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1901-07-25

House of Representatives.

Mr. Speaker

took the chair at 2.30 p.m., and read prayers.

QUESTION

HIGH COMMISSIONER IN LONDON

Mr Wilks

I desire to ask the Prime Minister, without notice - 1 . Is there any truth in the statement of the Sydney Morning Herald of 23rd July that the High Commissioner for the Commonwealth in London will be selected from among the governors of the States ? 2. Further, will the Prime Minister state the intentions of the Government in reference to this most important appointment?

Minister for External Affairs

Mr BARTON

- There is no truth in any statement which implies that the Government has considered the range of tion-
. tion for this appointment, because - and this will answer the second part of the question - until a Bill has been at least considered, it is not, in relation to it, or to other Bills involving important appointments, the desire of the Government to complicate matters by deciding upon them.

ADJOURNMENT

Employment of Coloured Labour on Mail Steamers.

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Mr SPEAKER

- I have received an intimation from the honorable member for Bland that he desires to move the adjournment of the House to discuss a definite matter of urgent public importance, namely, " The increasing employment of coloured labour on subsidized mail steamers."

Five honorable

members

having 'risen in their places,

Question proposed.

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Mr WATSON

- I am one of those who think that the power to adjourn the House should be taken advantage of very sparingly by honorable members, but it seems to me that in respect of the question that I am bringing up on this occasion, there is justification for directing immediate public attention to the increasing effect that seems to be likely to follow from the employment of coloured labour, especially on the mail boats that this Commonwealth subsidizes, or will have to subsidize. For many years past there has been an agitation among a great number of people against the continued employment of coloured races' on mail boats, and I think that, at one of the postal conferences some years ago, a resolution was come to that steps should be taken in respect to any future contracts entered into with the various steam-ship companies to insert a clause to provide against the employment of these people objected to. Steps in that direction were, I think, taken by the then Postmaster-General' of New South "Wales on behalf of the other Postmasters-General to obtain from the British Government their concurrence - in view of the fact that they contributed towards the subsidy. Qf course, the main point of objection was to the crews with which the P. and O. boats were manned. For some years previous to that, in fact ever since the Orient Company started opposition to the P. and O. Company, the former company had been employing white labour, and at the same time had to compete against the P. and O. Company, whose crews were composed almost entirely of lascars. I think the only exceptions so far as the P. and O. boats were concerned were in respect to the engineers and officers and quartermasters, who were Europeans. Well, I am sorry to say that the Postmaster- General of New South Wales was not on that occasion able to convince the Secretary of State for the Colonies or the British Postmaster-General of the necessity of taking steps in the direction desired ; and only very recently a development has occurred which seems to point to such serious consequences that tho whole ground may very well be covered again, and the question re-opened. We have to consider that this is a question affecting not only those who travel by the

mail' boats between here and the old land, but one which very materially affects the conditions of employment of seamen right along the Australian coast. We now insist, and, I think, very properly, that seamen and other maritime workers engaged along the Australian coast shall be employed under something like fair conditions, and at fair rates of wages, and I am glad to say that the colonial steam-ship owners have been extremely reasonable in meeting the men, at any rate during the last year or two, with the result that we have as good conditions obtaining along our coast as exist in any part of the world. The importance of this new development - in' which the Orient Company have apparently at last had to succumb to the . competition of - the P. and O. Company in respect to the employment of coloured labour - affects every seaman on the coast, because these mail steamers compete in regard to the passenger traffic to a large extent, and 'in a lesser degree, perhaps, in respect to the carriage of cargo, with the vessels on the coast owned by our own people and manned by white labour. If we are to have an extension of this new development to the whole of the vessels employed by the Orient Company in the Australian mail service, it seems almost a certainty that the other lines of steamers trading with the old country, which are not subsidized, will be also compelled to follow suit. .I do not know at the present moment of any other of the regular liners trading between here and the old country, such as the Lund line or the two White Star lines, that are employing anything but white labour - as far as I know they are employing white labour only. It does seem, therefore, that apart from the question as it affects our citizens, who become passengers to Europe, we are interested by reason of the competition between these vessels and our own coasters in insuring that those who own the coastal vessels should not have to compete on an unfair footing with these steamers manned by coloured races. The development to which I have referred is the fact that the Orient Company has at' least one vessel on the .coast .manned almost entirely by lascars: We have heard this development attributed to the Admiralty regulations governing the addition of vessels to the naval reserve, but I dissent from that view altogether. It was stated that because the Admiralty regulation regarding vessels attached to the naval reserve, or classed as Admiralty cruisers, provided that a certain proportion of the crews of such vessels must be British subjects, that therefore the Orient Company were discarding their white crews with the view to the employment of British subjects only in the persons of lascars. I do not think that argument will hold water for a moment, in view of the fact known to . myself and others who are interested in shipping matters, that the whole of the men who were employed on the Orient Company's boats, and who, I am glad to say, are still employed on the majority of them, are British subjects. The stokers and engineers, and the whole of the deck hands on these boats, with few exceptions, have been British subjects up to the present time, and therefore the argument that the Orient Company has been driven to' this course by the Admiralty regulations is altogether beside the question, in my view ; and the whole thing narrows itself down to the fact that the Orient Company after a struggle extending over many years, during which they have been anxious to properly preserve the British seamen as a class and keep them from absolute extinction - which seems to be the way they are going, under the present policy of the British people - are now driven by the fierce competition of many other lines, and especially of the P. and O. Company, to employ coloured labour. The P. and O. Company has been allowed for years to continue, even with the subsidies that were paid, to employ lascars at very low rates of wages, and not only at low rate of wages, but under conditions as to air space and accommodation under which the Board of Trade will not allow any white man to work. The Board of Trade have passed a regulation, under the Merchant Shipping Act, governing the minimum air spaces to be allowed for each seaman on a vessel, but unfortunately the P. and O. Company have been enabled to avoid these regulations, in the past - although I believe there is an attempt now being made to compel them to abide by them - on the ground that the ' people they employed were not subject to the Act in the way that white men were. In spite of this the Orient Company have continued to employ white men, and now we have the development in the shape of one boat at least', probably as the precursor of others, with a lascar crew. I contend that, notwithstanding that these lascars are .British subjects, we have the right to object to anything that will have the effect of lowering the tone of the race generally or will have the effect of unfairly competing with our own citizens who are already employed on the coast. And if we give a certain subsidy to the various vessels engaged in carrying the mails, surely we have a right to insist upon the conditions which shall obtain. I might direct the attention of honorable members to the fact that in New Zealand they now have a section in the law- - I forget the name of the Act - which governs the letting of postal contracts, providing in so many words that

any vessel which receives a subsidy must employ white labour only. There is no possibility of the money of the New Zealand Government being used for the employment of a race which is objectionable from many points of view. In Queensland also, some time ago, the Government had a clause inserted in their mail contracts, I believe, which precluded the possibility of the employment of coloured labour on the mail steamers ; but I understand I speak subject to correction by those who are better acquainted with the local details - that the action taken in Queensland at the time that the clause was inserted, was the direct consequence of the proved unreliability of these lascars in time of peril and trouble. Most honorable members will probably recollect the circumstances attending the wreck of the Quetta on the Queensland coast, and I understand that it was because of the behaviour of the lascars on that British-India boat on that occasion that the Queensland Government were forced by public opinion in that State to take steps to prevent the repetition of such a scene in connexion with subsidized mail boats. I do not wish to say a great deal with respect to the behaviour of the crew on that occasion, but it is well known that the boats were rushed by the lascars, and that a very poor chance was given to women and children and other passengers, probably unable to take care of themselves, to save their lives.

Mr Wilks

- The lascars were panicstricken.

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Mr WATSON

- Yes ; they were panic stricken and rushed the boats. I have another instance in my mind. I think it was in the cruise of the steamer Dewan in the Red Sea, where an almost similar set of circumstances occurred, and the whole evidence goes to prove that, while for the mere purpose of stoking or doing casual work in fine weather, these lascars may be fairly efficient, it is certain that in time of stress and trouble - which is the time when everything in the way of stamina, and coolness, and courage is required - they are wanting, and it does seem to me that we, who participate in any proceeding which encourages the employment of that class of men in duties of this sort, are certainly moral participators in the responsibility, which must be shouldered by those who have charge of these affairs. "We hear constant complaints in the magazines and other thoughtful journals about the disappearance of the purely British seaman, not only in the old land, but also on our own coast. Other nations, I am glad to say, take a little livelier interest in the encouragement of their maritime populations. We do not find, as far as Germany is concerned, that her subsidized mail boats employ other than her own citizens, and in respect to America they put a clause in their Acts, which govern the granting of subsidies to mail steamers and others working under their flag, that they must employ at least a certain proportion of their own subjects before they are eligible to claim any subsidy. So that it does seem to me that, apart from the question of the competition that our own steam-ship owners and our own seamen have to put up with, we have a right from the point of view of the encouragement of the large body of sailors who form an important part of our population, to insure that preference shall be given to their employment. One reason why I bring the matter up at this stage is that recently we saw adopted in another place a provision, in respect to this very subject, and I am sorry to say, that as far as we have been able to glean the intentions of the Government, it does not seem that they are prepared to take any steps in the direction indicated. The reason which actuated me in bringing forward this matter to-day was a desire to emphasize the new development. It was bad enough in all conscience while- the thing was confined to one particular company. Large company as that is, still it only did a fraction of the business that was transacted throughout Australasia -f but when we see the sheet-anchor of white employment disappearing, and the Orient Company forced to give in to the severe competition with which it has had to contend, surely it becomes a matter for the reconsideration of the Government whether they shall not take some steps to preclude the possibility of the further extension of this evil. I have no desire to weary the House with anything more on the subject ; but I do ask the serious and earnest consideration of honorable members to the danger that seems to be before us in respect to the employment of these lascars. Especially do I ask the Government to reconsider their position before the Postal Bill comes on for discussion in this House; and that an opportunity may be given honorable members of pronouncing in favour of a white Australia, so far as our maritime population, as well as that within the borders of the Commonwealth itself, is concerned.

Question resolved in the negative.

Mr McDonald

- That is shabby treatment from the Government.'

Mr Barton

- I did not rise to speak at once, because I thought that the debate was going to be continued. If the honorable member for Bland will ask me a question upon the matter to-morrow J. will answer it.

Mr McDonald

- It is very shabby, anyhow.

QUESTION

MEMORIAL OF THE BIRTH OF THE COMMONWEALTH

Mr HENRY WILLIS

asked the Prime Minister, upon notice -

Whether, having regard to the importance of preserving a lasting memorial of the birth of the Commonwealth, he will take into consideration the question of communicating with the Premier of the State of New South Wales, with a view to the erection in Australian marble of "The Swearing in Pavilion," on the site upon which the present structure stands, in the Centennial park, Sydney.

Mr BARTON

- This matter, will be considered with a view rather favorable to sending such a communication.

VOTES AND PROCEEDINGS

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Mr V L SOLOMON

- Before the business of the day is called on I should like to direct attention, sir, to the Votes and Proceedings as printed on July 17, which are somewhat incorrect and not in accordance with Hansard. In the Votes and Proceedings the entry in regard to the Public Service Bill is in these terms -

Mr. V.

L. Solomon moved, That the standing orders be suspended in order to enable

a

motion for the recommittal of the Bill to be moved.

Debate ensued.

Question put and resolved in the affirmative.

Mr. V.

L. Solomon moved, That this Bill be now recommitted to a committee of the whole House.

Debate ensued.

Motion, by leave, withdrawn. '

Mr.

Gr'.

B. Edwards moved, That this Bill be now recommitted to a committee of the whole House for the reconsideration of clauses 40, 43, 58, and 60.

That is not correct. The position is that, having made an error to which my attention was called by the leader of the Opposition and other honorable members in moving the recommittal of the whole Bill, by consent of the House I withdrew that motion, and substituted a motion, that the Bill be recommitted for the specific purpose of reconsidering clause 40. According to Hansard, which is correct, the honorable member for South Sydney moved -

That the following words be added to the motion: - "and that it be an instruction to the committee to reconsider clause 68."

I ask, Mr. Speaker, that the Votes and Proceedings may be rectified in order that they may give a true record of what did occur.

Mr SPEAKER

- In answer to the honorable member I may point out that every honorable member has a right to speak once to every question. The honorable member having exhausted his right to speak on this particular question by moving that the whole Bill be recommitted, even though he afterwards withdrew that motion, could not speak again with a view to move another. The honorable member for South Sydney moved a further motion - which he had a perfect right to do, as he had not spoken before - and to make the record in accordance with the standing orders the entry appears in its present form. It could not appear

as the honorable member asks that it should, whilst the standing orders are as they are.

Mr V L SOLOMON

- Mr. Speaker - -

Mr SPEAKER

- The honorable member cannot debate the question.

Mr V L SOLOMON

- I can surely point out-

Mr SPEAKER

- The honorable member is distinctly out of order.

Mr V L SOLOMON

- I defer to your ruling of course.

Mr SPEAKER

- The honorable member must resume his seat, then.

Mr V L SOLOMON

- I will take another opportunity of referring to the matter.

PERSONAL EXPLANATION

Mr BARTON

- I should like the indulgence of the House to make a personal explanation.

Mr JOSEPH COOK

- I object, Mr. Speaker.

Mr SPEAKER

- The Prime Minister or any other honorable member can make a personal explanation as to anything he has said which has been misunderstood. If the honorable gentleman proposes to explain anything that has been misunderstood he is at perfect liberty to do so.

Mr BARTON

- I have been misunderstood. A short time ago an honorable member expressed the opinion that my action was very shabby.

Mr Reid

- I am very sorry indeed to interrupt the right honorable gentleman, but I take it that Mr. Speaker will lay down the rule that all honorable members will be treated alike." We see now what the right honorable gentleman wishes to refer to. If he is in order we should like to hear him. But is the Prime Minister in order in explaining anything which he may have omitted to do, such as not having spoken to a question which has been decided ; because if he is, then any honorable member who failed to catch your eye, Mr. Speaker, would have a right to explain how it was that he did not speak upon any particular question ?

Mr SPEAKER

- No honorable member is entitled to make any other explanation than one bearing upon something that has been misunderstood - not even the Prime Minister ; but the Prime Minister equally with other honorable members is entitled to explain any matter upon which he has been misunderstood. It remains to be seen what the Prime Minister desires to explain. .

Mr BARTON

- I wish to explain- and lest there be any more objections raised, whether they be captious or not - I shall conclude with a motion.

Mr JOSEPH COOK

- I rise to a point of order. Has the Prime Minister a right to allude to objections as captious?

Mr SPEAKER

- The Prime Minister has not said that anything was captious. He said he desired to avoid objections, captious or otherwise.

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Mr BARTON

- I hope I shall not be further interrupted in trying to take a fair course. If I have an opportunity of showing that my course is fair, it will be better than that I should be prejudged. I hope that that order will characterize the further proceedings of honorable members which has characterized them in the past. .A little while ago there was a motion before the House which I shall not now debate. The question was put

from the Chair, and declared in the negative. At that moment I" was busily engaged attending to something else ; and I wish to say, especially as my action has been misunderstood, that if the honorable member who moved that motion wishes to suspend the standing orders in order that he may ask me a question on the subject, or if he wishes that I shall move the suspension of the standing orders--

Mr JOSEPH COOK

- I rise to a point of order.

Mr BARTON

- Surely .1 may make a statement.

Mr JOSEPH COOK

- The right honorable gentleman rose for the purpose of explaining something upon which he was misunderstood. He is doing nothing of the kind, and I submit that he is entirely out of order.

Mr SPEAKER

- The Prime Minister expressly said that he would conclude with a motion. It will be quite in order if the Prime Minister concludes with the motion " that the standing orders be suspended," for example. I am not suggesting that. It is not my place to suggest what the Prime Minister should do, but should he conclude with such a motion it will be perfectly in order.

Mr BARTON

- This further attempt to interrupt me having faile'3, I should like to address myself to the motion about to be moved, for I shall conclude with a motion that the standing orders be suspended. I think the sense of fairness of the House will support me in giving my reasons for moving that motion. The motion submitted by the honorable member for Bland, which has already been negatived, was put whilst I was very busily attending to another matter. I expected some other honorable member would express his views on the subject, and it would have been easier for me to speak in reply to two speeches than in answer to one. Of course I cannot carry out the course which I propose if honorable members are not willing that it should be done ; but inasmuch as it seems to be only just that the honorable member for Bland should have some answer to the question which he raised; I move -

That the standing orders be suspended, in order to enable the discussion to be continued on the motion moved by the honorable member for Bland.

Mr Reid

- I wish to ask your ruling, sir, upon a matter which is of great importance apart from this question altogether. It is in reference to the question of urgent necessity. If you admit the right of the Prime Minister to move this motion, a similar right must be extended to every honorable member- of this House. There cannot be a right under the standing orders which enables the Prime Minister or any other Minister to do a thing which a private member cannot do. 1 do not wish to go beyond your ruling' of yesterday to the effect that the standing orders should be suspended only in cases of urgent necessity. Leaving that ruling, that a motion is not necessary to declare urgent necessity, out of the question, I should like, as a matter of practice for the future, to know whether you consider such a motion can be brought before the House without at least a statement from the honorable member who. intends to move it as to its urgency. The standing orders seem to me to contemplate a departure from our ordinary rules only under very grave circumstances. What is the use of standing orders- if they can be tom to pieces at a moment's notice ? Before a motion is put from the Chair, which has the effect of enabling any honorable member to do as he likes- without notice, I think it is due to the House that the honorable member moving it as a matter of urgent necessity should, at any rate, state to the House the reasons for his action. The Prime Minister moved this motion without giving any reason as to its urgent necessity. The standing orders surely mean that we are not to be allowed to suspend the rules of the House except in the case of urgent necessity.

Mr Watson

- Their suspension was moved in the middle of a debate the other night.

Mr Reid

- I am sorry for that precedent. I do think that, consistent with your ruling, Mr. Speaker, it is due to the House that the matter should be stated to be one of urgent necessity, and that reasons should be given for adopting the course.

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Mr Barton

- It is only fair that as the leader of the House I should be called upon to give some reasons against the point of order. This House has repeatedly, in cases of inadvertence, re-opened matters, and only the other night, on the motion for the third reading of a Bill having been stated from the Chair-

Mr V L SOLOMON

- Wrongly stated from the Chair.

Mr Barton

- Only the other night, on the motion for the third reading of a Bill having been stated from the Chair, and Mr. Speaker having given a decision that as the matter had gone so far, and as objection had not been taken at the proper time, the subject could not be re-opened, the courtesy was extended to the honorable member for South Australia, Mr. Solomon, of moving that the standing orders be suspended in order that a certain matter might be reconsidered.

Mr V L SOLOMON

- In that case an admitted error had been made by the Chair.

Mr Barton

- It matters nothing to me, because this question is whether the House has a right to exercise a certain power. It can exercise that power whether the inadvertence is on the part of the Chairman, the leader of the House, or the humblest member of it. It is a matter of fair play all round. That is the reason why I ask that this motion should be carried. I ask it on another ground, viz., that if it were ruled by Mr. Speaker to be out of order, then the most wrong impressions might get abroad through the action of some honorable member in preventing the House from exercising its own undoubted function in the carrying on of its business.

Mr McDonald

- Probably I had something to do with this matter, inasmuch as I applied the word "shabby" to the treatment meted out to the honorable member for Bland by the Prime Minister. I understand now that in New South Wales it is the custom when a motion for the adjournment of the House is moved, for the Minister to wait until a number of honorable members have spoken, and then to reply. That being so, I desire to apologize to the Prime Minister. The practice to which I have been accustomed, is for the Minister in charge of the particular department under which the matter forming the subject of the motion comes, to reply immediately the mover has concluded his remarks. The object of the motion to-day was to allow the Minister to follow that course, and so to save time. The Minister not taking that opportunity, I thought he was treating the honorable member for Bland in rather a shabby manner, but now that I understand that there was no intention to do so I desire to apologize. Like the leader of the Opposition, I must certainly enter my protest against the continued suspension of the standing orders. It is one of the most dangerous practices that any assembly can fall into. In the early history of this Parliament it was overlooked, on the ground that the standing orders were new, and that honorable members were unfamiliar with them. But when once the provisional standing orders were placed upon the table of the House the general impression was that it would be wise not to allow of their suspension so frequently. There is another serious point which suggests itself to my mind in connexion with the suspension of the standing orders in the present instance. The House has already come to a decision upon the motion submitted by the honorable member for Bland. Now, without any attempt to rescind that decision, we are about to re-open the question. I am sorry that this difficulty has arisen. I should like to suggest that seeing that a mistake has been made, unwittingly on the part of the Prime Minister, it would have been a wise course for him to ask the permission of the House to say a few words in reply.

Mr Barton

- I could not do that without the suspension of the standing orders.

Mr McDonald

- That would have avoided the suspension of the standing orders.

Mr Barton

- The suspension of the standing orders would have been necessary in either case.

Mr McDonald

- The unanimous permission of the House could have been granted without the suspension of the standing orders.

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Mr SPEAKER

- There are two or three points to which I must refer. As to the first point which was raised by the leader of the Opposition, I desire to say that there is no rule which applies to one honorable member - no matter who he may be - which does not apply equally to other honorable members. No practice would be tolerable which applied to one honorable member and not to all. In the next place a question has been raised as to what is an urgent matter. There are two standing orders which refer to the matter of urgency. The first is Standing Order No. 38, which permits of an informal discussion for the purpose of dealing with a definite matter of urgent public importance, which the honorable member raising it must state and hand in to the speaker. The other standing order is No. 407, which states -

In cases of urgent necessity any standing or sessional order or orders of the House may be suspended for the day's sitting on motion duly made and seconded, without notice : Provided that such motion is carried by an absolute majority of the whole number of the members of the House.

In both these cases clearly, I think, according to the intention of the standing orders, and clearly according to the practice, so far as laid down in them, and so far as our practice goes - clearly, according to the standing orders and our practice the responsibility of determining whether a question is or is not urgent, rests on the honorable member who moves the motion. Naturally he knows more about the question than any other honorable member, and if an honorable member, be he Minister or private member, rise to move a motion which can only be moved as one of urgency, then urgency is at once presumed. On two or three occasions under Standing Order 38, urgency has been presumed ; members have risen in support of the motion, the debate has proceeded ; and even to-day the same thing has been done. In regard to the suspension of the standing orders, urgency has been presumed from the very fact that under the necessary plea of urgency the suspension has been moved ; therefore, the practice I propose to follow is that wherever under the standing orders a member, Minister or otherwise, presumes that a matter is of urgent necessity, requiring action under the standing orders, that urgency will be admitted so far as I am concerned, and I do not think the Chair ought to challenge it. If the House chooses to challenge it that is another thing, but the way" the House can challenge it, in the case of Standing Order 38, is first by refusing to rise in support of the urgency, and, under Standing Order 40, by the majority of the whole House required under the clause to suspend the standing orders, refusing to give their concurrence. The honorable member for Kennedy has raised two points, first, as to whether the motion proposed is not a rescission of a previous question. I maintain that it is not a rescission. The previous motion was -

That the House do now adjourn - some half an hour ago. " The motion which will be before the House, if the suspension of the standing orders is agreed to, is -

That the House do now adjourn - at a quarter past three, or such other time as it shall be put. That is no more a rescission of the previous motion than a motion carried at ten or eleven o'clock to-night that the House do then adjourn, would be a rescission of the vote I taken now.

Mr V L SOLOMON

- What is the motion now ?

Mr SPEAKER

- I will state the motion in a moment. The farther and only other point is a suggestion by the honorable member for Kennedy, that the Prime Minister might have spoken to the motion by leave of the House. I would remind that honorable member that the Prime Minister did propose to speak to the motion, by leave of the House, but that leave was refused by one honorable member, leave always being refusable by any one honorable member who chooses so to refuse' it. The question now before the House is -

That the standing orders be -suspended in order to enable the discussion to be continued on the motion moved by the honorable member for . Bland.

Mr WATSON

- I trust the House will allow the standing orders to be suspended under the circumstances, because of the reason put forward by the honorable member for Kennedy, in the suggestion that honorable members were not all acquainted with the unified practice now being followed. That was put forward as a reason for this particular motion being carried. For myself I was rather expecting the New South Wales practice, or custom, to be followed, namely, that a number of honorable members, if there were a difference of opinion, would get up and say what they wished to say before the Prime Minister replied. That has been

the custom in New South Wales, though it is not a practice laid down; but in any case I trust, as there seems to have been an error, the House will carry the motion, and that the Premier will make the statement he desires to make on behalf of the Government.

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Mr REID

- I do not think any honorable member of the House can have the faintest desire to prevent that which is aimed at by the motion of the Prime Minister. No one could wish that after an honorable member of the House has made a statement on an important question, that the Prime Minister who as we now see was by mere inadvertence deprived of the opportunity of speaking, should not be debarred from replying. I wish it to be distinctly understood that my only desire was that, as these are matters which are bound in the future to be of very great importance we should have a practice clearly settled I certainly intend to support the motion. I wish, however, to point out that there is one thing that the suspension of the standing orders cannot do, so far as I can see. The motion of the honorable member for Bland having been negatived, cannot be put before us again. There are a number of things we can do by the suspension of the standing orders, but we cannot undo some things unless, as I suggest, the Prime Minister includes in his motion something that will have the effect of doing that. The mere suspension of the standing orders, so far as I can see, will not do that.

Mr Watson

- It will enable another motion to be made.

Mr REID

- Perhaps the words which the honorable member has used might be taken as sufficient. This is one of the awkwardnesses of the situation - namely, that the discussion has been closed and the House has decided, so that something more is required than to merely move the suspension of the standing orders. However, I shall co-operate with the Prime Minister in every possible way, in order to give him the opportunity he wishes.

Mr Barton

- On the question of order I would point out that the re-opening of the discussion carries with it the putting of the motion again. If the discussion be re-opened it means that the vote just taken can be reconsidered - not that the same question shall be moved twice, or that the motion shall be before the Chair twice, but that the same motion can be reconsidered. Otherwise there would be no object in re-opening the discussion, because that might lead to a change in the minds of honorable members generally, and they would be deprived of the opportunity of expressing an opinion by vote. Therefore, the re-opening of the discussion carries with it all that follows the discussion, . and must therefore carry with it the putting of the motion. If you, Mr. Speaker, think otherwise, I will include further words in the motion, but I have a fairly clear opinion that it is not necessary, but that the one thing includes the other.

Mr SPEAKER

- I do not know whether the honorable member for East Sydney desires a ruling.

Mr Reid

- I do not wish a ruling unless it be a useful one. I mean that it might embarrass the Chair to give a ruling on the spur of the moment on this particular matter, which may never arise again. I only wished the practice settled and to apply to all cases, but the present position I hope will never arise again.

Mr SPEAKER

- I am very glad the right honorable member for East Sydney has given already one opportunity to settle the practice, and that he has now given a further opportunity to settle another practice. The course which I think should be followed is this: The right honorable the Prime Minister has moved that the standing orders be suspended in order to enable the debate to be continued. It will be for him if the standing orders are suspended to continue the debate in some way which will not contravene the standing orders. It will be open for him to continue the debate by any course which may seem proper to him within the standing orders.

Mr Reid

- The standing orders are to be suspended by our vote.

Mr Barton

- If the standing orders are suspended, the motion can be put again.

Mr SPEAKER

- The Prime Minister is free to do anything which does not contravene the standing orders not suspended, but the standing orders which have been suspended need not be considered. The question is - That the standing orders be suspended-

Mr JOSEPH COOK

Mr SPEAKER

- The right honorable the Prime Minister has replied. The question is - That the standing orders be suspended in order to enable the discussion to be continued on the motion moved by the honorable member for Bland.

Question resolved in the affirmative.

ADJOURNMENT

<page>3061</page>

Employment of Coloured Labour on Mail Steamers.

Debate resumed (vide page 3056) on motion by Mr. Watson -

That the House do now adjourn. ,

Minister of External Affairs

Mr BARTON

. - The honorable member for Kennedy is right in saying that under the practice of New South Wales, with which many of us are better acquainted than with the practice in the other States, it is customary for a Minister who can speak only once on a motion for adjournment, before he exercises his full right of speech, to hear, what has to be said, or at any rate enough to enable him to gather the scope of the question. I intended to follow that course, and I was taken by surprise by the putting of the question. As to this matter I do not intend to detain the House at any length, but simply to put myself right with honorable members lest it might be supposed I was not considering the question or not giving sufficient attention to the views put forward by the honorable member who raised it. The Government are aware of the proceedings at the Postal Conference to which reference has been made, and our attention has been called to the recent development of which the honorable member speaks. There was a statement in the newspapers - though, of course, I cannot guarantee its accuracy - to the effect that the Orient Company are yielding either to competition or to some other influence, and are likely to employ a considerable number of coloured labourers in the working of their ships. All that can be done by the Government in a case of this kind is to regulate those matters in which as a Government they have control. In all matters in which this Government has control it will certainly use its best influence to prevent any employment of coloured labour that can be avoided. In the contracts with the companies which are carrying the mails, there are some difficulties. We in Australia are not the only parties to the contracts. The Imperial Government, as well as the companies concerned, are parties as well as ourselves, and the difficulty which arose to which the honorable member for Bland "has alluded, was due to this very fact - that, while there was a readiness here to exclude the employment of black labour from ships carrying specified mails, there was not the same readiness on the part of the Imperial authorities, who thought these matters could not properly be included in a mail contract. No doubt their rigid adherence to what are considered their fiscal principles might to some extent impel them to such a conclusion, but the difficulty was that the contract could not be carried out, or rather, hedged round in the way we desired at this end, because there was not the same readiness at the other end. There are many matters in which this restriction does not prevail, and in respect to those matters we shall, as I said, take such a course as will minimise the employment of coloured labour. Then in reference to mail contracts - another factor has yet to be considered, namely, that the boats which carry the mails carry them in the main, between Australia and another country, which is an equal participant in the contract, and the views of which are equally entitled to be respected, and which, on the whole, has the greater power.

Mr Watson

- Does the Prime Minister think there was sufficient firmness in the application made last time on behalf of the colonies?

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Mr BARTON

- So far as I know there was. We must always expect such a difficulty as has arisen, from the fact that the

bulk of the journey is between two countries equally participant in the benefits, and one of which countries has, in matters of this kind, ultimately the greater power. On the other hand, it may be as the honorable member has suggested, that sufficient firmness was not exercised. There is always the consideration to be faced that in respect to postal contracts regulations dealing with the class of labour to be employed - I am talking of oversea contracts - has not hitherto been generally considered to be within the scope of the Postal department. Now I admit that, notwithstanding the past, it is possible to take further steps and to bring about, I think, a larger measure of success in these matters, because I take it that the minimising of this class of labour is the success we shall be united in desiring. So far as I am concerned, that is my desire and my object, and I hope that in future contracts we shall be able to provide that this class of labour shall be discontinued on the ships which carry the mails. I only wish to point out the difficulties in order to show to the House that the matter is not so easy as may be generally supposed, notwithstanding our strong good-will towards the object which the honorable member for Bland has in view. So far as I am concerned, nothing will please me better than to endeavour to bring about that object. And more than that, not only would nothing please me better, but I shall do my best to bring that object about. I only mention matters which stand in the way, in order that it may not be supposed we are dealing with this question in a light or easy way, and in order that, in the face of the difficulties we have to confront, we may have the sympathy and support of the House on any future occasion when we may wish to ask for it. I think we shall have it.

Sir John Quick

- Can the Prime Minister say when the existing contracts will be open to revision 1

Mr BARTON

- I am not particularly informed of the date, but I will make inquiry. As soon as they are open to revision, however, so far as this Government is concerned, strenuous efforts will be made, notwithstanding the general supposition in the past that mail contracts are not concerned -with the class of labour employed on the oversea" journey - and although that has been the practice I do not think it is a right practice, because I think we are perfectly entitled to make our own terms and conditions - so far as this Government is concerned, it will endeavour to have terms and conditions made which will minimize, if they cannot utterly do away with, this class of labour on such journeys. So far as I am concerned, if that class of labour can be totally done away with I shall be the better pleased. The honorable member for Bland has pointed out one or two reasons besides racial reasons for his motion. He has instanced certain cases in which coloured labourers have given way to panic in times of stress and disaster. Of course we know that panic is unfortunately a universal accident on occasions, but I believe the people of our own race are not so liable to it as are coloured races, and there is a .good deal of reason in what the honorable member has put forward. Taking the whole question, the honorable member may rest assured of the co-operation and support of the Government. It rests with the Government to take the initiative in matters of this kind, and when, the question is re-opened, the honorable member may take it for granted the Government will do its best to see that this class of labour is not employed in carrying Australian mails.

Mr REID

- I Gan only say that so far as I am concerned - and I believe I speak on behalf of every member on the Opposition side of the House - I wish the Prime Minister to understand that we are heartily with him in any efforts which he may make in order to diminish the employment of coloured labour on board ships which are related to us, as these ships are, under a postal contract. I quite agree with the Prime Minister that the matter is one in which the Government may expect to have very great difficulty in bringing about the object in view, however strenuous and earnest they may be. As to the P. and O. steamers, which have not been particularly mentioned in this discussion--

Mr BARTON

- Yes, they have.

Mr REID

- A special difficulty, I think, arises from the fact that these contracts are let in a general way. In the mother country the Postal department deals with the whole_ of its contracts at the same time.

Mr Watson

- This is a separate contract for Australia.

Mr REID

- On the other hand, the steamers belong to a company which carries out postal contracts to a certain point - the same steamers carry out the contracts - but there is a departure from a given point, at which the service becomes practically an Australian service. Now, there is some difficulty arising from the fact that lascars are, I believe, very numerous employed on the P. and O. boats-

Mr Watson

- Almost exclusively.

Mr REID

- Well, these lascars 'are British subjects, and the inhabitants of a country which pays an enormous amount of the postal subsidies to the mail steamers, so that, as far as the lascars are concerned, they being British subjects, and the country in which they are born, being a country which contributes enormously to the postal subsidies, it becomes a great difficulty for the Government of Australia to have its wishes carried out.

Mr Watson

- Is there not a separate . mail service to India %

Mr REID

- It is very difficult to draw any distinct line in connexion with the actual trade that is carried on by these steamers, because, up to a certain point, the trade is of a general character. Take the case of a steamer that comes to Australia. She will, perhaps, carry the mails of all countries to the East for fully half the extent of her voyage out to the colonies.

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Mr Watson

- The Indian mails are taken from the Australian steamer at the Suez Canal.

Mr REID

- The steamer that leaves England with her ultimate destination in Australia carries the mails from London for the East, they are transferred at a convenient point, and the voyage is half completed, before the service becomes purely Australian. That creates a considerable difficulty in the way of the Government as far as the P. and O. Company is concerned. As far as the Orient Company is concerned, the question is a simple one, but this difficulty arises with them- that if a rival company trading to Australia, such as the P. and O. Company are allowed to employ coloured labour, the claim of the Orient Company to use this labour becomes very strong. I only make these few observations with a view to emphasize what the Prime Minister has said as to the great difficulty of getting at what I feel sure every member of this House desires. But it will greatly strengthen the Prime Minister when he knows that he has practically a united House behind him in this matter.

Mr Sawers

- Would the right honorable the leader of the Opposition go the length of excluding the products of coloured races 1

Mr REID

- Now, my honorable friend, the member for New England, who is generally inclined to save time, and is conservative in his ideas, should not throw out a bone of contention of that sort. I think the Prime Minister unnecessarily referred to this as a fiscal matter, but I wish the Prime Minister to remember that, as far as the British flag is concerned, it is not a fiscal matter, because it endeavours to give the utmost amount of freedom beneath its folds to men of every race, and every colour, and every creed. It is not a fiscal matter in that sense, and as far as we are concerned in Australia the honorable member for New England must know well that the foremost men in Australia who have grappled with this question of the introduction of coloured races were men like Sir Henry Parkes and the Others who followed him. I had the honour of carrying an Act which dealt with the restriction of the immigration of coloured races generally, whilst Sir Henry Parkes brought forward legislation dealing with the restriction of the introduction of Chinese into Australia. Therefore, I think that the record of the party to which I belong, in the matter of legislation to keep out coloured races, and prevent them from mixing with our race, is a very good one.

Mr Sawers

- These men are not coming here to mix with us at all j they only help to bring goods here for our consumption.

Mr REID

- Surely the honorable member drinks tea, although it is grown in China. Why does not the honorable member draw the line at Chinese tea, and drink colonial beer? I will guarantee that with all the fiscal views of my honorable friend, you will often see him drinking British beer, but you will never see him by any chance drinking a glass of the colonial article. That is a matter of white labour entirely; but as for colonial labour, I do not think there is a bigger tea drinker in Australia than the honorable member for New England. When he is drinking the beverage there is never a cloud passing over his mind as to the horrible depravity of drinking tea made of an article that is grown in a place inhabited by coloured people, which is manufactured by coloured people, and which comes greatly into competition with colonial beer?

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Mr HUGHES

- I desire to say a word or two with reference to the matter to which the honorable member for Bland has called the attention of the House. I was very glad to hear from the Prime Minister that he proposed to take steps at an early date to, as far as possible, restrict the employment of coloured labour. I understand from what he says that his attitude is simply one which is limited as far as the complete abolition of coloured labour is concerned by the fact that Great Britain herself is a partner in the postal contracts, and necessarily may limit his actions in that direction, and in certain other ways. I did understand - although it is obvious I must have been misinformed - that the Prime Minister's colleague in the Senate expressed an opinion altogether at variance with, or at any rate not nearly so hopeful as, that which he has himself given us to-day. I understand that the Postmaster-General was questioned as to his intention in respect to this matter, and that he declared that the Government could not see its way at all to deal with it, and I am now very glad to know either that I was misinformed, or that the Prime Minister has seen the better way. I would like to be able to point out one or two matters in connexion with this question, and I do so because I have some acquaintance with the subject. I venture to say, first of all, that there is no nation, no great nation at any rate, which follows the very pernicious practice that the British nation does in this matter. We see foreign subsidized mail steamers coming into our ports, and we shall not find in one of them one man who is not a native, or at any rate a naturalized, subject of the country which pays the subsidy. The Messageries Maritimes employ all French sailors - the stokers, I admit, are men from Africa. The Norddeutscher Lloyd steamers, and the Japanese mail boats, are all manned with natives of the respective countries to which the vessels belong, with the exception, in the case of the Japanese boats, of the quartermasters. Now, it is a notorious fact, as the honorable member for Bland has pointed out, that the lascars have nothing to recommend them, except, perhaps, a docility that is absent in the Britisher, and a picturesqueness which, although at other times it is doubtless effective enough, does not appeal to one in a time of danger. The fact that these lascars are British subjects, I admit, opens up a very big question, and it is one which I am very certain that our fellow subjects in Great Britain would not for a moment view with equanimity if they were face to face with the same imminent danger that presents itself to us. To the Englishman, the coloured man is an object of interest, and not of danger or menace at all. He is a man who is to be found so seldom that he is an object of curiosity, and I will venture to say that not one Englishman in every hundred residing in Great Britain has ever seen a coloured man of any sort or kind. Therefore I am not at all influenced by the fact that the Imperial Parliament opposes to our demand some sort of decision that does not accord with our own views. The Imperial Parliament has never had to face the Imperial constituencies on this matter. All the Britisher knows of the coloured man is the part he played in bringing about a spectacular effect in connexion with the jubilee and other processions. We, however, have to deal with him as he is, as a competitor - as a hawker, and in other avocations. We know how dangerous he is. We know what an insidious and tireless competitor he is. He has any number of virtues, which I am not slow to recognise, but we are not concerned with his virtues. We know that he is a competitor who has a tendency to lower the industrial, moral, and social tone of the country, and for that reason I am opposed to his employment. I wish to point out to honorable members that this question is now becoming a matter concerning not Australia only, but the Empire, and I wish to quote upon this subject a very excellent authority - a man whose word in this particular should go for more than that of anybody else. I refer to Lord Brassey. His remarks on the lamentable and deplorable falling away of the element of the purely British seaman in the mercantile marine of Great Britain are worth noting. He says that-

In the mercantile marine the number of British seamen is diminishing year by year, and unless steps are taken to prevent it they will diminish still more rapidly in the future.

I have here a table showing how the number of British seamen has diminished from the year 1891 to the year 1896, and I find that under no age from 15 to over 50 has there been an increase in the number of British seamen, either per cent, or actual; whilst in nearly every one there has been a substantial decrease. I find that the whole of the British seamen rated as belonging to some British port - that is, born in the British Isles - number 115,824, and the British seamen not otherwise defined number 4,368. The colonies supplied 4,621 foreign countries, 27,446 : and lascars and Asiatics made up a total of 27,911. These figures show 55,000 foreigners, including lascars, out of a total of 180,000 British seamen. The foreigners are not even naturalized. I think that these figures present a most deplorable outlook ; and the position of affairs which they disclose is becoming worse every year. Lord Brassey thought" so much of this matter that he called a conference in Melbourne in 1896, at which all masters of ships lying in port were asked to be present. Apparently the result of the conference, according to the NavalAnnual, page 106, was a statement that whether the seamen were Britishers, Scandinavians, or Dutchmen was a matter of no concern to the ship-owner as a man of business. Lord Brassey" points out, however, what a matter of vital interest it is to the nation, and I do not think any one will deny that. From the stand-point of the man of business, it does not matter whether a man is a Britisher, a Scandinavian, or a lascar ; but in time of trouble it will be better for these men of business to have their marine manned by British seamen than that they should perhaps lose their avocation and their marine as well. The employment of British seamen is an insurance fund against risk in time of danger. It is not to be supposed that the foreigner will fight for a country in the same way as a native of it. That is an absurd supposition, and I do not suppose any one would contend that the lascars like us so much that at a time of great danger they would come to our aid. I am not referring to such a time of national danger as we have just passed through in connexion with the South African war, but I have in my mind a great European crisis when the hands of England will be full. Is it to be supposed that in such an emergency we shall turn to the lascars for support and protection % Shall we not rather be afraid that they will be found amongst our enemies instead of amongst our friends 1 At least that is a fair supposition. Now this matter of finding seamen for the mercantile marine is becoming so serious that in the NavalAnnual of 1891 it is pointed out that 50 years ago there were 200,000 British seamen in the mercantile marine, whereas to-day we have scarcely half that number ; that is a reduction of 50 per cent, in 50 years, and it is a very serious thing to contemplate. It is one- which the ship-owners, however, apparently regard only from the stand-point of commercial gain. The effect of employing coloured labour is, in the first place, to lower the industrial standard, to lower the standard of living, to lessen the intensity of the demand for better navigation laws, and generally to institute a condition of things which is highly objectionable to the passengers who have to travel by sea, and, in addition, to the nation at large. I only wish to say in conclusion that I think it will be a very unfair thing - seeing that now the ocean-going companies are competing with the local companies in carrying Inter-State traffic and passengers - to ask the local companies to pay men at the rate of £6 or £7 per month, and allow the P. and O. boats to carry men whom they pay 30s. per month. Viewed from any stand-point one pleases, it is a highly objectionable condition of things ; but I am pleased to hear from the Prime Minister that he proposes at an early date to deal with the matter. I hope that he will not allow anything to hinder him from going as far as he has indicated to-day.

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Mr JOSEPH COOK

- I entirely approve of the course the Prime Minister proposes to take, and my objection to his attitude in the first instance arose from the impression that he intended to give us nothing more than a mere explanation. I objected to that ; but when he told us that he proposed to re-open the whole question I was delighted, and I am glad that it has been re-opened. I view with the greatest possible apprehension the advent of coolie labour to the Orient Company's boats. It seems to me that the matter is assuming so serious an aspect that the Government should take it up with some degree of firmness, put its foot down sternly, and say, "As we subsidize these boats to the extent that we do, we shall take care that our own race is not excluded from employment on board them." That is the serious aspect of the question.' It would not be so bad if these steam-ship companies employed either black or white labour indiscriminately, but in employing black labour they go further than that, and discriminate in favour of

black labour. In effect -they say that they will not have white & labour to do this particular kind of work. It seems to me that they challenge the position of the whole of our mail contracts and the entire sentiment of the States when they take up an aggressive attitude of that kind, because I cannot describe it as anything else but aggression. I rejoice that this matter has passed over to the Commonwealth, because I believe that the Commonwealth Government will be able to take up a stronger attitude than we were formerly able to adopt through the medium of our postal conferences. We used to meet from time to time, and invariably when we met we discussed this question of coloured labour. So surely as we discussed it, we found that our views had to be subject to a compromise. We could not do anything such as the Commonwealth Government will be able to do. I do not think there would be any serious consequence if the Government put their foot down firmly and said, once and for all - " Our labour must not be excluded from these boats." That is the attitude we should take up. It is not so much a question of black labour being employed, but that white labour is being pushed off these boats. That is the grievance we should take the earliest possible opportunity of remedying. I do not agree with the honorable member for Bland that the Orient Company, is being driven by stress of competition, to employ black labour on their boats. There are other reasons for the employment of this class of labour besides that of cheapness 1 What does the agent of the P. and O. Company say regarding the reasons . which induced the company to employ black labour % Honorable members will understand, when they hear his statement, that the companies have a stronger objection to the British seaman than that he costs a little more than the lascar. I regret that we have hitherto been unable to come to a unanimous decision regarding this matter, because the moment that unanimity is reached that moment black labour will have to go. I think it a fortunate circumstance that this question of mail contracts has passed over to the Commonwealth Government, because there seems to be more prospect of unanimous action being taken. The agent of the P. and O. Company, in a communication addressed to the Postal Conference in 1895, says : - The reason of this, company employing native crews in preference to Europeans is, that after many years' experience of both, the former have proved themselves to be in every way more satisfactory. The immediate reason for doing away with European crews in the lower grades is that they caused an infinity of trouble through drunkenness and disobedience, &c.

I do not believe a word of that. I think that is a paltry subterfuge, under which to get cheap labour on the boats, and, of course, to do that they feel that they must insult the class of labour which has been hitherto employed. He continues -

As a matter of fact the employment of lascars costs the company more than if they employed Europeans, for the reason that the former ave kept and paid all the year round, whereas the latter are, as a rule, signed off the articles on their arrival in London.

The honorable member, for Bland will see that the Orient Company is employing this black labour on the statement of the agent of the P. and O. Company, not upon the ground that it is cheaper, but for other reasons. It appears to me that since we have to pay a subsidy for the carrying of these mails, we ought to have some voice as to the. class of labour that shall be employed on board. Another statement which has been made' during the debate is that the people of India subsidize the mail boats which carry our mails backwards and forwards to England. That is not so. We pay £75,000 a year, and the British Government pays £90,000, so that £165,000 is the total amount paid, and that expenditure is divided between the British and Australian Governments. The Indian Government pays absolutely nothing towards the contract.

Mr Reid

- I did not mean to convey that they were contributing to the postal contracts of the mother country with Australia. All that I said was- that the mails might be conveyed up to a certain point in the same boat.

Mr JOSEPH COOK

- I was about to explain that the Home Government has always said that they could get our contract much cheaper by reason of entering into it at the same time that the contract is made with the Indian Government. That is one of the reasons why they would not make the change-which has been suggested. Another reason is that they decline to discriminate between the various descriptions of British subjects. Our answer is, that they do discriminate. They allow companies to say that they will not have white labour on their boats. There is discrimination employed in regard to the class of labour to be carried on the boats, and that discrimination is against the white labour which used to be employed. Now that this

evil is spreading to other companies than the P. and O. Company, it seems to be assuming a very serious aspect indeed. I am glad to hear the Prime Minister say that he will take firm steps to see that white labour is not excluded from these boats - -that as we subsidize these boats to such a large extent, he will see that only our own labour is employed on them.

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Mr MCDONALD

- I desire to say a few words upon this matter. It is just another one of those economic conditions with which we are surrounded. The fact is that this company finds to-day that they can make more money by employing black labour than white. That is the whole position which the company takes up - they make no bones about it. They said distinctly in a letter the other day that the white man is not reliable. The fact is that the white man has unions, and is prepared to fight for better conditions than the company are willing to give. Because he wants to get those conditions the . . . company say that he is not reliable, that he is a drunkard, that he is immoral, and that he is not - fit to associate with mankind generally. That is just about the position which the ship-owners take up in this connexion. If we go back to the time prior to the introduction of factory legislation, we shall find that the employers, in trying to make bigger profits, were prepared not only . to sacrifice the women, but also the children of -their own race. Now, we find, when factory legislation prevents that sort of thing, they are prepared to sacrifice the white man - whom they call upon to protect their property in time of need - for the sake of making bigger dividends by employing coloured labour. It is perfectly true, as has been stated by the honorable member for West Sydney, that in England it is all very well to allow this question of black labour to slide by. It is all very well for them to turn round and say - "Our Indian subjects are British subjects, and we have no right to interfere with them." It is very nice for the British people to say that when there is no fear of black labour going there. The conditions surrounding England are not such as are favorable to coloured races, but here the conditions are altogether different. Those races thrive here, and they are within easy distance of their shores. . Under such circumstances it behoves every honorable member of this House, and every individual in this country to take warning by the action of the ship-owners in this particular connexion. A little while ago the employment of black labour was confined to one or two companies. Now, owing to competition, another company follows their example. But, if it is a reasonable thing that these companies should- be allowed to make bigger dividends by the employment of coloured labour on their ships, why should we not allow the same thing in connexion with our coastal steamers 1 Without going any further into this matter, because we shall have an opportunity of dealing with it later on, I wish heartily to congratulate the Prime Minister on the statement which he has made this afternoon, that he will endeavour to deal with it in a way that will be creditable not only to the Government, but to the country generally.

Mr O'MALLEY

- I am indeed pleased that the leader .of the democratic party in this House, the honorable member for Bland, should have risen this afternoon to move the adjournment in order to call attention to a growing and intolerable evil. There is no question now that the time has arrived when something should be done to give the white man in Australia a chance. It is gradually becoming a black man's country. Every time that the democrats of Australia attempt to do something to put the white man on a level of equality with the gentleman ' of colour, a wire comes from across the continent, saying - "You must not interfere with the British subject." I suppose that if 50 or 60 of these coloured gentlemen were to knock a man down- and kick him, the answer would be - " you must not interfere, because they are British subjects."

Mr Tudor

- What do they do in the United States ?

Mr O'MALLEY

- Shoot them. I am very glad that my honorable friend has called attention to that. The slaves in the southern states were forced upon them 200 years ago by the merchants of Liverpool. The commercial age demanded it, and to-day the American people have to face one of the greatest problems of the age through the commercial sordidness of England 200 years ago. I am pleased to think that the Prime Minister is the right man in the right place, because he is a true blooded Australian, and wants to keep Australia for the white man.

Mr. W.

H. GROOM (Darling Downs).I desire to say that I am very much pleased that the honorable member for

Bland should have brought this question before the House. I had a conversation with some honorable members the other day in relation to it. This question has been before the people of Queensland both at general elections and also particularly before its Legislature, and the unanimous opinion is that all ships coming to Queensland which are subsidized by the Government should carry none but white sailors. We had a most painful illustration of the undesirableness of lascar crews, as has been pointed out by the honorable member for Bland - in the unfortunate wreck of the Quetta.

The terrible scenes which were witnessed On that occasion, and the way in which the women and children were thrust aside in order, that the lives of these lascars might be saved, sent a thrill throughout the whole of Queensland, and the Legislature demanded that there should be no more lascar crews employed upon steamers subsidized by the Government.

Mr Sawers

- Is that state of things confined to one race?

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Mr W H GROOM

- I do not say that it is. I am only mentioning this as an instance. I dare say that those acquainted with the circumstances of that wreck will remember that there was one unfortunate young lady who was in the water for 36 hours. After she had been there for 24 hours she succeeded in reaching a raft, on which there were three lascars. In place of exhibiting any traces of humanity on such a terrible occasion, these lascars exhibited such a savage character towards the young lady that she preferred to go into the water again rather than risk her life with those men.

Mr PAGE

- Perfectly true.

Mr W H GROOM

- It is perfectly true, because it is in our official records. The Queensland people at once demanded that there should be a change in reference to the employment of black labour on vessels subsidized by the Government. That change was carried into effect. I am delighted to hear what has fallen from the Prime Minister and the leader of the Opposition. I think that the Prime Minister can now appeal to the British authorities with confidence knowing that he has the States at his back, and that all the members of this Legislature are also behind him. I think this is a time when firmness should be exercised. I have every confidence in the right honorable gentleman that after such an expression of opinion as he has heard to-day he will make such representations to the Imperial authorities as will bring about all that we desire.

Mr SAWERS

- I cannot refrain from adding a few words to this debate. We have had a great fuss made about the employment of a few lascars on board ships subsidized by the Australian Government. I am quite in touch with the honorable member who brought this question forward, because I have always advocated that we should do our best to give all possible employment to our own people in preference to coloured races, but I cannot understand the consistency of the honorable member for West Sydney, who delivered such a glowing free-trade speech in this House some time ago, or the leader of the Opposition upon this question. What position do they take up? That these lascars - a miserable number after all - are robbing a few of our white population of employment. I would call attention to the fact that not long ago there was a great industry in the Scottish town of Dundee, which was then the centre of the jute trade.

Mr SPEAKER

- I do not think that the question of the jute trade is under discussion, and unless the honorable member can connect it with the subject he will not be in order in referring to it.

Mr SAWERS

- I am not going to discuss the jute trade. I am only giving an illustration of the way in which the people of India have robbed the people of Dundee of a great industry. Dundee was the centre of a great trade, but because the jute trade could be carried on in India at a cheaper rate than was the case in Dundee, the Indian people have captured that trade all over the world. Yet I will guarantee that the leader of the Opposition is an advocate of the Indian people retaining that trade as against our own people. I wish to point out the absolute inconsistency of honorable members and the degradation of this screeching to the gallery - of this bid for the democratic vote. There is no consistency in the attitude taken up by honorable

members on the other side of the House.

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Mr FOWLER

- The state of my health is, I think, a guarantee that I will not detain the House very long. But I feel impelled to make one or two observations principally in connexion with the tone of pessimism adopted by the Prime Minister when he discussed the likelihood or otherwise of our suggestions being adopted by the Imperial Government. There is no doubt that in the past the Imperial authorities may have been somewhat unwilling to deal with this matter ; but although the last postal conference does not take us very far back, still from that date until the present time events of a very important character have happened with regard to the Empire, and the importance of conserving the interests of the Empire. I feel quite sure that if this Parliament presents this matter to the Imperial authorities in the proper way - not as a question affecting Australia alone, and not by any means as a fiscal question, as some honorable members have tried to make it, but as a matter affecting as it really does the whole of the Empire - I take it we have every reason to hope for the careful consideration of the Imperial authorities in dealing with this very great question. It is rapidly assuming a serious character. The thin end of the wedge has already entered, and commercialism is rapidly driving it home. We know that there is no patriotism in the commercial spirit of the age. AVE know that commercialism is willing to trade as far as it can with the most deadly enemies of the country. That has happened time and again in the past, and it will happen in the future. I feel sure that as soon as the various countries realize that the employment of coloured labour means additional profits, they will be simply tumbling over one another in their hurry to adopt the system. Where will that lead us 1 It simply means the extinction of British maritime supremacy. If that point alone is emphasized in dealing with this matter, I feel sure that the people of the mother country will compel their statesmen to give earnest and careful consideration to the very important subject we are discussing this afternoon.

Question resolved in the negative.

POST AND TELEGRAPH BILL

Bill received from the Senate, and (on motion by Mr. Barton) read a first time.

CUSTOMS BILL

In Committee :

Resolved

(on motion by

Mr. Kingston)

-

That it is expedient that an appropriation be made from the Consolidated Revenue Fund for the purposes of a Bill relating to the Customs.

STATE LAWS AND RECORDS RECOGNITION BILL

Report adopted.

CUSTOMS BILL

Motion (by Mr. Kingston) proposed -

That this Bill be now recommitted to a committee of the whole House for the reconsideration of clauses 4, 63, 74, 119, 120, 165, schedule 2, and a new clause (123a).

Amendment (by Mr. Poynton) proposed -

That the motion be amended by the addition of the following words - " and clauses 66, 93, 133, 134, and 147."

Further amendment (by Mr. G. B. Edwards) proposed -

That the motion be amended by the addition of the following words - "and clause 159a."

Further amendment (by Mr. Piesse) proposed -

That the motion be amended by the addition of the following words - "and clauses 70, 213a, 213aa, 213h, 230, 231a, 249, and 255."

Further amendment (by Mr. Thomson) proposed -

That the motion be amended by the addition of the following words - "And clauses 137, 145, and 239."

Amendments agreed to.

Question, as amended, resolved in the affirmative.

In Committee

(Recommittal) :

Clause 4 (Interpretation). " Smuggling " means any importation or introduction or attempted importation or introduction of goods without proper entry or with intent to defraud the revenue.

Minister for Trade and Customs

Mr KINGSTON

- Some objection " was taken to this definition as rather too strong. On reconsideration I find there is ample protection in other portions of the clause, and I propose to amend" the definition of "smuggling" by moving -

That the words " without proper entry or" be omitted.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 63 (Sight entry).

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Mr KINGSTON

- This is a clause to which the Chamber, of Commerce of Adelaide has drawn attention, and I believe the honorable member for Melbourne also mentioned the matter during the course of the debate. It is objected that the making of a sight entry is left too much in the discretion of the collector, and I propose to amend the clause to meet the objection.

Clause amended to read as follows -and agreed to-

If the owner cannot immediately supply the full particulars for making an entry, and shall make a declaration to that effect before the collector, he may make a sight entry.

Clause 66 -

Entries shall be made of the whole of any cargo landed or to be landed not later than seven days after the report of the ship or within such further time if any as the collector may see fit to allow; and so that if the goods are placed in quarantine seven days at the least shall be allowed for entry after their release from quarantine.

If default shall be made in the entry of any goods pursuant to this section, the collector may cause the goods to be removed to a warehouse; and if the goods are not claimed and entries passed therefor within six months after such removal the goods may be sold by the collector.

If the goods are of a perishable nature they may be sold at any time the collector thinks fit, either before or after warehousing.

Mr. POYNTON

(South Australia).This is another of the clauses in which the Chamber of Commerce, at Adelaide, and the Importers Association of. the same city desire to have alterations made. The objection is that the wharfs at Adelaide are all privately owned, and the importers prefer to retain the words in the. existing Act. To that end I move -

That the words "seven days," line 6, be omitted, with a view to insert in lieu thereof the words "the period prescribed in the Customs Act."

Mr Kingston

- Is that the wording in the present Acts ?

Mr POYNTON

- These are the words submitted by the Chamber of Commerce and the Importers' Association. But if the Minister can suggest other words to meet the difficulty I should be glad.

Mr.Reid. - What is the period prescribed in the Customs Acts?

Mr POYNTON

- I think it is 48 hours in the South Australian Customs Act. The Adelaide merchants object very strongly to this seven days arrangement.

Mr Harper

- This is merely a limitation to the effect that the period shall not exceed seven days.

Mr POYNTON

- I am aware of that, and I suppose the merchants have seen that also, but they are very strong in their objection.

Mr Harper

- It may be desirable in other places to have the seven-day period.

Mr KINGSTON

- I would ask the committee not to accept this amendment. This is a Customs Act, and we do not want to interfere between importers and ship-owners unnecessarily. As far as the collection of customs is concerned we are satisfied if the entries are passed within seven days after the reporting of the ship, but the fact is that the ship-owners or the merchants wish to bring pressure upon one or the other by shortening the term. We do not want to interfere, but prefer to let them make their contracts as they please to meet the case. We do not want to lay down a hard-and-fast rule with regard to a shorter period, and I am sure that honorable members will see that the clause should stand.

Amendment negatived.

Clause agreed to.

Clause 70 agreed to.

Clause 74 (Annual fee).

Mr KINGSTON

- There was an objection taken to the schedule, and honorable members will see that I have brought down a schedule which we shall have an opportunity of discussing afterwards ; but in order to make it applicable we must alter the clause in the way I now propose.

Clause amended to read as follows, and agreed to -

Pees for warehouses according to the scale in Schedule 2 shall be paid by the licensee as to the annual fees by equal quarterly payments in advance, on the first days of January, April, July, and October in each year, and as to the fees for lookers' attendance by monthly payments.

Clause 93 (Regauging or reweighing of goods).

Mr. POYNTON

(South Australia).-I wish to have this clause amended by striking out the words of the clause which seem to throw the expense of having goods regauged, reweighed, or examined upon the owner of the goods, irrespective of whether the regauging has been done either by direction of the collector or at the request of the owner. It is considered unreasonable that the owner should bear the expense in cases where the regauging is done by the collector, and I move -

That the words "and expense" be omitted.

Mr KINGSTON

- There must be some misunderstanding regarding this clause, because where the regauging is done by the direction of the collector, no expenses are charged, but where the owner asks for it he is required to, and, I think, ought, to bear the expense.

Amendment negatived.

Clause agreed to.

Clause 119 (Goods exported to be landed at proper destination).

Mr KINGSTON

- It was pointed out in connexion with this clause that goods were very often entered for places to which it was not intended to send them - take Guam for instance.

Mr Thomson

- Not only that, but vessels have sometimes to call for orders at certain ports.

Mr KINGSTON

- Yes. All our concern is that if the goods are not landed in some foreign country, but are brought back to Australia, they shall not be landed here without the permission of the collector, and I propose to amend the clause so as to make this quite clear.

Clause amended to read as follows, and agreed to -

No goods shipped for export shall be unshipped or landed without the permission of the collector, except in parts beyond the seas.

Clause 120 (Certificate of landing).

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Mr KINGSTON

- It was pointed out, in connexion with this clause, that a person desiring to export goods might not be able to produce the certificate of the landing of goods previously exported by him, and I am providing, as

an alternative to the production of the certificate, that he shall account for such goods to the satisfaction of the collector. I move -

That the words "or to account for such goods to the satisfaction of the collector " be added to the clause. Amendment agreed to.

Clause, as amended, agreed to.

Clause 133 -

Whenever any dutiable goods are composed of two or more separate parts any part though imported by itself shall be proportionately chargeable with duty at the rate applicable to the complete goods.

When the duty on the complete goods is specific or both specific and ad valorem the Minister may fix the proportionate rate of duty with which any part shall be chargeable.

Mr POYNTON

- It has been pointed out that some parts of the goods which are contemplated by this clause might be duty free, and exception is taken to this provision on the ground that it will enable the Customs authorities to tax goods which are not chargeable with duty under the Tariff whilst in a complete state. I would ask the Minister to amend the clause in such a way as to meet this objection.

Mr. THOMSON

(North Sydney). Apart from the representations made by the honorable member for South Australia, I desired to see this clause recommitted. My objection is that it gives extra power of imposing duties where it is not intended by the Tariff that they should be imposed. Any part, if imported by itself, will be proportionately chargeable with duty at the rate applicable to the goods in their complete form. There may be some chemical preparation which has so many parts of one chemical and so many parts of another, and under this provision, although one of these chemicals would be free if imported by itself, because this chemical goes into an article which is dutiable, power is to be given to enable duty to be charged upon it.

Mr Kingston

- That is not the intention.

Mr THOMSON

- If, for example, there is a duty upon buggies, and some one imports spokes for a buggy, although those spokes are not dutiable, they are to be charged duty if they form a portion of the buggy. But if they are imported separately they will not be dutiable. I should think the substitution of the word "pieces" for "parts" would be desirable.

Mr E SOLOMON

- That would apply to machinery.

Mr THOMSON

- It might go beyond machinery. I think that what I propose would effect the desire of the Minister. Then there is the question which has been raised by the honorable member for South Australia, Mr. Solomon. If Parliament puts spokes on the free list, and spokes came in accompanying a buggy, but not as a part of that buggy, then under this provision the Minister would have power to charge duty on the spokes that are separate.

Mr Poynton

- There are certain parts of machinery which come in free.

Mr THOMSON

- Yes ; brass work might be free, and engines might be dutiable. As the clause stands it gives power to the Minister to impose a duty on all sorts of things that are not in the Tariff.

Mr KINGSTON

- The position seems to me to be very clear. There is so much duty levied upon an article. The people interested cut the article into two, and say that it is not the article which is dutiable. Thus they get at us.

Mr Thomson

- There is a clause which covers that.

Mr KINGSTON

- If there were a duty upon buggies, for instance, of say £10, I do not think that the honorable member wishes that the persons importing a buggy should be able to put the wheels into one package and the body into another, and thus evade the Customs. In such a case they might say - "Oh, this is not a buggy." Surely that ought to be prevented. There is no intention to impose a duty upon an article which this

Parliament does not intend to be taxed. The clause says "any part" of dutiable goods. Here there is a lump sum as regards the whole. Whenever any part of dutiable goods is introduced we charge in proportion to the whole of the fixed duty. I think that is fair.

Mr Thomson

- The Minister does not arrive at what he wants.

Mr KINGSTON

- I think so ; it is the best way that I know of at this moment.

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Mr McCAY

- I confess to sharing the apprehension of the honorable member for North Sydney in reference to clause 133. We want Parliament to decide what the duty is to be, and not to leave the matter vague. Let us suppose that bicycles carry a duty of 10 per cent. All parts of bicycles are admitted free at the present time, the object being to give employment in putting the machines together. It seems to me that this clause will in all probability interfere with some such object in many cases. Under this clause every part used in the manufacture of a bicycle would be dutiable, and yet Parliament might say that parts of bicycles are to be admitted free. Then the Minister might raise the question that some particular part of a bicycle might be used in some other way. I am a strong believer in the principle that everything which is not specifically made dutiable should be free. This seems to me to create a difficulty. I cannot quite understand the meaning of the word "proportionately" in this clause. The second portion of the clause is clearly applicable to specific duty, or to specific and ad valorem duties. Presumably, therefore, the first part applies to ad valorem duties. I do not know that it could not be interpreted to mean that if an engine which was worth £100 pays a duty of 20 per cent., and that part of it were imported which was worth £10, that it should only pay one-tenth of 20 per cent.

Mr Kingston

- Oh, no.

Mr McCAY

- Of course, I know that that is not intended. I think that the use of the word "proportionately" confuses the meaning if sub-clause (1) is meant to apply to ad valorem duties.

Mr Thomson

- Does not the honorable and learned member think that the word "part" is going beyond the intention of the clause 1

Mr McCAY

- Personally, I have not that apprehension. I do not think that "a part" means . an ingredient, though I quite admit that it may be argued in that way. For example, bicycle bearings would form part of a bicycle. But if the tire were composed of india rubber and canvas mixed together, they would not be parts.

Mr Salmon

- The word "separate" is used here.

Mr McCAY

- I think that that refers to the part itself, and not to the ingredients which go to make up a complete article.

Mr SALMON

- (Laanecoorie). - I think this is one of the most difficult clauses in the Bill. It is difficult for the committee to come to a right conclusion, owing to the absolute impossibility of being definite on the point. In my opinion this is one of the matters that will have to be left to administration. I believe it is absolutely impossible to lay down a hard and fast rule.

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Mr Harper

- The honorable member has had experience of a similar clause.

Mu. SALMON. - Yes, in the Victorian Customs department. I am not in favour of Parliament relegating its duties to the Minister, but under the circumstances, I say, from my experience, that it will be impossible for us to lay down a rule which can be followed in every case by the Minister who is acting on behalf of the State. The honorable and learned member for Corinella has said that in his opinion every article not specifically charged with duty ought to be free. That is a matter of opinion. I recognise that when a Tariff

is being framed it is impossible for every article which may be manufactured during the period of the operation of that Tariff to be taken into consideration by a Parliament. New articles are being placed on the market every day, and we must be governed largely by the preceding clause, which allows the Minister to exercise discretion as regards substitutes. That clause, is absolutely necessary in order that the revenue may be safeguarded, and also that the fiscal policy of the country - if it be a protective one - shall be adequately protective in itself. If we say that every article which has not a duty placed opposite to it upon the Tariff list is to be free, then on the other hand there is nothing to prevent us from saying that those articles which are not specifically set down as free shall be charged a certain duty. Let us take any article that we choose, divide it into its component parts, and it will be found that a rate of duty will be chargeable on those parts. Some of those parts may carry no duty at all, but if we take the whole we shall find that in very few instances does the duty on the finished article agree with the aggregate of the duty charged upon each separate part. This shows the difficulty that exists and that will continue to exist so long as we have these intricate matters to deal with. The provision in the clause is mandatory. It says - " Shall be proportionately chargeable with duty." The Minister is not allowed any discretion. It would not be the desire of the Minister to charge duties upon articles which had been specifically placed upon the free list. :

Mr Kingston

- The Minister could not charge duties upon articles declared to be free. '

Mr SALMON

- No exception is made in the clause. It says that " every, part shall be chargeable." The Minister will be compelled to charge a proportionate rate of duty upon every part, even though that part may be an article which has been placed on the free list.

Mr Kingston

- The honorable and learned member's objection can be met by inserting the word " dutiable " before the word "part."

Mr SALMON

- Then we are met with the difficulty that unless a specific duty is placed upon each part it will be impossible for the Minister to protect the revenue, because it may be found that the duties on the parts imported do not aggregate the duty on the finished article. I should prefer to see. this matter left- to the discretion of the- Minister. In my opinion the clause should read -

Whenever any dutiable goods are composed of two or more separate parts, any part, though imported by itself, should be proportionately chargeable with duty if the Minister so directs.

No doubt such a provision would result in the making of a number of decisions by Ministers. But I do not see how we can avoid what is known as the " Decision book " in connexion with our Commonwealth Customs. A decision-book is already in existence in the States, and although there are perhaps only 1,000 or 2,000 articles on our Tariff list, the decisions number perhaps 10,000 or 12,000. Knowing that, we should frame as perfect a Tariff as possible. But in my opinion this is one of the cases in which the Minister should have discretion. I would rather see the clause altered as I have suggested than make it mandatory upon the Minister to charge duty upon every part, or have it provided that parts shall be admitted free unless they are charged with duty.

Mr ISAACS

- May I draw the attention of the Minister to the possible scope for litigation under this provision. The first sub-clause provides that parts shall be proportionately chargeable with duty, while the second sub-clause provides that in certain cases - where the duty on the complete goods is specific, or both specific and ad valorem. - and in those cases only, the

Minister may fix the proportionate rate of duty. Where the duty is purely ad valorem, the Minister has no power to fix the proportionate rate.

Mr Kingston

- That is provided for by. the first sub-clause.

Mr ISAACS

- If there is any dispute,, the matter must go to the law courts.

Mr Kingston

- No.

Mr ISAACS

- That must be so, because who else is to decide the question ? I think, that the Minister should take power to fix the proportionate rate in every case where there is a dispute, so that we shall not have actions at law. (

Mr McCay

- Can the honorable and learned member give us an instance in which the duty on the complete goods is both specific and ad valorem, ?

Mr ISAACS

- I do not know that I can. But I will take the case where the duty is ad valorem only - as it is on watches, bicycles, and guns. I am clear that the clause means that the Minister shall " have no power to fix the proportionate rate; of duty unless the duty on the complete goods is specific Or both specific and ad valorem. Therefore, if there is a dispute between the department and importer, it can be settled only by the law courts. The importer will say to the department - " The Minister has no power to fix the proportionate rate in this case." I think that it would save trouble and litigation to provide that the Minister shall have power to fix the proportionate rate of duty in all cases.

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Mr KINGSTON

- There is a great temptation to give the Minister that power, but I do not see that it is so necessary in regard to the first sub-clause as in regard to the second sub-clause. In the cases mentioned, in the second sub-clause it may be troublesome to apportion the specific and ad valorem rates, and to say what is a fair duty to be charged upon a part ; but the more I look at the clause the more inclined I am to think that it is right. Let us suppose that a buggy upon which the rate of duty chargeable is - let us say, to please the honorable member for North Sydney - 5 per cent., is imported in parts. If the Tariff contains an express declaration that these parts are to be admitted duty free, well and good ; the Customs authorities will have to smile and bear it as best they may. But if there is no such declaration, what ought to be done ? It seems to me - that the value of the various parts should be considered as parts of the whole, and that they should pay duty accordingly. That is all that we are asking in the clause.

Mr Thomson

- I know that that is what is intended by the clause.

Mr KINGSTON

- Yes ; and I do not think that anything else is provided. Considering the fairness of a provision of that sort, I trust that the honorable member will allow the clause to pass. As regards the second part of the clause, where it is a more difficult matter of calculation, the Minister may fairly be asked to exercise his discretion in fixing the proportionate rate, in order to save complications. An imported buggy may be worth £50, its body may be worth £20, and its wheels some other amount. What we propose is that each part shall be proportionately chargeable with duty according to its value.

Mr. THOMSON

(North- Sydney). - I do not object to the intention which the Minister has in view - that if any machine or vehicle is chargeable with duty no importation of it in parts shall enable the importer to escape the payment of that duty ; but the regulations made under this clause will override any Tariff Act that we may pass in the future. They will apply to all such Acts and will, I presume, override their provisions. I have not looked at this matter from a fiscal point of view, nor have I considered any of the provisions of the Bill from that stand-point. But I say that if Parliament decides that certain duties shall be charged, the Minister should not have power to act contrarily to that decision. The honorable and learned member for Corinella says that under the present Victorian Tariff bicycles are chargeable with duty, but imported parts of bicycles are not. Suppose the Federal Parliament determines what in my opinion would not be a proper thing to determine, that parts of bicycles shall not be chargeable with duty, though completed bicycles shall be chargeable, this provision will allow the Minister to charge duty upon those parts, and thus act contrary to the determination of Parliament. »

Mr Kingston

- The clause could not have that effect, because the Tariff, being the later Act, would have the fuller force.

Mr THOMSON

- I think that the regulations made under the clause would override any Tariff that we might pass.

Mr Kingston

- No, they could not.

Mr THOMSON

- If that is so, there is less objection to the clause, though I do not see why, if the spokes of a buggy were not chargeable with duty, the Minister could not. under the clause make them chargeable. One of the suggestions which I made - that the word " pieces " should be substituted for- " parts " - has been answered by the debate which has taken place, and I am of opinion now that the word " parts " would not cover " ingredients." I still think, however, that the clause should be made to more fully express what is desired by the Minister.

Mr KINGSTON

- The honorable member for North Sydney is a little in error in thinking that the provisions of the clause would override any Tariff that might be passed by the Parliament. They could not do so. If any provision in this Bill clashes with the provisions of a measure passed subsequently to it, the provisions of the subsequent measure will hold good.

Mr Thomson

- Why not take the suggestion then that the parts shall be chargeable at the discretion of the Minister?

Mr KINGSTON

- I could put in the words " unless otherwise provided " ; but, of course, whatever is provided subsequently and differs from this provision "provides otherwise." The measure which we are now considering is not like the Constitution Act, which Parliament cannot alter.

Mr Thomson

- I should be prepared to leave it to the discretion of the Minister.

Mr. SALMON

(Lanecoorie).- What I suggest is that the clause should read -

Shall be proportionately chargeable with duty when so directed by the Minister at the rate applicable to the complete goods.

That would place upon the Minister the responsibility of deciding whether the parts should or should not be charged with duty. Although I am not in favour of allowing the Minister to impose duties - that being the business of Parliament - in cases like this it is absolutely necessary to leave matters to his discretion.

Mr HARPER

- The provisions of this clause should apply only to parts of machines or vehicles j they could not apply to ingredients.

Mr Kingston

- That is so.

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Mr HARPER

- I understand that the intention of the clause is that parts of a machine which is chargeable with duty shall not be allowed to escape duty if imported separately. I understand that it is not intended to apply to the raw material. Suppose, for instance, that wood which has been turned, and is ready to be made into spokes, is imported, it is not intended that the clause shall apply to it, but that, on the other hand, it will apply to spokes which are finished and are imported ready to be placed in a wheel. If that is so, I do not think that the clause will do much harm. But I would ask how it will be possible in such a case to comply with the concluding words of the first part of the clause - that the part

Shall be proportionately chargeable with duty at the rate applicable to the complete goods.

What proportion would the spokes of a buggy bear to the complete vehicle ?

Mr Kingston

- We do not want the word " proportionately." It will be sufficient to say " chargeable at the rate."

Mr HARPER

- Suppose that the duty on the buggy is 10 per cent.

Mr Kingston

- That case is dealt with in the second part of the clause relating to cases where the duty on the complete goods is specific

Mr HARPER

- I think it will be rather difficult under the circumstances to tax a part in proportion to the whole.

Mr E SOLOMON

- This matter ought, to be left to the discretion Of the Minister. The last speaker said he did not think this clause would apply to goods generally, but I think it would apply to saddlery and harness, where dutiable parts are very often imported. I know of cases where harness has been imported bearing metal parts which were dutiable, while the other parts of the harness were not dutiable.

Mr Harper

- It will apply to harness or machines.

Mr E SOLOMON

- It will apply to machinery, saddlery, or anything of that kind, and the matter had better be left to the discretion of the Minister.

Mr KINGSTON

- I am willing to amend the clause hy omitting the word " proportionately" ; but first I move -
That after the word "shall," line 3, the words "if so directed by the Minister " be inserted.

Mr. ISAACS

(Indi).- I would like to say one word of general application. This Bill confers enormous power on the Minister to legislate in many respects, and clause 132 also gives that power to an enormous extent. The present amendment seeks to do the same thing, and allows the Minister to say whether duty shall be chargeable or not. Some of these days a question will be raised under the Constitution, whether it is competent for us to delegate our power to anybody. The first section of the Constitution Act vests the legislative power of the Commonwealth in a Federal Parliament, and under American decisions it may be found that some of the provisions we are now making to confer legislative power on the Minister are invalid.

Mr Crouch

- Are. there not- also decisions the other way, such as on the question of the referendum 1

Mr ISAACS

- No; the decisions to which the honorable member refers are of a different class altogether. In reference to Canada, I know the Privy Council has decided that in the Dominion there are plenary powers of legislation, and that the Parliament may delegate powers ; but the words of their Constitution are very different from the words of our Constitution. I only say this in order that the Minister may consider the matter in tins and future legislation. This is a question which cannot be easily decided at once, but is a very serious and important question ; and it would be well for the Minister in future to see that he gets as much- power as he can provided in the Bill. The question will be raised sooner or later, and how it will be decided is a matter of conjecture, but the words of the Constitution are very strong. The judicial power is vested in the High Court, and the legislative power is vested in Parliament; and it is very doubtful whether these powers can be delegated. The usual power to make regulations to a limited extent may be given to the Minister, but here we give him the enormous power of saying whether or not a tax shall be put on the people. That is an important part of the legislative power of- the Commonwealth.

Mr KINGSTON

- That is an important point, and I think it was raised in the Apollo Candle Company case. I am obliged to the honorable member for drawing attention to the matter, but I should be sorry to believe that we had not as large power as it is proposed to exercise here.

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Mr PIESSE

- Would the objection not be met by inserting after the word "chargeable" the words "in such proportion as the Minister decides." The Minister would not be deciding that a duty should be charged, but only the proportion in which it should be charged.

Mr KINGSTON

- I want to get rid of the word " proportionately."

Mr Piesse

- Under the suggestion I have made the Minister would direct what proportion of duty the parts should pay.

Mr KINGSTON

- What we want is really to give the Minister power to fix the value of the parts.

Mr A McLEAN

- That would be mentioned in the invoices, and would not be difficult to arrive at.

Mr KINGSTON

- I think we had better let the clause stand as proposed.

Amendment agreed to.

Amendment (by Mr. Kingston) agreed to-

That the word. " proportionately," line3, be omitted.

Clause, as amended, agreed to.

Clause 134 -

Duty shall be charged on all essences, condensations, concentrations, or preparations of goods liable to duty according to the quantity of dutiable goods into which such essences, condensations, concentrations, or preparations can be converted.

Mr POYNTON

- In some quarters it is thought that this clause should not appear in this Bill but in the Tariff Bill, where there could be clearer definitions as to the proportions of the essences and other preparations referred to. I suppose, however, that the Minister is the best judge as to where the clause should appear. Those who have a lot to do with the Customs say that there should be some additional definition as to the essences, condensations, and so forth, and that as a great deal of trouble might be caused by the clause, it had better be omitted. I shall not move at present to omit the clause, but will wait until I hear what the Minister has to say.

Mr SALMON

- I regard this clause as a natural sequence to' clause 132, but I do not think the provision is specific enough. I should like to see an alteration made by the omission of the words "quantity of dutiable goods into which," and the words " equivalent quantity of dutiable goods for which " put in their stead. Then the last three words "can be converted" ought to be omitted, and the words inserted in lieu thereof " capable of being used or substituted."

Mr Kingston

- I think substitution is sufficiently provided for in clause 132.

Mr SALMON

- We do not know from day to day what new inventions or what new applications of old materials there may be. It is absolutely necessary we should have some means of dealing with goods which we may consider it necessary to protect at the present time, but which may be displaced by subsequent inventions or manufactures for the specific purpose. The amount will necessarily vary in almost every case, and we know that the strength of the essences or condensation really should govern the duty which should be placed on them.

Mr KINGSTON

- Why not say " quantity or equivalent quantity"? I want to meet honorable members, but I am inclined to think the word "quantity" covers the case. Would it not be making the clause too Strong to insert " equivalent "1

Mr Salmon

- I shall leave the matter entirely to the Minister.

Clause agreed to.

Clause 137-

All medicinal or toilet preparations not completely manufactured, but imported for completing the manufacture thereof, or for the manufacture of any other article by the addition of any ingredient or by mixing such preparations or by putting up or labelling the same alone or with other articles or compounds under any proprietary or trade name shall be irrespective of cost valued for duty, and duty shall be paid thereon at the ordinary market value in the country whence imported of the completed preparation when put up and labelled under such proprietary or trade name less the actual cost of labour and material used or expended in Australia in completing the manufacture thereof or of putting up or labelling the same.

Mr THOMSON

- This seems rather a peculiar and extraordinary clause. I believe that a similar provision appears in one Customs Act. Most certainly it does not appear in many of the Acts of the States. I do not know why medicinal and toilet preparations should be specially selected.

Mr Kingston

- Because it is in connexion with these preparations that it is done.

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Mr THOMSON

- The same thing is done in other preparations, but that is regarded as nothing. After the first part of the clause we come to an intricate and complicated provision by which there is a certain set-off against the duty, as shown in the words -

Less the actual cost of labour and material used or expended in Australia in completing the manufacture thereof, or of putting up or labelling the same

That means to say that if there is a certain ingredient which it is known is going to be put into a proprietary article, and that article happens to be in the Tariff, then the duty shall be charged upon that ingredient, although the same ingredient may be admitted absolutely free to the proprietors of any other similar articles and where it is going to be manufactured into a product of the same character. That is an extraordinary power to give. It will give power to the Minister to make dutiable what has been declared by Parliament not to be dutiable. The only reason for it is that a heavier duty may be collected where there is a duty on an article, or that a duty may be collected where there is no duty at all. When we were discussing clause 133, it was said that the Tariff Act would override these regulations. That cannot be affirmed in connexion with this clause, because the only reason for putting the clause here is that an article which is not otherwise dutiable, or is chargeable with a lesser duty, shall be charged with a duty or a higher duty. It cannot, therefore, be contemplated that the Tariff will override this clause.

Mr Kingston

- Every subsequent Act can override it.

Mr THOMSON

- I would ask the Minister how that could be under this particular clause. The 'Only object of putting it in, apparently, is to enable the collector to charge duty on an article which would otherwise, under the Tariff, escape duty, or to collect a higher duty on an article which under the Tariff would be subject to a lower duty. Therefore, if the Tariff would override these regulations, what would be the use of them? The clause not only gives a power which could be exercised in the direction of preventing the evasion of duty, if there were evasion, but it would create other most inequitable conditions. Take the case of Barry's "Tricopherous." Under this clause, if the ingredients of this preparation were imported separately, and subsequently the agents for the proprietors put them together and sold them within the Commonwealth as Barry's "Tricopherous," the Customs authorities could come down and charge duty upon the ingredients in the same way as if they had been imported made up in the first place.

Mr Harper

- Even though the ingredients might be used for a variety of other purposes.

Mr THOMSON

- Yes. The ingredients might be used for other purposes, and the Customs authorities would either have to make the most invidious distinctions, or levy duty upon all these ingredients for whatever purpose they might be used. Further than that, there is nothing to prevent similar articles being put up by another person within the State, and going into consumption without paying a farthing of duty. An enormous injustice might be done to the proprietors of the preparation in one aspect of the case, and in another aspect of the case great hardship would be inflicted if the duty were charged on the articles used, not only in making up these preparations, but for other purposes. This is a most unnecessary and undesirable provision, and it may very well be left out of the Bill. It is not in any other Customs Act except one, namely, that of Western Australia.

Mr Piesse

- It is in the Tasmanian Act, and has special reference to pills.

Mr Kingston

- It is chiefly aimed at pills and perfumery. .

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Mr THOMSON

- It may be aimed at pills and perfumery, but the power goes beyond what is desired. Apart from that, I would like to know why pills put up by one manufacturer in the State should be chargeable with duty while the ingredients of the pills put up by a neighbouring competitor should not be chargeable with duty. Where is the fairness of compelling a man to pay duty on the materials that he brings in in order to make up a certain thing whilst allowing his neighbour to make a similar article, perhaps with the very same ingredients, and to go scot free of duty upon the materials that he imports. I think that, in view of the small chance of loss to the Customs, Ave should not have a clause of this sort inserted in the Bill, which would go beyond the intentions of the Minister, and which even within the bounds of his,, intentions would operate very unjustly and dangerously to the users of similar ingredients for making1 other articles than those specially held in view. Victoria and New South Wales have never found it necessary to have any such provision, and as owing to its injurious nature the clause should be left out of the Bill altogether, I hope the Minister will agree to that course.

Mr KINGSTON

- I hope honorable members will not be desirous of dispensing with this protection to the revenue. As I pointed out, it is simply intended to meet the case of pills and perfumery. Those are two typical classes of medicinal and toilet preparations. The fact is that in the absence of provision of this kind - although it is to be found in the Western Australian Act - the practice has been with regard to pills, which, when made up and labelled, are of very considerable value, to practically mix up the materials in bulk, and then bring them in without being made into pills, or without a label. When the proprietors are brought up, they say as regards the mixture out of which their pills are made, that it is worth nothing, and that is the sort of case we want to meet. With a little labour, this material is very quickly manufactured into enough pills to supply the whole continent, and perfumery is similarly dealt with to a very large extent. If these pills were imported made up, we should get a very fair contribution to the revenue, but, as matters stand, the proprietors are able to avoid payment of duty. The way in which the manufacturers import their goods at present is simply a " try on " to get a good deal the best of the revenue, and we think that the provision we make is quite fair.

Mr. THOMSON

(North Sydney).- I resent the Minister's imputation that I am defending any crime, and I say that it is no crime to do what he describes. If it is a crime, then he gives every opportunity to other people to commit that crime - even with the clause in the Bill as proposed. How can the Minister justify this provision which he says is intended to meet the case of people importing the material for making up pills. Just fancy our putting a clause in the Bill to deal with pills only. It seems ridiculous that the Federal Legislature should be asked to put a clause into the Customs Regulation Act to meet a trifling loss such as might be incurred through raw materials coming into the State for the manufacture of pills here, instead of the pills being brought in in a manufactured form.

Mr KINGSTON

- This is to prevent the revenue from being pillaged.

Mr THOMSON

- The Minister's defence of this clause is like his defence of a good many others in the Bill ; it never touched the provision in the Bill at all. The Minister practically says that it would be a crime to allow the proprietors of these pills to import the raw materials and then make the pills up here and sell them for a shilling a box and at the same time entirely escape duty. But it is a crime only for one man. It is not a crime on the part of others who may do it to any extent. The article - if it is a Commonwealth pill - can be manufactured to any extent. There are some large manufactures already within the Commonwealth. They can bring in the raw materials free. If a proprietor chooses to put his workmen to that operation within the Commonwealth, then we invoke the provisions of a special clause, which has not been found necessary in any of the larger countries, to deal with that manufacturer as if he were a criminal - as the Minister states - for doing that which is done in every Tariff Act under which raw materials are admitted free and the manufactured articles are dutiable.

Mr Reid

- He knows well when he brings in his Tariff that it will be all bitter pills.

Mr THOMSON

- We are giving far too much power to the Minister if we pass this provision. It deals with much more than pills - it deals with all medicinal and toilet preparations.

Mr Piesse

- They must be imported for completing their manufacture.

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Mr THOMSON

- I am quite aware of that. The clause, as I have already said, covers all medicinal and toilet preparations. If there is any reason why it should deal with all these things, the same reason will apply to other articles. The fact is simply that there has been a special object to get at the manufacturers - as the Minister puts it - of some pills. We are asked to give the Minister power to deal with every medicinal or toilet preparation, or with the ingredients which go to make up these preparations. We are asked to allow him to deal with them in a way that is not proposed in the Tariff, although we may be interfering with other industries that consume the same articles that are consumed in these preparations. It is a very small matter, upon the Minister's own showing. It has not been found necessary in other States, and I think it is highly undesirable to give to the Minister this great power to deal with such trifling importations as pills.

Question - That the clause as read stand part of Bill - put.

The committee divided -

Ayes 31

Noes 15

Majority 16

Question so resolved in the affirmative.

Clause 145 - ..

If after any agreement is made for the sale or delivery of goods duty paid any alteration takes place in the Tariff affecting such goods before they are delivered for home consumption then in the absence of express written provision to the contrary, the agreement shall be altered as follows : -

In the event of the Tariff being altered by a new or increased duty the seller after payment of the new or increased duty may add the difference caused by the alteration to the agreed price.

In the event of the Tariff being altered by the abolition or reduction of duty the purchaser may deduct the difference caused by the alteration from the agreed price.

Mr THOMSON

- I wish to question this clause upon the ground of equity, and also upon the question of the possibility of carrying it into effect. The first portion of the clause says that these provisions shall apply to all goods which the Tariff affects before they are delivered for home consumption. I wish to point out a difficulty which may arise in that connexion. Sometimes goods are sold for delivery for a considerable period ahead. Take, for instance, an item like that of tea. A certain number of half chests of a particular line of tea may have been sold duty paid under contracts for future delivery. A Tariff is then imposed. Perhaps a thousand half-chests of this particular tea have been sold in that way.. The vendor has only 500 half-chests duty paid in store. The other 500 are in bond. How is the vendor to deal with that case ?' To whom is he to give the duty paid portion, and to whom the portion which is in bond, upon which he will have to charge the extra duty? The Minister does not provide for that. Then, in the next subclause, it is stated that in the event of an alteration of the Tariff the purchaser may deduct the difference caused by the alteration from the price agreed to. It seems to me that that arrangement is not mutual. The vendor may have paid the duty, and yet the purchaser can deduct it. In the other case, perhaps the vendor has not paid the duty, and the purchaser cannot be charged. But in the second case the vendor may have paid the duty and yet the purchaser can deduct it. To bring the two into unison, either the words " afterpayment" in sub-clause (a) should be omitted, or there should be inserted in subclause (b) a provision that the purchaser may, unless the vendor has paid the duty, deduct the difference caused by the alteration. That is to say, those gentlemen stand on a different footing. In the one case payment is required by the vendor, which will be very difficult to establish in many cases. In the case of an individual article we can easily establish it, but when we are dealing with thousands of articles it would be very difficult, indeed, to say which of that portion sold forward' was duty paid and which was not. If the words,. " after payment " in sub-clause (a) are to be retained, then the provision should be made in sub-clause (b) that the deduction shall take place only in the circumstances which I have indicated. It is merely a matter

of equity.

Sir Malcolm McEacharn

- Does not the clause apply entirely to duty-paid goods ?

Mr Kingston

- The clause says -

If after any agreement is made for the sale or delivery of goods duty paid.

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Mr THOMSON

- The agreement is for the delivery of duty-paid goods, but the delivery may not take place until three or six months after the payment of the duty.

Mr Kingston

- Paragraph (a) provides that the vendor shall pay an increased duty, and may add the difference to the agreed price.

Mr THOMSON

- That is all right where some particular article - a steam-engine, for instance - is concerned. There is no difficulty about that part of the clause, and no objection can be taken to it on the ground of unfairness. But I am referring to agreements for the sale and delivery of articles which are sold by the ton or the pound or the package - articles like kerosene, sugar, candles, corn, and so on - where there is no distinction made except in regard to brands, and perhaps in regard to shipments. A merchant may have a certain quantity or weight of duty-paid articles - say 50 tons - in his store, and a certain quantity or weight of the same articles in bond, and the difficulty arises, supposing the duty is increased, and he has sold 150 tons duty paid, how is the increase to be apportioned ? However, that is merely a complication that arises incidentally. The chief objection that I have to the clause is the want of mutuality between paragraphs (a) and (b).

Mr Kingston

- What does the honorable member suggest?

Mr Harper

- Is there any need for the clause at all ?

Mr THOMSON

- I think there is some need for it.

Mr Kingston

- Would the honorable member go to the extent of saying that a reduction or increase of duty should affect the price in all cases?

Mr THOMSON

- We might let both parties take the risk. Then it would not matter whether the duty had or had not been paid.

Mr Harper

- If we struck out the clause they would make their own arrangements.

Mr Reid

- They have notice now. They must know that a Tariff is about to be imposed.

Mr THOMSON

- In some Customs Acts there are provisions for the cancelling of contracts in the event of duties being imposed upon the goods to which they relate. There may be some question as to the law where duties are imposed, and contracts had previously been made for forwarding duty paid. Possibly the clause is unnecessary; but I would suggest, either that the words " after payment " in paragraph (a) be omitted, and allow both parties to take their chance, or that in paragraph (b) the words " unless the duty has been paid by the vendor," be inserted after the word " deduct." That would put both parties on the same footing. As the clause stands, there is no mutuality between the paragraphs.

Mr Kingston

- Suppose we enact that if the vendor has paid the increased duty he may add the difference, and that if he cleared before the duty was increased he shall deduct it, and let the purchaser have the advantage.

Mr THOMSON

- That case is provided for in the first paragraph. But suppose a manufacturer contracts with an importer

to deliver a certain quantity of machinery duty free. The entry is passed directly the ship arrives ; but the goods may not be delivered to the purchaser for a couple of months afterwards, and before the delivery is made, the duty upon the machinery may be increased. In such a case the vendor cannot recover the difference from the purchaser.

Mr KINGSTON

- I do not think there is much likelihood of the purchaser making a deduction against the vendor who has paid an increase of duty, because the clause provides for the case where an agreement has been made and an alteration takes place in the Tariff before the goods are cleared for home consumption.

Sir Malcolm McEacharn

- The clause says "delivered," not cleared. There is a great difference between the two things.

Mr Thomson

- When a man passes an entry for goods coming out of a vessel he pays duty on them; but there may be an alteration of the Tariff before those goods are delivered.

Mr KINGSTON

- But the clause provides only for cases where an alteration takes place before the clearance for home consumption.

Sir Malcolm McEacharn

- Not " clearance "- delivery.

Mr Harper

- And delivery to the purchaser is a different thing from delivery from the vessel.

Sir Malcolm McEacharn

- A man may pass entry, and not deliver for a week.

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Mr Thomson

- If the goods were duty free there would be a free entry, and the importer would have nothing to pay. But suppose the duty was 1d. per lb. originally, and was decreased to 1/2d. per lb., the vendor, who had paid 2d. per lb., could recover only 1/2d. per lb. from the purchaser.

Mr HARPER

- There is no doubt that the honorable member for North Sydney is right. There is no mutuality in the clause as it stands. The clause provides that the purchaser may deduct the difference, where there is an abolition or deduction of duty ; but if there has been an increase in the duty, and the vendor pays that increased rate, he should not lose the difference.

Mr KINGSTON

- The words in the clause, " delivered for home consumption," do not mean delivered to the purchaser. They refer to the clearance of the goods. I am willing to make that plain by inserting the word " cleared."

Sir Malcolm McEacharn

- Why not accept the words suggested by the. honorable member for North Sydney, ?

Mr Thomson

- I suggested that the words "unless the duty has been paid by the vendor " should be inserted.

Mr Reid

- Would it not meet the case to insert the words, " unless duty at the original rate has been paid by the vendor " ?

Mr Watson

- The clause deals only with goods which have not gone out of the control of the Customs department.

Mr Harper

- No ; it affects goods upon which duty has been paid.

Mr Kingston

- It affects only goods in bond, or under control, before they have gone into consumption. It meets a case where an alteration of the Tariff takes place before clearance.

Mr REID

- It affects goods in regard to which entry may have been passed and duty paid, and which are lying on the wharf waiting for delivery. A vendor may have paid a duty of 1d. per lb., and before delivery the duty may be reduced to a 1/2d. per lb.' In that case the clause enables the purchaser to deduct 1/2d. per lb., as

though the vendor had paid duty under the new Tariff instead of under the old Tariff.

Sir Malcolm McEacharn

- The words "goods duty paid" govern the whole clause. If the duty is paid at a certain rate, the purchaser has no right to deduct duty at a lower rate.

Mr THOMSON

- The duty may have been paid months before the delivery took place, under a contract to deliver at a forward date. A man has purchased, we will say, 100 tons of sugar. In the first case the duty is increased. The vendor cannot charge the purchaser the increased duty, although delivery may have been contracted for three or six months after the imposition of the Tariff, unless he has himself paid it. In the other case the same contract is made for delivery three or six months hence of 100 tons of sugar. The duty is paid by the vendor, and the sugar is put into his free stores in order that it may be re-bagged or for some other reason.

Mr Kingston

- He has paid at the old rate.

Mr THOMSON

- The duty is reduced by half or is abolished, and yet, although he is liable under the first sub-clause to pay the duty, he cannot recover it after paying it under the second sub-clause.

Mr McCAY

- I would like to draw the Minister's attention to some other small matters in connexion with the clause. Why are the words "written provision" used? Surely two business men can make a bargain without its being put in writing.

Mr Watson

- Better leave the clause out.

Mr Harper

- A similar clause was put into the Victorian Act only in 1896. We always did without such a clause before then.

Mr Reid

- The object of the clause is that unless they have really agreed that the Tariff shall affect the bargain, and express that in writing, they shall not be held to have made that agreement.

Mr McCAY

- But why should it be expressed in writing ?

Mr Reid

- It is a simple way of preventing all sorts of attempts at imposition.

Mr McCAY

- Say, for instance, there is a contract to sell 100 tons of sugar, to be delivered three months ahead. Just prior to the time of delivery - a limit of time having been fixed, and the goods having to be delivered, say, on the 1st of October - in September, the Minister, we will say, proposes an alteration of the duties, which, as a matter of fact does not become law until December. The seller, owing to the increase in the duty, has to pay the increased duty in order to deliver by the 1st of October, the Tariff then being in its interim condition. Under the words of this clause he is not protected then, though he is protected if he can postpone delivery until after the Tariff actually becomes law.

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Mr Watson

- The seller may get a refund, which he may or may not give to the other person.

Mr McCAY

- He will not get a refund, because I am presuming that Parliament afterwards approves of the interim proposal. In that case the party is not protected, whereas he is protected if he is lucky enough to have a delivery day subsequent to the date when the change is lawfully made and the Governor-General's assent is given to the Tariff proposal. If he is not entitled to protection in one case, he is not entitled to protection in the other. But if the date of delivery happens to come between the resolution protecting the revenue, which we will be sure to get in some form-

Mr.Reid. - It may be impossible to get it in any form.

Mr McCAY

- At any rate we will get it in future Tariffs. If the date of delivery happens to fall between the time of the " Government proposal, after which the altered duty is collected, and the time of the lawful imposition of the duty, then the clause will not apply at all. If it applies in one case it ought to apply in the other. The seller who has to pay an increased duty under a dubious resolution of the House of Representatives is surely as much entitled to be protected by Parliament as a man who has to pay an increased duty under the lawful Act of the two Houses of Parliament and the Governor-General representing the King.

Mr Thomson

- Better omit the clause.

Mr Kingston

- There is a good deal to be said in favour of that course.

Mr Reid

- Let the parties look after themselves, and make their own contracts.

Mr. HARPER

(Mernda).- The solution suggested by the leader of the Opposition is the proper one. The clause would cause immense complications in view of impending changes in the Tariff. Merchants are all apprised of what is going to happen, and can take care of themselves. A similar clause was introduced in the Victorian Act in 1896, but since then I do not think it has been operative, because we have had no changes. The clause had better be omitted.

Mr KINGSTON

- The suggestion is one which recommends itself to the Government, and perhaps we had better let the clause go.

Mr. REID

(East Sydney). - The suggestion to omit the clause having met the approval of the Government, may I point out that the provision was never intended for cases such as have caused the Government to consent to the omission. It is not intended for the Tariff, which we all know is coming before us - in a few years. It is intended for cases of a different kind altogether, and is really a most useful and fair clause. It is intended for cases where the Treasurer comes down and makes Tariff proposals, when perhaps not a human being in the community knew he was going to impose any taxation of the kind. A Treasurer has to keep his proposals secret. We know in the States that when a Treasurer is going to make a financial statement there is a great deal of speculation whether or not there are going to be any duties, and the clause is intended for cases where the people have no notice of impending changes, and have no idea at the time they make the contracts that the Tariff will be touched.

Mr Watson

- The leader of the Opposition does not give much credit to merchants for intelligence if he thinks they do not know what the financial position is.

Mr REID

- It is not only the keen men of business who have to be considered, but other people who may suffer seriously and who may not, perhaps, have keen lawyers to advise them. The average trader, perhaps a retail man, who is not accustomed to very large transactions with the Customs, might easily enter into an arrangement for the delivery of goods over a long period, and a sudden alteration in the Tariff might be made that no man could foresee. The effect of having no provision of this kind is practically to turn contracts upside down by some duty being brought in on the spur of the moment.. This is one of the most useful and fairest clauses in the Bill. As I say it is not intended to apply to the coming Tariff of which every one knows.

Sir Malcolm McEacharn

- They do not know much about it in England, and many people sell goods there to be delivered here.

Mr REID

- That may be. I strongly suggest to the Minister that this clause is not intended for the coming Tariff, but for sudden surprises sprung on the business community. But since the Minister has announced his intention to withdraw the clause . I do not intend to argue with an Egyptian sphinx.

Mr.WATSON (Bland).- I do not think a proper view has been put forward by the leader of the Opposition, and I speak with some experience.

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Mr Reid

- A large experience .

Mr.WATSON.-With a little more experience perhaps than the leader of the Opposition has had amongst the trading community. From what I know of them I should say they are quite able to protect themselves in respect to alterations of this sort.

Mr Reid

- And yet every Customs Act has a clause of the kind.

Mr WATSON

- We were told a few moments ago that a similar clause was introduced into the Victorian Act only a few years ago.

Mr Kingston

- It was introduced only in 1895.

Mr Reid

- Victoria is a special case.

Mr WATSON

- Victoria has had more experience of Customs, the leader of the Opposition will admit, than himself. The object aimed at by the clause is to protect traders generally. In nearly every instance retailers do not order far ahead, but where they do, and they see that the finances of the State are such as to render likely the imposition of duties or the alteration of the Tariff, they provide against contingencies. I have seen quite enough instances of where that has been done.

Mr Reid

- Is that not a pretty striking argument for having such a clause ? Every Customs Act, including the last English Act, has a provision of the kind.

Mr WATSON

- I was very much impressed by the point put forward by the honorable member for North Sydney, and also struck with the difficulty of providing for every possible contingency. If we are going to provide for every contingency, why not provide for the public being refunded the amount of duty which may have been paid.

Mr Reid

- It is impossible.

Mr WATSON

- The general public are the most likely to be defrauded - I do not say wilfully - or the most likely to suffer, and if we cannot protect them surely we can trust the intelligent trader to look after his own interests.

Mr Reid

- The man who escapes is the wrong man. The man who has paid the duty does not escape. The wrong man gets the money.

Mr WATSON

- It is very difficult indeed to provide for every case in an equitable way, and in the meantime we might well let the clause go.

Mr PIESSÉ

- I hope the clause will not be omitted. It is not intended to deal with such cases as those to which the honorable member for Bland has referred.

When taxes are taken out of the purchasers' pockets they ought to go into the Treasury, and no alteration of the Tariff should be made a source of profit to traders. There is a provision of the kind in most of the Customs Acts of the States. We are not going to give full notice of alterations which will be made in the future, and traders will rely on the law as it then is, and in a good many cases trouble might be caused by not having a clause of the kind to fall back on. I think the suggestion of the honorable member for North Sydney will meet the only reasonable objection to the clause. This is not a matter affecting the Government or affecting the revenue, but it does affect traders.

Mr KINGSTON

- I understand that all the objections that have been raised to the clause will be removed by substituting the word "entered" for the word, "delivered " in the fourth line. .

Mr A McLEAN

- Could the Minister not confine the operation of the clause to- the goods before they are taken out of bond t

Mr KINGSTON

- What it is intended to provide is that where there is an alteration in the Tariff as regards goods subject to a contract, and that alteration actually benefits or disadvantages the vendor, as regards the benefit, the purchaser shall have it, whereas the vendor shall be protected against the disadvantage. What we say here is this, that there is a contract for the sale of goods duty paid, and an alteration is made in the Tariff which has not been contemplated or provided against by either party before the goods are cleared, so that if there is an increase the vendor has to pay, whilst if there is a deduction he will get the benefit of it.

Mr A McLEAN

- Supposing the duty is abolished, does the State gain 1-

Mr KINGSTON

- The State does not gain, but the purchaser gets the benefit.

Mr A McLEAN

- That is, if the clause deals' only with goods in bond before the duty is "paid.

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Mr KINGSTON

- Yes ; the clause, as it stands, affects goods before they are " delivered for home consumption." But the word " entered " is a better word than " delivered," because it is before the goods have left the control of the Customs that they are affected by the alteration of the Tariff. People are supposed to contract with reference to existing conditions, and if these conditions, through no fault of any one, and without express provision that this section shall not operate, are altered, with the effect of making the vendor pay more duty, or letting him get his goods delivered at less cost, then, where it is an increase, we can charge it against the purchaser, while, where a reduction is made, the purchaser gets the benefit of it. The clause only applies to alterations of the Tariff before the goods are entered for home consumption. .

Mr Isaacs

- Is there any objection to providing that the clause shall apply to goods entered for home consumption not merely before any alteration of the Tariff but before an alteration is proposed or passed 1

Mr KINGSTON

- I will look into that a little further, but I would rather not alter the clause.

Mr. McCAY

(Corinella). - I would like to point out to the Minister that the most likely cases in which this alteration in prices will be required will be in connexion with contracts for delivery during the interval between the proposal of the Tariff and its becoming law. Two or three months usually elapse before the Tariff is actually passed into law, and it is during the interval that most forward contracts will probably be completed. It is in connexion with these that the most trouble will arise, and this clause, which seeks to protect both sellers and buyers against undue advantage in consequence of an alteration in the Tariff, will not apply in the great bulk of cases where the operation of the alteration will actually take place. The clause should be altered to provide for any alteration that may be proposed or that may take place. According to my reading of the law, the Tariff alteration does not take place until the Governor-General actually affixes his signature to the law approved of by both Houses, and the result will be that the great bulk of the transactions to which the clause ought to apply, if it is to apply at all, will be transactions to which the clause will not apply because of the way it is framed. I would earnestly ask the Minister to consider the necessity of amending the clause.

Mr Reid

- If the words "duties collected " were substituted for " Tariff" I think it would meet the case.

Mr McCAY

- Yes; that seems to do what is required, together with an alteration in the sub-clause.

Mr KINGSTON

- I will agree to that alteration of the clause so as to meet the difficulty raised. I move -

That the word " Tariff," line 3, be omitted, with a view to insert in lieu thereof the words " duty collected."

Amendment agreed to.

Amendment (by Mr. Kingston) agreed to-

That the word " delivered," line4, be omitted, with a view to insert in lieu thereof the word "entered."

Mr. THOMSON

(North Sydney).- This clause, until it was amended, in what I conceive to be a very proper manner, only dealt with the actual imposition of the Tariff, and consequently there could be no subsequent refund of duty. Now under the clause, as amended, we are dealing with the collection of duty, which may be only a temporary collection, and I would ask whether it will not be necessary to insert a provision that, in the event of there being a refund to the vendor, the purchaser shall receive credit for it.

Mr KINGSTON

- I will try to meet that by inserting a fresh paragraph in the clause.

Mr THOMSON

- The honorable member for Fremantle drew my attention to it.

Amendment (by Mr.. Kingston) proposed -

That the words " Tariff being altered by," in sub-clauses (a) and (b) be omitted with a view to insert in lieu thereof the words "alteration being."

Mr ISAACS

- Does the right honorable gentlemen mean that the seller may add the difference in the price during the time that the Tariff proposals are under discussion and when the proposed law may never pass, and a case may never arise to make it a just thing to have the difference added. Supposing that the duty is proposed to be increased by £1, and that eventually it is not increased, is the seller then to add the difference?

Amendment agreed to.

New sub-clause (by Mr. Kingston) agreed to -

Any refund or payment of increased duty resulting from the alteration not being finally adopted shall be allowed between the parties as the case may require.

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Mr F E McLEAN

- I do not know whether it has been the custom in Customs Regulation Acts or Customs Acts generally to include a provision of this kind, but it occurs to me that these are matters after all in which the parties interested are very well able to look after themselves. I do not think that there are many mercantile firms in the large cities to-day who have not their contracts prepared in such a way as to safeguard themselves in the event of duties being imposed or remitted, as the case may be. It occurred to me that we are showing a very benevolent interest in the affairs of people who are well able to take care of themselves. Unfortunately, we are not able to take care of the ultimate consumers of goods who have to pay, whether they are preparing for the Tariff or not.

SirMalcolm McEacharn. - If the honorable member had been present before the adjournment for dinner, he would have heard a discussion upon this. We had two hours of it.

Mr F E McLEAN

- I am not denying that. I have not come across many merchants who are not far-sighted enough to make their contracts cover contingencies of this kind. I am quite satisfied that there will be less litigation arising out of mercantile contracts than there will be out of our Acts of Parliament. As a matter of general experience, I think we must allow that mercantile people do not incur very much litigation in connexion with their contracts. This provision refers to one of those things which might very well be left alone.

Clause, as amended, agreed to.

Clause 147 (Value for duty).

Mr POYNTON

- I am delirious of securing an alteration in this clause, so that in cases where an invoice has not arrived the owner of the goods shall not be prevented from warehousing. I move -

That the words " or for warehousing," in subclause (c) be omitted.

It frequently occurs that an invoice does not arrive coincidentally with the goods. This provision would prevent warehousing in such circumstances.

Mr KINGSTON

- It is not intended to prevent goods from being actually taken into the warehouse before the production of the invoice. What is intended is that the right of the Customs to require the production of the invoice

before they enter the goods as received into the warehouse shall not be affected. The production of the invoice is of the utmost importance, and the entry for warehousing is also of the utmost importance, because that regulates the basis upon which subsequent proceedings between the Customs authorities and the merchant proceed. In conference with my officers, they tell me that if we provide that warehousing and the taking of the account of goods is to proceed before the invoice is produced, results may accrue which ought to be avoided. I think that the provision at the . end of the clause covers everything that can be desired by the honorable member. I ask him, therefore, not to press the point.

Amendment negatived.

Clause agreed to.

Clause 159a (Provision in case Western Australia continues intercolonial duties).

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Mr G B EDWARDS

- This clause deals with a question of some difficulty. The Minister inserted it at my instigation to meet the disadvantage which the manufacturers of the other States of the Commonwealth would suffer by the exercise by Western Australia of the power allowed her under the Constitution Act to continue for five years to tax goods imported from the other States. The effect of the exercise of that power, if she put a duty upon some manufactured article the ingredients of which had to pay duty on coming into the Commonwealth, would be to unduly hamper the manufacturers of other States in their competition with foreign manufacturers. But if honorable members look at the clause they will find that it does not meet the case. It refers to the imposition of duties of customs on goods passing into the State and not originally imported from beyond the limits of the Commonwealth.

As a manufacturer could not get a drawback upon an article which had not been imported, the clause does not meet the case at all, and I have therefore drafted a new clause, which I propose to substitute for it, and which, while doing no damage to Western Australia or to the revenue of the Commonwealth, will put the manufacturers of the other States upon the same footing as foreign manufacturers. Western Australia, for instance, might put a duty on confectionery and jams imported from outside the Commonwealth, and from the other States, and while the English and American article would have been made from sugar upon which no duty had been paid, the article manufactured in the other States might have been manufactured from sugar upon which a very high duty had been paid. In dealing with the exports to Western Australia from the other States we must treat her as a foreign territory. A great misapprehension exists upon this subject, because it seems to be thought that the difficulty arises through the imposition of duties by Western Australia on the manufactures of the other States, whereas it really arises from the imposition of duties by the Commonwealth on the raw materials used in those manufactures. I propose to strike out the clause in the Bill, and to substitute for it the following provision :

-

Drawbacks of import duty may be allowed to such an extent and in such manner as may be prescribed upon sugar contained in goods exported from any part of the Commonwealth to the State of Western Australia during the continuance in operation of section 95 of the Commonwealth Constitution Act. Where raw products, such as potatoes, onions, and wheat, are exported to Western Australia, the difficulty does not arise, but where manufactured articles, the raw materials of which have paid duty to the Commonwealth are imported, unless a clause like this is introduced into the Bill, certain manufacturers will be prevented from trading with Western Australia, because they will be hopelessly beaten in their competition with foreign manufacturers who have paid no duty upon their raw materials. To my mind, there is no reason why the State manufacturers should be hampered in that way.

Mr KINGSTON

- The proposed new clause is to take the place of a clause which was inserted only after considerable discussion, and it applies only to sugar, whereas the clause in the Bill is much wider in its application. We have provided in the Bill that, so far as Western Australia exercises the special power given to her under the Constitution to impose duties upon importations from the other States, we will allow drawbacks in respect to goods upon which duty has been paid, exported to Western Australia, just as if she were a foreign State. We are now asked to make a special rule on the subject of sugar, but I see no reason for it.

Sir MALCOLM MCEACHARN

- Suppose there were a duty of 20 per cent, on woollens coming into Victoria and a duty of 20 per cent,

upon woollens imported into Western Australia, would not imported woollens sent from Victoria to Western Australia have to pay a duty of 40 per cent., if no drawback was allowed in Victoria ? I acknowledge that it is very difficult to arrive at a clear understanding of the effect of section 95 of the Constitution. But if the result would be as I have stated it, it would be easy for New Zealand to take away a great deal of the trade that . would, under other circumstances, come to Victoria.

Mr Kingston

- The trade between Victoria and Western Australia will be free, so that woollens imported from Victoria to Western Australia will secure free admission.

Mr. PIESSE

(Tasmania). - There are two periods with which we are concerned. I think that the Minister has given the correct reply to the honorable member for Melbourne if he was speaking of the period after the imposition of the uniform Tariff ; but, if this Bill comes into force before we have a uniform Tariff, > there will be some very serious inconveniences in regard to the trade between the several States.

Mr Kingston

- The intention is that the Bill shall not come into existence until after the imposition of a uniform Tariff.

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Mr PIESSE

- I hope that is so, but it must be made clear. Under the present State laws, if goods such as jam and confectionery manufactured from dutiable articles, such as sugar - upon the importation of which into Tasmania or Victoria a duty of £5 or £6 a ton is charged - are exported from those States to New South Wales, or some other State, a drawback is allowed equivalent to the amount of the duty, and thus trade between the States is unhampered ; but when this Bill comes into force the drawback powers of the States will, cease, and the only drawback provisions in existence will be those contained in the measure itself, which will apply only to goods exported beyond the limits of the Commonwealth. Therefore if goods such as I have referred to are exported from Tasmania or Victoria to some other State, the exporters will not be able to claim drawback in the State where they were manufactured, and when they go into consumption in other States they will probably have to pay duties under the local Tariff, or under the Commonwealth Tariff, if it is tentatively imposed under a resolution of this House. Thus trade will be seriously interfered with. It is evident therefore that the measure should not be brought into force until the imposition of uniform duties. The honorable member for South Sydney desires to secure the refund of the whole of the duty paid upon imported sugar, because he says that when the articles in whose manufacture it is used reach Western Australia, they will be subjected to the Western Australian Tariff.

Mr G B EDWARDS

- Not because the manufactured articles will be subjected to the Western Australia duty, but because the sugar contained in them will already have paid duty to the Commonwealth.

Mr PIESSE

- If the honorable member is referring to the period after the imposition of the uniform Tariff, that cannot happen, because the duty on the sugar, wherever it was first collected, would be held by the Treasurer, to be paid to the State in which the sugar is consumed. Western Australia is in this position : She has said - " We cannot be content to receive only our share of the duties collected under the uniform Tariff, and for the first five years of the Commonwealth we must retain the power to levy special . duties upon Australian products." She wants, not only what all the States get - a share in the Customs revenue of the Commonwealth proportionate to her consumption of goods - but she also wants to charge a duty of £3 or £4 per ton upon sugar and jam imported from the other States.

Mr Henry Willis

- Can she charge, that duty, under the 95th section of the Constitution ?

Mr PIESSE

- Yes. She retains the power to levy duties on imports from the other States for the first five years of the Commonwealth, but subject to yearly reductions.

Mr Henry Willis

- Even if duties have already been paid on the goods ?

Mr PIESSE

- I think so. Otherwise she gets no benefit from the provision in the Constitution. I am very glad that we

shall not have this difficulty in regard to InterState trade, and that until the uniform Tariff is imposed the local laws relating to drawback will continue. Those who have manufactured goods there would still be able to take advantage of the local drawback regulations, and will carry on then* trade as hitherto. I was glad to hear that, because I was very fearful, looking to the passing of the Bill as a possible means of bringing about a state of deadlock in regard to several important industries.

Mr E SOLOMON

- Western Australia entered federation on the understanding that, because of her sparseness of population and her isolation, she was to get certain benefits. One benefit was that she could continue her present Tariff for five years after the uniform Tariff came into force, deducting 20 per cent, per annum during that period, and thus bringing her ultimately into line with the other States. Western Australia does not want any more than she is entitled to. I am sorry that the honorable member for South Sydney looks on Western Australia as a foreign State, merely because there is this difference in the Tariff. Western Australia is perfectly willing to abide by whatever is done in a fair spirit. And the proposal of the Government is a just one.

Mr. McCAY

(Corinella).- I should like to put some facts of the case as they appear to me in the light of the clause under discussion, combined with the last sub-section of section 95 of the Constitution Act. I will take imaginary figures, and ask honorable members to suppose that Western Australia increases her duties between now and the coming into operation of the Tariff, with the result that the duty on woollens is 40 per cent, during the first year after the imposition of uniform duties, while the Commonwealth duty is 20 per cent. Under the last sub-section of section 95 of the Constitution Act, if the foreign maker of woollens sent his woollens direct he would have to pay 40 per cent., in the same way as would the colonial makers. But suppose the foreign maker exported the woollens from abroad into Victoria, he would there pay the Commonwealth Tariff of 20 per cent. Now, if those goods were shipped from Victoria to Western Australia, where is the power under either the Constitution or this clause to make the importer to the latter State pay a duty of 20 per cent.

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Mr Kingston

- The importer has got the goods into the Commonwealth.

Mr McCAY

- And the importer will take his goods to Western Australia as freely as if they were taken from another town in Victoria ?

Mr Kingston

- Yes.

Mr McCAY

- Then the result is that the colonial maker of woollens would under the circumstances, be paying 40 per cent, to get his goods into Western Australia, while the foreign maker would only be paying 20 per cent.

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Mr Isaacs

- And then there is the drawback.

Mr McCAY

-I am inclined to think that under clause 159a the foreign importer would get a drawback of 20 per cent., so that his woollens would go into Western Australia free, while on colonial woollens there would be a duty of 40 per cent.

Mr Kingston

- I think there is provision in sub-section (3) of section 95 for the payment of the higher duty.

Mr McCAY

- I think that the provision that a higher duty should be collected on goods when imported from beyond the limits of the Commonwealth, applies only to goods going directly from abroad to Western Australia, and not to goods which get into the Commonwealth in any other State, and are then sent to Western Australia. The words are "imported into Western Australia from beyond the limits of the Commonwealth," which, I take it, would not refer to goods imported into Victoria, and then transported to Western Australia. I do not pretend to say that my interpretation of the clause is final, but at present that seems to be the

result to which it leads, and I may say I am not the only member who thinks so.

Mr. HARPER

(Mernda).- The honorable member presupposes a certain condition of things with regard to woollens. He puts it that certain woollen goods manufactured in Europe are imported into Victoria, and that when they are sent to Western Australia certain results follow. But the answer to the honorable member is that inasmuch as the Customs authorities require every entry outwards to be produced, special care, I believe, will be paid while this state of things exists in Western Australia, to see that the origin of every parcel of goods is accurately described before the goods are shipped. These goods being shipped to Western Australia, and described as being the produce of Great Britain or Germany, as the case may be, will necessarily involve their paying a higher rate of duty when they entered Western Australia.

Mr McCay

- Where does the honorable member get that?

Mr HARPER

- That is the practice. The Constitution says that goods which are to be subject to the special duties are to be made in the Commonwealth.

Mr McCay

- That is exactly what I say - the local manufacturer will pay the duty, and the foreign manufacturer will escape.

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Mr HARPER

- It will be observed that the honorable member for Corinella quoted the last sub-section of section 95 of the Constitution Act, which provides that in the event of the special duty imposed by the Western Australian Government being in excess of the duty on foreign goods, the duty on the latter has to be raised to the same rate. If these goods coming to Victoria from Great Britain are sent to Western Australia, they would, according to my reading, have to pay 40 per cent.

Mr. REID

(East Sydney).- The object of section 95 of the Constitution Act was to give Western Australia special power to levy duties for five years on Australian products. As to goods imported from parts beyond the Commonwealth, the ordinary Commonwealth law will operate, with the qualification that if the duty which, under the section, Western Australia levies on an Australian product is higher than the Commonwealth duty on a similar article imported from beyond the seas, then according to the section -

If at any time during the five years the duty on any goods under this section -

That is, Australian goods. is higher than the duty imposed by the Commonwealth on the importation of like goods -

That is, goods from beyond the seas, then such higher duty -

That is, the duty on Australian-products, shall be collected on the goods when imported into Western Australia from beyond the limits of the Commonwealth.

That is to say, Western Australia is not to be allowed to put a higher duty on Australian goods than is imposed for her benefit on foreign goods. The duties are, therefore, equalized.

Mr. G.

B. EDWARDS (South Sydney). - The leader of the Opposition has accurately described the whole position, which, if he has been listened to, ought to be pretty well understood. But the question, so far as I am concerned, is not at all touched by the question whether Western Australia will impose duties or not. I hold that if manufacturers in the other States have to pay the same duty in Western Australia as English goods, when the former have already paid duties on the material they use, they are handicapped out of the race. It is no part of the public policy to shut the markets of Western Australia to these other States.

And I move -

That all the words after " If, " line 1, be omitted, with a view to insert in lieu thereof the words - "During the continuance in operation of section 95 of the Commonwealth Constitution Act* manufactured goods, which include goods upon which duty has been paid are exported from any part of the Commonwealth to the State of Western Australia, drawback of import duty may be allowed to such extent and in such manner as may be prescribed."

If there are any varying circumstances about the duties imposed by Western Australia, including the

tapering scale she is obliged to. adopt, the Minister can accommodate himself to the circumstances as they arise by giving the manufacturers a just and equitable drawback, and not forcing them, as the law; at present stands; to leave off manufacturing for Western Australia altogether on the bare ground that they would be utterly unable to compete, with the manufacturers of foreign countries and of England.

Mr. ISAACS

(Indi).- I must say I do not think that sufficient attention has been given to the view presented by the honorable and learned member for Corinella! I listened to the leader of the Opposition, and I regard this as a matter of very great importance.

Mr Higgins

- Is it not more theoretical ?

Mr ISAACS

- I' can see very strong practical possibilities.

Mr Higgins

- But it is very unlikely Western Australia will raise her Tariff.

Mr ISAACS

- Western Australia can do so. A great deal of reliance was placed on this clause, but we have to see that manufacturers in this part of Australia are guarded from possible disadvantage. It seems to me the position is this : Putting clause 159a into other words, if it be possible to put it more clearly, it means that if Western Australia exercises the power of taxing Australian' products, then, as to goods imported from abroad into, say, Victoria, drawback shall be allowed in cases where the duty is paid and those goods on which duty has been paid, are sent to Western Australia. When the drawback is allowed, no duty will have been paid - these goods, being goods originally imported from beyond the limits of the Commonwealth, are not taxable when they get into Western Australia, but go absolutely free, while all Australian products have to pay the Western Australian duty. Now that is surely placing Australian manufacturers at a disadvantage, so far as Western Australian trade is concerned, as compared with foreign importers. Western Australia is not entitled to tax goods that originally came from abroad, but there is a special power given to Western Australia as a dis. tinct State to make a distinct Tariff as against Australian products. Take the case of woollens, as to which, by hypothesis, 20 per cent, duty has been paid upon the goods being imported into Victoria. This clause- says that if the Victorian importer exports his goods to Western Australia he cannot get the Same drawback as if he exported them to Fiji. What I would like to know is, whether it is intended that this clause should apply to. import duties paid only before the coming into operation of the uniform Tariff, because if that is the intention the clause will go very far beyond it. It will operate as long as Western Australia has a right to tax Australian products.

Mr. REID

(East Sydney). - It seems clear to me that the case which the honorable member for South Sydney has put is a very proper one for consideration, but that it cannot very well be dealt with under this clause. Take the case of jam. This clause would cover- the case of jam if any excise duty had been paid on the jam in the State in which the jam had been manufactured and drawback would go to the manufacturer whose product went to Western Australia.

Mr Isaacs

- This does not .apply to excise duty.

Mr REID

- Yes; but the case which the honorable member for South Sydney brings is a special case. We all know that sugar enters so largely into the manufacture of jam that it practically constitutes half that article, and- if an import duty is paid on sugar it seems to me to be perfectly proper that to the extent to which that sugar has paid duty there should be a drawback, while Western Australia can impose a duty on our Australian jam. I think that the case which the honorable member for South Sydney has put before the committee ought to be met by a special clause. It is a matter of great importance and fairness that some provision should be made. Looking at the last words of the clause more closely, I certainly confess that I cannot understand them.

Mr Isaacs

- The last words of the clause make the difficulty.

Mr. THOMSON

(North Sydney). - I understand that the Minister is endeavouring by this clause to carry out the proposal made by the honorable member for South Sydney.

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Mr Kingston

- I do not know that.

Mr THOMSON

- The Minister has put the clause in on the representations made by the honorable member for South Sydney as to the effect that the continuance of the duties in Western Australia may have on the manufactures of the other States which consist partly or largely of imported duty-paid articles. The clause seems to me to be contradictory. The Minister proposes under it to provide for all that he considers to be reasonable in what the honorable member suggests. Under the clause it is provided that if the Parliament of the State of Western Australia, in the exercise of the power conferred by the Constitution, imposes duties on goods passing into that State, and not originally imported from beyond the limits of the Commonwealth, drawback may be allowed in the State in which import duty has been paid. Now, no power is given to the Western Australian Government to levy duties on goods originally imported from beyond the limits of the Commonwealth, and yet if import duty has been paid upon the goods, they must have come from beyond the Commonwealth. This clause, in the first portion - and that governs the whole clause - deals only with goods that are not originally imported from beyond the limits of the Commonwealth, and yet the provision is that the drawback shall be granted, in respect of those goods, of the duty paid at the time of importation. We have already decided under the Bill that "import" means an import from beyond the Commonwealth, so that here we have two opposing conditions - first of all, that the goods must not be goods that are originally imported from beyond the limits of the Commonwealth; and secondly, that drawback shall be allowed only on goods that have been imported from beyond the limits of the Commonwealth.

Mr KINGSTON

- We are not attempting to deal with the question of excise, because that has to be considered separately; but the position is this. We are a Commonwealth, and free-trade exists subject to a qualification, and we say that our merchants are not entitled to a drawback as regards any duty they have paid on their goods in the Commonwealth when they export them from Tasmania to Victoria, or from Victoria to New South Wales or Queensland, and why? Because there is free-trade. We have, however, to make one qualification, and for what reason? That, although we are one Commonwealth with Inter-State free-trade, there is the one qualification that Western Australia may charge a duty on Australian goods, subject to certain conditions. What we say is this, that as far as Western Australia does that she is a foreign country, and that goods affected by the imposition of such duties shall be the subject of drawbacks, and those only. I think that is perfectly fair.

An Honorable Member. - Except that it does not cover the special case mentioned by the honorable member for South Sydney..

Mr KINGSTON

- I do not know that it does cover the special case, but it covers the whole case as provided for under the Constitution. We have free-trade throughout the Commonwealth, and so there can be no drawback from one end of the Commonwealth to the other, with the one exception that I have mentioned.

Mr. REID

(East Sydney). - I would like to ask the Minister a question, as an affirmative answer may save a deal of discussion. I would ask if a colonial manufacturer has to use some duty-paid article from abroad in his manufactures, and then sends his completed article to Western Australia during the five years' period, would not the Government return him as drawback any money he had paid by way of duty on that particular part of his manufactures that he had imported. Take the case of the jam manufacturers. Half their jam is sugar, on which perhaps they have paid duty as imported sugar. The people of Western Australia with their sugar free of duty would have an advantage over the Australian manufacturer who has to pay duty on the sugar he uses in the production of the manufactured article. I would like to know whether the Government would be in favour of a refund of the duty paid on the sugar used in the manufacture of jam sent to Western Australia

Mr A McLEAN

- I would like to have one misapprehension that seems to exist amongst honorable members cleared up. I understood that under this clause the intention of the Ministry was to allow drawback in respect of goods imported into one of the States of the Commonwealth from another State before the imposition of uniform duties. Some honorable members say that the clause as drafted goes a great deal further than that, and that even after the uniform Tariff comes into operation a person importing goods from outside the Commonwealth will be allowed drawback in respect to those goods when they are re-exported to Western Australia.

Mr Kingston

- Why should he?

Mr A McLEAN

- There is no reason why he should, and if the clause would have any such effect, the objection raised by the honorable and learned member for Corinella would be unanswerable.

Mr KINGSTON

- I do not incline to the opinion that drawback is to be allowed in respect of duty paid on foreign goods because they are sent to Western Australia, any more than if they are sent to Tasmania. Western Australia has no special power in regard to imported goods, and we have no right to treat exportations to her, in regard to which she is no more a foreign country than is Victoria, in any special manner. However, in cases where Western Australia is in effect a foreign country we are proposing to allow drawback.

Mr A McLEAN

- Is it certain that the clause will carry out the meaning of the Ministry?

Mr KINGSTON

- Yes, I think so; because I have stuck as closely as possible to the wording of the Constitution.

Mr. ISAACS

(Indi).- Do I understand the right honorable gentleman to say that it is limited to goods in respect of which import duty has been paid before the imposition of the uniform Tariff? If it does not mean that then it does not mean what the right honorable gentleman says he intends it to mean. There are no words of limitation so far as I can see. The provision seems to extend to the whole period of five years.

Mr Reid

- It clearly speaks of a period of five years.

Mr. THOMSON

(North Sydney).- I do not think that the Minister has explained to the committee how this clause meets what he himself intends it to meet. The object of the honorable member for South Sydney is that goods which go into Western Australia - not in the form in which they are imported, but in another due to the process of manufacture which they have undergone - shall, as they will be chargeable with the Western Australian special duties, be exempt from the payment of the Commonwealth duty..

Mr Kingston

- The honorable member refers to local products.

Mr THOMSON

- Yes, in the form in which they go into Western Australia. But, although the Western Australian Customs house will not recognise it, a considerable portion of those articles, such as jam, &c, may have to pay an import duty upon entering the State in which they are manufactured. It is held that, to put the Commonwealth manufacturer on the same footing as his foreign competitor, the duty which has been paid on the ingredients forming the manufactured article should be refunded on shipment to Western Australia during the period that section 95 of the Commonwealth Act is operative.

Sir George Turner

- The honorable member will need to put another clause in to accomplish that.

Mr THOMSON

- If this clause does not deal with that, what does it deal with ? It seems to me that the first portion of the provision absolutely contradicts the second portion.

Sir George Turner

- The honorable member wants to go further and cover something which is not covered by this clause.

Mr THOMSON

- I submit that the clause is contradictory, and does not meet the case raised by the honorable member for Sydney.

Mr Kingston

- Indeed it is not contradictory.

Mr THOMSON

- Section 95 of the Constitution says -

Notwithstanding anything in this Constitution, the Parliament of this State of Western Australia, if that State be an original State, may during the first five years after the imposition of uniform duties of customs, impose duties of customs on goods passing into that State and not originally imported from beyond the limits of the colony.

That section therefore permits of the imposition of duties on goods not imported from beyond the limits of the Commonwealth, and yet this clause in the Bill allows of a drawback upon goods which have been originally imported.

Mr Kingston

- Indeed it does not.

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Mr THOMSON

- If the provision is meant to deal only with cases of goods passing from one State to another, why not insert the words "from another portion of the Commonwealth " 1 But I would point out that the clause does not deal with the point raised by the honorable member for South Sydney.

Mr. F.

E. McLEAN (Lang).- I think that the Minister for Customs has clearly explained the intention of the clause. But after listening to the remarks of the honorable and learned member for Indi, and of other honorable members who have analyzed the clause, it seems to me that there is room for doubt as to whether the last three lines carry out the intention of the Minister. What he intends to provide for is simply a drawback upon those goods which have originally paid duty when passing from one State to another.

Mr Kingston

- Exactly, it was argued last week.

Mr F E McLEAN

- The honorable and learned member for Indi and others, however, assert that the effect of the clause will be to enable drawback to be obtained on all goods exported to Western Australia, and which may have been imported from beyond the limits of the Commonwealth. If we divide on the amendment which is now before the Chair, I ask the Minister whether the last three lines of the clause cannot be altered in such a way as to more clearly express his intention.

Mr Kingston

- There is one word which I wish to strike out there.

Mr F E McLEAN

- I think that the amendment proposed by the honorable member for South Sydney is a most important one, and that we should not place our own manufacturers at a disadvantage as compared with foreign manufacturers. I shall, therefore, vote with him to amend the clause in such a way as to give to the Commonwealth power to grant drawback upon those dutiable goods which are included in manufactured goods which are sent to Western Australia.

Mr Kingston

- Western Australia has no more power to tax them than has Tasmania.

Mr F E McLEAN

- But Western Australia, under a special provision in the Constitution, can place a duty upon goods manufactured in other States. As those goods will contain a very large proportion of dutiable articles - articles which have paid duty when coming into the Commonwealth - some provision must be made for allowing drawbacks upon those materials.

Mr. ISAACS

(Indi). - I am going to make a suggestion which I think will meet the case. If honorable members will look at clause 159, to which clause 159a is really an appendage, they will see a general provision for the

drawback of import duties.

Undoubtedly, "import duty" in that clause means "Commonwealth import duty." Then clause 159a was introduced to provide for drawbacks in the case of imports from any other State to Western Australia. But the words "import duty" are again used, and those words mean, unless qualified, "Commonwealth import duty."

Sir George Turner

- Is the honorable and learned member sure of that, because this provision may be in operation for three or four months before the imposition of the uniform Tariff?

Mr ISAACS

- I must say that import duty there means "Commonwealth import duty." To make it perfectly clear we could insert the word "State" before the words "import duty." What I understand the Minister to mean is that, if before the imposition of uniform customs' duties a State has collected duty upon goods under its State laws, and if those goods are exported to Western Australia, then drawback may be allowed, provided that such goods were originally imported from beyond the limits of the Commonwealth. The whole difficulty could be overcome by inserting the word; "State" before the words "import - duty."

Sir George Turner

- We could put in the words "before the imposition of uniform) duties" after "has."

Mr ISAACS

- At present the clause is too large and indefinite.

Mr KINGSTON

- We do not intend as regards clause 159 to mean Commonwealth drawback simply, because the position is this: "Export" in the true sense of the word is entitled to drawback, but it is not a question of export to Western Australia, except for a special purpose. That State has a right to tax Inter-State goods. Where she exercises that right, if those goods have paid import duty in another State, they are entitled to drawback.

Mr Isaacs

- Commonwealth duty?

Mr KINGSTON

- Of course it cannot be Commonwealth duty.

Mr Reid

- How can the Commonwealth goods pay duty?

Mr A McLEAN

-It refers exclusively to Inter-State goods.

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Mr KINGSTON

- We can find to-day cases in which local goods, having passed into another State, have paid import duty. Now they are going out of that State into a new fiscal area.

Mr Reid

- These are goods which have moved from one State to another before the Commonwealth Tariff is in operation?

Mr KINGSTON

-That is so. That is how I put the matter before.

Mr Henry Willis

- That will occur after the imposition of the uniform Tariff?

Mr KINGSTON

- Being Australian goods they will pay no duty, because there will be free-trade between the States, and they will not be entitled to drawback - drawback being the refund of duty on exportation beyond the Commonwealth.

Mr. G.

B. EDWARDS (South Sydney). - We are gradually getting to the meaning of the clause. I was blaming myself for my inability to understand it; but, since there are many trained legal minds in the Chamber who do not seem able to agree in regard to the provision, and as it has been only within the last few minutes that the Minister has been able to express himself clearly as to its meaning, I do not know that the fault is

entirely mine.

Mr Kingston

- I explained the clause in the same way last week.

Mr G B EDWARDS

- The clause was inserted because I asked the Minister to allow me to put some provision into the Bill which would permit of drawbacks being paid where goods - dutiable goods - were imported into Western Australia. Now we are told that the clause is to meet the case where goods are transferred from one State to another, and are then exported to Western Australia - a set of circumstances by which not more than £200 or £300 worth of goods will be affected, while within the first five years of the Commonwealth hundreds of thousands of pounds' worth of goods will be affected by the arrangements which I desire to alter. The Minister refuses to give this protection.

Mr Kingston

- Protection !

Mr G B EDWARDS

- Yes, protection. As a manufacturer I have all my life long been willing to adopt absolute free-trade, but I am not willing to pay a stiff duty on sugar to the Commonwealth, and then, when I export goods manufactured from that sugar to Western Australia, to pay duty on them there, and to be forced to compete on those terms with goods made in Germany, and made from sugar upon which no duty has been paid. Such an arrangement is a scandalous one for a protectionist Ministry to agree to. The clause, as it stands, is of no use whatever, and, under the circumstances, I must press my amendment.

Amendment negatived.

Mr KINGSTON

- I understand that it will be a convenience to the leader of the Opposition if progress is reported now. Perhaps, under these circumstances, honorable members will allow me to go on with the Bill to-morrow.

Mr Watson

- Private member's business takes precedence to-morrow.

Mr KINGSTON

- But, perhaps, under the circumstances, I may be allowed to get on with this Bill.

Mr Reid

- I do not want the Minister to impose conditions upon other honorable members in order to oblige me.

Progress reported.

INTER-STATE COMMISSION BILL

Second Reading

Debate resumed (from 17th July, vide page 2668) on motion by Sir John Forrest -

That this Bill be now read a second time.

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Mr REID

- I am obliged to the Government for their courtesy in arranging their business so that I may address a few observations to the House with reference to the Inter-State Commission Bill and 'the Defence Bill, as I shall be unavoidably absent when the debate on these measures is resumed on a future occasion. I shall, however, condense my remarks so that the House may adjourn at its usual hour, because I feel that it would be unreasonable to prolong the sitting. The Inter-State Commission Bill is one of those measures which call for perhaps even more careful treatment than do some of the other Bills which we have had to consider. In dealing with measures like the Public Service Bill and the Defence Bill, we are dealing with measures affecting subjects upon which a large number of Acts have already been passed by the States ; but in dealing with the regulation of Inter-State commerce, under the developments which will follow from the imposition, of a uniform Tariff and the establishment of free-trade between the States, there is practically no legislation which, from my point of view, can be a fitting guide to us. In my opinion the first great fault which has been committed by Ministers, in framing this measure, is that they have not fully realized the enormous difference between the difficulties with which we have to deal, -and the difficulties which have been dealt with by the United States Congress and by the British Legislature. The difference between the situation in Australia and the situations in America and in Great Britain is essential and radical ; but the Government have followed in a strange, and I would almost say thoughtless, way, the

legislation of those two countries. To fully understand the question it is necessary to briefly review the history of the relations between the States before federation. We have had for many years past many rivalries in commerce, and many State laws passed having a special effect upon. Inter-State trade relations, but I think that I am within the mark when I say that a great distinction is to be drawn between our experience of what I might call our mercantile competition, and our experience of what I might call our railway competition. So far as our mercantile competition is concerned, I think there has been very little cause for complaint. Seeing that the merchants of the different States have had to compete against adverse Tariffs and artificial boundaries, I think I express the view of all who have reflected upon this matter when I say that if the common carrier alone had been concerned, and not the State railways, the regulation of Inter-State commerce would not have assumed the importance which attached to it when it was debated in the Federal Convention. Throughout those most able and exciting debates upon the question, there was scarcely a reference to the shipping trade or to the mercantile community. Almost the whole trend of our considerations was directed towards the use which has been made of the State-owned railways for the encouragement of the trade of the States which own them. The first radical fault which I see in the Bill is that its scope is infinitely larger than there is occasion for. It contains a multitude of vexatious provisions which have not been suggested by experience, and which could have been taken only from the legislation of some country whose circumstances are widely different from ours. The competition under which our mercantile and shipping enterprise has to be conducted is such that there is a very ready cure for anything in the nature of a monopoly, or unduly high rates. They may prevail by force of legislation, but when commerce is left free, it is generally found that the State has no occasion to interfere. To-night I have the happiness of feeling that with reference to Australian commerce - with reference to commercial intercourse between one part of this Commonwealth and another, protectionists and free traders meet on common ground. I believe I should misrepresent the protectionists of Australia if I regarded them as desirous of hampering the intercourse of Australian with Australian. I think I am correct in making that statement. It has always been understood that with reference to commercial operations within the Commonwealth there should be absolute freedom, and as far as the Constitution can insure that state of things it has been insured. The true grievance was a state of things for which business could offer no redress. - If a steam-ship charges an unreasonable rate, there is another steam-ship ready to come in for the trade, and take advantage of the position. But in the case of State-owned railways, a very different set of circumstances presents itself. Within the limits of each State, the railway authority is above and beyond the reach of competition, and besides has legislative power. So that we have not only all the elements of ordinary business monopoly, but all those elements reinforced by State power and the total absence of competition. The problem was to prevent State railways, and for that matter State rivers, from being used unfairly. We all aimed at freedom of commerce, and it was in order to insure that we should enjoy that freedom that we devoted so much time to the subject of an Inter-State Commission at the Convention. By the way, the Inter-State Commission was very much of an after-thought after all. The main brunt of the discussion centred round a proposition by the then Premier of Victoria, Sir George Turner, that the Commonwealth Parliament should have the power of preventing any rates on States railways which derogated from equality of trade. There were many others who were not anxious for an Inter-State Commission, or even for the interference of Parliament. The Victorian delegates were strong as to parliamentary power and did not wish an Inter-State Commission. The South Australian delegates were strong, I think, as to an Inter-State Commission; whereas we, of New South Wales, did not put forward an Inter-State Commission, and did not at all approve of this Parliament becoming the controlling authority in matters which might be deemed to excite State interests and feeling. I myself took strong objection to such a body as this being charged with what might after all be fairly described as judicial powers. Sir George Turner's view prevailed at first, and Parliament was granted the power. But that victory, which was a very narrow one, by a majority of one, was subsequently so altered by decisions that the venue really shifted away from Parliament to the establishment of an Inter-State Commission. It was a choice practically between Parliament as an arbiter and an Inter-State Commission as judges. Thus it was, I think, that the matter assumed so much importance in the Convention. I do not want to traverse the ground which the Minister for Home Affairs went over, I think at undue length. He gave us an enormous list of preferential rates which were in force on the Victorian railways to attract the commerce of New South Wales, and gave some rates showing a desire on the part of New South Wales to retain trade

within her borders. But here is a little map which shows the areas over which this competition between New South Wales and Victoria has extended. Before I refer to that map, I should say that long before the New South Wales railways were taken out to Hay, and on to Bourke, the battle was not between New South Wales and Victoria for the Darling trade, but between South Australia _ and Victoria. South Australia had, I think, the advantage at first, owing to the river, but Victorian enterprise pushed railway communication up to different parts of the Murray, and Victoria entered the lists for "New South Wales trade not as against that State, but as against South Australia. As time went on, the authorities in New South Wales, moved thereto by the inhabitants of those districts, sent railway communication into the back country, and then that State came on the scene. This little map, which I have some reason to believe is correct, represents the State of New South Wales. The very large portion covered blue, represents about , one-fourth of the State, and over that enormous area there is a reduction, from the Murray termini of the Victorian railways to Melbourne, of from 46 per cent, to 61 per cent, on the rates which the Victorian Government charge its own settlers. Then from the very large block coloured yellow, representing the heart of New South Wales, the reduction is from 61 per cent, to 66 per cent. Coming down to the country about Jerilderie and Wagga, there is a narrow strip along the Mumimbidgee, from which the reduction in rates is about 38 per cent, to 43 per cent., and from the wide strip shown on the map, near Victoria, the reduction is 46 per cent. Then, on the Murray, these inducements disappear. These, of course, are enormous reductions on the established fares and rates on the Victorian lines. But the Victorians in their enterprise and self-sacrifice, seemed willing that the rates on goods of our producers should be allowed to neutralize the difficulties of distance in competition with Victorian settlers. The effect, no doubt, to the producer was that the enormous distance from a seaport, which put the people of New South Wales at a disadvantage, as compared with the people of Victoria, was neutralized to a large extent, and they practically got as near to the sea as the Victorians themselves. I return grateful thanks on behalf of the settlers of this arid country of New South Wales to the people, and the Governments of Victoria, for helping our settlers in this direction. I have no element of bitterness at all in reference to that, and one of the aspects of the sort of competition to which ,1 have referred between State railways is, that whatever may have been the effects on the States, the effects on the people were decidedly beneficial. The result was not to make carriage difficult nor to add artificially to the expense of transit. On the contrary, the effect was, as 1 have said, to neutralize distance in favour of the persons whose goods were carried. So that really this competition, although it may excite a feeling of irritation in the Railway departments, was a competition which had its good side. The railway authorities of New South Wales have naturally endeavoured to meet this attack and to retain their trade, and I believe they have been able to do so without making such enormous reductions as those to which I have referred. The work of settling any existing discrepancies, according to the standard of the new order of things, is a work which I think might well be left to a more convenient season. I should be better pleased if we allowed the State Governments, after we have passed our uniform Tariff and' have settled down to the new order of things, to come to some amicable agreement in reference to their respective lines. There have been a number of conferences, and on more than one occasion the railway authorities have agreed, though the Ministers of the day have differed. Under the new state of things I do not think it should be difficult for our railway authorities to come to some amicable agreement without strife and without litigation. If they can come to such an agreement I am sure it must be the feeling not only amongst ourselves, but throughout the whole of Australia, that there ought to be a settlement of that sort between two such mighty corporations. In Victoria, the railways are in the hands of the Government, whereas in New South Wales they are under commissioners ; but differences between those two mighty powers would be better settled amicably if possible than by means of litigation. I wish to be extremely brief under the circumstances. The first general remark I wish to make is, that in my opinion this is a Bill which is not called for in the pressure of public business at the present time. We must have our public service organized ; we must have our defence force organized ; we must have our Tariff established; and we must bring in Inter-State free-trade. These matters of organization with reference to the working of our great public departments, and the introduction of our fiscal measures seem to me to be the most pressing business. A measure of this sort, which may be necessary, is in my opinion one of the reserve powers of the Constitution which should be used only when necessity calls for it.

Mr Higgins

- They want to repair the tire before they find the puncture.

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Mr REID

- I would rather put it in a different way. No doubt there are "punctures" at the present time. I should be very sorry to take up a position which should be understood as a tolerant position towards anything of that sort. My first position is that an amicable arrangement amongst those who run the State railways would be infinitely preferable to a forced interference of a power as the result of litigation - as the result of a contest before a court. What would be ten thousand times better would be an amicable arrangement, the result of which would be that neither the great railway department of Victoria nor the great railway department of New South Wales would drag the other before a judicial tribunal. Many matters could be taken into consideration as between the two great railway authorities, on give and take principles, which it would be impossible to give due weight to if they were both brought to bay. As to the shipping and commercial elements in our Australian intercourse, there is absolutely no justification for the vexatious and inquisitorial provisions of this Bill. In the light of experience there is absolutely no grievance and no complaint, and the affairs of commerce - given the freedom and equality which the Constitution of Australia gives our commerce, within a limited radius, it is true, but still a radius wide enough for the continent - may be conducted in such a manner as to enable us, for some time at any rate, to regard our special control of them as no very pressing matter. I must say that in the midst of these large departments we are establishing and in the midst of the many high appointments we are making we must have some regard for the question of a fitting time. We shall have from the force of necessity to establish a large number of expensive tribunals, and this tribunal is one, I think, which might well arise at a somewhat later time. That is the view which I take generally with reference to this Bill. At the same time I wish it to be understood that if any part of Australia is deprived of an administration of Australian traffic which is equal, which is fair, and which leaves no substantial grievance behind it, I am not the one to delay the operation of this correcting power; but we do not want to set a great piece, an intricate piece, of machinery in motion to crush small grievances, to investigate trifling complaints, or to place upon the industrial energy of those engaged in commerce hindrances which it was, I thought, our glory to destroy. We may be separated on Tariff questions, but I think there is no one who is not as keenly alive as I am to the great advantages to Australia of making our commerce as free as we possibly can. I do not see the public necessity for this Bill, as far as the mercantile and shipping interests are concerned, and I think there will be no necessity for this Bill as far as the railway traffic of the different States is involved. But if, in reference to this railway traffic, any State finds that it is being treated in an unfair way - in a seriously unfair way - I quite admit the right which that State has to come to a tribunal of this, sort to have its grievances redressed. But such grievances would be a thousand times better redressed by some voluntary arrangement, in America the arrangements as to railways are as different from ours as can possibly be. None of those railways are owned by the State. Not a single railway used in commerce, amongst their tens of thousands of miles, is a State-owned railway. As one can imagine, with the power of capital located in all sorts of quarters remote from the centres of actual traffic, and having its interests so distributed as to admit of all sorts of contrivances to depress the traffic of one State, or one line, or one part of a line, or to enhance the traffic of any State or line, or part of a line, or even a long series of lines, there is a myriad of temptations that have doubtless been fully availed of to make the conditions of commercial intercourse in the United States far from what the Constitution intended. I am happy to say, however, that our commercial intercourse has not been complicated in that way.

Mr HUME COOK

- Nor by corrupt legislation.

Mr REID

- No. But the difference between State-owned railways, managed as they are in Australia, and the private railways, managed as they are in America, is very considerable, to say the least of it. I should like to refer to one or two of the provisions of this Bill, but first of all I would say a word with reference to the constitutional position of authority. Section 102 of the Constitution Act, looked at now as we can look at it, free from the heated media of the Convention debates, seems to wear a somewhat singular complexion. The intention at first was, as I have said, to make Parliament the authority to prevent obnoxious railway rates. In its present shape, the first part of the section gives Parliament a limited power, but the value of

that limited power is taken away in the latter part of the section. In the first part of the section the Parliament may by any law with respect to trade or commerce forbid as to railways any preference or discrimination by any State. That is not a general power, but the general provision with regard to trade and commerce is, as honorable members know, contained in section 51. There is a general power in section 51, but this section gives Parliament a special power which in one- sense is a limitation. It is provided -

The Parliament may by any law with respect to trade and commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable, or unjust to any State.

But in the latter part of the section it is provided -

But no preference or discrimination shall, within the meaning of this section, be taken to be undue and unreasonable, or unjust to any State, unless so adjudged by the Inter-State Commission.

So that here we have a .most extraordinary spectacle .presented to us, and the Parliament of the Commonwealth is in one breath allowed to forbid certain things if they take a certain aspect, and then there is a proviso that that power shall never be exercised by the Parliament unless an inferior tribunal has adjudged it to be that which Parliament is supposed to forbid.

Mr Watson

- It is hardly .an inferior tribunal ; it is, in one sense, a committee of experts.

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Mr REID

- The honorable member for Bland has very properly corrected me. In one sense the Inter-State Commission is an inferior tribunal, and in another -sense it is not inferior - it is practically a delegation from Parliament of a certain power.' But the inconsistency still remains, because in the first part of the section the Parliament is given Certain legislative power, whilst in the second part it is to have that power only if another authority says it, shall exercise it, and that other authority is supposed to have power to do the thing for itself. This provision has a limiting effect, and the Bill strangely enough does not recognise the force of these limitations. For general purposes we are fully competent to pass a Bill clothing the Inter-State Commission with certain powers. But there are certain things which we cannot do, and we cannot do that which the Government asks us to do in some of these clauses. Now, take clause 16 dealing with rates on State railways, which provides -

It shall not be lawful for any State or for any State railway authority to give or make upon any railway the property of the State in respect of external or Interstate commerce, or so as to affect such commerce, any preference or discrimination which is undue and unreasonable or unjust to any State.

That is in the Constitution, but the Constitution has provided that that shall not be lawful, because as to State railways the Constitution says this -

Parliament may by any law with respect to trade or commerce forbid as to railways any preference or discrimination by any State or by any authority constituted under a State, if such preference or discrimination is undue and unreasonable or unjust to. any State.

Clearly I submit with great respect to any' one who may differ from me, that that is not an authority to forbid by general phraseology, but the legislation on this very point as to the railways has the effect of pointing out what Parliament shall, as to the railways, have the power to forbid. If this had been left out the power of Parliament would have been infinitely greater, because the Constitution points out what the Parliament shall do with reference to railway rates, whilst it says nothing as to the other rates regarding which Parliament has a general power. Regarding railway rates, however, the Act prescribes the special way in which Parliament shall act, and in expressing that special way the Constitution does not give as to railways a general right or a general power such as is exercised in other matters. You may put in the words of the Constitution if you. like ; they are harmless ; but if it is intended by the wording of clause 16 to maintain the position that Parliament can forbid at large by the mere use of the phrase, I maintain that Parliament can do no such thing.

Mr Higgins

- Does the right honorable member mean to say that there ought to be in the clause a statement that the InterState Commission shall first decide that the rates are unjust ?

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Mr REID

- I am not talking about the Inter-State Commission, but I am speaking of a section in the Constitution Act, and what I wish to point out is that there is a condition attached to the forbidding of a railway rate as unjust or unreasonable, if a certain thing exists in reference to that rate. How can that language imply the power to forbid wholesale without inquiring into the case of each particular rate as to whether it has the effect described or not. Because if such preference or discrimination is undue, unreasonable, or unjust, that is a question to be investigated before Parliament can forbid. That process is entirely foreign to the power which this Bill is made to claim of forbidding in the words of the Statute. So far as they follow the words of the Statute there is no harm done, because the Statute forbids the same thing. And the Statute can forbid. But the Statute says to Parliament; - "Your power of forbidding must be a power exercised in particular cases after a particular investigation, and only if you have come as to each of these things, to the conclusion that that preference or discrimination is as a matter of fact undue." If it is undue, that involves an investigation of the facts, and it involves a process foreign to the power of writing a string of words and saying that a certain thing is forbidden, without inquiry, without investigation. Now as to the definition of external or Inter-State commerce, I am strongly in favour of striking out the words in clause 2 which bring external commerce within the scope of this Bill. The scope of the American Act had necessarily to be much larger than it need be in our case. America had a long and artificial boundary line between herself and Canada - partly a water line and partly a land line - an enormous boundary line dividing it from Canada. All sorts of operations might have the effect of diverting trade through another country and into the United States again, and many provisions were necessary in the American Act which are absolutely inapplicable to the conditions of Australia. But I do not object to these words being retained in the Bill so as to enable us to follow commerce anywhere, if it comes back into the States again. I think that the words are utterly idle in view of our geographical position, but still I do not object to the power because it is Inter-State commerce after all, and if in that commerce there is any design to escape from the law by means of a circuitous route, clearly, we can follow it when the traffic returns to the States. But that power is almost idle under our circumstances. I am thoroughly in favour of restricting the scope of the Bill to Inter-State commerce. I am opposed to any attempt to give this commission, if established at once, the power which the Bill proposes to give with reference to the whole of the commercial operations of these Australian seas. I think that task is a gigantic one without the slightest warrant of necessity - without the slightest list of abuses which would warrant such a gigantic enterprise. Clause 4 provides that the Governor-General shall, as soon as conveniently practicable, appoint three persons to be commissioners. There is nothing in the Constitution Act which compels us to appoint three commissioners. There is nothing in the Constitution which compels us to make provision that the members shall be paid for the whole of their time. But this Bill prohibits them from engaging in any other employment, and therefore large salaries will have to be paid. Yet the commissioners may be doing nothing. I think it is possible, at any rate in the early stages of this commission, that the commissioners will have very little to do. Of course, if there were half the grievances to be dealt with that this Bill aims at, we should require a dozen commissioners, and not three. But from my point of view, when once we get the railway systems of Australia into order, within the meaning of the Constitution, this commission will have very little to do.

Mr Watson

- Once the policy is laid down we shall never depart from it.

Mr REID

- I am happy to think that I am not shutting my eyes to facts. It is a grand thing in regard to Australia that the great grievances which have caused this demand for an Inter-State Commission centre round our State railways and not round the management of our rivers, because, as honorable members know, New South Wales has spent a considerable sum of money in snagging her rivers without charging any toll. In that respect we have managed our rivers in a very fair and open spirit. There is no suggestion of any rights, in regard to those rivers of ours, to interfere with the free play of Inter-State enterprise. The Minister for Home Affairs was astonished to find that the Railway Commissioners would come under the heading of "common carriers." According to the provisions of clause 15, we are made to prohibit every rate which is unreasonable or unjust. The Commonwealth Constitution says - "unreasonable and unjust." That is a slip, I imagine. We cannot make the power wider than the Constitution makes it.

Mr Barton

- No; but the common carrier is made to charge reasonable and just rates.

Mr REID

- I am not questioning the power of this Parliament with reference to common carriers generally; but I am pointing out the effect of section 102 of the Constitution regarding State railways. I do not question any of the powers in this Bill, except that power to forbid as to the State railways in general language, without the investigation of the particular thing which is objected to as unreasonable and unjust. In clause 18, this distinction, which I have drawn, seems to be recognised. The clause states -

No common carrier or State authority other than a State railway, shall, directly or indirectly, by any special rate, discount, or rebate, drawback, or other device, charge, demand, collect, or receive from any person,&c.

That is a provision which but for the Constitution Act it would be perfectly fair and proper to apply to the railways, as well as to the ships. The object of that clause is exactly what this Bill is intended for. But the draftsman there draws a distinction between other carriers and the State railway authorities. In that clause it seems to me that the provisions of section 102 of the Constitution are borne in mind. Then the expression in the subsequent clauses, "any such carrier," would no doubt be read in conjunction with the same exception right through, namely, "other than a State railway authority." Now I come to the burden of proof, which is provided for in clause 20. That clause provides that - the burden of proving that such lower rate or difference in treatment is not an undue or unreasonable preference or advantage shall lie on the common carrier or authority.

Here again we are reversing all the ordinary rules of administering justice. There is a mania now apparently for invading rules which we still respect in matters of vital concern, in matters affecting liberty and life. When a complaint is made by some authority constituted under this Bill, why should the burden of proof that a thing is not the offence complained of be on the person against whom the imputation is made?

Mr Barton

- I think that paragraphs (a) and (b), if proved, simply amount to prima facie evidence of undue or unreasonable preference, and that of itself would shift the burden of proof.

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Mr REID

- There might be all those things which are mentioned in sub-clauses (a) and (b) for an honest, sound, commercial reason, which no Inter-State Commission should question, if upon investigation it is found to be genuine. I say that in no case should the burden of proof be on the person against whom some rival in business makes a complaint. It is shifting the onus in a way that I do not appreciate or believe in. In clause 21 certain things are made prima facie evidence of undue preference, when there are a number of things which may answer to the wording of the clause, and yet be perfectly legitimate. I cannot express my feeling of curiosity upon this point. What in the name of common sense rendered it necessary to insert in clause 22 the provision for the free carriage of certain persons? "Why, even Members of Parliament are picked out with paupers and destitute persons as individuals with respect to whom the provisions of this Bill shall not apply. It is a tribute to the marvellous ingenuity of the draftsman in putting in every conceivable liability and every conceivable exemption. I think that he has managed both to perfection. Regarding clause 23 I wish to point out that a person requiring traffic to be forwarded can address a request to the carrier specifying the route by which he says that the carrier ought to take the goods. If the carrier does not take the goods by that route there may be a complaint. If within ten days after receiving that request, -or within a longer term, as the commission may prescribe, there is no written objection either to the proposed route or rate, the route shall be deemed agreed to. But if either the route or the rate is objected to, the objection is to be stated. The commission is then to have power to determine whether the route is a reasonable one - whether in fact a man who does not belong to the company, or whether the company itself shall run its own business. Any person can under this clause prescribe to a company the route it shall follow in carrying its goods and the company is immediately subjected to an inquiry before the commission, which is to have power to decide that the route suggested by the outsider shall be the route followed by the carrier. This is a marvellous piece of legislation. Again I admire the boldness of it. There are a number of other matters in connexion with this Bill to which I could call attention, but I

wish simply to take this opportunity of putting, as briefly and as broadly as I can, the views which have occurred to me in regard to it. I wish it to be distinctly understood that I have no lack of zeal for putting this Bill into operation when it is proved to be necessary - when our experience of the working of the Commonwealth under our new conditions shows that evils, if they exist at all, still continue, or that new mischiefs are developing themselves. There is no man who will then be prepared more readily than I to put that machinery in motion. May I say, as my deliberate opinion, which experience will test, that if there are any particular persons who ought to wish this law to be put in motion, either in Victoria or New South Wales, which form the two States between which the biggest conflicts exist in regard to trade, those in New South Wales have a great deal more reason to desire this Bill to become operative than have our friends in Victoria, because it is not conceivable that you can charge on the Victorian railways the present rates for bringing traffic from the Darling on the plea that you are developing your own property when you are charging your own people twice as much as you charge people 300 miles off. That will not help Victoria. The provisions in the Bill, therefore, will cut right against that State. There is not a Victorian rate designed to attract New South Wales wool or goods traffic which will not stand condemned when the Inter-State Commission is established.

Mr Crouch

- Is that the proper standpoint?

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Mr REID

- I say that it is not, and I view the matter from another stand-point. Honorable members know that I have had opportunities of getting pretty accurate data from the railway authorities of New South Wales during the last few years, and I assure them that, in taking the position I am taking now, I am acting, not as a representative of New South Wales, but as an Australian. I do not want to rip up the railway system of Victoria if the railway authorities can come to some friendly arrangement amongst themselves. I do not want to see the iron hand put upon any authority unless there is the absolute pressure of necessity. There is a sort of inquisition which we may have to set up to deal with some stern evils and great abuses; but the fewer inquisitions we set up in this free community the better. It may be necessary to establish this inquisition, and, if so, I would not hesitate to establish it; but I would say - "I shall not set up this inquisition, and put this expensive machinery into motion, until I see that it is absolutely necessary to do so." If these differences can be amicably adjusted in the light of our broader citizenship, that is a far better thing than the settlement of them by the setting in motion of machinery like that provided for in the Bill. I do not want to take up a party position in connexion with a Bill of this sort. I fully recognise that any Government which might have had to set this Commonwealth in motion would have had a most arduous task upon their shoulders. We must all feel that, and, therefore, I do not wish to push too far any criticism of this Bill or any similar Bill. I feel that the Ministers have a very great burden of responsibility and labour to bear, and I hope that they will accept these remarks to-night as having no tinge of party feeling or design. I am not proposing a course which would force matters into a party groove. If the House feels that large and important measures which have been put before it are not so urgent as other measures, it will be a perfectly legitimate thing for Ministers to postpone the consideration of those measures, and they can do it without loss of dignity. Whatever the Government may choose to do in reference to this Bill, I wish to say that my remarks in regard to it must be taken as made in the broadest possible spirit.

Debate (on motion by Sir John Quick) adjourned.

DEFENCE BILL

Second Reading

Debate resumed (from 24th July, vide page 2996) on motion by Sir William Lyne -

That this Bill be now read a second time.

Mr REID

- I really feel very much indebted to the Government for allowing me this opportunity to briefly express my views upon the Bill. In dealing with the subject of defence, the Ministry have had the advantage of the legislation of the States and of the deliberations of conferences of military commandants both recently and in past years. Whilst I was in a position of authority in another State, I endeavoured to bring the military commandants of the States together as often as I could, to get them to thrash out questions of concerted military action as thoroughly as possible, and we have now a volume of research and authority

with reference to military matters which must have been of great assistance to the Government. What has been the main principle running through the State Acts in reference to defence ? I think I am correct in saying that the backbone of our military system is the principle that our forces shall consist chiefly of volunteer soldiers recruited from the ranks of industry. That has been the wisest principle for us to follow, not only from considerations of the highest moral order, but also from considerations of actual economy, and I want to see that principle made, not only the main principle of our addresses on this subject, but the main principle of the Bill, and the principle carried out in the whole organization of our military forces. We must, however, have a small nucleus of permanent professional soldiers. That is absolutely necessary. It is necessary in the interests of the volunteers themselves that they should have the advantage of trained professional skill. In dealing with this subject we must all speak from our experience in the States from which we come. I cannot presume to speak of the system which has existed in any other State than that to which I belong, and therefore I hope that I shall be forgiven for referring to the military system of New South Wales. It has always seemed to me that whilst our volunteers have been the backbone of our military system-

Mr Mauger

- Does the right honorable and learned member use the term "volunteers" in contradistinction from the term "militia"?

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Mr REID

- Yes. I shall deal with the militia presently. It has always seemed to me that in the practical administration of our military forces, the regulars have come first and the volunteers nowhere. We put the volunteers in the forefront of our military system, but in the daily administration of it they come last. In one sense they must do so ; but in the past they have done so to a degree which I think is absolutely a misfortune. I should like to see the positions in our permanent force placed at the disposal of men who have earned distinction in serving their country as volunteers. In the State of New South Wales, and perhaps in other States, there has been too much marrying into the army. That is a most disgraceful state of things. Officers have married into the New South Wales army, and we have been unable to get rid of persons who were notoriously incompetent. I had to bring out an artillery general to command our forces in order to get rid of two such persons, such was the enormous influence they possessed. That system has been a curse and a blot upon our forces-. To my mind one of the grave defects of the Bill is that whilst we are careful that there shall be no political patronage in regard to the clerks and the labourers in our public service, we allow political patronage to remain in connexion with the most vital department of all - a department where excellence and merit should be the only qualifications for appointment and promotion. The Minister for Defence spoke with ill concealed disgust of the main principle of the Public Service Bill, but I do not share his feeling. The House emphasized unmistakably its determination that in connexion with our clerical service there should be some sort of machinery which would make political influence in its thousand forms as difficult of success as possible. The Governor-General and his Ministers cannot appoint a clerk under the Public Service Bill, but under 'the Defence Bill the Minister can appoint every one in the forces. That is a position of affairs which I do not appreciate. I cannot see why we should lay down one- principle in regard to the clerical division of the public service and in regard to the young military power which we are bringing into existence allow the old state of affairs to continue. In the Defence Bill the Minister is everything which we have provided that the Minister under the Public Service Bill shall not be.

Mr Higgins

- What would the right honorable gentleman have in place of the provision in the Defence Bill ?

Mr REID

- That is another matter. We must point out the defects of a Bill before we proceed to legislate. I ask the honorable and learned member to remember that I am about to deal with a large subject in a very few minutes, and I wish to occupy the time in expressing my views upon the Bill. When I am asked " What would you do ? " I reply that the genius which was capable of doing something in the Public Service Bill might be capable of doing something in this Bill. That is my answer to the honorable and learned member.

Mr Higgins

- I am afraid that I am nowiser.

Mr REID

- That is my answer for the present - a flying answer. I do not mind at once committing myself to the opinion- - although I do not say that it is a good one - that infinitely better than the uncontrolled power of a civilian and a colonial is the control of an imported military man. In these matters sometimes, the further you are born from the place where the fellows want billets the better. Under these circumstances- the Minister is absolutely the wrong man to settle our military system ; because it must be borne in mind that by our appointments and promotions we determine the character of that system. We can pass all the Acts and regulations in the world, but it is the men who command and the spirit that runs through the line- of promotion that is the spinal marrow of the service, which is responsible for its good or evil. I would infinitely rather provide, as it has been provided in the Public Service Bill, that appointments shall be made on the recommendation of the commissioner ; that not a single appointment or promotion shall be made except on the recommendation of the general officer commanding. By that arrangement we have the benefit of Ministerial control, whatever it may happen to be worth, in military matters, and we have the benefit of the control of the general officer commanding. It may be asked, " What Minister will appoint without the recommendation of the general officer commanding 1 " But if you bring an officer from England - I do not care how distinguished he is - and place the power of appointment in the hands of the Minister, making it his business, it is astonishing how many appointments will be made which the general officer commanding will not oppose, although he may have some doubts about the expediency of them. If you put the responsibility on him directly - if Parliament in organizing the military system puts on the officer the obligation of being the recommending authority, and Parliament looks to him as a man sharing authority with the Minister, I do not at all fear but that any officer appointed will faithfully perform his duty. But the general officer is placed in a false position if we expect him practically to appoint, and put the power of appointment entirely independent of him.

Mr HUME COOK

- But if the whole appointments be left to the general officer, very few Australians will get a show, especially if the officer be a British officer.

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Mr REID

- Then the Minister comes in again. I do not leave the appointment to the general officer1 - I do not propose anything of the sort. This is where we get some benefit from the two authorities working together. The commissioner, under the Public Service Bill, cannot appoint a single man to the service without the approval of the Governor-General in Council. So, in this case, we have the Minister who will look after abuses of this sort, and we want the other man to look after the local abuses. If we have a Minister to keep the foreigners out, and a general officer to see that colonials do not get too big a show - from circumstances quite apart from military achievement - then between the two I hope we will get a much sounder state of affairs than we should have with the uncontrolled authority of either. But what I wish to say is, that if we will not trust the Ministry with the appointment of a clerk in charge of a quill, how can we, with any common sense or consistency, trust the Minister for Defence with appointments to the military forces ?

Mr HUME COOK

- I would rather trust the Minister than a general officer from the old country.

Mr REID

- But you need not trust either. We trust both together, hoping that that will be better all round.

Mr Mauger

- It all depends on who is responsible.

Mr REID

- The Minister is responsible, of course. I do not propose that the general officer should appoint, but I follow the language which the Government has accepted in connexion with a clerk in an office, namely that the Governor-General shall appoint on the recommendation of the commissioner. I . am sure my friends and the Ministry do not for one moment think that the responsibility is lessened by such a provision.

Mr Barton

- Whatever is done there must be a Minister responsible.

Mr REID

- Exactly. And any man who has occupied a position of responsibility feels that. The law may say that the commissioner is to recommend, but what Minister would ever be so absurd as to say - "The law gives the power of recommendation, and although I knew it was wrong, I passed it through the Executive Council." Such a Minister would be hurled from office. If all the responsibility is thrown on a commissioner, as is the case in connexion with the railways, it would be unfair to make the Minister responsible in some things which the law prevents him from regulating. But I do not propose to put this matter in commission. I wish to preserve the Minister in touch as the ultimate source of authority, but I say that in the interests of the Minister himself, as well as in the interests of the public service, the arrangements which I suggest would work better. We speak of the partially paid forces. That is a form of force to which I do not object, but give me, if possible, the volunteer principle.

Mr Mauger

- It has failed absolutely in Victoria.

Mr REID

- If it fails, let us have something as near to it as possible. We know that the volunteer movement may fail one day, and that owing to circumstances the movement may spread like wildfire on another occasion. The Governments of Australia, including the Federal Government, will miss a great opportunity if they do not take advantage of the feeling which exists in Australia at the present time, not to encourage military adventure, but to encourage the enrolling of the citizens of this country in a volunteer force. We can have, I suppose, twenty volunteers for one regular soldier. We, with all the problems of development we have to solve in these lands, cannot spend money as they spend money in the old country on military affairs. When I had the honour of being a representative in Great Britain two or three years ago, a most distinguished statesman took advantage of a public occasion to impress on us all the duty which he said we owed to the mother country of making a large contribution to the military and naval expenditure, and becoming a partner in the burdens of the British Empire.

Mr McDonald

- Would they not like it?

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Mr REID

- I ventured to say in the same distinguished company that it was time the British people thoroughly understood the state of Australian feeling - that we out in these far lands, in developing the resources of this great continent, were doing a far greater duty and rendering a more valuable service to the British Empire than we should do by any pecuniary contribution to the military chest of Great Britain. This contribution, which would be insignificant in the vast total of British expenditure, might to us be a source of embarrassment, and might derange our finances so as to cause a state of feeling which no lover of the British connexion could wish to see developed. I am happy to say that very shortly afterwards all the difficulties at the Premiers' Conference seemed to disappear, and Mr. Goschen told us that we were to have a first-class man-of-war, and that they did not want the limit altered - in fact they wanted nothing. I thought I had performed a public service in letting the British Government and the British public know the true state of affairs. I say again that those wild projects of inviting these young struggling communities to become partners in the responsibility of managing this vast empire are doomed always to failure. We can never occupy a position in that magnificent centre of Imperial power which can be equal to that which we now occupy as a self-contained and a self-governed community. We should have to reverse almost the first principles, I will not say of politics, but of nature to make such a project rational. I have always felt in this case that the tie is indeed the stronger tie. I have always felt that, built as we are, we need no legal forms or solemnities to accentuate the relationship in which we all stand. There run within us feelings and instincts which can never be destroyed, and which will make us ready at all times to take a fair share in the defence of the integrity of the Empire. But there are tasks that are beyond us, and the task to which I have referred is one of these. I am sure honorable members will pardon this digression. I say again that we must have a permanent force, but the smaller that force is the better. There ought not to be a single man beyond the proper number for the purpose of the nucleus of a volunteer army. I have no sympathy with those clauses which reduce us to the traditions of the Germans. I have no sympathy with those clauses about that class of men and this class of men being brought out tier after tier in

defence of their country. I say that we do not need legislation when the time of trouble comes. Make your preparations - yes ; make your system of volunteer defence such that you can attract an adequate number of persons within its ranks, and such that those who will not join the volunteers will join rifle clubs. But I have no sort of sympathy with that sort of legislation which tries to do in an empty form of words that which, after all, does not make an Englishman a better soldier, or a man more likely to defend his country. These clauses may do no harm ; and I do not suppose they will. But they have a sound in our ears to which we are not accustomed. As to the training of the children of the country, that is a noble development of the military movement. I would like to see little boys of four and five years of age march into their schools under discipline. That is a grand development, and it is the first germ of a genuine volunteer movement. I am entirely with the Ministry in regard to the position which they propose to give to the cadet corps. As to the principles on which our defence force should rest, I again earnestly say that we must, by some method or other, make the position of the volunteer and the volunteer officer a position of credit and distinction. Glittering scarlet uniforms are very beautiful. I myself have a uniform of Surpassing grandeur. But I must say in reference to the foundation of an Australian defence force that my eyes travel away from those beautiful and glittering uniforms to the figures of men like Sherman, Lincoln, and Grant in the United States. We know the style of uniform they wore. They had not to depend on a uniform for the respect with which they were treated. Those are ideals, and our ideal should not find its climax in gold lace. The Minister of Defence may say that the poor man likes, if possible, more gold lace than the rich man. If that be so, it only shows what a bad example the Government are setting the poor man. The evil is not in the poor man, but in the military system which makes gold lace the warrant of the first-class military hero. I say let the uniform spell something else. Let it be no sort of distinction that puts a man on a pedestal - let us give our officers a working uniform.

Sir Malcolm McEacharn

- Put them in kilts !

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Mr REID

- The kilt is a noble uniform, and no man could look better in it than the honorable member for Melbourne - except myself, perhaps. We notice, when the stern business of war begins, how all these things are thrown off. I would like to treat this matter seriously, and I hope the honorable member for Melbourne, who is always a model of demeanour, will try to do the same. . He leads me astray, knowing my disposition to. levity. I really feel that in this matter there is a little more than meets the eye. I would like to see something of the rough American style about our military uniform - many gradations below the marvellous creations we see on review day. There is a brilliancy about the officers in these small communities which quite takes the

Shine out of the great reviews at Aldershot.

There is another thing I am pleased to see in the Bill. There is a provision which, it seems to me, will help us to avoid - what will perhaps be the greatest evil of all. That is the continuance in responsible military positions, calling for active attributes, of men who "have become old and infirm. At our review in Sydney the other day before the Duke of York there were some grand men, but there were also a lot of venerable relics present, hardly able to keep on their horses. These men had rendered grand service in their day, remember. No doubt some of these old gentlemen had been pillars of the volunteer movement in days gone by, but it is altogether wrong that such men should be . relied on in matters of life and death - it is altogether wrong that the lives of men should be put into the hands of those who are utterly unfit, even physically, to go through the fatigues of an ordinary day's parade. I say that in this young Australian army of ours I appreciate the principle which Ministers have included in the Bill that men shall not vegetate in positions of responsibility. I believe that the provision under which the occupancy of any one position is limited to a period of five years is applied to the volunteers as well as to the other branches of the force. It certainly is a principle that should apply all round. We must set about this work as if it really is what it professes to be, and the recent events in South Africa have shown us that if we have the right sort of material, it is astonishing how soon we can train that material to fight. With reference to that remarkable struggle, that painful struggle - because Britishers as we are, and loyal as we are, there is a grandeur about the courage which animates these Boers which no man can affect to disparage - one of the great lessons they have taught Great Britain - a lesson sadly needed - is that the whole genius of the

administration of the British army must be changed. There is no doubt the officers are all brave - splendidly brave men, but there is something wanting. There was a good deal wanting about our own officers, but it was not their fault.

Mr Kirwan

- They were not wanting in bravery.

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Mr REID

- No, none of them, either officers or men - they have proved their bravery ; but there is something better almost than bravery, and that is the skill and discretion which avoid slaughter and defeat, and even those of us who cannot presume to judge military men, know well enough - because the lesson is written in characters too plain for any one to misunderstand - that the old style of tactics, which took masses of heroic men to slaughter, must be changed. Bravery is counting for less and less, mere human impact is counting for less and less. It is that mysterious conflict of genius, as expressed in the implements and munitions of warfare and in the brains of great generals ; it is that mysterious conflict of forces which will now determine the fate of armies and empires, and we who glory in the tough valour which carried Britain through so many glorious difficulties, had better be warned in time. We had better remember that we are but a handful of people, who are claiming the richest and largest part of the surface of the earth. We must remember that if there is a community of communities which down to its furthest extremity should be alive to the wants of to-day, it is that wonderful series of communities which form this British Empire. I here again say that this is a Bill over which no sense of party spirit should ever come. We must feel that, small as our population is to-day, it is confronted with mighty risks. We may feel proud of the mighty strength of the British Empire, but the task we have now at once to perform is to provide for the internal defence of this Commonwealth. Thirty years ago, when the councils of little England prevailed, . British troops, were withdrawn from these colonies, and we were told " You may depend upon our fleets, but no longer upon our soldiers ; you must arm and defend your own shores." I do not object to that, but, on the other hand, I think that we ought to rise to that responsibility, and that we ought "to do it thoroughly. I hope to see - not so much for the emergencies of to-day, but as a part of the evolution of an Australian, system of defence - our Australians exercising upon ships of war. Why should the honorable member who referred to this question be laughed at for talking about founding an Australian navy 1 There is no necessity, perhaps, to begin the founding of a navy now, but there is no reason in the world why these ships of war, which are lying idle in our ports, should not be made the training ground for the future naval defence force of Australia. ' It is a system that I would put side by side with our military system. Our Australian squadron - the ships of His Majesty's fleet -offer every convenience for the development of a school in gunnery under the conditions which would prevail in repelling an attack from the sea, and yet with all these vast opportunities at our hands of nourishing the germ of our naval power we have never used them. Of course while we talk about the necessity of founding these systems of defence, let us never forget that war is a horror ; let us never forget that with all the glitter and glory of deeds of heroism on the field all these are black, dark chapters in the progress of humanity. Let our Australian spirit expand itself, not in dreams of military adventure in other lands, but in qualifying itself to put round this great continent a rampart of triple steel ; that is a legitimate ambition for a man or a country. Do not let the statesmen of England think, because we are ready to send our men to Africa, that Australians are infected with any lust of military enterprise. We are not prepared to enter those lists. At the same time if any emergency comes when the motherland is best with danger, it will ever, I trust, be found that we are ready to shed out blood in defence of her, not only for her own sake, but because she and we are associated, and our institutions are guaranteed by the strength and glory of the British Empire.

Debate (on motion by Mr. Winter Cooke.) adjourned.

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22:41:00

House adjourned at 10:41 p.m.