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1901-09-25

Senate.

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

QUESTIONS

PROPERTY FOR PUBLIC PURPOSES ACQUISITION BILL

Senator MILLEN

- I wish to ask the Vice-President of the Executive Council, without notice, whether the Government have received from the Premier of New South Wales a communication in reference to clause 45 of the Property for Public Purposes Acquisition Bill, and, if so, has he any objection when it is answered to making the answer public ?

Senator O'CONNOR

- A communication has been received, and I believe it has been answered to-day, but I cannot say at present whether the telegram and the answer will be made public.

TRANSFERRED OFFICERS

Senator KEATING

asked the Vice-President of the Executive Council, upon notice -

Have any officers in the transferred departments received increases in their salaries since entering the service of the Commonwealth ; and, if so, will he place upon the table of this Senate a return showing the names and offices of such officers, and the amount of their respective increases ?

Vice-President of the Executive Council

Senator O'CONNOR

- The information is being compiled, and will be laid upon the table of the Senate in the form of a return.

POST AND TELEGRAPH DEPARTMENT

Political Influence

Senator DOBSON

- I desire to ask the Postmaster-General a question of which I have given him verbal notice, namely, whether he will lay upon the table such papers as are referred to in the notice of motion standing in my name, and when he thinks he can give me a chance of moving that motion ?

Postmaster-General

Senator DRAKE

- With regard to the three cases mentioned in the letter from the Deputy Postmaster-General of Victoria to the Secretary of the Post-office department, I can lay on the table now, or at any time, the papers referring to the action of the line repairers' assistants, and also with regard to the case of an officer who succeeded in obtaining cancellation of instructions. The case of Mr. Charles Miller is now sub judice] and I do not think it is desirable that the papers should be laid upon the table. I consider that any act in the direction of provoking public discussion or exciting political sympathy is to be deprecated. I am not prepared to say when an opportunity will be given to the honorable and learned senator to move his motion. The reason I have given is also a reason why he should not press that portion of his motion.

Senator Dobson

- The honorable and learned senator is not answering my question ; he is making a speech.

The PRESIDENT

- I do not think the Postmaster-General ought to argue the matter.

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Senator DRAKE

- If Senator Dobson or any other honorable senator wishes to bring before the Senate any case of supposed political influence giving sufficient particulars to enable it to be identified, I shall be able to give all information in reply to a question, or to produce the papers for his inspection. If he considers that there is anything in them that should be made public, I shall be willing to lay them on the table and move the usual motion.

CUSTOMS BILL

The PRESIDENT reported the receipt of a message from the House of Representatives intimating that the House had agreed to some of the Senate's amendments in this Bill, agreed to others with

amendments, and disagreed to others.

DISTILLATION BILL

In Committee(consideration resumed from 20th September, vide page 5029) :

Vice-President of the Executive Council

Senator O'CONNOR

. - In pursuance of what I think was the general understanding on the last occasion I propose, when the Bill is ready to be reported to the Senate, to act under standing order 294, which says - Whenever it is moved that the report be brought up, the reconsideration of any clause may be moved as an amendment.

When I move that the report be brought up my honorable and learned colleague will move as an amendment the reconsideration of a list of clauses, and in that way the particular clauses which have been mentioned will be before the committee again.

Senator Sir Frederick Sargood

- And any other clauses ?

Senator O'CONNOR

- Exactly, if there is any reason for any other clauses being reconsidered.

Senator Sir Frederick Sargood

- That was not quite the understanding.

Senator O'CONNOR

- I do not want to put any obstruction in the way. I want to economize time as much as possible.

Title agreed to.

Motion (by Senator O'Connor) proposed -

That the Chairman report the Bill to the House with amendments.

Postmaster-General

Senator DRAKE

. - I move -

That the question be amended by the omission of all the words after the word "that," with a view to insert in lieu thereof the following words : - '* the committee reconsider clauses 3, 8, 25, 51, 52, 03, 54, 57, 04, 82, 83, 84; schedule 3, regulations 4, 30, 35, 38, 58, 59, 60, 80, 87, 94, 95, 96, 102, and 104, and also consider new clauses 8 and 10.

Senator Sir FREDERICK SARGOOD

- I ask that -

Clauses 6, 10, 12, 13, 28, 31, 58, 75, and schedules 1 and 2 be reconsidered.

Senator Sir JOSIAH SYMON

- It will be very much better if we simply reconsider the whole Bill. If we go through the Bill, the clauses can then be enumerated one by one, quite as quickly as if we pick them out in this way. We have no knowledge of what the proposed alterations are; they may be of only minor importance.

Senator O'CONNOR

- In reality, there are very few clauses which the Government wish to have reconsidered. Many clauses have been put in the list in pursuance of a promise made to the committee, on the last occasion, that every clause with regard to which a question was raised would be reconsidered.

Senator Sir Josiah Symon

- It is not that the Government have proposals to make with regard to them?

Senator O'CONNOR

- No, certainly not.

Senator MCGREGOR

- I wish clause 14 to be reconsidered.

Senator Sir JOSIAHSYMON (South Australia). - I desire to have clause 34, and rule 44 of schedule 3, reconsidered. The latter rule is under the heading of " spirit stores." I also desire to have reconsidered the rules under the heading of " vignerons' licences." It may be only necessary to refer to rules 88 and 90.

Senator PULSFORD

- I desire to have clause 4 reconsidered.

Senator Lt Col NEILD

- I desire to have reconsidered clause 55, and rules 93 and 94 of schedule 3.

Senator GLASSEY

- I have to ask that rule 103 of schedule 3 may be reconsidered.

Amendment amended to read as follows, and agreed to -

The committee reconsider clauses 3, 4, 6, 8, 10, 12, 13, 14, 25, 28, 31, 34, 51, 52, 53, 54, 55, 57, 58, 64, 71, 82, 83, 84; schedules 2; schedule 3, regulations 4, 30, 35, 38, 44, 58, 59, 60, 80, 87, 90, 93, 94, 95, 96, 102, 103, and 104 ; and consider new clauses 8 and 10.

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Senator Major GOULD

- Is it not usual to go to the Senate first in order to ask for a recommittal ?

Senator O'Connor

- It is not necessary under the South Australian standing order under which 'we are working. The standing order is a very convenient one-

Senator Major GOULD

- I accept the explanation, but it is not understood by most honorable senators.

Question, as amended, agreed to.

Clause 3 verbally amended and agreed to.

Clause 4 (" State Acts not to apply ").

Senator PULSFORD(New South Wales).- - I desire to draw the attention of Senator O'Connor to this clause, which says -

This Act shall apply to the distillation of spirits on which any duty of excise is imposed.

We do not desire to go behind parliamentary secrets with regard to the Tariff, but I may point out that it is customary in the majority of the States of Australia to impose no duty at all upon spirits used by vigneron for fortifying their wines. It therefore appears to me that this clause, as it reads, indicates that it is the intention of the Government to impose a duty on spirits used by vigneron for their own use. If that be so it is all right and there is nothing more to be said ; but if the Government are not intending to impose any duty on spirits used by vigneron for fortifying wines, the insertion of these words would appear to place the clauses relating to vigneron outside the scope of the Bill altogether.

Senator O'CONNOR

- This matter has already been considered. Senator Pulsford will recognise that this Bill does not impose taxation of any kind, and no tax can be collected by virtue of it. It is clear that if any exception is to be made with regard to spirits distilled by vigneron for the purpose of fortifying wines, that will be dealt with under the Tariff Bill. Under the circumstances I think Senator Pulsford will see that this clause simply fixes the subject-matter of the Bill. There are a vast number of kinds of spirits to which this Bill does not apply, and the clause is only to limit the operation of the measure to spirits which are subject to duty. It is necessary to limit the Bill in that way in the beginning. The honorable senator need not fear that anything will be done by a side wind towards putting duty on any spirit which otherwise would not be dutiable under the policy of the Government.

Senator PULSFORD(New South Wales). - - I am not at all under any apprehension that anything will be done by the Government by a side wind ; but, reading the clause as it stands, I am of the opinion that I have stated. If the Government do intend to unloose a duty of excise on spirits made and used by vigneron in fortifying wine, the clause is all right; but if the Tariff does not impose a duty on such spirits, then such spirits will be outside the action of this machinery Bill, as it appears to me. I point this out to the Government, but if they choose to consider the clause perfect, as it stands, and take the responsibility for it, I do not care to move any amendment.

Senator O'CONNOR

- Senator Pulsford has now put a question which, perhaps, was not quite included in what he previously said. The vigneron's business and the operation of dealing with his wine are dealt with in such express terms in the part of the Bill relating to vigneron, that there can be no question as to the application of it.

Senator Pulsford

- But subject to duty.

Senator O'CONNOR

- The exceptions expressly deal with operations of this kind.

Senator Pulsford

- Clause 4 must govern it all.

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Senator O'CONNOR

- The Bill deals with wine and with spirits, but in so far as vigneron's deal with both, they are protected, and are not left to any implication under clause 4.

Clause agreed to.

Clause C ("Interpretation"). "Officer" means an officer of Customs, and also in regard to vigneron's licences any person authorized by the collector.

Senator Sir FREDERICKSARGOOD (Victoria). - A verbal amendment is, I think, required in the definition of "officer." We have before the Senate the Customs Bill, the Beer Excise Bill, and this Distillation Bill, and we shall soon have before us the Excise Bill. I imagine that it would be well in all those Bills which are cognate to make the definition of the word " officer " the same. In my amendment I have taken the definition from the Customs Bill. I. .move -

That the words ' ' means an officer of " be omitted, with the view to insert in lieu thereof the words " includes all persons employed in the service of the."

Senator O'CONNOR

- I have an objection to the amendment. In the Customs Bill Ave. have defined the word "officer " in a very wide way. Almost anybody employed is an officer. The reason of that is that it is essential in the operations of the Customs to have the persons who are employed endowed with authority to net at the moment. But it is not so with regard to a Bill of this kind. There are special duties to be performed and special officers employed to perform them. We have deliberately made a difference in the definition of the word "officer " under this Bill as compared with the Customs Bill. The "officer of Customs" must be a person who is actually an officer of Customs and an officer of the public service. The honorable senator's amendment has been considered, and there is no doubt on the subject.

Amendment, by leave, withdrawn.

Clause 8 -

This Act is an Act relating to the Customs within the meaning of the Customs Act. 1901.

Senator O'CONNOR

- It was intended, when this Bill and the Beer Excise Bill were introduced, to incorporate with them certain provisions of the Customs Bill relating to the machinery for the prosecution of offences, the performance of duties by officers, and matters of that kind. As a general Excise Bill is to be introduced, it has been considered much better to have these provisions in that measure, and to have the whole group of Excise Bills read together. This Bill and the Beer Excise Bill will therefore be read as incorporated with the Excise Bill and those provisions relating to the prosecutions and the duties of officers will be embodied in the Excise Bill. For that reason I move -

That the words " This Act is an Act relating to the Customs within the meaning of the Customs" be omitted, with a view to insert in lieu thereof the words "Parts 2, 8, 9, 10, 11, 12, 13, and 14 of the Excise." I propose, if that amendment is agreed to, to move the addition to the clause of these words - "shall, except so far as inconsistent with this Act be incorporated and read as one with this Act."

Senator Major GOULD

- Would it not be very much better to allow a clause like this to stand over until we have dealt with the Excise Bill, because under this amendment we are asked to anticipate that the clauses and parts of the Excise Bill will pass this House in the form in which they appear in the Bill at the present time. The Government themselves or the Senate may decide to make alterations in the Excise Bill. We are asked to legislate entirely in the dark, and it would be very much better to keep this clause back.

Senator O'CONNOR

- It is not at all likely that the difficulty that the honorable and learned senator suggests will arise, because the reference here is to parts of the Excise Bill, and not to clauses of it. As to whether it is better to carry this clause now in the amended form suggested on the understanding that I undertake to recommit it, the necessity of recommitting the clause is exceedingly remote. The clauses of the Excise Bill will be under discussion by the Senate, and honorable senators will then have this Bill in view as well, and will know that in whatever form the parts of the Excise Bill are passed they will be incorporated in this Bill. If it is

subsequently considered necessary to recommit the Bill, that can be done, but I think it is exceedingly unlikely.

Senator Major GOULD(New South Wales). - Personally I have an objection to legislating in the dark, as we are practically called upon to do now. There are possibilities of changes being made in the proposed Excise Bill, and we are laying down a very vicious and unsound principle in legislating in this particular way. It is not a matter upon which I am prepared to divide the committee if honorable senators are generally in accord with the Government, but it is an undesirable precedent to establish.

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Senator PULSFORD

- We should, I think, protest very strongly indeed against a proposal to insert in this clause a reference to anything at all in a Bill which has not yet been within the four walls of this chamber. The Government may resign to-day or to-morrow, and may never be able to go on with the Excise Bill. How foolish we should then look if we should have framed a clause in which there was a reference to a Bill which had never seen daylight in this Chamber. In view of the extraordinary character of the proposal. I would like to ask the Chairman whether it is in order for the Vice-President to introduce any reference to a Bill which is not only not before the Chamber, but which has not yet arrived in this Chamber ?

Senator Sir JOSIAH SYMON

- There is no doubt it is quite irregular to incorporate in a Bill now under discussion the provisions of what is described as the Excise Act of 1901, which at present is not within the knowledge of this committee. At the same time I am sure we are all anxious to get rid of these Bills, and I would therefore ask the Vice-President of the Executive Council to state generally what the provisions are which it is proposed to incorporate. We would then be in a better position to determine the question. With reference to the safeguard I may say that when the Excise Bill comes before us these parts will be carefully considered, and if they are altered or struck out altogether that will have the effect ipso facto of altering this Bill.

Senator O'CONNOR

- A point of order was raised by Senator Pulsford to the effect, I understand, that we cannot incorporate in this Bill an Act which has no existence. I do not know whether that can be considered as a point of order at all. What rule of order is violated ? The liberty of discussion is absolutely uncontrolled, except where a standing order controls it ; and what is the standing order that controls it in the way suggested by the honorable senator? What is the limitation to the right of free discussion, or of putting anything we like into the Bill ? The honorable senator will see that we are dealing practically with three Bills at the same time - the Beer Excise Bill, the Distillation Bill, and the Excise Bill. They are what might be called a trilogy dealing with the same subject. They have to be read together, and clauses of this kind require to be reciprocally incorporated. It is very much better to have these provisions in the Excise Bill, and referred to in the other Bills. It would be highly inconvenient to have to postpone these Bills, and move them backwards and forwards. On the point of order I submit that Parliament is omnipotent in the matter, and if honorable senators wish to do this they may do it, knowing that the Excise Bill will be passed later on.

Senator Pulsford

- But we do not know it. It is only a matter of surmise and report.

Senator O'CONNOR

- If the honorable senator is only going to deal with things of which he actually knows, we shall not do much in this world. I appeal to the committee as a body which desires to do business in a business-like way, and I assure honorable senators that as long as there are proper safeguards, there can be no trouble. I submit that it is perfectly in order for the committee to do what we propose, on the ground that it violates no rule, while it is also very convenient. The only other way in which we could incorporate provisions of this kind, one with another, would be by tying up the measures for a considerable time.

The CHAIRMAN

- In my opinion there is no breach of order whatever in the proposal made.

Senator MCGREGOR

- I should like to point out that there is no likelihood of any harm arising out of the Government proposal, in view of the fact that Senator O'Connor has assured honorable senators that he has no intention of passing the third reading of the Bill, until we have had an opportunity of seeing the Excise Bill, and acknowledging the relationship that exists between it and the measures already mentioned. If alterations

are made in the Excise Bill which would affect the clause now under consideration, the Bill can be recommitted, and any alteration made that may be necessary in order to bring it into conformity with that measure I do not think that Senator Pulsford need be alarmed. The Excise Bill is not for the purpose of fixing excise duties, but to give the Government power to collect them when they are fixed. The proper time to debate the point will be when the Tariff is under discussion.

Senator PULSFORD(New South Wales).- I am not at all satisfied with the explanation given by Senator O'Connor. The proposed course is highly unconstitutional. In the early days of the Commonwealth Parliament we ought not to make precedents which may become a cause of difficulty in the future. The course which the Vice-President of the Executive Council should follow is that of allowing the other Bill to come in, meanwhile holding over the one now before us, and recommitting it in order to deal with this special clause. That would involve no waste of time.

Senator O'Connor

- We should only lose two or three sitting days, and that is what I do not desire.

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Senator PULSFORD

- We should not. Senator O'Connor has said he will hold this measure over for the third reading. There need not be one hour's loss of time. Certainly Senator O'Connor wishes to adopt a course which, in my judgment, is unconstitutional and very undesirable.

Senator O'CONNOR

- Senator Symon asked me a question just now which I desire to answer. Part 2 of the Excise Bill relates to administration ; that is to say, it places the administration of excise and all Bills connected with excise in the hands of the Minister, and relates to the appointment of a comptroller and officers. It also deals with their duties generally, so far as administration is concerned. Part 8 relates to the giving of drawbacks in cases of excise. Part 9 relates first of all to the powers of officers - very similar to the powers given in the Customs Bill ; and also makes provision for the protection of officers similar to that in the Customs Bill. Part 10 relates to penal provisions much as in the Customs Bill, and deals with offences and other matters of that kind. Part 11 deals with excise prosecutions ; and part 12 relates to disputes as to duty. Part 13 deals with the settlement of cases by the Minister; and part 14 relates to miscellaneous provisions regarding the effect of alterations of excise on agreements and other matters of that sort. They provide the machinery necessary for carrying out Bills of this kind. The committee will have full control of them before the Bill leaves us.

Senator Sir JOSIAH SYMON (South Australia). - I would point out that, so far as one of the parts referred to by the Minister is concerned, the last clause in this Bill - clause 84 - applies to the protection of officers and to prosecutions, incorporating provisions of part 14 of the Customs Act.

Senator O'Connor

- That will be amended.

Senator Sir JOSIAH SYMON

- I thought there might probably be some inconsistency if the part to which allusion was made by the Minister were incorporated from the Excise Bill. Unless the clauses were absolutely in accordance we should have conflicting provisions in two Acts relating to the same matter.

Amendment agreed to.

Amendment (by Senator O'Connor) agreed to -

That the following words be added to the clause: - "Shall, except so far as inconsistent with this Act, be incorporated, and read as one with this Act."

Clause, as amended, agreed to.

Clause 10 (Making, selling, or importing spirits).

Senator Sir FREDERICK SARGOOD

- My attention has been called to the fact that no provision is made in clause 10 for the use of stills other than for the purpose of distilling spirits. A gentleman largely connected with the distillation of eucalyptus oil has waited on the Commissioner of Customs, and has also seen the Vice-President of the Executive Council. I do not know what action is proposed to be taken, but I am informed that there are 135 licences for the distillation of eucalyptus oil in Victoria, and that there are about 500 people employed in the industry here. There are similar distillations in South Australia and Queensland.

Senator Dobson

- And there are some in Tasmania.

Senator Sir FREDERICK SARGOOD

- It is a matter which requires attention. It appears to the parties interested that the clause as it stands would prohibit the continuance of their present business except by permission of the Customs. That is a very unsatisfactory position for any business to be placed in.

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Senator O'CONNOR

- I think I shall be able to satisfy the honorable senator. The Government propose to meet what is undoubtedly an omission in the Bill as originally drawn by inserting new clause 10a as circulated. That clause is as follows : -

Still may be used for any purpose other than the distillation of spirits if the owner has - (i.) Given written notice to the Collector for the State in which the still is used or is intended to be used specifying -

The size or capacity of the still ;

The purpose for which the still is used or intended to be used ;

The place where the still is used or intended to be used ; (ii.) Given security to the Collector in such sum as the Collector requires, not exceeding One hundred pounds, that the still shall not be used for distilling spirits.

Persons lawfully using stills at the commencement of this Act for any purpose other than the distillation of spirits shall be allowed a period of two months after the commencement of this Act to comply with the requirements of this section.

Any still used in contravention of this section shall be an illicit still.

It is a matter of some difficulty to deal with a question of this kind, and I am sure

Senator Sargood will appreciate the constitutional position. In all the States there are Acts relating to distillation, in which special provision is made for stills used for purposes other than the distillation of spirits. Licences are issued under those Acts, and the business cannot be carried on without permission. In this way considerable revenue is derived by the States. Our powers under the Constitution relate, however, only to the collection of excise. We have no power to go beyond what is necessary under this Bill to insure the collection of excise and the prevention of fraud. Anything beyond that is within the field of State legislation.

Senator Ewing

- Such as the clause about wine, for instance.

Senator O'CONNOR

- I do not think that is within the field of State legislation. We have to be very careful not to entrench in any way upon what are really the rights of the States in regard to their own health laws. The Government propose to apply the provisions of this Bill entirely to the distillation of spirits which are dutiable. I think the only provision referring to stills is that contained in clause 10, which practically gives the Government the power of inspecting, controlling, and licensing them. On considering the matter, especially after I had had an opportunity of a personal conference with some gentlemen interested in this matter, I thought that it would be very much better to deal in some way with stills for purposes other than the distillation of spirits, with the result that the Government now propose to insert this new clause. We intend to have a provision which will compel every one who is going to use a still for manufacturing purposes to communicate that fact to the Customs officers so that they may know that a still is going to be erected. The party who is going to erect it will have to enter into a guarantee that he will not use it for the purpose of distilling spirits, and the Customs officers will have a right to inspect the still and see that it is not used in such a way as to be likely to defraud the revenue. Having satisfied themselves on that point, they have nothing more to say ; they cannot do anything more. It is necessary that the Customs officers should know where these stills are situated, and have an opportunity of inspecting them, but beyond that they have no right to interfere, and do not wish to interfere with them. That amount of interference is necessary to prevent the revenue from being defrauded. The matter is not "without some kind of precedent, because in one of the American Acts there is a clause which deals very much in the way we propose with distillation for manufacturing purposes. It is dealt with by registration under an Act passed in America in July, 1868, for imposing taxes on distilled spirits, tobacco, and for other purposes. It is a general Distillation Act. Under these

circumstances, I think the honorable senator will see that we have to keep in touch with the buying and erection of stills in a way that will enable the Customs officers to see that the Federal Government is not defrauded. At the same time we shall not interfere with them in any way more than is absolutely necessary for that purpose.

Senator Sir FREDERICKSARGOOD (Victoria). - May I ask Senator O'Connor if he is quite satisfied that the stills for which this security is to be given will not be used for distilling spirits ? The expert gave me a long list, in which there are several items with regard to distilling spirits.

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Senator O'Connor

- By-and-by we might discuss that.

Senator Sir JOSIAHSYMON (South Australia). - In further confirmation view taken by my honorable friend, even if the clause stood as it is, the object of the Bill being to deal with only spirits the subject of excise, the still referred to in the clause could only be a still which would be connected with spirits the subject of excise. That is all the Commonwealth can deal with. Therefore, without the introduction of any other clause, the interests of those whom my honorable friend represents would not be prejudiced. But it is desirable to have another provision under which anybody constructing or using a still would have to inform the Commonwealth Government of the fact. It is only the Commonwealth Government which can collect excise duties, therefore it is well, for the purpose of record alone, that some provision should be made. Whether the clause goes far enough or not I do not know.

Clause agreed to.

Clauses 12 and 13 agreed to.

Clause 14 -

No person who is licensed to retail spirits in less quantity than two gallons shall be licensed under this Act, and 3 any person licensed under this Act shall be licensed to retail spirits in such quantities his licence under this Act shall thereupon cease.

Senator MCGREGOR

- The clause provides that under a distiller's licence no one can sell less than two gallons. Not only in South Australia, but in other States people come for spirits to the places where distillation is carried on. In South Australia they have been in the habit of getting one gallon and taking it away for a long distance into the country, and using it for any purpose, even for medicinal purposes. That supply would last them a long time. Even in country public houses a gallon of a certain kind of spirit might last as long as one would care to invest his capital. A great deal of one spirit might be consumed and another spirit might be used in very limited quantities. I do not see that there is any virtue in fixing the quantity at two gallons. If it is fixed at two gallons, then in places where distillation is carried on the probability is that a dummy will be employed. A man will get a storekeeper's licence from the Government and act as a dummy to the distiller. I do not think we want to encourage anything of that kind ; therefore, to make the Bill serve the convenience of the public as much as possible, I move. -

That the word "two," line 2, be omitted with a view to insert in lieu thereof the word " one.

I do not see that any harm can be done by reducing the quantity. It will obviate the necessity of distillers having dummies in the shape of storekeepers in the vicinity of their premises.

Senator O'CONNOR

- The amendment affects a very important principle of the Bill, and I do not see my way to consent to it. In all the States except South Australia, the limit is two gallons. Unless a person is licensed in the ordinary way to sell spirits, the wholesale dealers cannot sell less than two gallons. If we allow what are practically small quantities of spirits to be sold, we render the illicit sale of spirits very much easier. It has been recognised in all our State legislation that we should take care not to render the sale of spirits in these small quantities, except by persons licensed to sell them, more easy than is necessary, and with regard to persons not licensed in the ordinary way to sell by retail, not to allow them to sell in smaller quantities than two gallons. This is one of those matters in which uniformity has to be brought about, and the question is whether it should be secured by reducing the quantity in all the States to that which is allowed in South Australia, or by bringing that State into line with the others. We have to decide that on the question of what, altogether apart from every other consideration, is really in the best interests of the Commonwealth. Independently of the fact that in the majority of the States the limit is fixed at two gallons,

it is really right and necessary, for the prevention of the kind of illicit sale of spirits that goes on, unless there is some stringent regulation of this sort, to adhere to the two gallons limit. The clause does not affect the question of selling more or less than two gallons. No person, for instance, who is a publican, and no person who, for any reason, would be entitled to sell less quantities of spirits than two gallons, could be licensed under the Bill. I think honorable senators will see that it is very undesirable to give a licence to distil to a person who is really selling by retail, and the limit of a gallon comes very near to what one might call retail trade.

Senator MCGREGOR

- Yes; if it were beer, but not spirits.

Senator O'CONNOR

- It applies equally to spirits. Anyhow it is so near the line of retail trade that it is thought desirable not to put temptation in the way of a person who may be licensed under the Act as a distiller to carry on that business, in conjunction with the retail business.

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Senator CHARLESTON

- There is not very much in the contention of the Minister, because a distiller could easily put up a dummy to retail his spirits in quantities of one gallon. Instead of having to deal with one firm of a very high repute, we should then have to deal with another person under another licence. It is not as if the licensee were dealing in an article of very great consumption, like beer. The article has not a very great consumption in that sense, and therefore I think, if we make this amendment, we shall be safeguarding our licence in a very much better way than is done in the clause. If the distiller is desirous of selling one gallon at a time, and thus getting a very much larger number of customers than he could possibly get under the Bill, he will undoubtedly put up an agent to take out a licence, and will supply him with spirits. Instead of leaving it open to him to take that roundabout way, it would be very much better to permit him to sell one gallon at a time.

Senator O'Connor

- That argument cuts equally against a limitation to two gallons.

Senator CHARLESTON

- There is no more merit in two gallons than in one gallon. What we want to secure, is that the distillers shall have an opportunity to sell not less than one gallon immediately, and with profit to themselves. I hope that the Minister will see his way clear to accept the amendment.

Senator MACFARLANE(Tasmania).I hope that the Government will be firm, because the virtue of the two gallons limit lies in the fact that two gallons, or twelve bottles, make a case.

Question - That the word proposed to be omitted stand part of the clause - put.

The committee divided -

Ayes 18

Noes..... 9

Majority 9

Question so resolved in the affirmative.

Amendment negatived.

Clause agreed to.

Clause 25 agreed to.

Clause 28-

Every distiller shall provide in connexion with his distillery reasonable office accommodation for the supervising officer, and when required by the collector board and lodging for the officer.

Penalty : £50.

Senator Sir FREDERICK SARGOOD

- I move -

That after the word "shall," line 1, the following words be inserted - " if required by the collector. "

Those words are in both the Beer Excise Bill and the Excise Bill. If the amendment is made, the clause will be word for word the same as the corresponding provisions in the two measures I have referred to.

Senator O'CONNOR

- The difference between the Bills in question is that in the case of a brewery it is not found necessary to

have an officer living on the premises. It is only occasionally that he is required there. But it is absolutely necessary in the case of a distillery. In the operation of a brewery there are certain times when the officer must be present, but he need not be there always. In regard to a distillery, however, the officer must always be present.. There must be accommodation provided for him at all times, and it is very much better to have the duty imposed by law upon the distiller.

Amendment, by leave, withdrawn.

Clause agreed to.

Clause 31 -

For the information of officers distillers shall keep books and prepare and render accounts as prescribed and shall also as prescribed verify such books and accounts.

Penalty: £100.

Senator Sir FREDERICK SARGOOD

- This clause is word for word the same as clause 24 of the Beer Excise Bill, and clause 47 of the Excise Bill, with the exception of the penalty. In both those cases the penalty is £50, but here it is £100. The offence apparently is the same. It is merely a case of keeping books of account. I do not see any reason why the penalty should be £100 in this case and £50 in the others. I move -

That the words "one hundred" be omitted, with the view to insert in lieu thereof the word "fifty."

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Senator O'CONNOR

- If Senator Sargood compares the Bills to which he has alluded, he will find that the penalties all through this Distillation Bill are much higher than those under the Beer Excise Bill. The reason is that owing to the higher duty on spirits it is very much more worth a man's while to run the risk of illicit distillation than it would be to run a similar risk in connexion with a brewery.

Amendment, by leave, withdrawn.

Clause agreed to.

Clause 34-

No distiller shall -

Mix with or add to any low wines feints or spirits in any receiver or charger any substance which increases their specific gravity, or prevents their true strength from being ascertained.

Use in mashing or mix with any wort or wash any material so that the specific gravity of the wort or wash cannot be correctly ascertained by the prescribed saccharometer.

Have in his distillery, except by authority, any wort, wash, or fermented liquor not made in the distillery.

Except by authority mix any wort, wash, or fermented liquor made in His distillery with any wort, wash, or fermented liquor made elsewhere.

Penalty : £100.

Senator Sir JOSIAH SYMON

- This clause imposes a prohibition against a distiller doing certain things. I desire that the words " except by authority " should control the whole clause, so that if it were desirable to do any of the things mentioned in the prohibitions, the distiller should not be shut out from doing anything of the kind. Let me give an illustration. Under paragraph (a), for instance, where there are low wines, feints, or spirits in a receiver or charger, that require to be redistilled, the only way in which they can be redistilled is by mixing with them a little salt of potash. That does not affect the spirit. It only enables that operation to take place. It would not be desirable to leave it as an absolute prohibition that a distiller should not do the things mentioned in this clause, so that it would not be possible to give permission to him. That might have the effect of preventing the redistillation of low wines, feints, or spirits which, of course, could not be otherwise dealt with. My suggestion is, therefore, that the entire discretion should be left with the distillation authorities, not only with regard to paragraph (d), but also with regard to the whole clause. I move - That, after the word " shall," line 1, the words " by authority " be inserted.

Senator O'CONNOR

- There would be a great deal of danger in adopting this amendment. The words " by authority " used in paragraph (d) mean by authority of the officer doing duty in the matter in relation to which the experiment is made. That is to say, if Senator Symon's amendment were adopted, the officer of Excise or Customs stationed in the distillery might give his consent to the whole of these paragraphs being departed from.

Let honorable senators look at what the clause deals with, and they will realize that it would be dangerous to the revenue to allow the officer who is put in charge for a special purpose - that is, as an expert, to see that a certain operation is carried on - to allow certain other things to be done which would very seriously interfere with the proper assessment of duty. The prohibitions provided are that no distiller shall mix with or add to any low wines, feints, or spirits, substances which increase their specific gravity or prevent their true strength from being ascertained. The amount of duty paid, of course, depends on the amount of alcohol in the spirit. It is evident that if by mixing substances, even in small quantities, the specific gravity is altered and the test by hydrometer is thrown out altogether, it might be possible by an ingenious addition of chemicals, which would really affect the processes of distillation very little, to make an immense difference in the assessment of spirit upon which duty had to be paid. Under these circumstances it would be a very dangerous thing indeed to put power to depart from the measure in the way proposed in the hands of an officer stationed upon the premises. I think Senator Symon will find that the prohibitions in existing distillation laws are very strong indeed ; and it is because this would be a very dangerous power to put into the hands of any officer, and would be an interference with the only means by which we can insure the correct assessment of duty, that the amendment should not be made. In regard to the one case in which a departure is permitted, that is provided for in paragraph (d).

Senator Clemons

- In paragraph (c) also.

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Senator O'CONNOR

- That really does not affect the measurement or the taking of the specific gravity, because, wherever these materials are used, the spirits respond in the same way to the tests that are applied. If the spirits are made from the materials mentioned in the paragraphs, they produce the same amount of alcohol whatever they are distilled from. The exceptions permitted under paragraph (d) do not affect the measurement of the specific gravity upon which the duty is founded. For these reasons I think it would be highly dangerous to introduce this amendment, and I must therefore oppose it.

Senator Sir JOSIAH SYMON (South Australia). - Of course the reasons which my honorable and learned friend gives as to the risk attaching to the use of this discretion to the officer under paragraphs (a) and (b) apply equally to (c) and (d).

Under (a) and (6) the object is to prevent anything being introduced which might have the effect of altering the specific gravity - that is, preventing, the true strength of the wines, feints, or spirits being ascertained. But I do not follow why this authority should not be allowed to the officer under (c) and (6).

The Government must trust to the officer.

Senator O'Connor

- Paragraphs (e) and (d) do not affect the duty.

Senator Sir JOSIAH SYMON

- They may seriously affect the duty. For instance, under a vigneron's licence a great deal of material may be worked up, and opportunities would be given for defrauding the excise by enabling distillation to take place over a great area which would be practically free from the control of the officer. There is, I admit, another element attaching to (a) and (6). But the point I wish to take is that the Government cannot very well say that they cannot trust the officer, when the discretion given to the officer under the Customs Bill and analogous measures are enormous. It cannot surely be said to be a reason, that in interfering with the process of distillation or any other of these processes in respect of which duties are charged, the Customs officers would be liable to be "got at." The difficulty is this - under paragraph (a) we prohibit the introduction of any substance which increases the specific gravity or prevents the true strength of the liquor from being ascertained. The distillers do not wish to interfere with that in any way whatever. That is absolutely essential, because if deceit be practised with regard to the strength of spirit, duties will be constantly evaded. But distillers tell me that it may also have the effect of preventing redistillation of spirits which ought to be redistilled, and which can only be properly put through that operation by the addition of salts of potash, which undoubtedly changes the specific gravity of liquor. If we put in the words "except by authority" we shall enable the officer to say that the addition of this substance may be permitted where he is satisfied that it is not being done for the purpose of preventing the true strength being ascertained, but for the purpose of redistillation. The distillers of South Australia say that such an

amendment is necessary because there is no other, provision which will enable redistillation to be carried out. I do not suggest any alteration of the provision prohibiting anything being done which would lead to the destruction of the revenue, but a discretion should be left to the authorities in this matter. If it is said that an ordinary officer should not have this discretion I shall be content to leave it with some superior, officer or with the collector. It is necessary that there should be some discretion allowed, and that the rule under the Bill should not be one of hard-and-fast prohibition. If the clause is carried in its present form, its effect will be to prevent the redistillation of these spirits.

Senator O'CONNOR

- I should like to say in answer to the honorable and learned senator, that the gentlemen who have supplied him with information, have failed to notice that it is only while the spirits are in the receiver or charger that nothing must be done which will affect the specific gravity. The reason for that is that it is then that the specific gravity is ascertained and the calculations made upon which duty is to be paid. It is pointed out to me that before they are put in there or afterwards, these additions may be made by authority, and the expressed prohibition is only while the spirits are in the receiver or charger. As a matter of fact, there will be no difficulty in carrying out this provision, because it is the law in all the States at the present time.

Senator Major Gould

- Are the receiver and charger synonymous ?

Senator O'CONNOR

- Practically. They are den ned in the earlier part of the Bill. There is in clause 5 a short description of the processes.

Senator Major Gould

- Paragraph (6) speaks of spirits requiring further distillation being in the receiver, and that is the very point Senator Symon is taking.

Senator O'CONNOR

- While in the receiver they are not to be so dealt with, but they may be taken out of the receiver, and afterwards, for further distillation, these matters may be added.

Senator Major Gould

- Will they be allowed to remove spirits from the receiver ?

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Senator O'CONNOR

- Yes. The honorable and learned senator will find that, by authority, these removals may be made.

Senator Sir JOSIAHSYMON (South Australia). - There is no definition of "charger," but the meaning of the word " receiver " is plain. I see now more clearly than before what the difficulty of these distillers is. This paragraph of clause 34 deals only with low wines, feints, or spirits, in any receiver or charger, and these are plainly, under clause 5, " spirits of the first extraction, requiring further distillation." These spirits, they say, can not be redistilled without the addition of salts of potash, and admittedly that has the effect of altering the specific gravity. Clause 34 seems to be inconsistent with clause 5, and absolutely precludes the distiller from re distilling these wines or spirits from first extraction if the addition of salts of potash is required, as they assure me it is. It should be remembered that this will apply not only to the small stills, but to the larger stills as well. I think the remedy is, without entering into details, to give the entire control to the collector or to the officer. Let him say whether it is the proper thing that these substances should be added, where it is done for the purpose of redistillation only.

Question - that the words proposed to be inserted be so inserted - put. The committee divided.

10

AYES

20

NOES

Majority 10 .

AYES

NOES

Question so resolved in the negative.

Clause agreed to.

Clause 51 verbally amended and agreed to.

Clause 52 -

No vigneron's licence shall be granted to or held by any person unless he is the occupier of at least five acres of vineyard in bearing, or is the proprietor of a winery.

Senator MCGREGOR

- I move -

That the word " five " be omitted with a view to insert in lieu thereof the word " three."

Honorable senators will see that this clause relates only to the issue of vignerons' licences, which enable the holders to distil spirits for the purpose of fortifying their wines. In the model State---

Senator Major Gould

- Is that Queensland?

Senator MCGREGOR

- No ; that is the mottled State. In the model State we have what is known as the homestead block system, which, in the course of a very few years, will be extended throughout the Commonwealth. We have always taken care to show Members of Parliament visiting Adelaide those close at hand, but there are many other blocks throughout the State.

Senator Playford

- We do not want distilleries all over the land.

Senator MCGREGOR

- We do not; but in a district suitable for vine-growing there may be 200 or 300 of these small block holders owning from 10 to 20 acres of land each, and 5 acres would be a very large proportion to plant with vines. It might be a very great convenience, however, for one of these settlers to take out a vigneron's licence. It would enable him to serve his fellow settlers. There is no intention of increasing the number of small stills all over the place, with a consequent increase in the number of officers required for inspection purposes ; but I fail to see why a man with 3 acres under vines should not be able to take out one of these licences. A great many of his fellow settlers might be benefited under such circumstances. It has been stated that such a person might also be the owner of a winery, but there would be difficulties in the way of such a thing taking place in connexion with any of these settlements. I hope the Senate will agree to my amendment.

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Senator PLAYFORD

- My honorable friend Senator McGregor is not a practical wine-maker. If he had had any experience in the industry he would know very well that it is a great mistake to imagine for a moment that a man with 2 or 3 acres of vineyard can make wine profitably, or even under ordinary circumstances make drinkable wine. Wine cannot be made in very small quantities with any degree of profit. Vine growers in a small way are bound to sell their grapes to those who make wine in large quantities. It is absolutely impossible for the holder of a small vineyard to provide himself with the cooling chambers, vats, and other necessary appliances. I have tried it myself. I used to make wine in an ordinary hogshead, before we had the present means of stopping fermentation. I found after I had trodden down the grapes, in the usual Spanish fashion, with naked feet, and poured the liquid into the barrel, that when the weather became hot it would ferment and run all over the place, with the result that I lost the greater proportion of my wine. An even temperature has to be maintained ; cool water has to flow through coils round and through the must in order to keep the temperature down in hot weather, and my experience is that the wine must be made in large quantities in order to insure success. I should be quite willing to strike out the word "five," with the view of making the limit 10 acres. It is a mistake to have the limit so low. For the protection of the revenue, we ought to minimize the number of distilleries as far as possible. In that way we should also insure the making of a better quality of spirit, and improve the quality of our wine. Senator McGregor is making a great mistake in thinking that the blockers can be benefited in the slightest degree by reducing the area under this clause from 5 acres to 3.

Senator MCGREGOR(South Australia). - Senator Playford has entirely missed the point. A man of his experience should know that a person with even 30 acres under vines cannot keep a still going profitably, under existing circumstances, for the purpose of making spirit to fortify the little wine that he produces. He should also know that circumstances are very likely to change, and that, instead of producing about 100

gallons of wine to the acre, as we do in South Australia at present, we should, by means of improved cultivation, increase the yield to 300 gallons per acre.

Senator Playford

- We produce more than that in South Australia.

Senator McGREGOR

- We do not produce much more than 150 gallons per acre.

Senator Playford

- That is because our vines are young.

Senator McGREGOR

- It is not always possible for the small vine-growers to send their grapes to a big winery, or to send away their wine lees for the purpose of being distilled into spirits. It is for the benefit of these small holders - and not necessarily the blockers, for farmers with larger areas may have only 3 or 4 acres under vines - that I have proposed my amendment. I hope that honorable senators will not agree with Senator Playford. If we adopted his principle, no one having less than 50 or 100 acres under vines would be able to secure a licence.

Senator O'CONNOR

- Honorable senators need not be under any apprehension that there will be interference with existing stills, because under clause 24, and, to a certain extent, under clause 25, the provisions that we have now under consideration will not apply to existing stills. That is only right, because in some of the States interests have grown up, persons having expended their money in the purchase of these stills. There is no intention of interfering with them

Senator Major Gould

- The collector has it in his power to do so if necessary.

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Senator O'CONNOR

- Yes ; but it may be taken for granted that in the administration of an Act of this kind vested interests will always be dealt with fairly. We have really to decide the policy for the future. There can be no question that the position laid down by Senator Playford is the right one ; that, inasmuch as we must have officers present while the manufacture of spirits is going on, we should not multiply the number of places at which their attendance will be necessary. We have to provide a limit, and it seems to me that there is no hardship in fixing it at 5 acres. There are provisions in the regulations which avoid inconvenience to the owner of a small vineyard. These small vineyards are generally situated close together, and are nearly always in a district where no difficulty is experienced in obtaining the spirit necessary for fortifying their wines. Rule 104 provides that any vigneron may, by permission, sell his surplus spirits ; that is to say, if he has more than he requires for the purpose of fortifying his own wine, he may sell the surplus to a neighbour for the same purpose. In addition to that it is provided in rule 105 that -

Two or more vignerons having each a vigneron's licence may, by permission, use a portable still, to be removed from time to time to the licensed premises where its use is required, or a still situated on the premises of one of them. so that there is every provision for making the inspection and controlling of stills as easy as possible. I have had some figures placed in my hands by the Excise officers as to existing licences. I find that in

South Australia there are three vignerons' licences issued for properties of 21, 25, and 50 acres in extent ; there are two licences for properties of between 50 and 100 acres, and five issued in respect of properties over 100 acres in extent. Therefore the question, so far as South Australia is concerned, is really not a practical one. In New South Wales there are two licences issued to holders of properties of from 2 to 3⁴ acres in extent. All the rest are issued in respect of larger areas

Senator Walker

- Has the honorable and learned senator any particulars relating to Queensland 1

Senator O'CONNOR

- No ; nor have I any relating to Victoria. In the latter State the limit is 5 acres, and I believe it is the same in Queensland. I have given these particulars to show that no existing interest is interfered with, and that the proposed reduction of the limit from 5 to 3 acres can hardly have any practical effect so far as South Australia is concerned. As to the policy to be pursued, there can be no question that a vineyard of 5 acres

is quite small enough to require the attendance of excise officials in order to secure the revenue. In addition, there is the reason given by Senator Playford. Although we have nothing to do with health laws or the promotion of the wine industry, nevertheless, while we are controlling the making of wine for revenue purposes, we might just as well control it in such a way as to insure that the character of the wines sold in Australia shall be as good as possible:

Senator Major GOULD

- It is clear that under the Bill as it stands it is not intended to interfere with existing rights. In those cases where the vineyards are only about 3 or 3½ acres in extent, the holders will be allowed to continue in the possession of their stills - they will have their licences renewed.

Senator O'Connor

- Quite right.

Amendment negatived.

Clause agreed to.

Clause 53 agreed to.

Clause 54 (Officer's presence).

Senator MACFARLANE(Tasmania).Last week I asked Senator O'Connor to reconsider this clause, which says that " all operations and fortifying of wine shall be carried on in the presence of an officer." Is not that a rather sweeping provision 1 Are there not many operations that do not require the officer's presence? I suggest the insertion of the words " of distillation " after the word " operations." That, I think, would be carrying out i he real object of the clause.

Senator O'CONNOR

- If the honorable senator will look at the interpretation clause he will find that " operations" includes all stages, or processes, or operations in the course of or in connexion with the distillation of spirits.

Senator Major GOULD(New South Wales). - It has been pointed out to me, with regard to clauses 94, 100, 102, and 103, and the regulations, that owing to the differences between the vineyards, combined with the distance from a township, the expense of an officer's presence will penalise the vigneron. If there is any possibility of getting over the absolute necessity for his presence it will be a very great help to the vignerons generally. It may be possible, without weakening the power of the Government, to vest power in the collector to forego the necessity of having an officer present in certain vineyards or on certain occasions, so long as he was absolutely satisfied from the general conduct and character of the work that there would be no attempt to defraud the revenue.

Senator O'Connor

- There are charges for licences and other matters of that sort, but there is no charge made against the vigneron for the service of an officer.

Senator Sir Frederick Sargood

- Not even for board and lodging 1

Senator O'Connor

- That has to be provided, but then a reasonable amount must be charged.

Senator Major GOULD

- I was under the impression that there was a charge to be made against the vigneron. Will it be possible for the vigneron to have an officer practically at any convenient time his presence may be required 1

Senator O'Connor

- Under clause 93 three days' notice has to be given, and then he can get an officer.

Clause agreed to.

Clause 55 agreed to.

Clause 57 -

Unless otherwise prescribed, no spirits shall be used for fortifying wine unless they are approved by the officer, and of a strength of at least 30 degrees above proof. Penalty - £20.

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Senator Sir FREDERICK SARGOOD

- My attention has been called to the fact that a strength of at least 30 degrees above proof is not enough. The clause originally provided for a strength of at least 50 degrees above proof. I am-informed that proof spirit is really 66 degrees, and is practically pure and wholesome, but that as the strength decreases the

possibility of impurity and unwholesomeness increases, and that at 30 degrees it cannot under any circumstances be used. In to-day's newspaper I saw a long article by perhaps one of the best experts in the Commonwealth, who strongly condemns the alteration from 50 degrees to 30 degrees. He mentions that on the Continent it, as a rule, is from 66 degrees downwards, but never below 50 degrees, and very seldom so low as 50 degrees. Dr. Gresswell has also stated that if this provision became law, the Australian wine trade would be utterly ruined. We are all agreed, I think, that it is a very important industry, and that we should do all we can to increase the character of our wines, not only for the benefit of home consumers, but also for the sake of producing a large and increasing export. I move - That the word "thirty" be omitted, with a view to insert in lieu thereof the word "fifty."

So far as I can ascertain from experts and others, they would much rather have the strength fixed at 50 than at 60 degrees. I think in proposing the strength which was originally embodied in the clause I shall be on the safe side.

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Senator Sir JOSIAH SYMON

- There can be no doubt that Senator Sargood has not exaggerated in speaking so strongly of the importance of the wine industry to Australia. There is in my belief throughout the greater part of the Commonwealth, at any rate in the southern States, no industry which will expand more largely and benefit the whole community to a greater extent materially than the wine industry. The State from which I come is peculiarly adapted - perhaps not more so than other portions of other States - for the culture of the grape, and my belief is that the same physical and natural advantages as prevail there prevail in other States, and if we are careful, by means of our distillation machinery and in other ways, we shall be able to give a fillip and encouragement to the wine industry throughout Australia which will be of great national benefit. A very great diminution has taken place in the importation of foreign or European wines. The consumption of these wines - I do not know if it is - so with spirits - has enormously diminished throughout Australia, and I think that has been greatly to the advantage of the health of the community. My hope is that in time we shall become, if we are not all teetotallers, at any rate a wine-drinking community with great advantage to the sobriety of the people as well as to their health. But we must take care that we do not introduce a provision which may have the effect of interfering to some extent with the progress of the industry. Whilst of course every increase in the strength of the spirit is an increase in its purity that does not apply in the same way or uniformly to all kinds of spirit. That has to be borne in mind. - Senator Sargood says his own preference would be for 60 degrees above proof. But that would greatly endanger the production of wine spirit, and the use of it for fortifying wines. In some localities, as we know quite well, wines are produced of very varying degrees of strength depending on the soil, the climate, the quality of the grapes, and so on, and it may be impossible for one to get that strength over proof from the produce of grapes in that particular locality which he would get from the produce of grapes in another locality, and certainly from other material - used for distillation purposes. My own opinion is that at least 30 degrees over proof is quite sufficient for wine spirit as a minimum. I am entirely with Senator Sargood in desiring that the quality and character of our wines should be maintained at the highest possible pitch of perfection. If there is one thing to be abhorred more than another it is the tendency, especially in past decades, to unduly fortify our wines. This has been a curse to the wine industry of Australia. Of course it used to be more so twenty or thirty years ago than it is now. It is gradually disappearing; but 25 or 30 years ago wines were highly fortified and put on the market to commend themselves simply by their alcoholic strength, and they were a positive poison to the people. Interested as I am in wine growing, I am free to say the methods which were adopted in olden times to overcome or to conceal the baser quality of the wines and to make them agreeable to the palate of the consumer were to be deprecated in the highest possible degree. Therefore,

I am entirely at one with my honorable friend, first in reducing to a minimum the fortifying of wines, and secondly in the view that where wine has to be fortified, as it must necessarily be in some cases, it should only be done with the purest of grape spirit. But I would call his attention to the fact that the clause begins with the words "unless otherwise prescribed." Therefore, there is an absolute safety-valve afforded to the authorities, to make sure that, if at any time they find from their experience that, in the interests of the industry, it is necessary the degree should be raised, that can be done. It seems to me that we should be acting wisely by leaving the clause as it stands. I should prefer, as has been resolved by the Vinegrowers'

Association in South Australia, to strike out all the words after the word " officer." But I am. satisfied that the distillation authorities have so keenly at heart the wine industry and the grape industry, including wine-making and brandy producing, that they will take care to exercise their discretion wisely. I shall be quite prepared to leave the clause as it stands if the Government say they are satisfied with it ; although I should be willing to leave it to the officer, giving him a discretion to approve of the spirit used for fortifying, not only as to , its quality, but also as to its alcoholic strength. The latter part of the provision says "at least 30 degrees above proof." Of course, under clause 58, Australian wine cannot be fortified with anything but pure .grape spirit ; but in esse of other wines, which may be fortified with any other spirit - there being no prohibition - I should be quite willing that the spirit in that case should be increased to 60 degrees minimum. In case of wine spirit, however, I think it would be a mistake to put such a provision in this clause ; and whilst we have faith in the Government and the distillation authorities in their desire to promote the wine industry of Australia, we may very well leave the clause practically .as it is, unless we desire to increase the minimum of alcoholic strength for other spirits that may be used for fortifying other than Australian wines.

Senator O'CONNOR

- As originally introduced, the minimum was fixed at 50 degrees. By reason of the alteration made .in the minimum size of the stills - -making it-50 gallons - it became necessary to make some alteration in this clause; because, as I understand, it is impossible without a great deal of trouble and expense to distil anything of a higher degree than 30 degrees in these small stills. That is really the reason why a change was made. There is a great deal to be said in favour of the view of the honorable senator who has moved the amendment ; but it seems to me that, as pointed out by 'Senator Symon, there is an absolute safeguard in the power given to regulate these matters. The clause says -
Unless otherwise prescribed no spirits shall be used.

The officer in that case would be the officer in charge, whose duty it would be to see that the operation was carried on properly in accordance "with the measure.

Senator Macfarlane

- Has he power to allow an alteration at his discretion 1

Senator O'CONNOR

- In the first place, if the Government make any regulation, they may prescribe 50 degrees if they think fit. Then the officer is not to allow any spirits, unless they come up to 50 degrees, and he approves of them. So that there is first the operation of the regulation, if it is made, and then the approval of the officer of the particular mixture which is used. But, if no regulation is made, it is left entirely to the officer. There is, therefore, a double safeguard. Although many of us may agree that perhaps 30 degrees is exceedingly low, and that spirit of that quality should not be allowed to be used, still that is, I think, a matter that can be left to the officer. If a higher minimum than that were provided, it is quite clear that it would be an illusory sort of concession to make to these holders of small stills to let 'them have stills of 50 gallons, and not allow them to use the product of their stills, unless it was a product that had to be made with a good deal of expense and trouble to them.

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Senator CHARLESTON

- I trust that the suggestion of Senator Symon will be adopted by the committee. Why should not the clause stop at the word "officer " 1 That will give all the latitude that is wanted. We may be quite sure that the officer in charge of this business would not allow anything to be done that would be injurious to the production of -proper wines. I have been told by a vigneron in South Australia that pure grape brandy is often used for fortifying wines. But brandy is 'not distilled at such a high strength as is provided for in this Bill. Therefore, vignerons would be prevented from using brandy for that purpose. We might fairly leave the matter to the officer, who would be a man thoroughly qualified for the situation, and who would know exactly whether grape brandy should be used for certain purposes or not. As we are desirous of furthering the industry as much as possible, we should not place any barriers in the way of its success.

Senator Lt Col NEILD

-Col. NEILD (New South Wales). - I am not sufficiently versed in the intricacies of wine-making to know whether there is any difference achieved by the mixing of wines of different strengths with spirits of different strengths. It has occurred to me to be quite possible that spirit of a strength suitable for mixing

with or fortifying the heavy or strong wines might be out of place in connexion with some of the light vintages, such as those of New South Wales, for instance, where the wines are perhaps lighter than those of any other part of Australia. I have in my hand a communication from a well known firm of experts in New South Wales. They inform me that they find that a spirit distilled to 20 per cent, is most useful and produces the best results. I will read a few words from this letter because it throws some light upon the matter.

Every practical distiller knows that wine distilled to the strength of 30 per cent, over proof produces a comparatively neutral spirit robbed of its volatile ethers, and which gives bouquet and character to brandy as distinguished from rectified spirit.

The writer goes on to say that he obtains the best results by distilling to a strength of 20 per cent, over proof. I find that another undoubted authority points out that, in order that the strength of 50 per cent, be maintained at the end of, say, six months, it would be necessary to produce spirit of over 57 per cent. That is, spirit that would have a proportion of 92½ per cent, of absolute alcohol. We surely do not desire to fortify our wines with spirit containing over 90 per cent, of absolute alcohol. Had it been possible to reduce the 30 degrees to 20 I should have moved in that direction, but inasmuch as the amendment now moved is with a view not of reducing the strength, but increasing it, it will be my duty in the interests of what I believe to be the welfare of the wine industry to resist the amendment, though I am sure we all respect the source from which it comes. I believe it had its origin in the Victorian Act, and as I have said it is possible that an alcoholic strength that may be very useful for the strong wines made in Victoria and South Australia would not be suitable for the light clarets and hocks produced in New South Wales. I shall vote for the clause as it stands in preference to the amendment.

Senator HIGGS

- I should like to draw the attention of the Vice-President of the Executive Council to the wording of clause 57 and the first few words of clause 58. Clause 57 provides that -

Unless otherwise prescribed no spirits shall be used for fortifying wines unless they are approved by the officer.

That gives the officer power to approve of the spirits to be used.

Senator O'Connor

- Unless there is a regulation to the contrary.

Senator HIGGS

- Clause 58 reads -

No Australian wine shall be fortified under this Act..... with any other spirit than pure wine spirit.

Senator Sir Josiah Symon

- The officer cannot override that.

Senator HIGGS

- But the latter portion of clause 57 deals with the number of degrees above proof of spirit to be used for fortifying wines. If clause 57 does not govern clause 58, should there not be something in clause 58 to deal with the strength of the spirit to be used in fortifying Australian wines? It would appear to me that anybody might override the measure by claiming that clause 57 permitted the fortifying of wines with any spirit, providing he first got the officers's approval.

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Senator O'CONNOR

- If Senator Higgs will look at clause 57 he will find that in the first place, unless otherwise provided, no spirit is to be used for fortifying wines unless they are approved by the officer, and are of a strength of at least 30 degrees above proof. The officer has to approve of the spirit before it can be used, whatever the strength is, but if it is under 30 degrees he cannot approve of it. That is a fixed statutory condition which the officer has no power to override. The regulation may fix the limit at 50 or 60 degrees, and then the officer is bound to act under that regulation, because the regulations are binding upon him just as legislation itself is. "With regard to the other clause I quite agree with the honorable senator. It seems to me that clause 58 must be read as binding the officer just as well as clause 57. Under that clause he is bound to see that the fortification is by pure wine spirit, and if it is not he has no right and no authority to approve of it.

Senator Sir FREDERICKSARGOOD (Victoria). - The whole question is as to what shall be the character

of the spirit to be used in these wines. We have the undoubted evidence of experts on the subject. Dr. Gresswell is an authority on matters of health, and we have his authority for the statement that spirit suitable to be put into wine cannot be produced at anything like 30 degrees over proof. At 30 degrees Dr. Gresswell speaks of it as "poison-providing." The leader of the Senate has said that the alteration to 30 degrees is proposed in order to enable a number of men who have small stills to continue to use them, It is perfectly true, as Senator Symon has stated, that wine requires a different degree of purity according to what it is produced from, but the difference in degree is after all a very small one, whether the spirit is produced from potatoes or from wine, and when it is proposed to allow as low a Strength as 30 degrees over proof it appears to me that Dr. Gresswell is fully justified in utterly condemning it as he does in these words -

It occurred to me that the Federal Legislature in fixing the minimal strength or degree of rectification of spirit to be used in fortifying wine should at least provide for a tolerable degree of wholesomeness, if not for a standard of purity as high as that of the other great wine-producing countries of the world, and that the provision for the fortifying of wines in any State Wine Act should not be overshadowed by such eminently dangerous (I might say poison providing) provisions as those of the Australian Federal Distillation Bill.

Senator Sir Josiah Symon

- That is very extravagant language.

Senator Sir FREDERICK SARGOOD

- It is very strong language, but the statement is made by a man who is generally considered to know what he is doing, and it is supported by the other extracts I have read, and by the practice in the great wine-producing countries on the continent. For instance, in France, Germany, Hungary, Italy, Portugal, and Spain it is recognised that the purity of spirit added to wine is of vital importance. It must be borne in mind that 66 degrees over proof is pure spirit, and as we come down from 66 degrees, we will have impurities in the spirit. Dr. Gresswell goes on to say that safety is found in the prohibition of the spirit of a low character. In Austria and Hungary the standard is 66 degrees over proof. In Italy it is 66-4 degrees over proof.

Senator Clemons

- Is he speaking exclusively of wine spirit?

Senator Sir FREDERICK SARGOOD

- He says that in Italy the standard is 66-4 degrees over proof if the spirit is distilled from grain, potatoes, or sugar refuse; it is 57-8 degrees if distilled from fruits, and 49 -1 degrees if distilled from sound wine - not lees.

Senator Sir Josiah Symon

- Lees may be perfectly sound

Senator Sir FREDERICK SARGOOD

- On the point as to whether we should allow this, because a number of small still owners would not otherwise be able to use their stills, I am informed that these small stills may be altered at a very slight cost so as to increase the purity of the spirit distilled. I know that the vignerons of Victoria feel very strongly upon this point, and strongly urge that 50 degrees should be retained as originally introduced in the Bill.

Senator McGREGOR

- I do not altogether approve of the amendment proposed by Senator Sargood, and I rise now to make a suggestion, if he will accept it, which will to a great extent, [think, meet the difficulties the honorable senator has indicated in connexion with Dr. Gresswell's report. I do not set myself up as an expert either in the making or the drinking of wine, but a man cannot live in the model State without learning something about it. I want to point out to Senator Neild, who has made some reference to the fortifying of wine, that there must be some misapprehension. I do not think, nor do those connected with the wine industry, that it is necessary to go so high over proof with spirits distilled from wine as with spirits distilled from anything else, because if we distil spirits from wine or lees of wine, we are distilling it from the same ingredient as the wine itself is made from.

Senator Sir Frederick Sargood

- True, but the fusel oil is in it.

Senator MCGREGOR

- We get a product which is somewhat similar to the wine itself. It is provided in clause 58 that no wine shall be forfeited to a greater extent than 35 per cent. "It is not always necessary or advisable that it should be, but what that really means is not that all wines require 'the same amount of spirits in addition to that which is in them, but that a certain quantity is required to bring the wine up to a certain strength. If wine contains sugar at all it is liable to ferment. If it contains sugar up to 10 or 12 per cent, it is more liable to ferment, and consequently it will have to be fortified up to about 30 per cent, to prevent that fermentation. All wines do not require the same amount of .strange spirit. That is really what the clause means. Spirit made from wine does not contain the same impurities as are contained in spirits referred to by Dr. Gresswell. We do not manufacture a spirit of low grade, such as is produced in parts of Germany and Austria, where they go about and buy up camp refuse from the army to distil spirits from. We do not do anything of that, kind here, and the spirit likely to be used for fortifying wine would be spirits produced from grain, from- potatoes, or from sugar refuse. I should like to point out that clause 57 seems to indicate that it was inserted in the Bill before clause 58 was considered. That must have been an addition or after thought, and it was the alteration in clause 57 which made it necessary in clause 58 to provide that no Australian wine should be fortified with other than grape spirit. All those who have any knowledge on the subject admit that any other spirit than that produced -from wine would contain matter injurious to the wine itself.

Senator Staniforth Smith

- Not if it was pure spirit.

Senator MCGREGOR

- But we should not get pure spirit distilled from other materials than wine at less than 60 per cent, over proof. That is what I want to get at. And I have shown that spirit produced from wine, .although it may not be pure spirit, does not contain anything that is injurious to the wine itself. If wine spirit had to be distilled up to 60 per cent, overproof, it would be so expensive that very little" of it would be used, and there would be no chance for it to compete with any other spirit. Clause 57, it appears to me, anticipates that wine may have been imported under certain conditions, and may be required to be 'fortified here.

If Senator Sargood agrees to leave in the 30 per cent. Over proof for wine spirit I am prepared to move the insertion after the word " proof " of the words " in the case of wine spirit," and to follow that by the insertion of the words " and of at least 60 degrees in the case of any other spirit." That would lead to no injury in the base of the use of spirits which were not produced from wine, and the 60 per cent, spirit would only be used for wine that was not Australian wine, but that might be fortified within the Commonwealth. I hope that such an amendment will meet with the approval of Senator Sargood, whose intention I know it is to do the best he can in the interests of the wine industry and the health of the people.

Senator HIGGS(Queensland). - If we are to support the Australian wine growers, we ought to strike this clause out altogether. Senator Playford said that all wines coming here were fortified before they were sent here. What is the use of this clause if that is so, when the clause distinctly provides for the fortification of imported wines by some other spirit than pure wine spirit. I venture to think that the Australian vignerons will come to the' conclusion that they are not at all protected by clause 5S. A" Ministry which was unfavorable to that clause ' could prescribe a regulation permitting the fortification of wines with potato spirit.

Senator O'CONNOR

- Oh, no. They could not override clause 58.

Senator HIGGS

- Not in regard to Australian wines, it is true, but they might with regard to imported wines of an inferior character. If we desire to protect the Australian growers, then should we not protect them by compelling those who wish to fortify imported wines to use a spirit of 60 degrees over proof ? I am inclined to think that there should be some amendment of clause 58 providing for 30 degrees above proof and over. I think that the words " 30 degrees above proof " in clause 57 are intended to refer to clause 58. When the Bill is passed the Australian wine producer may -claim that the latter clause .governs his wine, while clause 57 governs imported wines, and that the words " 30 degrees above proof " have nothing to do with

Australian wines.

Senator Clemons

- He, cannot do that.

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Senator HIGGS

- Some additional words are necessary-in clause 57.

Senator Lt Col NEILD

- By way of explanation, perhaps I may be permitted to say that I have listened very carefully to the remarks which Senator McGregor addressed particularly to me with reference to clause -58, but as I made no allusion to that clause I am at a loss to know the appositeness of the direction to myself.

Senator Sir JOSIAHSYMON (South Australia).- I am rather inclined to support Senator McGregor if there is to be an amendment of this clause at all, but before giving my reasons I would call the attention of Senator Higgs to what really is the effect of this clause. I think he will see that it is essential that clause 57, and also clause 58, should remain in the Bill in some shape or other. Clause 57 deals with the fortifying of wine generally.

Senator Higgs

- Imported wine.

Senator Sir JOSIAH SYMON

- No ; all wine, including Australian. The word " wine" is used there generally without any limitation.

Therefore clause 57 will apply to Australian as well as to imported wine, with the result that a man cannot fortify wine at all, whether Australian or not, unless with a spirit approved by 'the officer, and of a strength of at least 30 degrees above proof.

Senator Dobson

- Unless otherwise ordered 1

Senator Sir JOSIAH SYMON

- Yes; but there are no regulations. Those words would enable the department, by regulation, to practically .repeal clause 57, but assuming that there are no regulations, the position is that clause 57 is necessary, in order to impose upon a person fortifying wine the liability to do so -with a spirit approved by the officer, and of a strength of at least 30 degrees above proof. Then, in clause -58 we see that in the case of Australian wine there is a further condition, with which the excise officer has no power to interfere - he cannot qualify it in any way - that no Australian wine is to be fortified so as to contain more than 35 per centum of proof spirit "nor with any other spirit than pure wine spirit." The provision cannot be touched. The discretion given to the officer leaves the provision absolutely as we pass it. Then, as Senator McGregor points out, clause 57, in dealing with all wine, as well as limiting - as I venture to think it ought to do - the strength of the spirit to a minimum of 30 degrees, fixes the same minimum with regard to imported wine, which may be fortified with any other kind of spirit. I think, with great respect to Dr. Gresswell, that there is a great deal of the theory of the laboratory about his contribution, although it is a very interesting one. We must look at it from the point of view that even he admits that 49 degrees over proof, in regard to wine spirit, is, I think, 66 degrees in the case of potato spirit, so that practically there is a difference of 16 or 17 degrees, and we have no means of knowing what is the principal condition under which this .grade of strength may be used. There are a great many other things that affect that distinction and show that in the case of wine spirit that strength is not required. We know that the grape spirit used for the manufacture of brandy is not of anything like that strength. One advantage of it is that it carries into the wine itself the flavour of the grape. In the case of imported wine where other spirits are used there ought to be an increase in the strength. If Senator McGregor presses his amendment I shall be found voting with him, although, as I say again, I think that the words " unless otherwise prescribed " may enable everything to be done that is required.

Senator DAWSON

- The provision is imperative in 58, why not make it the same in clause 57.

Senator Sir JOSIAH SYMON

- I have no objection to the amendment if pressed, and no doubt it will be well to say that in the case of other spirit being used for fortifying imported wines, that the strength shall be raised to at least 60 degrees over proof. The great thing we have to guard against is impurity in our own wines.

Senator DAWSON

- And we should leave no loop-hole for "the importer.

Senator Sir FREDERICK SARGOOD (Victoria). - Do I understand that Senator Symon is in favour of seeing purer spirit used for fortifying imported wines than, that used for Australian wines 1

Senator Sir Josiah SYMON

- I would not allow potato spirit to be used in fortifying Australian wines.

Senator Sir FREDERICK SARGOOD

- It does not matter where the spirit comes from provided that it is absolutely pure.

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Senator O'Connor

- According to clause 58 pure wine spirit must be used for the fortification of Australian wine.

Senator Sir FREDERICK SARGOOD

- The whole question is whether spirit 30 degrees over proof is sufficiently pure to be used. Dr. Gresswell and this other expert, who is a practical man, both say that it is not safe to use it. That statement is supported by the practice on the Continent, wherever wine is made to a large extent. In Italy they do not allow anything less than 60 degrees over proof.

Senator Sir Josiah Symon

- They do not fortify their light wines.

Senator Sir FREDERICK SARGOOD

- Whatever spirit they use must be not less than 60 degrees over proof.

Senator CLEMONS

- I am rather surprised at Senator Sargood's attitude in regard to the amendment, because it seems to me quite certain that if we are going to consider in this Bill, about which I had some doubts, the fortifying of imported wines, clause 57 will allow such wines to be fortified with spirit distilled from potatoes and of not more than 30 degrees above proof. I think the committee should be unanimous in the desire to prevent such a practice in connexion with imported wines, seeing that 'we absolutely prohibit the use of potato spirit for fortifying Australian wines. Senator Sargood has shown us that spirit distilled from potatoes requires to be 66 degrees above proof in order to be absolutely pure, while clause 57 as it stands will allow the importer to fortify with potato spirit only 30 degrees above proof. Therefore I think Senator Sargood ought to support the amendment.

Senator Sir FREDERICK SARGOOD

- I wish to raise the strength from 30 to 50 degrees over proof.

Senator CLEMONS

- I would ask Senator O'Connor whether he considers that this Bill relates to imported wines. It seems to me that we are again coming across that sort of clause which represents an interference with State powers. It is trespassing on an Adulteration Act. So long as it deals with distillation and relates to our own wine this is a right provision to make, but as soon as we attempt to deal with the imported article we seek to provide something under a Distillation Bill which should be dealt with under an Adulteration Act. If Senator Sargood considers that clause 57 covers foreign wines he should approve of the amendment.

Senator O'CONNOR

- In regard to the first question there is no doubt that this clause goes pretty near the border line of what ought to be within our powers and what is not. If there is any doubt about the thing, however, we ought to be ready always to take powers which are in the interest of the health of the community and in the interest of the whole of Australia. If there is any doubt about our powers we ought to lean in the direction of exercising them in that way instead of standing back. I think myself there is no doubt that these powers will be held to be necessary for the purpose of carrying out excise laws. I find that there are many illustrations of the kind in the decisions of the United States Courts, where powers such as these have been held to be properly exercisable. In regard to the other question, clause 58 appears to me to absolutely protect Australian wines. The use of the word "pure" spirit implies as I understand from the expert of the distillation department who is here, that it is impossible to have pure wine spirit of 30 degrees over proof; that the spirit must be considerably over 30, 40; or 50 degrees at the very least, otherwise it will not be pure. So that when we use the words "pure wine spirit" in the clause we command that whatever degree is necessary for a pure wine spirit shall be used; that nothing but that must be used

for fortifying Australian wine.

Senator Sir Frederick Sargood

- Does not the provision mean spirits made from pure wine ?

Senator O'CONNOR

- Certainly not. " Pure wine spirit " means pure spirit extracted from wine As to imported wine I understand that practically no fortifying takes place here; that it does not pay to import wines and fortify them here, and that it is only in very isolated instances that such a thing is done. I really do not know that there is any machinery in this Bill enabling the overseeing of the fortifying of wines.

Senator Sir Josiah Symon

- Besides, it would be better to fortify the wine before it leaves Europe.

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Senator O'CONNOR

- Undoubtedly. One difficulty in the way of applying this clause to wines other than Australian is, that we have no machinery for enforcing it in connexion with such wines. We have a right to send our inspectors to Australian vineyards, but we have no right to go into a wine and spirit merchant's premises and superintend the fortifying of wines there.

Senator DAWSON

- Why not adopt Senator Higgs' suggestion and excise the clause altogether.

Senator O'CONNOR

- I do not think we can do that. The form of the clause is due to the amendments made in it. It was intended to apply to Australian wines originally. As Senator McGregor pointed out, clause 58 was not intended to deal with the kind of spirit to be used in fortifying, but to deal only with the extent to which fortifying should take place. It is really turned into a different kind of clause altogether, so that in reality clause 58 practically carries out the office which was intended to be carried out by clause 57. But the reason why we want clause 57 still is that we require the approval of the officer to the particular fortifying spirit which is being put in. It is not enough to say that it shall be pure wine spirit, but that particular sample of it must be approved by the officer. We also want power to prescribe by regulation the way in which it shall be done, It certainly can do no harm to say that it shall be at least 30 degrees above proof. If the 30 degrees above proof comes in conflict with clause 58, then of course the latter prevails, but clause 57 is certainly necessary. I do not consent to the amendment. In the other House the question was thrashed out thoroughly, and it has been thrashed out here,, and my view is to stand by the Bill as it is. I am going to stand by clause 58, although it was carried against the Government by a majority of one. For the same reason, I am supporting clause 57, as it was carried in that House.

Senator McGREGOR(South Australia). - I would like the committee to consider the amendment from another point of view. Senator O'Connor has told us that no foreign wine is ever fortified when it comes here, but Senator Sargood has pointed out that laws have been passed in Austria, Italy, and parts of Germany to the effect that potato spirit with which wines are fortified must be 66 degrees over proof. We are asked to pass a provision that fortifying spirit here shall be 30 degrees over proof. Would it not pay the wine-makers there, instead of fortifying their wine, to sell wine and spirit separately, and then fortify it up with spirit that is only distilled to 30 degrees over proof 1 I want honorable senators to take notice of the danger we shall run if we do not improve this clause, and also to consider the disadvantage we shall place our producers under if we compel them to fortify with pure wine spirit. 1 do not agree with Senator O'Connor that that must be wine spirit distilled up to exact, purity. I think it means up to 30 degrees over proof as indicated in the preceding clause. If it means what Senator O'Connor has said, it will entail a very serious expense on our producers. It is much more difficult to get wine spirit up to that strength than it would be to get -either grain or potato spirit up to that strength. It takes 5 gallons of wine to make one gallon of spirit. The wine costs from 9d. to 1s. a gallon and the more difficult the process is made to bring it up to purity the more expensive it becomes. From a bushel of grain I understand you can make two and a-half gallons of spirit of the same strength, but not of the same quality probably, or of the same purity for fortifying wines, and the grain can be purchased at a very nominal cost, compared with the cost of producing the same quantity of spirit from wine. Unless we alter the last part of the clause, we shall compel our producers to fortify with a very expensive spirit, and permit the outsider to come in with his wine and fortify it with a spirit up to only 30 degrees overproof, no matter whether it is potato spirit, or

grain spirit, or spirit produced from old boots.

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Senator STEWART

- We shall act wisely if we follow the advice of our experts and the example of the great wine growing countries of Europe. Dr. Gresswell is very clear on this point. He says in the most decisive manner that any spirit of less than 50 degrees over-proof is deleterious, and ought not to be permitted to be used. Surely in a matter which affects so largely the health of the community as well as the growth of what Senator Symon says will be one of our most important industries, we cannot go very far wrong if we follow the advice of that gentleman ? I can easily understand that the wine-growers favour 30 degrees over-proof. It is much easier for them to handle wines of that character than it is to handle superior wines, but we want good wine to drink. I have sampled a number of Australian wines and have very rarely struck anything worth drinking. I want the people of Australia to be a wine-drinking community. There is far too much whisky drunk in Australia. We import from Europe too much spirit, too much stout and ale, and other strong liquor. We want to come down to a drink suitable to the climate. We know that a number of persons will have fermented drinks of some kind, therefore let us do everything in our power to see that they get pure wholesome stuff to drink. With regard to the experience of Europe, an expert writes in today's Age in these terms -

In France, Germany, Hungary, Italy, Portugal and Spain, it is recognised that the purity of the spirit added to wine is of vital importance, and that to secure that purity the only means is to insist upon the rectification of the spirit to a high degree over proof. The source from which the spirit is distilled is not regarded in European, wine countries, for injurious spirit can be obtained as readily from wine, marc or lees, as from potatoes or other sources. Safety is found only in the prohibition of spirits of a low grade. In Austro-Hungary the standard is 66 degrees over proof.

More than double the limit proposed to be fixed in this clause.

And in Italy 66'4 if distilled from grain, potatoes, or sugar refuse ; 57 "8 if distilled from fruits, and 49'1 if distilled from sound wine. In Spain no spirit distilled from wine can be used if less than 50 degrees over proof, and other European countries insist upon a similar standard.

These countries have centuries of experience behind them. They have reduced the making of wine to a fine art. They know everything about it which is worth knowing, whereas we in Australia are mere apprentices, who ought to follow their example. The expert says we claim that our wines are not fortified at all, and then he goes on to say:-

It is recognised that fortifying to a certain extent, is necessary in certain cases, but the practice is one which in the best interests of the industry ought to be kept within bounds. In France the fortification of dry wines is prohibited, and in Germany the fortification must not increase the volume by more than one per cent. The law in Hungary prohibits increasing the volume by fortification more than two per cent., and although rectified potato or grain spirit is legal, spirit derived from marc or lees is prohibited for fortification.

Then we are given the opinion of the Lancet, the most authoritative medical publication in Great Britain. In the Lancet for- September an account is given of the analyses of some Australian wines in the Lancet laboratory. In summing up, the report says : -

The wines, in fact, are somewhat crude in character ; they do not possess delicacy. The amount of spirit considerably exceeds the normal amount in the corresponding French wines. It is possible that spirit is added as a necessity for keeping the wine in sound condition during transport. . . . We do not doubt that the quality of these colonial wines will improve in time in the important respects of delicacy of flavour and lightness of alcoholic strength.

In the opinion of the Lancet our wines are fortified to too great an extent. Further on this expert says : -

The Federal Act in its present form will not only admit of more extensive fortification, but of fortification, with a crude spirit of only 30 degrees over proof. Could anything be more calculated to permanently injure the Australian wine industry ?

Although we have the opinion of Dr. Gresswell and the writer of this article, and the experience of all European wine-growing countries to guide us, yet we are asked to fix a strength 20 degrees under that which is adopted by any other wine -growing community. If we do that it will not assist the wine industry in any way. I shall certainly support Senator Sargood, if he insists upon his amendment.

Senator Major GOULD

- Notwithstanding all that Senator Stewart has said, and the extracts that have been read from Dr. Gresswell's reports and from the statements of other experts, it appears to me that the safest course the committee can adopt is that suggested by the Government, of adhering to clauses 57 and 58. If it is found necessary to make any change there is power in clause 57 to do so by means of regulations. We may rest assured that the Government, if they are convinced that there is a necessity to make a change in this respect, will be prepared to do it.

Senator Sir Frederick Sargood

- In the meantime our trade will be ruined.

Senator Major GOULD

- Our trade will not be ruined in the mean time. The honorable senator has not shown us that the fortification of wine is effected with spirit of the strength he has mentioned.

Senator Sir Frederick Sargood

- In "Victoria the strength is 50 degrees.

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Senator Major GOULD

- The other States do not require a strength of 50 degrees. In some cases there is no specific degree of strength provided at all. This Bill has been before the various wine-growing associations throughout the Commonwealth. We know that they have taken a very great interest in it. If they had thought it was necessary to make any change in this respect they would have communicated with the members of one House or the other in order that their wishes might have been made known. If honorable senators read the debate which took place in another place, they will find that there was a strong fight upon this particular clause, which was amended and put in its present form after the most careful consideration. We must always bear in mind that wine-growing, is by no means a new industry to the Commonwealth. We can go back over a period of upwards of 50 or 60 years, during which time wine has been produced in considerable quantities in the Commonwealth, whilst it had been produced in smaller quantities for a considerable time previously. None of the growers engaged in the industry have come forward to protest against these provisions. They seem quite satisfied with the measure as it stands. If, with the knowledge we have, we place ourselves in opposition to what has hitherto been done, and take a course of action that is not recommended by any of the present growers of wines in the States, we may do serious injury to the wine industry. Again, let me remind honorable senators that an alteration has been made in the Bill with regard to the size of the stills. It is stated that the small stills used by some vigneron are not capable of making spirits to the degree of strength indicated by Senator Sargood's amendment. While we tell these men that they may keep their stills going as hitherto, we are asked to turn round and say that we expect them to make a spirit that it is not possible for them to make. We should thus be giving with the one hand and taking away with the other. I feel certain that the committee will see that the wisest and best course in the interests of the wine industry will be to adopt the clause as it is, and then, if upon further inquiry and consideration it is found that an alteration is required, it will be entirely in the hands of the Government to make it by means of regulations.

Senator PLAYFORD

- I wish to ask Senator O'Connor whether I understood him aright as having pointed out that, under clause 58 no wine could be fortified with brandy unless it was over 50 degrees proof?

Senator O'CONNOR

- No, I did not say that. I said that wine spirit means wine spirit free from impurities.

The impurities are fusel oil and other deleterious elements. At 30 degrees you do not get rid of those impurities. They are in the spirit, which is therefore impure. The distiller has to go on distilling until he gets the spirit up to between 40 and 50 degrees. That is why I said that it is necessary to distil up to at least 40 or 50 degrees before the spirit is within the definition of pure wine spirit. That does not mean absolute alcohol, but it means wine spirit with all impurities removed from it. By pure wine spirit is meant spirit at least between 40 and 50 degrees over proof.

Senator PLAYFORD (South Australia). - That will completely override clause 57. It appears to me that another place is under the impression that the wine-growers will be able to fortify their wine with colonial brandy at a strength of not more than 30 per cent. But they were mistaken in that view, and the

wine-growers will be able to do nothing of the kind. The impression the wine-growers have been under all through the States is an unfounded one. I know that in South Australia a number of gentlemen who have a knowledge of distilling brandy have told me that they would be perfectly satisfied with the 30 per cent, providing that it was left to the officer to say whether the spirit was, in his opinion, fit to be used in the fortification of wines. If it is left to the officer, these experts do not care whether the degree is 30 or whatever it is. But evidently leaving it to the officer means anything beyond 40 per cent., because, as Senator O'Connor has said, fusel oil and other impurities are not got rid of unless the spirit is distilled to over 30 per cent, beyond proof.

Senator O'CONNOR

- They can keep it for a number of years, and I understand that has a similar effect.

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Senator PLAYFORD

- No doubt there is a certain amount of evaporation. Our people in South Australia are quite willing to leave it to the officer to say whether the spirit is sufficiently pure to mix with wines. The statement continually made that if people are to be allowed to fortify their wines with what spirit they like, the wine trade will be destroyed, is all moonshine. I suppose that, no State of the group has a better reputation for wines than South Australia. South Australian wine "takes the path." It "needs no bush" - though what "bush" means I do not know. In South Australia we have been allowing people to fortify their wines with any ordinary spirit. So far as I know, there has been no limitation as to the degree of spirit so long as it is silent spirit. There has been no restriction as to whether it shall be made from potatoes or sugar, or any other material, so long as the spirit is absolutely flavourless. "We trusted to the flavour of the wine, and not to the flavour of the spirit put in to help the wine. But I am told - and have noticed myself - that there is a marked difference, so far as the bouquet and taste are concerned, between spirit made from wine and from potatoes. When made from potatoes, the spirit has a disagreeable smell and a decidedly disagreeable flavour, but when made from wine the spirit has a pleasant bouquet. There can be no doubt that in the fortification of wines good brandy is the very best material that can be used, and that it imparts to the wine a bouquet and flavour which it might otherwise possibly lack. There is a great art in wine-making and in distilling, and it is only those who study it thoroughly who make a success of it. I think we might strike out the clause altogether. There is no absolute necessity for it. The matter might be left at clause 58, which provides that no spirit other than pure wine spirit shall be used for the fortification of wine. I deny, however, that the wine trade is going to be injured if other spirit is used. In South Australia wines are frequently fortified with silent spirit. Of late years we have been making excellent brandy, and most of our large wine-makers have their own stills, and manufacture their own wine spirit for the purpose of fortifying it. Therefore, it would be very much disapproved in South Australia if the degree of proof were raised to 50 degrees above proof. They contend that if the spirit is distilled up to 50 degrees, not only is there taken out of the wine some little fusel oil and other impurities, but also some of the bouquet and flavour. If good silent spirit is put in the wine it does not matter whether it is made from sugar, potatoes, wheat, barley, oats or refuse of any sort, so long as it is rectified. If any honorable senator will move to omit clause 57 I shall support such an amendment; otherwise I shall vote for the clause as it stands. Clause 58 is quite sufficient. We can trust to the Custom-house officers and the Government to make such regulations as are necessary. The officers may be trusted to act in such a lenient way as will permit the fortification of wine by the use of brandy, which is undoubtedly the best spirit that can be used.

Senator HIGGS(Queensland). - I am quite sure that Senator Playford will see that any regulation made by the Government is not likely to override an Act of Parliament. Because a considerable discussion took place in the House of Representatives, that is no reason why, if these clauses are defective, the committee should not make an attempt to amend them. Senator Gould has spoken of the eloquent speeches made in another place, but he knows very well that speeches made prior to the passing of an Act of Parliament do not influence the judges or court of law when a question comes up for decision. The courts take the wording of the Act as it stands. The wording of these clauses renders them distinctly detrimental to the interests of the Australian wine growers. Senator O'Connor has told us that pure wine spirit means a spirit of from 40 to 50 degrees above proof. Yet we are going to permit importers to import into Australia a number of low class wines, and fortify them with potato or any other inferior spirit 30 degrees above proof. If that is so, surely this clause 57 requires some amendment. I think that Senator

Sargood's amendment is a good one. If we alter the 30 degrees to 50 degrees we shall protect the Australian wine growers to some extent. I hope that notwithstanding the discussion which took place in another place, the committee will amend this clause. If it is not amended the Australian wine growers will consider themselves to have been entrapped, and all their agitation will have gone for naught. I intend to support the amendment.

Senator Sir JOSIAHSYMON (South Australia). - It seems to me that we ought to adopt the course pointed out by Senator Playford. At first I did not think so, but I do think so now, after hearing the statement made by Senator O'Connor, that under clause -58 the degree of strength of wine spirit to be used for fortifying Australian wine will really require to be from 40 to 50 above proof.

Senator Sir Frederick Sargood

- Does the honorable and learned senator endorse that?

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Senator Sir JOSIAH SYMON

- I accept the view of that which the Government takes. If that is what they are relying on, it ought to be made perfectly clear, and we ought to eliminate clause 57 altogether, because it is entirely misleading so far as the Australian wine-grower is concerned. Then, I think, in clause 58 we ought to strike out the word " pure."

SenatorClemons. - No, no.

Senator Sir JOSIAH SYMON

- Why " no, no," if the word " pure " is inserted there not with regard to mere purity of the spirit, but in order to fix a high degree of strength. Nobody wants absolutely pure, or what is called " silent " spirit, for the purpose of fortifying wine. Such a thing would be perfectly ludicrous. As Senator Playford points out, one of the advantages of the use of wine spirit is that we have the same character of spirit as we have in the wine to which the spirit is being applied for fortifying purposes. We all know well that potato spirit does not cost anything like as much as wine spirit. The pure French brandy that is sold here is nearly all made from potato spirit, or some inferior grain spirit. If we go to France to get a bottle of pure grape brandy we have to pay about a guinea a bottle for it, and what we get here for a few shillings a bottle is not distilled from grape spirit at all. If one goes to a place where a pure wine spirit is distilled, he will find it perfectly aromatic, and, on the other hand, spirit distilled from grain will be found absolutely noxious and having an offensive odour. Every wine spirit has a certain degree of purity, and according to the opinion of wine-growers, it is sufficient if it is used at least 30 degrees above proof.

Senator Sir Frederick Sargood

- Some wine-growers.

Senator Sir JOSIAH SYMON

- The great majority of wine-growers. Certain persons have been writing anonymously to the press, but surely we are not to be guided in our legislation by them? We have also a gentleman who is a very good laboratory chemist, no doubt, in analyzing microbes and that sort of thing, who has also written to the press, but surely we shall not be guided in our legislation by these people in the face of the resolution of a body of gentlemen who are all experts, and who form what is called the Winegrowers' Association of this and other States of the Commonwealth. These are the men who should guide us in our legislation, because it is their industry we desire to promote. The House of Representatives decided that for wine spirit a strength of 30 degrees was sufficient. I think it is ample, and, from the information given to me, and to some extent from my own personal knowledge, I think it is too high. But that is cut away entirely by the interpretation put upon the clause 58. I never understood that, and I am sure the wine-growers of Australia never understood it, and but for the candour of Senator O'Connor we should have known nothing about it. The winegrowers are now told that they are to have the concession they ask for under clause 57, and it is to be taken away from them under clause 58. The best thing to do will be to strike out clause 57 altogether.

Senator Higgs

- No, to vote for Senator Sargood's amendment.

Senator Sir JOSIAH SYMON

- I know the honorable senator desires earnestly to assist the wine-growing industry of Australia, but he will greatly injure it if he does anything to increase the percentage required to 50 per cent.

Senator Higgs

- For spirits other than wine spirits.

Senator Sir JOSIAH SYMON

- But the Australian wine-grower is limited to wine spirit for fortifying his wine, and the importer if he wishes to fortify his wine has the run of all other spirits and will pay next to nothing for them.

Senator Higgs

- If we strike out the clause altogether, what may the importer do then ?

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Senator Sir JOSIAH SYMON

- I do not think we have any power to control the importer of foreign wines as to the spirit he shall use for fortifying them. That is not part of distillation. These provisions are only necessary as regards the fortification of Australian wine, because we are providing under this Bill for the vignerons' distilleries, and that the produce of those distilleries is to be used for the purpose of fortifying wines. It is only in that connexion, I believe, that the matter comes within the scope of this Bill. If these two clauses are to remain as they are they will only mislead, as they have already misled the wine-growers of Australia. They were under the impression that clause 58 merely provided that the spirit used for fortifying wine should be wine-spirit, or spirit made from the product of wine, and that it had nothing whatever to do with the degree of its strength. They thought that the degree of its strength was fixed by clause 57, subject to such regulations as the Government might make under the introductory words, "unless otherwise prescribed." I feel with Senator Playford that to leave these clauses as they are will be to leave it a matter of uncertainty as to whether the spirit with which they may fortify their wines is to be 30 per cent, over proof, or whether it is to be of the highest possible percentage which gives the perfectly pure or silent spirit. I am sure that was not the intention of the Legislature in dealing with the subject.

Senator HIGGS(Queensland). - I hope the committee will not follow the advice given by Senator Symon, because it is necessary to deal with wine other than Australian wine. If clause 57 is struck out altogether, then inasmuch as clause 58 reads, "no Australian wine shall be fortified" under the Bill so as to contain more than 35 per cent, of proof spirit, nor with any other spirit than pure wine spirit, it might be open to the interpretation that imported wine might be fortified in any way the persons fortifying them thought fit.

Clause 57 is necessary in the Bill, but it is necessary to amend it as it ought to be amended.

Senator CLEMONS(Tasmania). - Senator Higgs' objection might be met by striking out clause 57 entirely, and omitting in clause 58 the word "Australian." That would be treating all wines alike. It might be well to strike out clause 57 and make clause 58 read as follows : -

Unless otherwise prescribed, no wine shall be fortified under this Act so as to contain more than 35 per cent, of proof spirit, nor with any other spirit than pure wine spirit.

That, I think, would meet the objection, raised by Senator Higgs.

Senator Higgs

- "Unless otherwise prescribed" would permit the Government to allow the use of potato spirit.

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Senator CLEMONS

- I do not care for the words, but I am inclined to think what I suggest is the most we can get out of the Vice-President of the Executive Council, and I think we can trust the Government not to make regulations which would be entirely contrary to the spirit of Legislature.

Senator MCGREGOR(South Australia). - I want to call the attention of the committee to another phase of the question that has occurred to me. In dealing with spirits we have also to deal with the effect on the vine-growers. Under the Bill as it stands, it is provided that Australian wines shall be fortified by only a spirit produced from wine or the products of wine, and it means a very great deal to the wine-growers themselves, and also to the public. If something of the kind indicated in both clauses 57 and 58, with the improvements we hope to make in them, were not done, the vinegrowers or the maker of wine from the products of other vine-growers might make a wine that was not altogether of the very best quality. That might result from the season, or the character of the land, or the vines grown ; yet there need be nothing injurious in the wine made. It might be a low grade, and, though not injurious, it could not go on the market as good Australian wine. What is to be done with it ? We might make wine spirit out of it. Then the makers of that wine would have a market for their product; they would be able to sell it, and make a living.

If we do not give them this chance, what will be done? This is where the interests of the public come in. That wine, although it may be of an inferior character in some respects, would be fortified as much as possible, and would be put on the market somehow or other to the injury of the public. By dealing with these two clauses as we ought we should assist the wine-growers who might, on account of bad seasons or some other adverse circumstances, suffer in this way, and we should also protect the public from an inferior article. Therefore, I think, we ought to adhere to clause 57 and clause 58. I disapprove of Senator Sargood's amendment, because if we compelled wine spirit to be rectified to the high degree that he and certain other honorable senators desire, it would become so expensive as to be almost prohibitive. Our wine industry and the whole community would suffer. On the other hand, if we make such an amendment as I have indicated, that the spirit shall be 30 degrees over proof in the case of wine spirit and 60 degrees over proof in the case of all other spirit, we shall benefit our own producer and protect the public, while, as far as possible, meeting the wishes of vignerons in all parts of Australia.

Senator HIGGS(Queensland).- Might I suggest to Senator O'Connor that, having heard this discussion, he should allow the committee to adjourn until after dinner?

In the meantime he might consult his Government in regard to the clause.

Senator O'CONNOR

- If I were in any doubt as to the course I ought to take I would adopt the honorable senator's suggestion. I have, however, no doubt. I do not desire to refer to what has been done in another place with a view of influencing honorable senators except to this extent : that this question has been very fully discussed there as it has been throughout the country. A certain conclusion has been arrived at, and if we come to the same decision we shall then have the two Houses in agreement. Therefore, if we can consistently agree with the Bill in the form in which it comes before us, there will be a very great saving of time, and for that reason, and inasmuch as it appears to be a fair settlement - in some parts against the Government view, and in some parts in favour of it - the Government intend to adhere to it. I shall therefore resist any amendment. With regard to Senator Symon's observations, it would not do to omit clause 57 altogether. If we leave it out then, as pointed out by Senator Higgs, there will be no provision whatever under which we can deal with any other than Australian wine. Other wine coming here is operated upon in this way only to a very small extent, and in exceptional cases. Where it is done, however, the imported wine should be subject to some control by the distillation officer. In addition to that, we must give the officer power to approve of the particular sample which is used in fortifying the wine, apart altogether from the question of where it comes from. The officer must have power to approve of what is put into the wine, and clause 57 is the only one that gives him that authority. As to Senator Sargood's amendment, it seems to me that clause 57 is absolutely essential. One word more as to the operation of clause 58.

Senator DAWSON

- Why not make one clause of the two ?

Senator O'CONNOR

- I think we shall have to deal with them separately. As to the use of the words "pure wine spirit" I have explained what will be the view taken by the Government officials. It is only right that the committee should know that. If there is any ambiguity about the use of the words, if it is thought that by leaving too wide a discretion we may shut out the fortifying of wine with spirits that might safely be used, that is a question different from that in this clause. I hope, however, that clause 57 will be carried in the form in which it stands.

Senator CHARLESTON(South Australia). - Certainly a new feature has been pointed out during this discussion by Senator Playford. I am quite sure that if we agree to the two clauses we shall defeat the purpose that honorable members of the other place had in view, while we shall be misleading the vignerons of Australia. Therefore, I think it is well that we should discuss the matter strictly from that point of view. If the spirit can only be produced from pure wine up to 47 degrees, what is the use of putting in 30 degrees in the other clause? The Government inserted in the Bill originally a provision for 50 degrees, and when they were defeated in their proposal they practically obtained that which they sought by getting the word "pure" inserted in the clause. Under the words, "any other spirit than pure wine spirit," the Government will, according to the explanation given by Senator O'Connor, be able to demand that the spirit shall be 50 degrees over proof. Having discovered that, and knowing that it does not agree with the general impression throughout Australia, I think we ought to rectify the matter at once either by striking

out the word "pure," or by striking out "and to the strength of at least 30 degrees above proof." If we make the latter alteration, then practically we shall meet the Government's original desire. We have also said that, as far as imported wine is concerned, it shall not be treated in a way other than that which the officer approves. He would not approve of imported wine being fortified with any but pure spirit. That is to say, if a person sought to fortify wines with spirit made from wheat or potatoes, he would see that it was at least 60 degrees over proof.

Senator McGregor

- He could not do that.

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Senator CHARLESTON

- He would be able to do so if we struck out the words " and of a strength of at least 30 degrees above proof." Clause 57 would then read -

Unless otherwise prescribed no spirits shall be used for fortifying wine unless they are approved by the officer.

In that way we should meet Senator Higgs' view ; we should give no preference to the foreigner ; and we should provide that Australian wine shall be fortified only with spirit made from wine. From what has been said this afternoon, I think that we must strike out these words in clause 57, in order to meet the wishes of the other House. If we pass the two clauses as they stand, the other House will insist upon making an alteration, if possible, before the Bill is passed finally.

Senator HIGGS(Queensland). -I regret that Senator O'Connor has not seen his way clear to fall in with our ideas. He has not attempted to meet the arguments of honorable senators, but he has briefly said that the Government propose to stick to the clause as it was passed in another place. I know nothing about the question of wine making. I only know that we have a number of wine producers in Queensland, and I shall be very glad indeed to do anything I possibly can to further their interests in common with the interests of wine-growers throughout the Commonwealth. In the circumstances, I must accept the views put forward by the vine-growers in their circular, which reads as follows : -

Every gallon of grain or potato spirits used for fortifying wine would take the place of 5 gallons of wine, it being necessary to distil this quantity in order to produce one gallon of grape spirit. As grain spirit can be manufactured at less than half the cost of pure grape spirit, it would be manifestly unfair to allow it to be brought into free competition with grape spirit for a purpose for which only grape spirit can legitimately be used.

The free use of cheap potato and grain spirit will induce producers of inferior wines to fortify them, and place them on the market instead of sending them to the distillery. If only pure grape spirit were allowed to be used for fortifying wine, low class wines would be of value for distillation purposes, but they would be of no value for distillation if grape spirit were brought into unrestricted competition with grain and potato spirits, and thus these low-class wines would in turn be fortified and be submitted for human consumption. There can be no question as to the results that will follow the unrestricted use of spirits for wine fortification. The effect will be to render nugatory much of the effort and expenditure that has been directed to the improvement of our wine, and to the building up of a wholesome reputation at home and abroad for the products of our vineyards. The distiller of grain and potato spirit will be encouraged at the expense of the vigneron and the general public.

That document is signed by Mr. Frank Buckley, Secretary to the Australian Wine Growers' Conference, . and a copy of a telegram from the New South Wales Wine Association is given in a foot-note -

My association instructs me to strongly protest against clause 58, as passed, allowing the use of other than wine spirit for fortifying wine, and recommends your immediate approach to senators. If passed by Senate, will seriously affect the reputation of Australian wines.

That telegram, of course, referred to the Bill as it was then before the other House, but, inasmuch as clause 57 passed there in a certain form, I submit that the vine growers are left in an unprotected position, and that all their writing to the press, sending of deputations, and agitating in every legitimate way, will be of no use if it is permitted to pass as it stands. I would urge Senator O'Connor to recede from his position. Although great heat may have been shown in another place, and although the clause may have been passed by one vote, yet, if the case were re-opened, there would be further discussion, and, in the interests of a great industry, we should try to make the Bill as perfect as possible. We should not place our

wine-growers under a disadvantage, by allowing a clause to pass which will permit imported wines to be fortified with potato spirit and other spirits, if it be necessary or profitable. There are several suggestions for the proper amendment of the clause, and, if we cannot accept Senator Sargood's amendment to increase the strength to 50 degrees, we should accept Senator McGregor's suggestion to provide that the 30 degrees shall refer to Australian wine spirit, and add that the words " 60 degrees " refer to all other spirit, such as potato spirit, grain spirit, and other spirits used for fortifying wine. In other respects, the clause is very objectionable. I do not care for the words " unless otherwise prescribed," because they give the Government power to frame regulations to permit the use of spirit of any degree above proof.

Senator Sir FREDERICKSARGOOD (Victoria).- The interpretation given by Senator O'Connor to the words " pure wine spirit " certainly has opened up a very wide field for discussion. As I read the provision, it means spirit made from pure wine - that is the interpretation placed on it by experts- and not a pure spirit made from wine. If Senator O'Connor's interpretation be correct, then it certainly is a very serious matter, and if clause 57 is left as it is, we shall place the vigneron at some disadvantage. Clause 57 comes under the part of the Bill headed vigneron, and I do not think it can apply to imported wines. Coming, as it does, under that head, and following the various clauses, it is intended to apply to vigneron and to indicate the degree of purity of the spirit to be used by them. I doubt very much whether we have power under the Constitution Act to decide what strength or what quality of spirit should be put into imported wines, and certainly in this Bill there is no provision for fortifying imported wines. If it is at all doubtful as to what this clause refers to surely it may be overcome by inserting the words " by vigneron " after the word "used." "Vigneron" is defined in the interpretation clause and also practically by clause 52. A winery does not deal with imported wines. All these facts seem to indicate that it can only be intended to refer to our own vigneron.

Senator O'Connor

- I think originally it was intended to deal with only Australian wines, but, as the clause stands now, it can be applied to any wines.

Senator Sir FREDERICK SARGOOD

- If it is really intended to be applied to only vigneron is it not wiser to insert the words " by vigneron " ?

Senator O'Connor

- Would it be right to put, our own wine-growers in that position ?

Senator Sir FREDERICKSARGOOD (Victoria). - That is another provision. I think the Minister has already pointed out that very few imported wines are fortified here. I do not think with Senator McGregor that wines would come out here in an unfortified condition accompanied by a very low-class spirit, because I feel sure that it would not pay to fortify them here. If the Minister is prepared to accept my suggestion--

Senator O'Connor

- I cannot do that.

Senator Sir FREDERICK SARGOOD

- Although the honorable and learned gentleman acknowledges that the clause was intended originally to apply to only vigneron?

Senator O'Connor

- Because the whole operation of these two clauses has been altered by the amendment in clause 58.

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Senator Sir FREDERICK SARGOOD

- Then I must press my amendment.

Question - That the word proposed to be omitted stand part of the clause - put. The committee divided.

17

AYES

9

NOES

Majority 8

AYES

NOES

Question so resolved in the affirmative.

Amendment negatived.

Senator MCGREGOR(South Australia). - I now move -

That the following words be inserted after the word "proof": " in the case of winespirit, and of at least 60 degrees above proof in the case of any other spirit."

This amendment will make it clear that if any imported wine is fortified with any other than wine spirit, that spirit must be absolutely pure. We know that if all spirits are rectified up to 60 degrees overproof they are very nearly pure spirit and cannot be so injurious as spirit of a lower grade manufactured from any kind of rubbish.

Senator HIGGS(Queensland). - I can well believe that Senator Sargood's proposal might have alarmed several honorable senators who speak on behalf of the Australian winegrowers, because if the word " fifty " were put in it might be claimed that it would be necessary for the wine growers to fortify their wines with spirits 50 degrees above proof. But there can be no such objection raised to the words proposed to be inserted by Senator McGregor. I hope that honorable senators who have just defeated the last amendment will show themselves to be true protectionists to the Australian wine producers. It is a question pure and simple of protection to the Australian wine growers against the wine producers of other countries who are prepared to flood the Australian markets with low class wines. I am satisfied that nine out of every ten persons are not judges of wine, and that if low class wine, fortified with potato spirit, were nicely bottled with glowing labels on the bottles the purchasers of wine would be likely to be misled. I support Senator McGregor's amendment for various reasons. The first is, because I am desirous of protecting the health of the Australian public ; and the next is, in the interests of the Australian wine producers. I submit that if the amendment is not carried a great, industry will be almost ruined, and the health of the Australian public, to the extent that they use these wines, will be deteriorated. If the Government do not accept a proposal of this kind, they are not protectionists at' all, but are merely masquerading as such.

Senator Charleston

- This is interesting!

Senator HIGGS

- I do not mind taking up the position of a candid friend. I support the Government only so long as they do what I think is right and proper, and when I find a large producing community like the wine-growers- in danger, I think it is my duty to do the best I can to see that this measure is framed in. their interests. The clause, as it stands, is an absolute menace and danger to the winegrowers.

Senator O'CONNOR

- I do not know "whether the honorable senator who has just spoken quite realizes that we are dealing with an Excise Bill, which entitles us to legislate in regard to the making of" wine only so far as is necessary for the collection of excise and the protection of the revenue. If we went beyond that we should be going beyond our powers under the Constitution. I do not think there is any need to throw any doubt on my views as to protecting the wine industry or any other industry, but we cannot carry out those views here except in so far as they may be coincident with the necessity for the protection of the revenue. I cannot assent to Senator McGregor's amendment. If the honorable senator has in view only the protection of the Australian wine industry, that is sufficiently covered by clause 58'. He cannot have anything clearer than that. If there is any doubt in the mind of Senator Higgs or any other honorable senator as to what pure wine spirit is, that doubt may be set at rest by inserting in the clause the percentage of spirit or alcohol which should be in pure wine spirit.

Senator Higgs

- What percentage does Senator O'Connor suggest ?

Senator O'CONNOR

- I understand that 45 per cent, would be a fair proposal and would meet the case.- Forty-five per cent, above proof would insure pure wine spirit.

Senator McGregor

- But we have 30 per cent in this clause.

Senator O'CONNOR

- That applies to wine generally, and in regard to Australian wine the percentage would be 45 per cent.

Senator McGregor

- The Government is giving the advantage to other wine than Australian.

Senator O'CONNOR

- I do not think that is so. So far as other wine is concerned I think every one will agree, who. knows what the wine trade is, that it is practically non-existent so far as concerns wine that is fortified. I am sorry I cannot accept the amendment.

Senator HIGGS

- (Queensland).- What has fallen from the Vice-President of the Executive Council only shows more clearly, the disadvantage under which the Australian wine-growers are to be placed. They are expected to fortify their wines with spirit 45 degrees above proof, but low class imported wines may be fortified with potato spirit only 30 degrees above proof. It has been said by Senator O'Connor that these imported wines are practically non-existent. But what will happen when the Australian wine-growers are expected to fortify their wines with pure wine spirit, . 45 degrees above proof 'I Will there not be introduced into Australia a lot of low class wine to be fortified with potato spirit 1

Senator Sir Frederick Sargood

- It would not pay:

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Senator HIGGS

- Evidently clause 57 was- intended to deal with imported' wines. Otherwise why is- the clause in the Bill at all ? Where is the necessity for it 1 It is expected that the Government will have to deal with imported' wines, otherwise the clause is of no use whatever. I submit that the fact that it is in the Bill is plain evidence that the clause is necessary, and. that we shall have introduced into this country a quantity- of low class wines, which will be fortified' with some kind of spirit. I hope that the committee will fall in with Senator McGregor's idea-, and vote for his amendment. It appears to me that some of Mr. Kingston's backbone is being brought into this Senate. Mc. Kingston has chosen to set up- his- back against alterations in his Bills, and. because of that there is to be no back down; on the part of the representatives of: the Govern>ment in this Chamber. But that is not the spirit, if I may use the term, in which to meet honorable senators.

Senator MCGREGOR(South Australia). - It has been clearly pointed out .and admitted by Senator O'Connor that clause 57 deals with the fortification of wine generally.

Senator Millen

- It has no business in the Bill on that account.

Senator MCGREGOR

- If that is what it means, it gives an advantage to everyone outside Australia over those who are endeavouring to do the best they can for the rest of Australia. If the amendment is not carried, so as to put the wine-grower and the importer on something like an equal footing, I shall certainly endeavour to knock out the clause altogether, and to amend clause 58 so that it will make the question perfectly clear.

Senator MILLEN(New South Wales).It appears to me that either clause 57 does an injustice to the makers of wine in Australia, or it ought not to be in the Bill. The Bill, as I understand, is for the purpose of collecting excise and dealing with distillation. This particular clause has nothing to do with one or other of those matters, but what it provides is, that if certain wines are imported, and after they are imported there is an attempt made to fortify them, they must be fortified in a certain way. What has that to do with either distillation or the collection of excise? I submit that the course the committee should follow is either to strike out clause 57 altogether, and leave the Government, if they want a provision of that sort, to bring in a proper Bill ; or, if that is not done, there should be, not an inequality in favour of the local producer, as Senator McGregor proposes, but an equality between the local producer of wine and the importer of wine. Senator Sir FREDERICKSARGOOD (Victoria). - The position taken up by the Government in connexion with these two clauses is most extraordinary. They acknowledge that, in the case of pure wine spirit, the percentage must be 45 degrees, and, yet at the same time it has been acknowledged by experts that spirit made from wine does not require to be of so high a degree for the purposes of fortification as spirit made from potatoes. But in clause 58, which deals with imported wines, a very much inferior spirit may be used - namely, of only 30 degrees, although originally the clause was not intended to have that effect. If 45 degrees is necessary for spirits made from pure wine; 30 degrees for spirit made from potatoes must be wrong.

Question - That the words proposed to be inserted be so inserted - put. The committee divided.

19

AYES

8

NOES

Majority 11

AYES

NOES

Question so resolved in the affirmative.

Amendment agreed to.

Senator, Sir JOSIAHSYMON. (South Australia). - Before we pass from clause 57 it may be well to emphasize the position in which the Bill will place the Australian wine-growers if clause 58 is left as it stands.

Senator O'Connor. - I think the amendment just carried will make it necessary to amend clause 58.

Senator Sir JOSIAH SYMON

- In order that clause 58 may be reconciled with clause 57, there ought to be introduced some such words as " pure wine spirit of at least 50 per cent."

Clause, as amended, agreed to.

Clause 58 -

No Australian wine shall be fortified under this Act so as to contain more than 35 per centum of proof spirit nor with any other spirit than pure wine spirit.

Penalty : £20.

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Senator O'CONNOR

- The amendment which has just been carried will make it necessary to have some alteration in this clause. As I said a little while ago, according to my reading of the clause as it stands, pure wine spirit means spirit made from wine of a strength of at least between 40 and 50 per cent, and if that meaning were attached to it, it would be either in direct contradiction of clause 57, or it would put the Australian wine-grower in a very disadvantageous position. I do not think any of us want that. My objection to the amendment which has been carried rested simply on the ground that it appeared to me the Australian wine-grower was fully protected under clause 58. Since that amendment has been carried it is necessary to amend clause 58. If it is made quite clear that wine spirit simply means spirit made from wine without any foreign admixture there will be no necessity to put in anything about the percentage of alcohol at all. Clause 57 would then fix the percentage of alcohol subject to the regulation and the approval of the officer. We would, therefore, put Australian wine on exactly the same footing as any other wine, with the limitation only that the wine spirit used must be at least 30 degrees above proof. I take it, it would be sufficient to speak of wine spirit, and the word "pure" might be struck out.

Senator Playford

- It would be unfortunate to leave out the word " pure."

Senator O'CONNOR

- The honorable senator will remember that this fortifying is to be done under the supervision of officers highly skilled, and they will not allow any spirit to be used unless it is approved. They have to be satisfied not only of the strength, but they must also approve of the sample of spirit to be used.

Senator Playford

- Then why strike out the word " pure "?

Senator O'CONNOR

- To leave the word " pure " in raises the difficulty I pointed out before, that "pure " spirit may be thought to mean that there shall be no deleterious admixture in it, and that cannot be got unless we have a spirit of something like 40 or 50 degrees above proof. The amendment I suggest is really consequential upon the amendment which has been made in clause 57, and is, I think, the best way to carry out the views of the committee.

Senator HIGGS

- I think there is very great danger in striking out the word "pure," and if it is struck out a very bad impression will be given to everybody. There is another way in which the Vice-President of the Executive

Council might amend the clause without running any risk whatever. That way is simply to repeat in this clause the words he has used in clause 57, and the clause would then read -
No Australian wine shall be fortified with any other spirit than pure wine spirit of at least 30 degrees above proof.

Senator Sir JOSIAH SYMON

- There is no doubt the omission of the word " pure " sounds badly to us here, and as though we were seeking to give authority for the use of impure wine spirit for fortifying wine, but that would not be the effect of it when the Bill became an Act. The word " pure " would not appear at all, and honorable senators will find that it is not referred to in other parts of the Bill. It will be found that under clause 53 we have provided that no vignerons' stills shall be used for distilling spirits from any material other than wine or lees of wine, and that is all that is intended to be given effect to under clause 58. That is to say we provide that the spirit to be used for the purpose of fortifying wine shall be made from wine, and there is really no necessity at all for the word " pure." The word "pure" was introduced manifestly with a view of neutralizing the limitation under clause 57, with which we have just dealt, and its elimination will have no such effect as appears to Senator Higgs. At the same time, I admit that the words suggested by Senator Higgs will have practically the same effect. I think the objection to Senator O'Connor's amendment to omit the word "pure" is sentimental, and I should prefer that amendment because the word is introduced quite unnecessarily, and raises an ambiguity which might give rise to great difficulty of interpretation. I admit that the use of the words " of a strength of at least 30 degrees above proof " will negative any meaning of the word " pure" beyond that which ought to be attributed to it, and it will meet the sentimental objection raised.

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Senator O'CONNOR

- I think there is a great deal in what has been said by Senator Higgs as to the necessity for inserting the words to which he has referred. The only question then remaining will be as to whether the word " pure " is to be used or not, and I think that with the addition of the words the honorable senator has suggested there can be no ambiguity in the use of the word "pure" in the clause. I do not wish to interfere with the use of that word any more than is necessary, because some importance may be attached to it. I move - That the words "of a strength of at least 30 degrees above proof " be inserted after the word " spirit," line 4.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 64 verbally amended, and agreed to.

Clause 75 -

No person shall sell spirits of a less strength than 25 degrees under proof.

Senator Sir FREDERICK SARGOOD

- I do not know how the vendor of the spirits will be able to ascertain the strength. When he buys the spirits they are not certified or guaranteed to him to be of a certain strength. I propose to insert the word " knowingly " so as to make the clause apply to a person who knowingly does what the clause is intended to provide against. The amendment will also apply to the second sub-clause dealing with the sale of any Australian wine containing more than 35 per cent, of proof spirit. I am again at a loss to understand how the vendor can be supposed to know the percentage of spirit in the wine he buys, which may be purchased in bulk or in bottle. He cannot be expected to test all the wine. I move - That the word "knowingly" be inserted before the word " sell," line . 1.

Senator O'CONNOR

- I shall strongly oppose the amendment. It seems to me that to insert such an amendment in the clause will be to destroy its value. There is nothing new in this kind of legislation, and these provisions are to be found in all the Health Acts under which, in the public interest, to secure that there shall be pure wine or pure articles of any other kind, we put the duty on the person who sells them of seeing that they are pure. He has an opportunity of finding that out, and if he does not do so he must take the responsibility. On the other hand if we could not convict a man unless we could prove that he knew the article he sold was not what it ought to be we could not convict him at all. The same principle is followed out in the Customs and Excise Acts.

Senator Sir Frederick Sargood

- I shall not press the amendment.

Amendment, by leave, withdrawn.

Clause agreed to.

Clauses 82 and 83 verbally amended and agreed to.

Clause 84 (Incorporation of part 14 of Customs Act).

Senator O'CONNOR

- I propose to omit this clause altogether. It makes the provisions of the Customs Act applicable, and as we have already made the provisions of the Excise Act applicable, it is not necessary.

Clause negatived.

Schedule 1 (Table of fees of licences to distil).

Senator Sir FREDERICK SARGOOD

- I proposed the reconsideration of schedules I. and II. in consequence of the recommittal of clause 10 on the question of licences. It is not needed now, but I might point out that the fees proposed to be charged under schedule I, are excessively high as compared with past experience in the State of Victoria. A spirit maker's licence-fee is to be £50. In Victoria it is £10. The wine spirit maker's licence fee is fixed at £25, and in Victoria it is only £10.

Senator O'Connor

- We do not want to make it too cheap.

Schedule agreed to.

Schedule 2 agreed to.

Schedule 3 (Distillation regulations).

Senator O'CONNOR

- I move-

That the following new sub-regulation be inserted to follow sub-regulation 20 of regulation

4:-

"21. The name of every fixed vessel must be painted thereon in oil colours and in conspicuous letters, and where more than one vessel is used for the same purpose, distinctive numbers in arithmetical progression, commencing with one, must also be painted thereon."

This is following out the scheme adopted under these regulations, which is intended to provide that every part of the apparatus shall be identifiable. There was an omission in the regulations which requires to be rectified in this way.

Amendment agreed to.

Regulation 30 -

Before distilling wine or beer the distiller shall give not less than forty-eight hours' notice of the time when he intends to commence to distil the wine or beer and its alcoholic strength.

Amendment (by Senator O'Connor) proposed -

That the following words be added to the regulation.: - "and if the quantity of spirits produced is less than the quantity of spirits which should have been produced the distiller shall pay the duty on the deficiency, unless such deficiency is explained to the satisfaction of the collector. "

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Senator Lt Col NEILD

- I think that as the excise officers are to live on the premises, a shorter notice will suffice. I propose, in regulation 93, to move for 24 hours' notice instead of three days' notice. I would ask Senator O'Connor to make the notice in this regulation 24 hours. It will be readily seen that where the officer is available, no good purpose will be served by requiring 48 hours' notice.

Senator O'CONNOR

- The officer will not necessarily be always on the premises. There may be one officer to several distilleries, and in the case of wine distillers' licences, there will probably be one officer to look after several premises. There cannot be any hardship in giving 48 hours' notice. The object of giving that notice is to enable the officer to so arrange his business that he will be able to be there when the operation is going on. If we do not have a notice of as long as 48 hours, the result will be that we shall have either to keep a larger number of officers, or to throw the business into a great deal of confusion. There is nothing

unusual, I understand, in requiring 48 hours' notice.

Senator Lt.-Col. NEILD (New South Wales.)---I submit that as it is not possible for the work to progress except in the presence of an officer, it is plain that if one officer has to attend to the operations of several establishments, he will have to cut out his work so as to attend in rotation.

Senator O'Connor

- He need not be there the whole time.

Senator Lt Col NEILD

-Col. NEILD. - I read the regulation to mean that he is to be there all the time. Occasions might arise when the officer would be only too glad to start away on 24 hours' notice, instead of being compelled to wait idle possibly 48 hours. Supposing that an officer has three vineyards to look after, and that he is doing nothing at the moment. He gets a notice from two or three vineyards, almost simultaneously, that he is required to start work. He cannot go to any of them for 48 hours. But if the notice were reduced from 48 hours to 24 hours, he could go to work at once practically. In any circumstances it will be needful to so arrange his work that he will take his engagements in rotation. I am grateful to Senator Sargood for pointing out to me that under clause 54 it is absolutely necessary that an officer should be present the whole time:

All operations and fortifying of wine shall be carried on in the presence of an officer.

In. order to enable the work to be done with more rapidity, I move -

That the amendment be amended by the omission of the word "forty-eight" with a view to insert in lieu thereof the word " twenty-four."

Senator O'CONNOR

- I have been reminded by the expert who is in attendance that this regulation deals with the distilling from wine and beer. It is necessary before a man begins that operation to have all other material cleared out of the way. The material used for distilling from other products will already be under the supervision of the officer. But in regard to this material he wants some time to inspect it as well as to make arrangements for his business. I am quite certain that Senator Neild has no particular reason for supposing that 24 hours is any more reasonable than 48 hours except that it naturally is more convenient to the distiller to give a shorter than a longer notice. But we have to look at the thing all round. There is the interest not only of the distiller, but of the revenue to be considered. I think, under all the circumstances, it will be very much better to adhere to what has been the practice.

Amendment to the amendment negatived.

Amendment agreed to.

Regulation 35 verbally amended, and agreed to.

Regulation 44 -

Each vat must be -

Of a capacity in the case of a general distillery of not less than 200 gallons, and. in the case of a wine distillery of not less than 80 gallons,

Erected at least 3 feet from the ground or floor,

So placed that the whole exterior surface can without inconvenience be thoroughly inspected.

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Senator Sir JOSIAH SYMON

- I wish to point out a contradiction, which is evidently a slip, between this regulation and regulation 43, which reads -

Only spirits in vats and in vessels approved by the collector shall be kept in the spirit store. When vat is referred to the reference shall include any approved vessel.

If we look at regulation 90 we find that -

A feints receiver of not less than 35 gallons capacity, and a spirit receiver of not less than 60 gallons capacity must be kept in the spirit store.

In one case the receiver is to be not less than 80, and in the other not less than 60 gallons. Paragraph (b), of regulation 44, requires consideration. I am told that a height of at least 3 feet from the ground; or floor is too much. Of course, the receiver is generally in the bond under lock and key. Unless that applies to a fixed vat or receiver it will be very inconvenient to move a full vat 3 feet above the ground. Of course, it was applicable in the old days to prevent the possibility of pipes connecting with the under part of a vat.

I suggest that the word " fixed " should be inserted before the word "vats" in that paragraph. Dealing with the contradiction, " vat " is defined to mean " any approved vessel." The word " vat " is used in regulation 44-. An approved vessel is, of course, a receiver, whatever the the nature of it may be. But in the one case there is a minimum of 50 gallons, and in the other a minimum of 60 gallons.

Senator O'CONNOR

- Senator Symon will see that regulation 44 is part of the regulations which refer to general distillation. Regulation 90 refers to vigneron's licences.

Senator Sir Josiah Symon

- It is the spirit store in both cases.

Senator O'CONNOR

- I know; but there is a difference between what is required in the spirit store in the case of a vigneron's establishment and what is required in the case of an ordinary distillery.

Senator Sir Josiah Symon

-It does not show that.

Senator O'CONNOR

- In the case of a general distillery, each vat must be of a capacity of not less than 200 gallons, and in the case of a wine distillery, of not less than 50 gallons. It seems to me that regulations 90 and 44 do not refer to the same thing. Regulation 43 reads -

Only spirits in vats and in vessels approved by the collector shall be kept in the spirit store. When vat is referred to, the reference, shall include any approved vessel.

Senator Sir Josiah Symon

- That applies to all spirit stores.

Senator O'CONNOR

- That, I take it, refers to what is kept in the spirit store.

Senator Sir Josiah Symon

- So does regulation 90.

Senator O'CONNOR

- Regulation 90 refers to a feints receiver and a spirit receiver. The honorable and learned senator will find that they refer to the vessels which are part of the distilling apparatus.

Senator Sir Josiah Symon

- But must be kept in the spirit store.

Senator O'CONNOR

- My honorable and learned friend will find that they refer to the processes which are mentioned in clause 5.

Feints receiver for the receipt of feints. These may include low wines, and are spirits requiring further distillation. All spirits received into a feints receiver are feints.

These feints are really part of the process of distillation. The other I take it refers to vats in which spirits are stored.

Senator Sir JOSIAH SYMON (South Australia). - I think Senator O'Connor will see that the distinction he draws between the provisions under the head of spirit store beginning with regulation 41, and the provisions under the head of vigneron's licences is not well founded, that the whole of the regulations apply to spirit stores applicable to both methods of distillation. The provisions under the head of spirit store in general terms apply equally to a vigneron's still. For instance, regulation 45 must be applicable to a vigneron's distillery, and so with the next one. Then the regulations beginning with 84 have reference to vigneron's licences and so on. But regulation 90 has evidently been introduced by inadvertence, because otherwise the spirit receiver - it is called a vat in other portions of the regulations - is given a minimum in one case which is larger than in the other. It will lead to difficulty of interpretation and application too. Then again my honorable and learned friend says that this refers to the process of distillation, but that is not so, because regulation 90 is exactly to the same effect as regulation 44. It provides for the nature and the capacity of the vessel which is kept in the spirit store.

Senator O'Connor

- I said it referred to vessels used in the processes of distillation - to the machinery itself.

Senator Sir JOSIAH SYMON

- JOSIAH SYMON.- Yes, of the process, but that is not defined. It says the spirit receiver, of not less than 60 gallons capacity must be kept in the spirit store. That is the only provision which at all bears comparison with regulation 44. I think that there must be some confusion about it. At any rate the distillers who have communicated with me on the subject say that it appears to them to be contradictory. Regulation 4.4 quite applies to the same kind of distilleries as is comprehended under the regulations headed vigneron's licences. It is quite clear that it refers to a wine distillery. If the capacity were reduced from 80 gallons to 60 gallons it would make the two fit in and be consistent.

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Senator O'CONNOR

- It will be necessary to leave these regulations as they are. There is- & doubt that they want a little explanation. One requires to understand something of the processes. I have just been making an inquiry and have been furnished with an explanation. Regulation 44 applies, as I have said, to the general distiller. It expressly says that each vat in a spirit store must be of a certain capacity, of not less than 200 gallons, and in the case of a wine distillery of not less than 80 gallons. That is a receptacle for the purpose of storing spirits. They are to be kept in that spirit store. In the spirit store in an ordinary distillery, the feints receiver is not kept, but it is provided in the case of a vigneron's premises he must keep the feints receiver and the spirit receiver in his spirit store. The feints receiver and spirit receiver are parts of the machinery, but they are parts of machinery which must be kept in the vigneron's store.

Regulation agreed to.

Regulation 58 -

The spirits must be put into imperial or reputed quart, or pint bottles, or flasks, and must, if not immediately removed from the distillery, be packed in cases containing one or more dozen imperial or reputed quart bottles or flasks, the bottles in each case to be of uniform size.

Amendment (by Senator O'Connor) agreed to-

That after the word " quart," line 5, the words " or pint " be inserted.

Regulation 59 -

Every case must have branded or painted thereon the name of the distiller, or the name of the distillery, and the place where the spirits were distilled, and any number or letter which the collector shall direct, and, if so prescribed, the materials of which the spirits have been made.

Senator WALKER

- I had hoped that the Vice-President of the Executive Council would say what he proposed to do with regard to regulations 59 and 60. I drew attention to the subject last week. I am desirous to call attention to the fact that the same information should be given in regard to the name of the distillery and the place of distillation in the case of imported spirit as in the case of locally-made spirit.

Senator O'Connor

- That can hardly be dealt with under this Bill.

Senator Lt Col NEILD

- In order to test the question I move -

That all the words after "direct," line 5, be omitted.

I have no objection to the branding, painting, and all that sort of thing, but I do not see that the Australian made article should be subject to a disadvantage as compared with the imported article in respect of these matters.

Senator O'CONNOR

- The point is one which I do not think is worth talking about. It does not matter one way or the other. I will take the sense of the committee upon it, but I do not accept the amendment.

Amendment agreed to.

Regulation 60, consequentially amended.

Regulation 80 -

Spirits in a spirit warehouse may, on surrender of the warehousing certificate, be entered for home consumption or for export or for removal, as in the case of warehoused goods under the Customs Act 1901, and so that the removal may be to the spirit warehouse in another distillery, and the spirits in such last-mentioned warehouse shall be subject to the same conditions as if originally warehoused therein.

Senator O'CONNOR

- I move-

That after the word " to," line 6, the following words be inserted: - "a warehouse licensed under the Customs Act or to." I want it to be made clear that the removal may be either to the Customs warehouse or the spirit warehouse. It was not quite clear before. Amendment agreed to. Regulation 87 - Vignerons' licences shall not be granted in respect of stills of a capacity of less than 50 gallons, or which are not capable of exhausting 20 gallons of wine per hour.

Senator Major GOULD

- I think 50 gallons is the largest sized still used by vignerons in New South Wales, and in some cases the stills are smaller. It would be a fair thing to reduce the size of these stills to 35 gallons. That would necessitate a further amendment reducing the exhaustion capacity from 20 gallons to 15, which would maintain the existing proportions. This is a concession which might fairly be granted in respect of the vine-growers who either have licences or require to have them. In some States vineyards are not contiguous to one another, and it is not an easy thing to arrange for a still to be used in combination by two or three vignerons. I move -

That the word "fifty," line 2, be omitted, with a view to insert in lieu thereof " thirty -five. "

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Senator O'CONNOR

- I cannot accept this amendment. The limit of 50 gallons has been fixed as the lowest to which it is thought wise to allow the operations of the vignerons to go. Though it is true that there are some cases in New South Wales where there are stills of a smaller capacity already licensed, yet it has to be remembered that they are not to be interfered with. Clauses 24 and 25 of this Bill provide that nothing is to prevent the granting of licences to such stills as before, but it is unwise to multiply small stills, in which it is difficult to produce good spirit. Their multiplication makes the task of inspection greater, and also makes it more difficult to collect duty.

Senator Major GOULD(New South Wales). - -Under clause 53 it is provided that no still shall be used for distilling spirits from material other than wine or the lees of wine, and that the spirits made by vignerons can only be used to fortify Australian wines as may be prescribed. So that there is no possibility as far as that clause is concerned of these stills being used in any other way than for the purpose of fortifying Australian wines. Very often it is not possible, owing to the distance of a vineyard from another vineyard, for a vigneron to dispose of his surplus spirit. Therefore it is a fair thing to reduce the size of a still.

Senator O'CONNOR

- There is no hardship whatever on the owner of a vineyard, because a vigneron who makes more spirit than he needs can sell it to his neighbours. He will consider before he gets his licence whether it is worth his while to get a licence or not, and whether, if he makes more spirit than he needs, he will be able to sell it. Considering that vested interests are protected by the Bill there is no need to pass the amendment.

Amendment negatived.

Regulation 88 -

Before a vigneron's licence shall be granted or renewed, there must be erected upon the premises a spirit store, which must -

Be a building of stone, brick, concrete, or other approved material. (/) Have its windows secured with iron bars, and covered with close wire netting.

Have its door strongly constructed, sheeted on the inside with iron, and provided by the distiller with an approved lock, the key of which shall be kept by him, and with a lock supplied by the collector, at the expense of the distiller, the key of which shall be kept by the officer.

Senator WALKER

- I propose to read to the committee the remarks of the New South Wales Wine Association with reference to this regulation. I do not see my way to propose an amendment, but perhaps the Vice-President of the Executive Council will be able to meet their views. They say -

In addition to the extra cost entailed by having to obtain larger stills, the erection of a building to comply with the provisions of the Act will also tend to increase the hardship of our growers, who under the Act in force in this State, have had a limit placed upon the capacity of their stills which will have to be put aside as useless to their business if the proposed Act is passed. This will entail great loss to them, seeing that no provision is made for compensation. In addition those growers, who have been fortifying their wines

and have gathered a business connexion, will have to start again and will be unable to compete against the neighbouring States.

In New South Wales the distilleries are apparently smaller than in Victoria, and it will be a serious matter for the owners to have to 'comply with the regulations. They complain that the expense will be out of proportion to the present requirements.

Senator O'CONNOR

- The answer to the honorable senator is that it is provided in clause 24 that -

Nothing in this Act shall prohibit a licence from being issued to any present licensee, or in respect of any premises, still, or other plant, lawfully in use for distilling at the commencement of this Act.

Then clause 25 provides that where any premises in respect of which any licence to distil is in force under any State Act are not in accordance with the prescribed conditions if anything occurs which renders it necessary for some of the conditions to be complied with, the collector may fix a time, not less than three months, within which the distiller must comply.

Senator Walker

- The honorable and learned, senator does not anticipate any difficulty?

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Senator O'CONNOR

- No ; things will go on where licences have been granted just as they had been going on before.

Senate: Lt.-Col. NEILD (New South Wales). - I should like the words, "or as may be prescribed " to be inserted at the end of regulation S8. It is pointed out by the Wine Growers' Association that casks want continual attention. If the officer is away, and the owner cannot obtain access to his casks, a leakage may go on. I move -

That the words "as may be prescribed" be added to the regulation.

Senator O'CONNOR

- If the honorable senator will look at the definition of the word " officer," he will find that it is defined to mean the officer of Customs, and in regard to vigneron's licences, the matter with which we are dealing now, it is defined also to mean " any person authorized by the collector," so that the collector might authorize the proprietor himself.

Senator Lt Col Neild

- That will cover it.

Amendment, by leave, withdrawn.

Regulation 90 -

A feints receiver of not less than 35 gallons capacity, and a spirit receiver of not less than 60 gallons capacity must be kept in a spirit store.

Senator WALKER

- Representing the views of the New South Wales Wine Association, I desire to say that they are of opinion that; -

This clause is not applicable to the bulk of the vigneron's in this State, and owing to the exigencies of the climate, capacity of the stills, smallness of area of the vineyards and distances' apart, taking the Hunter River district and further north, there is in good seasons very little necessity to use a still. In wet seasons, however, growers are compelled to put a large quantity through the still.

The question is whether the Vice-President of the Executive Council can see his way to modify this regulation to meet the views expressed.

Senator O'Connor

- I think the request is too strong even for the honorable senator.

Regulation agreed to.

Regulation 93 -

Every vigneron shall give to the collector at least threedays' notice of the day and hour when he intends to commence distilling.

Senator Lt Col NEILD

- We have already dealt with this matter of notice in a new regulation agreed to on the motion of the Vice-President of the Executive Council, and I wish to bring this regulation on all fours with that already adopted. I move -

That the words " three days, " line 2, be omitted, with a view to insert in lieu thereof the words " forty-eight hours."

I would point out also that it might be as well to provide for notice where there is an intention to fortify the wine.

Senator O'CONNOR

- The honorable senator's only object, I am sure, is to bring these two regulations into conformity, and I would point out that regulations 30 and 93 deal with entirely different things. Regulation 30 has reference to the working of an ordinary distillery, which may be a general distillery, or a distillery where spirits are distilled from wine or beer ; and, as I have pointed out, it is necessary to get notice in such a case, for one reason amongst others, that it may be seen that all other material is cleared out of the way, and the inspection of the apparatus may be thorough before distillation is begun. An inspector there is always on the premises, and that may properly limit the period of notice required. Under regulation 93 the honorable senator will see that we are dealing with vignerons' stills, and with cases where the officer will not always be on the premises; and the longer term of notice is therefore properly required.

Senator Lt.-ColNEILD (New South Wales). - From the representations made to me, and which I am bound to express here, it is felt that this three days' notice may be a distinct hardship and fettering of the operations of the persons interested. I am only seeking to reduce the time by 24 hours, and the Minister has already explained that the operations under regulation 30 are very much more elaborate than are required merely for wine distillation. I hope the honorable and learned senator will not require me to divide the committee upon the amendment, but will accept it with his usual courtesy.

Senator O'Connor

- I shall give the honorable senator every possible courtesy, but I am afraid I cannot accept his amendment.

Senator WALKER

- I am sorry the Vice-President of the Executive Council cannot see his way to agree to the amendment. If at least two days' notice were provided for, it is possible that a longer notice might often be given.

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Senator O'CONNOR

- It might be taken that the minimum amount of notice is the notice that would be given. I do not see any hardship in the regulation.

Question - that the words proposed to be omitted stand part of the regulation - put.

The committee divided.

18

AYES

6

NOES

Majority 12

AYES

NOES

Question so resolved in the affirmative.

Amendment negatived.

Regulations 95 and 96 verbally amended and agreed to.

Schedule, as amended, agreed to.

Senator O'CONNOR

- I move-

That the following new clause be inserted to follow clause 10 : -

Stills may be used for any purpose other than the distillation of spirits if the owner has - (i.) Given written notice to the collector for the State in which the still is used or is intended to be used specifying -

The size or capacity of the still ; (b) The purpose for which the still is used or intended to be used ;

The place where the still is to be used or intended to be used. (ii.) Given security to the collector in such sum as the collector requires not exceeding £100 that the still shall not be used for distilling spirits.

Persons lawfully using stills at the commencement of this Act for any purpose other than the distillation of spirits, shall be allowed a period of two months after the commencement of this Act, to comply with the

requirements of this section.

Any still used in contravention of this section shall be an illicit still.

This clause makes provision for the carrying on of distillation for manufacturing purposes. As I pointed out before, all we can do in reference to that kind of distillation is to see that there is such an inspection, and such a power of control over the erection of these stills in the first instance, as to insure that they shall not be used for the purpose of defrauding the revenue. The manner in which that will be dealt with is provided for in the clause.

Senator Major Gould

- There will be no special size or capacity of stills required.

Senator O'CONNOR

- All that the Government wish to know practically is, where the still shall be put up, and to have a register of it, that they may be able to inspect it if they want to.

New clause agreed to.

Bill reported with further amendments.

EXCISE BILL

Bill received from the House of Representatives, and (on motion by Senator O'Connor) read a first time.

BEER EXCISE BILL

Motion (by Senator O'Connor) agreed to-

That the Bill be recommitted for the consideration of clauses 5, 7, 14, 19, 27a, 67, schedule3, and two new clauses.

In Committee :

Clause 5 (Definitions).

Senator Sir FREDERICK SARGOOD

- I gave notice of an amendment to make the definition of the word " officer " correspond with the definition of the word in the Customs Bill, but if Senator O'Connor will inform me that it is not needed I shall not move it.

Senator O'Connor

- It is not wanted.

Clause agreed to.

Clause 7 -

This Act is an Act relating to the Customs within the meaning of the Customs Act 1901.

Vice-President Executive Council

Senator O'CONNOR

. - I ask the committee to make an amendment in this clause similar to the one that was made in a clause of the Distillation Bill. I propose to make certain sections of the Excise Act applicable, and I undertake not to allow the Bill to go from the control of the Senate until it has had a full opportunity of considering the provisions of the Excise Bill. I move -

That the words "This Act is an Act relating to the Customs within the meaning of the Customs " be omitted, with a view to insert in lieu thereof the words "Parts 2, 8, 9, 10, 11, 12. 13, and 14of the Excise."

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Senator PULSFORD

- I desire to formally enter my protest, as I did in regard to the other Bill, against the incorporation of provisions of a Bill which has not yet been considered by the Chamber.

Amendmentagreed to.

Amendment (by Senator O'Connor) agreed to -

That the following words be added to the clause : - " shall except so far as inconsistent with this Act be incorporated and read as one with this Act."

Clause, as amended, agreed to.

Clause 14 (How security given) verbally amended, and agreed to.

Clause 19 amended (on motion by Senator O'Connor) and agreed to, as follows : -

Licences may be transferred, with the written permission of the collector, on security being given by the transferee, and may be cancelled by the Minister by Gazette notice if the licensee is convicted of any offence against this Act.

Clause 27a (Transfer of beer to another brewery or delivery store).

Senator O'CONNOR

- I move-

That the clause be amended by the addition of the following paragraph: - "No brewer shall have more than one delivery store in connexion with any brewery."

The object of the amendment is to make it clear that there shall not be more than one delivery store in connexion with each brewery. Otherwise, as the Bill stands after the amendment carried on the motion of Senator Dobson, it would be possible for a brewer to have half-a-dozen delivery stores in different places, which was never intended. It would multiply the work of the officers, and render easy the escape of payment of duty. I propose the insertion of these words, as a fair limitation of the amendment carried at the instance of Senator Dobson.

Senator DOBSON

- Some of the persons interested thought that the clause might create some hardship ; but I hardly think so. I quite agree with Senator O'Connor that if a brewer were allowed to have more than one delivery store as well as a brewery it would add to the keeping of accounts, and increase the expenses of the department. I think that if one delivery store is allowed to each brewery it will meet the case fairly.

Senator PULSFORD

- It is possible that this amendment may be objected to by the brewers. I cannot state of my own knowledge that they can offer any solid ground of objection ; but it seems rather an important amendment to make without giving any notice, and when it has practically become impossible for the trade to give us any information on the subject. I would suggest to Senator O'Connor that the third reading of the Bill be allowed to stand over until next week, so that if it is found that there is any solid objection to the amendment it may be considered.

Senator O'Connor

- There cannot possibly be an objection to it.

Senator PULSFORD

- I cannot, of my own knowledge, indicate that there can be any objection to it, but it seems an important amendment to propose before anybody has had any time to consider it.

Senator O'Connor

- It is in furtherance of an amendment already carried.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 67 (Incorporation of part 14 of Customs Act).

Senator O'CONNOR

- As it is intended to apply the provisions of the Excise Act, this clause is not necessary.

Clause negatived.

Third schedule consequentially amended and agreed to.

Senator O'CONNOR

- I have no new clause to submit. The committee agreed to an amendment in clause 7 which did away with the necessity of the new clause which I had intended to move.

Senator Sir FREDERICK SARGOOD

- I move -

That the following new clause be inserted to follow clause 18 : - "The collector may at anytime require any brewer to give fresh security and fresh security shall be given accordingly and in default the licence may be cancelled by the Minister by Gazette notice. "

Clause 18 provides that a new security may be required in the case of a renewal of the licence, but there is no provision as there is in the case of the Excise Bill to require the manufacturer to give a new security of any kind. Occasionally it is found that the old security is not satisfactory, and it ought to be possible to secure a fresh security.

Senator O'Connor

- I have no objection to the amendment.

New clause agreed to.

Bill reported with amendments.

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21:55:00

Senate adjourned at 9.55 p.m.