to what the hon. member Sir Thomas Hughes has drawn attention to—that declarations may be required by public officers from members of the public, which are not required by law, and which may lead to very large sums of money, in the aggregate, being paid by members of the public.

The Hon. J. A. BROWNE: The House has been informed by the hon. member Sir Thomas Hughes of the way in which it was deceived in regard to the previous Stamp Duties Bill, and although I was not one of those who negotiated with the representative of the Government on that occasion, I was one of those who criticised that bill, and pointed out what I regarded as certain defects in it. I then protested, as strongly as I could, against bills of that kind being rushed through this House in a single session. I wish to renew that protest again. There is no bill that requires more careful consideration or is more difficult to draft or to understand than a Stamp Duties Bill. The last Stamp Duties Bill that has caused so much trouble was brought into the House much in the same way as this one is. I think that the standing orders were suspended, and it was one of a large number of bills that were rushed through the House on the last night of the session.

The Hon. E. J. KAVANAGH: They told me it was just a formal matter, and would not take ten minutes!

The Hon. J. A. BROWNE: The practice of allowing the Government to rush these matters through this House as formal matters is one that ought to be

[The Hon. J. Ashton.

stopped. I hope the House at some time will develop sufficient backbone to refuse to allow any Government to rush a bill of this kind through in this way, because there is not the slightest excuse for it. There is no reason why this Stamp Duties (Amendment) Bill should not have been up here weeks ago, and hon. members would then have had the opportunity to consider it. The last Stamp Duties Bill was a very defective measure. I do not wish to be understood as criticising the drafting of it, because the drafting of a Stamp Duties Bill is a very difficult task. In such a matter the drafting work is sure to be defective until it is debated and criticised by a large number of minds, looking at it from different angles. Such a bill as this should be before the House for some considerable time before it is passed, and I hope that this will be the last occasion on which such an important bill will be rushed through in this way.

The Hon. Sir JOSEPH CARRUTHERS: It is not being rushed through; nobody is rushing it!

The Hon. J. A. BROWNE: The bill is to be passed in a single sitting. Yet, how long has it been in the hands of hon. members? It only passed through the other Chamber, I think, one or two days ago. The bill has not been circulated amongst members at all, so far as I know. I had never seen a copy of it, until I came into the House this afternoon, and I do not know that any other hon. member had seen it. I do not think the bill has been circulated amongst members. We are called upon here to read a measure of this kind, with three or four pages of very difficult schedules, and it is impossible for any man, no matter how much he knows about stamp duties, to say whether these amendments are in order, or whether they are good, bad, or indifferent. I enter my most emphatic protest against legislation being carried in this way.

On a cursory glance there appears to be very little that I can say much about. I see there is an attempt to remedy the section dealing with the paying of stamp duty on receipts for cheques. It occurs to me, on looking at the bill and the amendment, that this attempt will probably prove futile. The second schedule of the Stamp

Duties Act, 1920, imposes a duty of 2d. on receipts and discharges given for or upon the payment of money amounting to £2 and upwards. Then paragraph (g) of the exemptions contains this :

Any receipt written upon or given for a bill of exchange or promissory note duly stamped.

The general opinion of the legal profession was that that did not impose any obligation upon persons who received payment by cheque to stamp the receipt. That is thought to be got over by clause 6, and it is done in this way : The present exemption is struck out, and in its place is inserted the following new exemption :

An acknowledgment of the receipt of a bill of exchange or promissory note payable in either case otherwise than on demand.

So that where the promissory note or bill of exchange is not payable on demand, there will be no need to fix any stamp on the receipt. A very interesting question will arise, as to whether a cheque payable to "A.B. or his order," crossed "not negotiable, payee's banking account only," can properly be described as "a bill of exchange payable on demand." I think it will turn out that it is not "payable on demand." However, that is a matter of interest, rather than anything else. I do not propose to suggest any amendment in this measure, but what I have referred to is one of those small things which show how necessary it is to give careful and mature consideration to a bill such as this. I hope the Government will not ever again—and all Governments seem to be alike in this matter—rush bills upon us at the last moment, but will give time to the House to consider them in a proper way.

The Hon. Sir JOSEPH CARRUTHERS : I am surprised at the hon. member making the charge that this bill is being rushed through. It is about the last thing that can be said about the Government. I am informed that copies of the bill were distributed to members on the 4th of this month.

The Hon. J. A. BROWNE : How can that be so ? It was not passed then !

The Hon. Sir JOSEPH CARRUTHERS : The hon. member has unavoidably been absent. There is not a member in this House who takes an interest in taxation matters who has not had ample opportunity of studying this bill. I do not

pretend that I like paying taxes at all, and I do not like these taxation bills myself, but nine-tenths of this bill is in the nature of relief to the taxpayer. Look at the provision in the Act that has hampered all dealings with shares in this State and has made the name of New South Wales in its legislation with regard to stamp duty a by-word and a reproach. You cannot deal in the ordinary way with the transfer of shares without being liable to a fine of £50 if you do not put the purchaser's name into the transfer, even though you do not know it. I am surprised that there has been any feeling in connection with this bill, as expressed by Sir Thomas Hughes and Mr. Kavanagh.

The Hon. Sir THOMAS HUGHES : There was no feeling whatever !

The Hon. Sir JOSEPH CARRUTHERS : But you had to speak with feeling on the subject. Of course, we acquit my hon. friend, Mr. Kavanagh, but there is no doubt that the proceedings of this House when passing the Act which is now being amended were a disgrace to Parliament. As far as I am concerned, as long as I occupy this position I am not going to lend myself to the rushing of business through in the way it was done that night. I complain about the hon. member saying that this bill is being rushed through. Not so at all. The idea of the Treasurer was that the whole of our Stamp Duties Act required recasting, but in this session of Parliament we cannot do all we ought to do, and we are now trying to mend up some little matters and to close some loopholes which now exist. For instance, we are bringing the law in New South Wales in regard to the receipt of cheques into conformity with the law in Great Britain and all other parts of the dominion. Some people do not like it, but it puts everyone on the same footing in the home of the Empire and all the Australian States.

The hon. member Sir Thomas Hughes spoke of the declarations required by law or by some officers of the Government. The Treasurer informs me that he rather misled the Lower House on this question, and that he practically told members of that House that all cases such as those Sir Thomas Hughes referred to would be

exempt from stamp duty, but he afterwards found, when the debate had closed, he had misled the House, and he had to write to some members telling them so. Now that the discussion has taken place in this Chamber, he says that if I give an undertaking he will abide by it, and if I make the statement that it is not intended to make liable to taxation these affidavits and declarations which are required by public officers in the carrying out of the administration of the law, and if this Act does not provide for exemption, he will have them exempted by the other method of Executive minute. I have put that on record as a statement made by the Treasurer, and it will clear up the matter entirely.

The hon. member Mr. Kavanagh referred to the question of reinsurance. I am quite sure that Mr. Kavanagh would not try to take a point and urge against the Government that we are trying to relieve the big man and not allow the small man to be treated fairly. What do these reinsurances amount to? The whole business of insurance has to be carried through on some defined plan as to the cost. Individuals insure and on their insurance they pay 4d. per £100 stamp duty. They pay it, although the company pays it first. The company puts the duty stamp on the insurance policy and then the insurer is charged the rate per £100 according to the scale of the insurance office, plus stamp duty at 4d. per £100. These insurance companies may reinsure, and the bill of the hon. member Mr. Kavanagh's Government provided that all other insurances not provided for in the schedule should pay at the rate of 1s. per £100, which was three times the ordinary duty. What have insurance companies to do if reinsurance is costing them three times the amount of stamp duty? They have to raise their rate of charges to the individuals. The company which reinsures has to pay three times the stamp duty of an ordinary insurer, which is a monstrous charge, and as there was never any desire to get revenue from reinsurance, the Government considers that having once paid stamp duty on the insurance, the matter of payment of duty on a second insurance or reinsurance is only necessary in order to have the thing regulated.

[*The Hon. Sir Joseph Carruthers.*]

That is why a flat rate of 1s. is charged. This is no concession to the big man, who always takes care, having ascertained the whole of the cost of running his business, to charge a rate to cover that. If the companies get the benefit of the reduction from the rate of 1s. per £100 to a flat rate of 1s., insurers will get the benefit of it also. I say deliberately that if it is found insurers do not get the benefit, then the trading community and the insuring community are asking for what they will eventually get. I consider it would be a most dishonest act on the part of the insurance companies, and if they take advantage of the law to act dishonestly, they can blame nobody but themselves if another Government comes down and puts the tax on them again pretty heavily.

The Hon. W. E. V. ROBSON: I wish to congratulate the Government on the measure of relief which this bill provides. I am very glad the assurance has been given by the leader of the House that the declarations referred to by the hon. member Sir Thomas Hughes will not require to be stamped in the future as they have been in the past. To my knowledge, a great many declarations have been asked for by the Registrar-General's Office in real property applications and in other matters which really should not have been the subject of stamp duty, but it has become necessary to stamp them owing to the requirements of the department.

One other matter I wish to mention, which has not yet been referred to. It is that when the measure of 1920 was before this House it was pointed out that the bill imposed very heavy duties in connection with the registration of companies. It was further pointed out that the effect would be that people, instead of registering companies in this State, would be forced to register them in Victoria, where the cost of registering companies was considerably cheaper. That prediction has been fulfilled, and a great many companies which would have been registered here have been registered in the neighbouring State of Victoria, where the cost of registration is infinitely less than it is in New South Wales. I understood from the remarks I have heard—I think they were made by the Colonial

Treasurer some time ago—that the Government contemplated in this amending bill a reduction of those charges which are really superimposed on the charges already provided by the Companies Act itself for the registration of companies. I hope the Government will give this matter further consideration, because when a company is being formed with fairly large nominal capital it makes a great difference in the cost of registration. Then there is a further aspect of the matter. If a shareholder passes away after having taken shares in a company which operates here and which is to all intents and purposes a New South Wales company, although registered in Victoria, it becomes necessary to obtain administration in that State of that person's affairs, and the neighbouring State in which that company is registered will get the benefit of whatever duties are payable in connection with that estate. The effect of that is likely to be that this State in the long run will lose by the continuance of these high duties. It loses first of all fees that would be paid on account of companies that do not register here, but which register in Victoria, and it loses probate duties.

I wish to refer to one other matter regarding mortgages. I am glad to see that the Government has given a certain amount of relief as far as duties on mortgages and discharges of mortgages are concerned. I should like to have seen a remission of duty, or the duty made more nominal in the case of the discharge of a mortgage. Frequently a mortgage is discharged, not because the person is in the happy position of having put away enough money to pay it off, but because he is seeking to obtain a larger advance somewhere else than he is able to obtain from that particular mortgagee, or he is seeking to obtain money to pay off an existing mortgage at a lower rate of interest. He may be forced to raise money elsewhere, by the mortgagee calling up money in respect of a mortgage that has expired. So it is not due to the happy condition of his own financial affairs that he discharges that mortgage. In that way he is hit up with practically double taxation. He has had to pay the original tax when he obtained the mortgage, and he has stamp duty to pay on the

discharge of his mortgage, which perhaps he is compelled to pay off, and he has to pay the same amount of original duty on the new mortgage as he paid in the first instance. The Government might have gone somewhat further in connection with the duties payable on the discharge of mortgages. Apart from that, I desire to congratulate the Government on the relief which the measure will afford to a great many people and the facilities it will give in business circles in the transaction of business.

The Hon. R. MAHONY: Regarding clause 6, in the majority of big concerns where a number of people are employed, the employees receive their money in cash. They do not sign a receipt for the cash but they get it in envelopes. It will be a most complicated thing for these people if they have to sign for their money and put a 2d. duty stamp on the receipt. Take the wharf-labourers. One week they may receive a little over £5, another week they may get considerably less than £5, and other weeks they may make nothing. In cases where men receive their money in that way, this stamp duty might well be eliminated. On the whole of the waterfront of Sydney the majority of the workers are casual employees, and the companies employ a large body of men. You are going to make it awkward for both the companies and the men to conform with the law if you insist upon a duty stamp being placed on the employees' receipts for wages. Some exemptions should be allowed, because while in one week a man might have only 3s. or 4s. to draw, some other week he might have £5 or £6. The companies have put up a notice that the employees must put a duty stamp on their wages receipt. Fancy a wharf-labourer carrying a duty stamp around with him to put on his wages receipt when he gets his money! I suggest that, as far as that is concerned, the Government should do something to meet the wishes of these people. Both they and the companies which employ them will be in a rather awkward position if they have to do this.

The Hon. E. H. FARRAR: The man who is getting £4 19s. 6d. every week is exempt now!

The Hon. R. MAHONY: He may get £4 19s. 6d. a week this week, but he

might get £5 ls. next week, and then he will require to have a duty stamp in his pocket. What an inconvenience you will put that man to to get a duty stamp. He would probably have to walk around to find a place at which to buy a duty stamp, because these people are not usually in the position to know where they can be bought. I know I often cannot buy one when I want one.

The Hon. J. RYAN: Does a man know beforehand that he is going to get £5 a week?

The Hon. R. MAHONY: No, he does not know that. He does not know how much he is going to get.

The Hon. N. J. BUZACOTT: Is he charged 2d. if he does sign the receipt?

The Hon. R. MAHONY: He does not sign it. He receives his money in an envelope. As soon as he gets his money he walks away from the pay table. He signs nothing yet, but the companies put up a notice that he has to affix a 2d. duty stamp to his receipt. He does not want to evade the law. I suggest that where wages are paid to the employee and he has not to sign for them an exemption should be allowed him.

The Hon. J. RYAN: Would it not be possible to make an arrangement between the employer and the employee so that the employer would stamp the wages receipt?

The Hon. R. MAHONY: I suggested that some time ago. This is a source of irritation.

The Hon. N. J. BUZACOTT: Does the employer charge 2d. when the employee does not sign?

The Hon. R. MAHONY: Let me explain. I know conscientious men who keep a note-book, and when they receive money they put a 2d duty stamp in the book thinking that possibly the Government may want to see it later on. They do not sign for their money, but, owing to the notice which has been put up, they buy a duty stamp and put it in their note-book opposite to the amount of money they receive. I suggest that where employers pay money out to their employees without asking them to sign a receipt, the payment should be exempt from stamp duty.

[The Hon. R. Mahony.]

The Hon. E. J. KAVANAGH: If they do not sign, what have they to put the stamp on?

The Hon. R. MAHONY: As I have explained, owing to the notice which the employers have put up, conscientious men buy a duty stamp and put it in a note-book, because they think they may be called upon at some time to show a stamped receipt for the money received.

The Hon. E. J. KAVANAGH: They do not sign a receipt?

The Hon. R. MAHONY: No. If I can obtain an assurance from the representative of the Government that these cases will be exempt, I shall be satisfied.

The Hon. S. R. INNES-NOAD: Could not the difficulty be overcome by making the employer put a stamp on?

The Hon. R. MAHONY: I am not concerned about the employer, but about the employee who is put to this trouble.

The Hon. S. R. INNES-NOAD: To save the trouble, could not the employer, when he pays the wages, put a stamp on the envelope?

The Hon. R. MAHONY: All I want is an assurance from the representative of the Government that employees who receive their cash in an envelope and do not give a receipt will be exempt from this form of taxation.

The Hon. E. J. KAVANAGH: No receipt, no stamp—that is the slogan!

The Hon. Sir JOSEPH CARRUTHERS: That is practically the law now!

The Hon. R. MAHONY: If that is the law, I am satisfied.

The Hon. Sir JOSEPH CARRUTHERS: I brought the hon. member's former speech under the notice of my colleague, the Treasurer. I can assure him that the views he expressed met with sympathetic consideration, but this bill does not propose to deal with everything. Later on, the general question of taxation will come up for consideration, and then, perhaps, this particular matter might be tackled!

The Hon. R. MAHONY: I should like something more definite than that.

Question resolved in the affirmative.

Bill read a second time and passed through its remaining stages.

PUBLIC WORKS (AMENDMENT) BILL.

Royal assent to this bill reported.

[*The President left the chair at 6.19 p.m. The House resumed at 7.40 p.m.*]

INCOME-TAX MANAGEMENT (AMENDMENT) BILL.

SECOND READING.

The Hon. E. H. FARRAR moved :

That this bill be now read a second time.

He said: This bill fulfils the promise made by Sir George Fuller to the people at the last elections, that if returned his Government would average the income-tax paid by primary producers over a period of years. The advantage of such a system to the farmer who has to contend with the elements of nature such as droughts and bushfires will be apparent to hon. members. The farmer at present has to pay income-tax on a profitable year's transactions but gets no allowance for a bad year. It is felt that the fairest way to the farmer and primary producer generally is to average his income over a period of five years. Clause 2 of the bill makes provision for the amendment of the present Income-tax (Management) Act so as to provide for an average rate in the £ to be applied to incomes derived from agricultural dairying or pastoral pursuits. Paragraph (a) of the clause provides that the average rate shall be applied to the above classes of income earned during the year 1st July, 1921, to 30th June, 1922, and subsequent years. If the taxpayer has been in the habit of furnishing his returns for the calendar year the amendment would apply to the income for the year 1st January, 1922, to 31st December, 1922, and subsequent calendar years. The average rate for any year is to be ascertained by finding the average amount of taxable income of the five years comprising the particular year of income which is to be assessed and the four preceding years. The rate in the £ that would be applied, in ordinary circumstances, to an income equal to the average income thus ascertained will be the rate to be applied to the actual income which is being assessed. Thus an agriculturist, dairy-farmer, or pastoralist having taxable incomes for five years as follows—first year, £1,000; second year, £2,000; third year, £3,000; fourth year, £4,000; fifth

year, £5,000—would pay tax on the fifth year on £5,000, calculated at 16½d. in the £, really at the £3,000 rate, instead of at the rate of 18½d. in the £, that is, at the £5,000 rate, as would any other individual tax-payer—a reduction of 2½d. in the £.

Paragraph (b) provides that the average shall extend over five years of income, namely, the year of which the income is being assessed and the four years immediately preceding. The exceptions to this are explained under notes to paragraphs (c) and (d). Paragraph (c) provides that in the initial stages of the scheme the average shall be taken on a less number of years than five. Thus for the first year of operations under the Act the income of the year 1st July, 1921, to 30th June, 1922, would be averaged with the income of the year 1st July, 1920, to the 30th June 1921. For the following year, the income of the year of income and that of each of the two preceding years would be averaged for the purpose of arriving at the average rate; and so on, until five years are reached. Paragraph (d) provides that where the taxable income of a primary producer for the year 1st July, 1921, to the 30th June, 1922, is less than the taxable income of the preceding year, the preceding year shall not be considered as an average year, and tax would be levied at the ordinary rates; and so long as his income continues each year to decline, no average year shall be struck in order to arrive at an average income. In each of these years the tax would be computed at the ordinary rates. When, however, the year is reached in which the taxable income begins to ascend the year of income immediately preceding such year of increased income shall be the first average year for purposes of arriving at the rate. After the first year, the average system will apply as described in note to paragraph (c). Paragraph (e) provides that in arriving at the average taxable income for purposes of ascertaining the rate, any losses that may have been sustained in any of the average years shall be taken into account in arriving at the average income. Paragraph (f) is intended to meet the case of a taxpayer, who has been carrying on the business, say of a

grazier, and also that of a wheat farmer, and discontinues the business of wheat farming. If he can establish that through his reduced operations his taxable income has also been reduced by more than one-third, he shall be assessed at the ordinary rates applicable to any individual income. That means that if a person's income for one year is £2,000, and next year declines to £1,500, the next year to £1,000, and the next year to £500, and then it starts to go up the tax will be collected on the years of declining income and then when the income starts to go up the middle period would be the period taken and in that way you would get an average. The arriving at an average in that way is to be a continuous process year after year.

Paragraph (g) provides for an agriculturist, dairy-farmer, or pastoralist commencing business and furnishing a return for the first time. The ordinary schedule rates shall apply in this case. After the first year, the average system will apply as described in note to paragraph (c). It will be clearly understood that there must be a number of settlers, especially soldiers, whose holdings will not give any return for the first few years and this provision is to meet such cases so as to give the settlers a fair start during the first five years. After that period the average will adjust itself.

The second part of paragraph (9) is inserted with the object of excluding from the provisions of the bill those who are not really primary producers but merely dealers in stock. The averaging system provided in the bill is to meet the case of those who are primary producers only, and is not intended to give relief to persons who are merely dealers, buyers and sellers of stock who do not use the stock in connection with primary production. There are many persons who buy and hold stock for the purpose of selling. They are merely go-betweens. They hold stock for a few days or longer. It is not considered necessary to give that class of person any relief. The desire is to assist only legitimate farmers, graziers, and other primary producers who are in the business of primary production to earn a livelihood. The proposed amendment of section 10 of the Income tax (Management) Act, 1912,

{*The Hon. E. H. Farrar.*

will place debentures or inscribed stock issued by the Commissioners of the Government Savings Bank of New South Wales on the same footing as debentures and stock issued by the Victorian Savings Bank and the Government of New South Wales in the matter of rendering the interest thereon free from State income-tax.

Section 16 of the Income-tax (Management) Act, 1912, to which was added certain paragraphs by the Income-tax Management (Amendment) Act, 1918, sets out the statutory exemptions and the proposed amendment of that section is to provide that certain of the statutory deductions, such as the £250 exemption, the £50 allowance for children, &c., shall be made from income other than that derived from primary production, if the taxpayer has any such income. It is simply inserted to define, in the case of composite incomes, which class of income shall bear these deductions. The idea is to deal with a man's income as a farmer and put under a separate category any income he may derive from any other source. The concluding paragraph in the bill amends one of the deductions previously referred to, namely, the deduction of £50 in respect of the annual allowance of members of the Legislative Assembly, the amount being increased to £100. Those are the provisions of this bill, and, as I said at the outset, the bill is placed before hon. members with a view to keeping the promise made during the late elections and to give relief to a class of people in this country who will be able to manage their business better on the law of averages, in this way, than under the present system, which is hard upon them.

The Hon. R. MAHONY: Does the Minister intend to extend the same system to the secondary industries as is provided for here in regard to the primary industries?

The Hon. E. H. FARRAR: No, it is confined to the primary industries, which include farmers, dairymen, agriculturists, and graziers.

The Hon. J. G. FARLEIGH: While I congratulate the Government on introducing a measure of this description to give relief to the taxpayer, I very much regret that it did not go to the full extent it might have gone. The Government had a very good example before it in the inquiries that have been made by the

Federal Government in regard to taxation. A royal commission was appointed to go into the whole taxation question, and one of the points it particularly had to investigate was the question of giving relief to the primary producers by averaging their incomes over a period of years. The reports of that royal commission have been issued, and I suppose they have been given some consideration by this Government, as it has had copies of the reports as they came out. I am sorry this Government did not carry out to the full the recommendations of that royal commission. Certainly the commission was not unanimous on the question of averaging incomes, but the majority of the members were in favour of a system of averaging. Others, who were not in favour of it, were swayed by the report of the British royal commission on income taxation, which was against the system of averaging. But what the British royal commission was against was not the system of averaging *per se*, but the British system of averaging. The British system is a most complicated thing. It segregates various classes of incomes, and allows them different terms of averaging. The whole system is the only one possible in Great Britain. It has grown up from year to year, and the British community being so conservative, and not inclined for change, put up with that system, cumbrous as it is. But in starting a new system the matter of averaging is a comparatively simple one, and, as the hon. member Mr. Farrar has explained lucidly in his notes, the system, if it were carried out in every instance, would be a fairly simple one. But carrying it out in a piebald way, as is done in this bill, is I am afraid going to put an immensity of work on to the Taxation Commissioner in this State, and his staff.

When the Federal Government received the first report from the royal commission it introduced a bill, I think in December of last year, providing for a system of averaging in connection with the primary industries alone. It was pointed out at that time that it would not work in practice. The Federal Taxation Commissioner went to the trouble and expense of issuing a handbook, showing how it would work, and I think if any hon. member here has seen that handbook he will be more than

ever convinced that the whole system is unworkable. The more illustrations that were set forth in regard to the matter the worse the complication got. It has been shown in practice that the system breaks down. Last session the Federal Government practically repealed that Act, and introduced another bill, providing that the incomes on all businesses should be subject to averages, and I think that that measure will be found to work very much better.

I need only point out that the agricultural and pastoral industries are not the only ones affected by bad seasons, and droughts. What affects them, in the first instance, affects the city merchants, the country storekeepers, and everybody who has anything to do with supporting or supplying the pastoralists or graziers. All these people are affected by good or bad seasons. It is eminently justifiable, therefore, that they also should receive the same relief as is granted to the primary industries. The secondary industries are just as much affected by the good or bad seasons as are the primary industries. The hon. member, Mr. Mahony's inquiry upon that point is very pertinent. I think the Government should have taken the secondary industries and businesses into consideration, in the same way as the primary industries.

Another point which has to be considered is: What is an agricultural or a pastoral industry? Does agriculture simply mean growing wheat, or working large areas, or does it include orchardists or small farmers, or Chinese gardeners and others who make good incomes out of their city customers? I think that point has been left somewhat clouded. There is another point. If a man is on the average I take it that he continues on the average for all time, while he remains in business. I understand that will be the procedure.

The Hon. E. H. FARRAR: Yes, once the average is arrived at.

The Hon. J. G. FARLEIGH: And if he makes a loss in any year that loss will be allowed him?

The Hon. E. H. FARRAR: That would reduce his average!

The Hon. J. G. FARLEIGH: Suppose he has profits in four years, and then a loss in one year. The one year's loss

will be deducted from the four years' profits, and the net result will be divided by five?

The Hon. E. H. FARRAR: Yes!

The Hon. J. G. FARLEIGH: I am sorry the Government has not dealt with the situation as it should have done, by providing that everybody in business, irrespective of whether he is directly employed in a primary industry, should have the same relief.

The Hon. E. J. KAVANAGH: There is no question, that this is a sample of class legislation. I do not think that even the Minister will deny that if ever anything in the nature of class legislation was attempted, this is a fair sample of it. I agree with a good deal of what the hon. member Mr. Farleigh has stated, and that the measure necessarily must lead to a good deal of complication. For many years I was given to understand that this system was impracticable; that it could not possibly be done. I understand that was the advice which was given by the officers of the Income-tax Department—that in no circumstances could such a system of averaging over a number of years be worked, because of the difficulties and the complications likely to arise, as indicated by the hon. member Mr. Farleigh. In the first place there has to be some interpretation of what is actually a person employed in agriculture. Then they have to define that individual and the work he is carrying on, and for how long he is carrying it on. He may be occupied in agriculture for one part of the year and in some other occupation for another part of the year. He may be speculating, buying, and selling. The difficulty is to separate it. But I presume that the experts have gone into this matter thoroughly, and they are quite safe, I take it, in what they are doing, although there are times when even expert advice leads Governments astray, and it is quite possible the Government may have been led astray on this occasion. I indorse the remarks of the hon. member Mr. Farleigh as regards the bill not covering other industries. A man goes into business; this year he may have a good year, and next year a very bad year; yet, during the bad year, he has to find the

income-tax payable on his good year. He is in exactly the same position as the agriculturist. Personally, I consider I am second to none in the desire to assist our primary producers in every possible way, but I do fail to see that there is any justification for making them a separate part of the community and giving them special conditions of this character. We know that droughts, bush fires, and so forth occur. We know the difficulties primary producers have to face, but as the hon. member Mr. Farleigh has pointed out, those difficulties also affect the secondary industries, and the same applies to ordinary manufacturers, who have good years and bad years. Why is there this desire to deal with agriculturists separately, and say, "As far as you are concerned you are to be averaged over five years?" The same applies to the individual. A little while ago I occupied a position where my salary was a great deal more than it is to-day, though I will not say it was too much, and I now have to pay income-tax on that higher salary, which I feel very much. Later on probably I will feel it even more.

The Hon. J. A. BROWNE: You ought to have got exemption when you were in office!

The Hon. E. J. KAVANAGH: We did not do that. If we had been able to foresee the future we might have done something of the kind. But the same applies to the individual as well as to the manufacturer. The individual may this year have a good year, and next year may be in an entirely different position; yet in that year he has to find the money to pay the income-tax for his good year. When one comes to consider all the circumstances, there seems to be no good reason why we should separate one industry from the rest of the community. I believe the principle of averaging is a good one, and should be applied all round.

AN HON. MEMBER: Do you think income-tax is ever good?

The Hon. E. J. KAVANAGH: No; like other hon. gentlemen, I do not like paying income-tax. No matter how small an amount one has to pay, in comparison with what one gets it seems a large amount. No one likes to pay it, and I

[*The Hon. J. G. Farleigh.*]

suppose the most unpopular man in the country is the gentleman at the head of the Income-tax Department. Nevertheless, we have to meet that position. But when you talk about averaging over five years, why not average it over six years? Where is there any limit to it? So far as I can see there will certainly be a good many difficulties surrounding the application of the principle, and a good many complications, though the principle seems to me to be a fairly sound one. Why it is not applied all round I do not know. Probably later on we may get an extension of it. Some party may grow up with sufficient power to be able to influence the Government of the day to have regard to men in the secondary industries. Probably we will have a party in Parliament later on representing the secondary industries, and then some consideration will be granted to the manufacturer, and his taxation will be averaged over a given number of years.

The whole point is the picking out of a particular section of the community for special consideration and treatment. Personally, I do not think it ought to be done. I agree with the principle, and look forward to the day when it will be extended to the secondary industries. I happen to have had a great deal to do with those industries, and I know that many manufacturers in this city do not have prosperous times every year; sometimes they have good years, and sometimes very bad years. The principle of averaging would be just as sound if applied to them. However, it seems to me that notwithstanding all possible dangers and complications, and the difficulties surrounding the matter, the Income-tax Department has evidently arrived at the conclusion that they can do it, although I believe in past years their advice was that it was not practicable. But if they have discovered some means whereby it can be applied and carried out, it is their duty to carry it out, and it is the Government's responsibility.

The Hon. Sir HENRY BRADDON: Amplifying what the hon. member Mr. Farleigh said, one of the cases of complication I think that was in his mind was one that he did not explicitly touch upon, nor did the hon. member Mr. Kavanagh. It is that there are composite businesses

where one concern or one ownership may be dealing with primary production and also be in business in the more ordinary sense of the term. How exactly that will be dealt with, whether a portion of the total income can be kept apart for the purpose of averaging, and another portion left under the existing methods of taxation, one does not quite know. I am not sure that I entirely agree with my hon. friend Mr. Kavanagh about the undesirability of selecting a class for this kind of averaging legislation. It seems to me, on the contrary, rather appropriate that that should be done, because, peculiarly perhaps, in this State the climate is distinctly capricious. I have to do work now which takes me all over Australia, and one cannot help arriving at certain broad conclusions. One of them is that a State like Victoria has a much more regular climate, and troubles in the nature of seasonal vicissitudes will not occur as frequently as in New South Wales. South Australia, with a much lower average rainfall on the whole, enjoys a more regular rainfall, and it is a matter known to all of us that every now and then in New South Wales the primary producer gets pretty badly hit. It is quite a usual thing for a primary producer to make a couple of thousand pounds one year, and perhaps lose them the next. I think nobody in this House will quarrel with the principle that if a primary producer is taxed up to the hilt on the £2,000, when he makes it, and then gets no remission whatever when he loses £2,000, it is not quite fair to him. Therefore, the averaging principle seems peculiarly applicable, and more so perhaps in this State than in any other. When you come to compare an ordinary business with that of the primary producer, I think I am a little at variance with the previous speakers, because I do not think that the ordinary business gets hit so hard as the primary producer. In consequence of a drought, the ordinary business may be put to some little strain. For instance, if the farmers fail to get a crop, they do not pay their storekeepers, and the storekeepers, for a while, do not pay their wholesale people, and this throws some little financial strain on business in the big cities, but it does not necessarily lead to loss. The loss falls imme-

diately on the primary producer. There may be a failure to make as much profit as usual in the city business, but I think that the failure is not nearly as great as it is with the primary producer. Let us take this as an instalment. I think that the House will welcome the method of averaging the income of primary producers, and later on, if it is found not difficult to work, there may arise an extension of the principle to other businesses.

The Hon. E. H. FARRAR, in reply: I wish to reply to the point raised by the hon. member Mr. Farleigh as to the definition of "agriculturist" in the bill. In Webster's dictionary "agriculturist" is defined as one who is engaged in tilling the soil, in husbandry, in farming, or in cultivating the ground. That will be the definition of "agriculturist" in the bill, and I think the definition is wide enough to cover orchardists and the people mentioned by the hon. member Mr. Farleigh. Regarding the remarks made by the hon. member Sir Henry Braddon on general and secondary industries, it is true that when there is a drought throughout the country everybody feels the results. Even the working-man feels the result of a drought, for it lessens his employment, and the secondary industries may lose the profits that they make in the good years. But the farmer and grazier lose not only their profits during a drought, but they lose also their stock, which is their capital and has to be replaced. The farmers and graziers are in a different position from the others. That is why the Government felt it to be its duty to push on with this amendment, with the object of seeing if it cannot be operated in connection with the rural industries. Throughout a large portion of this State this year not a bushel of wheat will be harvested. The Government feels in duty bound to keep the promise it made to the rural people, and have the amendment passed at the earliest possible moment. The hon. member Mr. Kavanagh has said that the previous advice was that it would be difficult and complicated. Well, the bill is before the House, and has the recommendation of the experts of the department. If it is difficult and complicated, I think the Government has taken a wise step in

dealing with one section of the community first so as to test the method proposed to be adopted, which, if successful, may afterwards be applied to other industries. Personally I am rather inclined to support the views expressed in regard to that matter, and I shall have the remarks made on the bill to-night forwarded to my colleague the Colonial Treasurer for his information.

Question resolved in the affirmative.

Bill read a second time.

In Committee (the Hon. N. J. BUZACOTT in the chair):

Clause 1 agreed to.

Clause 2 (Amendment of Act No. 11 of 1912).

The Hon. J. G. FARLEIGH: I would like to ask the Minister whether, as under the present income-tax law, a man who is carrying on two separate businesses and is making a profit on one and a loss on the other, will be allowed to set off any loss on one business against the profit on the other business. Will that same principle operate in connection with this bill under the new system of averaging?

The Hon. E. H. FARRAR: I am advised that the man will be allowed to deduct his loss in the case stated by the hon. member!

The Hon. T. WADDELL: I would like to make a few observations on this clause. The principle embodied is undoubtedly a fair one, and the result will be an immense advantage to large numbers of people who have had a hard time under the old law. I would point out that the amendment does not refer to pastoral companies, agricultural companies, nor dairying companies. There may be some of the latter, but I am not sure. I would point out in that connection that as regards the Federal Income-tax Act, which has just been passed, the Federal Treasurer's desire was that it should include companies. I took the opportunity of writing to a prominent member of the Federal Parliament with the object of having provision made to include pastoral companies. The hon. member I wrote to sent my letter on to the Federal Treasurer, who wrote back saying that he considered the bill did make provision for

[*The Hon. Sir Henry Braddon.*]

the inclusion of companies. But I have had expert advice that the measure does not include those companies. I believe this measure is the same. There are many cases, especially in the Western Division, where a number of men have banded themselves together and formed companies. Many are men with small means who have put their "all" into the venture, bought stations, and are now carrying them on. In some cases they have bought only one station, but in other cases they have bought more than one. One reason why there are not more companies operating in the Western Division is because the risks in that part of the State are greater than they are in the other divisions. Consequently very few men are willing to embark their capital in western leases because of the risk of loss through drought. That being so, I am sure hon. members will realise that no one is more deserving of consideration than those men who have invested their money in this way in our western districts. I know of one company which, formed I think in 1912, lost £3,000 or £4,000 in the first year of its operations because of severe drought. The following year the loss was £13,000, and the next year I think about £3,000 or £4,000 again. The fourth and fifth years were good, and the shareholders made just about what they had lost. Later on they experienced another drought, and were knocked back. The drought was again succeeded by good years. Taking the whole period of ten years, this particular company, I think, paid more in income-tax than it got in profits. I am sure the Minister will see how necessary it is that the averaging system should be extended to such cases. I would point out that, after all, these companies are co-operative to the last degree, and there is a strong and growing desire on the part of public men of all parties to encourage co-operation. When that is the case, and the claim for redress is strong, as it is in the case of these companies, the Minister will see the reasonableness of extending the same concessions to these concerns next session.

The Hon. J. A. BROWNE: I think the hon. member Mr. Waddell is labouring under an error. The Income-tax

Management Act of 1912, in section 4, defines "taxpayer" as "any person or company by whom income-tax is payable." This bill provides that when the income is derived from agricultural, dairying, and pastoral pursuits, the taxpayer shall have the right to average. Since "taxpayer" includes company in the definition of the Principal Act, it is obvious the company taxpayer is as much entitled as an individual to average its earnings, if it happens to be carrying on pastoral, dairying, or agricultural pursuits. Whatever the position may be under the Federal law, it is quite clear here that this very beneficial amendment will apply just as much to companies as to the individual.

Clause agreed to.

Bill reported without amendment, and passed through its remaining stages.

INCOME-TAX BILL.

SECOND READING.

The Hon. E. H. FARRAR moved:

That this bill be now read a second time.

He said: This bill is intended to supersede the former rates of taxes and to abolish the super-tax. It was mentioned by the Treasurer in the other House and by the representative of the Government in this House when introducing the Super-tax Bill early in the session that later a measure would be presented to abolish the super-tax principle. To permit of this the grades have been altered. Where it previously started at £700, it is now proposed to start at £250 and to work up by increments of £250 until £1,000 is reached. Then it rises by £500 until £4,000 is reached. That is followed by a rise of £1,000, after which the grade is advanced by £2,000 to the sum of £7,000, at which stage the tax is 2s. 3d. in the £ on all incomes in excess of that amount. The schedule provides how the tax shall be paid. If hon. members look at the schedule they will see that the amount of tax on so much of the income as does not exceed £250 is 1s. in the £, and an addition of one-third of 1s. on such of the income as is derived from the produce of property. Where the income exceeds £250, and does not exceed £500, the amount of tax per £ is 1s. 1d. and an addition of one-

third; over £500, and not exceeding £750, 1s. 2d., and an addition of one-third; over £750, and not exceeding £1,000, 1s. 3d., and an addition of one-third; over £1,000, and not exceeding £1,500, 1s. 4d., and an addition of one-third; over £1,500, and not exceeding £2,000, 1s. 5d., and an addition of one-third; over £2,000, and not exceeding £2,500, 1s. 6d., and an addition of one-third; over £2,500, and not exceeding £3,000, 1s. 7d., and an addition of one-third; over £3,000, and not exceeding £3,500, 1s. 8d., and an addition of one-third. So it goes on until it reaches over £5,000, and does not exceed £7,000, the rate for which is 2s. 2d., and an addition of one-third, and when the amount exceeds £7,000, the rate is 2s. 3d., and an addition of one-third. It may be interesting to illustrate how the present and the proposed rates compare. On a taxable income of £100 the present rate is £6 5s., and the proposed rate will be £5, showing a difference in favour of the ratepayer of £1 5s.

AN HON. MEMBER: What about the exemption?

THE HON. E. H. FARRAR: The exemptions are untouched. A taxable income of £200 pays £12 10s., and at the proposed rates it will pay £10, a difference in favour of the taxpayer of £2 10s.; the present rate on £500 is £31 5s., the proposed rate will be £26 0s. 10d., a difference of £5 4s. 2d.; £1,000, present rate £63 15s., proposed rate £56 5s., a difference of £7 10s.; £1,500, present rate £97 1s. 8d., proposed rate £89 11s. 8d., a difference of £7 10s.; £2,000, present rate £132 18s. 4d., proposed rate £125, a difference of £7 18s. 4d.

THE HON. W. E. V. ROBSON: What class of income is affected—personal or property?

THE HON. E. H. FARRAR: I am dealing with income from personal exertion at present; I shall deal with that from property later. An income of £5,000 pays £380 16s. 8d., and under the proposed rates it will pay £389 11s. 8d., being an increase of £8 15s., I feel sure that anyone receiving a taxable income of £5,000 a year from personal exertion is quite willing to pay the slight difference. An income of £10,000 pays £918 15s., and at the proposed rates will pay £943 15s., an increase of £25.

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Now I come to the taxable income derived from property. An income of £100 pays £7 10s., it will pay £6 13s. 4d., a difference of 16s. 8d. in favour of the taxpayer; £200 pays £15, it will pay £13 6s. 8d., a difference of £1 13s. 4d.; £500 pays £37 10s., it will pay £34 14s. 5d. a difference of £2 15s. 7d.; £1,000 pays £76 13s. 4d., it will pay £75, a difference in favour of the taxpayer of £1 13s. 4d. An income of £1,500 pays £116 18s. 11d., and it will pay £119 8s. 11d., an increase of £2 10s. At that stage the difference between the two rates is an increase, and it continues to be an increase up to and over £10,000.

This bill, like that with which we have just dealt, is brought in to keep a promise made by Sir George Fuller at the elections, and as is shown by the figures I have just given, it affords relief and readjusts taxation on a basis more equitable than the present. The small man and the middle-class man are relieved, and the man who has a very large income and can well afford to pay has his taxation slightly increased.

Question resolved in the affirmative.

Bill read a second time and passed through its remaining stages.

House adjourned at 8.45 p.m.

Legislative Assembly.

Thursday, 9 November, 1922.

Printed Questions and Answers—Questions without Notice—Industrial Arbitration (Amendment) Bill (third reading)—Public Works (Amendment) Bill—Public Works Committee—Public Service (Amendment) Bill (second reading)—First Readings.

MR. SPEAKER took the chair.

PRINTED QUESTIONS AND ANSWERS.

RAILWAY LINES AND ROLLING-STOCK.

MR. ANDERSON asked the MINISTER FOR RAILWAYS,—(1) What is the present maximum width of passenger rolling-stock in New South Wales? (2) What is it in Victoria? (3) Has Victoria expended large sums of money to widen