

(No. 70.)



1873.

T A S M A N I A.

LEGISLATIVE COUNCIL.

DIRECT TAXATION:

PETITION FROM MR. JOHN MURPHY.

Presented by Mr. Grubb, October 14; and ordered by the Council to be printed,
October 15, 1873.



*To the Honorable the President and Members of the Legislative Council of Tasmania,
in Parliament assembled.*

The Memorial of the Landholders, Merchants, Bankers, Professional Men, Tradesmen, Mechanics, and other Inhabitants of Launceston and its vicinity, in Public Meeting assembled.

RESPECTFULLY SHOWETH :

THAT your Memorialists view with the strongest feelings of disapprobation the announcement of the Colonial Treasurer, in his Financial Statement of the 24th instant, that it is the intention of the Government to propose the infliction of an Income Tax upon the people of Tasmania.

That such Tax has been denounced by Adam Smith as "attended by an inquisition more intolerable than any Tax, and nothing can either correct or modify its defects, or hinder it from becoming ruinous and intolerable." J. R. M'Culloch, as "a tax upon honesty and a bounty upon perjury, that has been the curse of every country into which it has been introduced." Sir Robert Peel, as "an unpopular, obnoxious, and inquisitorial tax that ought to be reserved for a time of war." Mr. Gladstone, as "a tax that has done more than any other to demoralise and corrupt the people;" and as "so convenient, that whilst you have it a part of your ordinary revenue, it will be in vain to talk of economy and effective reduction of expenditure." Sir Morton Peto, as "a tax that has been used by politicians of all parties as a means of defraying every sort of financial extravagance, and has carried with it every sort of grievance, trouble, vexation, annoyance, heart-burning, and strife, and has been productive of no small amount of crimes, of evasions, of falsehood, and even perjury." The Colonial Secretary, Mr. Chapman, when addressing the House of Assembly, as "a tax which would bring about the immediate ruin of the Colony." He believed it would be the destruction and ruin of the poor man, and would drive all respectable artizans out of the Colony; as "an inquisitorial and abominable tax." When addressing the Electors of Launceston, as "destructive to the best interests of the Colony." When addressing the Electors of East Hobart, twelve months since,— "as the worst tax that could be imposed." The Premier, Mr. Kennerley, addressing the Legislative Council in September, 1866, as "an obnoxious tax;" and asked, "Why in a new country should they think of introducing an Income Tax? They heard on all sides what advantages were to be derived from population coming here: it was true that persons were beginning to come, and he (Mr. Kennerley) considered that he was one of the pioneers of the class of persons who would come and settle down here, and spend a portion of their income. He knew that the expenditure of some who had come here amounted to thousands, but the Property and Income Tax would not attract them (hear hear). He had heard of some who were coming, but the idea of an Income Tax had altered their intention, and they would go to Melbourne: it is not likely that people would come here." And in writing to *The Mercury* to correct a few inaccuracies in the report of such address, (not referring to the above quotation), Mr. Kennerley thus expresses himself,— "My opinion is that a stern necessity must first be shown to have really arisen before such an odious tax should be inflicted upon the people of this Colony."

That your Memorialists, unable to enhance the force of these emphatic condemnations of the contemplated infliction, submit them for the most serious consideration of the representatives of the people in Parliament; as also the demand of the Premier (Mr. Kennerley), which your Memorialists reiterate, "Why in a new country should they think of introducing an Income Tax?" an infliction which the Government of no other Australian Colony has even ventured to suggest to its Legislature.

That, apart from the obnoxious and demoralising nature of the tax, your Memorialists are convinced that it would be very costly in its collection, whilst the amount it would realise is most uncertain, and not likely to meet the requirements of the Government, as was distinctly stated by Mr. Chapman when addressing the House of Assembly, twelve months since, in the following words: "But even this Property and Income Tax will not put the finances of the country in a permanent satisfactory condition. Even the revenue we expect to get from this Income Tax is entirely speculative. It is impossible to estimate the income of the country,—it might be £5000, £10,000, £15,000, £20,000, or £30,000."

That your Memorialists are of opinion that any re-adjustment of taxation attempted by the Legislature should be based upon the principle that every person possessing any stake or interest in the Colony should contribute towards the public burthens in proportion to the amount of his realised wealth under the protection of the State; and are further of opinion that before any resort be had to direct taxation sweeping reductions should be made in the Customs Duties as at present levied, so as to encourage commerce and manufactures, promote industry, and enhance the value of the property of the country.

Your Memorialists therefore pray that your Honorable House will take the premises into most serious consideration, and refuse its assent to the proposal to inflict an Income Tax; and further, that your Honorable House will refuse its assent to the introduction of any system of direct taxation unless accompanied by sweeping reductions in the Duties of Customs as at present levied.

And your Memorialists, as in duty bound, will ever pray.

JOHN MURPHY, *Chairman of the Meeting.*