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1901-07-30

House of Representatives.

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

PETITIONS

Mr. THOMSON presented a petition from the Council of Churches in New South Wales against the encouragement of racing lotteries and other forms of gambling by the transmission of postal matter through the post-office.

Petition received and read.

Mr. B. EDWARDS presented a petition from the citizens of firms and companies carrying on business in Queensland in favour of the exclusion of carriage by sea from the operation of the Inter-State Commission Bill.

Petition received and read.

Mr KNOX

- I beg to present a petition from the Council of Churches in Victoria praying that clauses which prohibit the use of the post-office for the transmission of letters relating to illegal lotteries should have the support of the House. I move -

That the petition be received and read.

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Mr WATSON

- May I ask you, sir, to put the question in parts 1 I think that honorable members should have an opportunity to prevent, if possible, waste of time by the reading of petitions, the substance of which has already been read to the House. In any case it is a mere perfunctory way of getting at a knowledge of the contents of petitions to hear them read by the Clerk. If we are going to have every petition read it will involve a waste of time, and I would like an opportunity of voting against such a course.

Mr SPEAKER

- It will be quite competent, if the House desires it, for the questions to be put separately, and I will therefore adopt that course.

Petition received.

Question - that the petition be read - resolved in the negative.

Mr. KNOX presented a similar petition from the elders of the Presbyterian Church of Victoria,

Petition received.

Sir MALCOLM McEACHARN presented a petition from 160 manufacturers - members of the Employers' Union of Victoria - praying that the provisions of the Inter-State Commission Bill relating to common carriers be amended, so as to exclude all common carriers other than the State railways from the operation of the Bill.

Petition received.

SPECIAL ADJOURNMENT

Mr KIRWAN

- I would ask the Treasurer whether there is any truth in the statement lately published in the Melbourne press to the effect that it is likely that the Ministry will shortly propose an adjournment of Parliament for a fortnight.

Treasurer

Sir GEORGE TURNER

- I regret that the Prime Minister is not here to answer the question, but, as far as I know, there is no such intention.

Honorable Members. - Hear, hear.

ORDER OF BUSINESS

Sir William McMillan

- I would like to ask the Treasurer a question with regard to the business on the paper. I understand that it is intended that the Customs Bill shall be completed, and that after that the Minister representing the Postmaster-General will move the second reading of the Post and Telegraph Bill. What I would like to point out is, that we shall then have three first-class measures at the second reading stage on our

business paper, and that each of them will probably be debated considerably at that stage. I think it would be well if the Ministry would decide in what order these Bills are to be taken, so that we may know what we are doing. I do not know whether any honorable members are preternaturally clever, but it seems to me. to be impossible to come down to the House with notes prepared in respect to these three measures without knowing which of the three is to be taken. I would suggest that we should take one measure and go through with it, and then proceed to discuss the others in their turn.

Sir GEORGE TURNER

- I quite agree with the honorable member for Wentworth that, as far as is possible, we should confine our attention to one Bill at a time ; but honorable members will realize that at the commencement of a session, and more especially at the commencement of the first session of a Parliament, it is sometimes difficult to carry out that practice. I will ask the leader of the Government on the adjournment of the House to make a statement as to the order of business, in order that members may be informed as to when Bills are likely to be taken, so that they maybe prepared to discuss them at the proper time. I think it will probably be proposed to complete the Customs Bill, and to proceed with the Excise on Beer Bill, as it is necessary to press on with these measures before we introduce the Tariff and deal with that important question.

Sir Edward Braddon

- Will honorable Ministers finish these Bills before they deal with the Defence Bill again?

Sir GEORGE TURNER

- Not necessarily ; but the second reading speeches will be made upon the Bills referred to, and if honorable members are prepared to debate the Bills at once they may do so. Usually, however, honorable members desire an adjournment for a day or two in order that they may consider a Bill in the light of the speech made by the Minister.

Sir WILLIAM McMILLAN

- There are three important Bills on the business paper - the Inter-State Commission Bill, the Defence Bill, and the Post and Telegraph Bill - and I think we ought to be told in what order these are to be taken, so that those who desire to speak on the second readings may have an opportunity of preparing themselves to take part in the debates.

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Sir GEORGE TURNER

- I quite agree with my honorable friend.

CUSTOMS BILL

Resolution authorizing expenditure under the Bill agreed to.

STATE LAWS AND RECORDS

RECOGNITION BILL.

Bill read a third time.

CUSTOMS BILL

In Committee(consideration resumed from 25th July, vide page 3,094). - Recommittal.

Clause 159a -

If the Parliament of the State of Western Australia in exercise of the power conferred by the Constitution imposes duties of customs on goods passing into that State and not originally imported from beyond the limits of the Commonwealth, then whilst such duties are so imposed drawback may be allowed in the State in which import duty has been paid and on any such goods as if exported.

Clause verbally amended.

Mr PIESSE

- I move-

That the following sub-clause be added : -

During the continuance in operation of section 05 of the Constitution Act, drawbacks of duty may be allowed to such extent and in such manner as may be prescribed, in respect to goods manufactured in the Commonwealth, in the manufacture of which materials have been used, upon which materials duty has been paid, when such goods are transported from any part of the Commonwealth to the State of Western Australia.

This new clause attempts to deal more explicitly, than I think the clause at present deals, with the

question of trade between the States, in respect of goods manufactured in the States, part of which goods is composed of material that had paid, or will pay, customs duty. I consider that clause 159 a will hardly sufficiently meet the necessities of the case, and, in order to make the intention perfectly clear, I propose to add the new subclause. I wish to draw honorable members' attention to the importance of this clause as gauged by the extent of the trade which is to some degree covered by this clause. I do not pretend to have gone into the matter thoroughly, but in a cursory glance at some figures relating to the imports into Western Australia from the other States, and these, I may say, are not the latest figures - I find that that State imports from the other States £23,124 worth out of a total import of £31,300 worth of confectionery, on which the duty is 4d. per lb. Nearly one-third of the import of boots and shoes into Western Australia comes from the other States, namely, £30,703 worth, the duty amounting to 15 per cent. Of bottled fruit, including preserved fruit, practically all the imports into Western Australia come from the sister States, the value of the imports being £27,637, and the duty 15 per cent. In the case of dried fruits we have the same position, about £15,000 worth out of a total imports of £18, 000 worth being imported from the other States, and the duty being 2d., 3d., and 4d. per lb. Of carriages £16, 7 20 worth, out of a total importation of £21,000 worth is from the other States, while of furniture and upholstery £37,000 worth, out of a total importation of £68,000 worth, is also from the sister States. The duty on furniture and upholstery is 15 per cent. Of jams and jellies, £45,000 worth, out of a total importation of £52,000 worth, is from the other States, while the importation of sauces represents £5,638. Taken altogether there is over £200,000 worth of goods imported from the other States, all of which goods will come under the clause now before the committee. These are articles in the manufacture of which there have been used materials subject to duty in the past and very likely to be subject to duty in the future.

Sir George Turner

- Materials imported from outside the Commonwealth?

Mr PIESSE

- Yes.

Mr Kingston

- And which cannot be specially taxed.

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Mr PIESSE

- Taking the first item of confectionery, the sugar may be imported from outside the Commonwealth. In . relation to boots and shoes, American leather is imported, made into superior kinds of goods, and exported from New South Wales, and, I presume, from Victoria to Western Australia. Of course, bottled fruits contain sugar, as do also, perhaps, dried fruits. Certainly the material used in the construction of some carriages comes from abroad, and the same may be said in regard to furniture and upholstery, while sugar again comes in in connexion with jams and jellies. What we want to provide for is that when the uniform Tariff comes into operation there shall be no question as to the power of the Minister to allow a drawback. That is left to the Minister's discretion, and we do not ask him to fix the drawback now ; but there should be no question as to the power of the Minister to allow what is fair, in order to put the manufacturers of the several States on a just footing in competition with manufacturers outside the States. If this drawback is not allowed it is quite possible, taking confectionery or jams and jellies, which represent a very large item, that manufacturers in the United Kingdom will have an advantage over the manufacturers of Australia, because the latter, unless some such provision is made, will be subject to excise duty or customs duty on sugar, and will also be subject in Western Australia to the Tariff which that State will be able to levy on such goods as are manufactured in the Commonwealth. A duty of 4d. per lb. on confectionery means a considerable difference to manufacturers, if they are not allowed some compensation in the way of drawback as suggested. I have every confidence in asking the committee to favorably consider the proposal to add the new sub-clause.

Mr. G.B. EDWARDS (South Sydney).I thank the honorable member for Tasmania (Mr. Piesse) for having suggested this new sub-clause, which, in my opinion, meets the case which we have been discussing for so many hours.

Mr Page

- Is the honorable member going to give us more jam 1

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Mr G B EDWARDS

- I am endeavouring to assist in preventing the trade of the States, in several instances, wandering abroad. The effect of the new sub-clause will be, I believe, to remove the objection which several of us have had to the provisions of the Government for regulating drawbacks. Western Australia has been introduced into the matter, because it was felt that she should have power to keep up her revenue during a certain interval of time by taxing certain commodities imported from the other States. Otherwise the revenue would not be sufficient for her needs. While we are all prepared and willing to accept that provision in the Constitution Act, we do not see any reason why the trade which the other States have done previously with Western Australia should be stamped out on account of a section of the Constitution which has the object of assisting that particular State. I have been twitted in committee, and outside the House, with a reversal of my fiscal opinions in contending that we ought to give this measure of protection to the manufacturers of those States which export to Western Australia. But there is no reversion of political principle or of fiscal principle. The protection I ask for is protection in the direction of free-trade. If the whole thing were free - if we had absolute free-trade with Western Australia - the point would not arise. What we are contending for is the nearest way to reach free-trade with Western Australia.

Unfortunately, the circumstances under which we had to adopt the Constitution delayed the consummation of free-trade with Western Australia for a period of five years. I have contended all through the debate upon this question that it is certainly in the interests of the Commonwealth that Ministers should consent to this provision, under the operation of which our present trade with Western Australia may be saved from utter destruction. Section 93 of the Constitution provides -

During the first five years after the imposition of uniform duties of customs, and thereafter until the Parliament otherwise provides -

The duties of customs chargeable on - goods imported into a State and afterwards passing into another State for consumption, and the duties of excise paid on goods produced or manufactured in a State and afterwards passing into another State for consumption, should be taken to have been collected not in the former but in the latter State.

Some have objected to the proposal which I am seeking to introduce on the ground that, under the operation of that section of the Constitution, if any goods paid duty, say, in the State of Victoria, and were exported to Western Australia, the duty paid in Victoria would be credited to the State of Western Australia. That is so. But what we are contending for is not at all affected by that provision. We are not asking for a drawback on goods which are to be exported in the same condition as they were when they were imported. We are simply asking that in the case of certain raw materials which, when mixed with other raw materials into a manufacture, are exported to Western Australia, the manufacturers should get drawback upon those materials. I do not think that section 96 of the Constitution Act would give rise to any trouble at all in regard to the financial relations of the Commonwealth with Western Australia. But, on the other hand, the provision proposed would give a measure of relief to a number of manufacturers in the various States, whose industries might otherwise be stamped out. I know that the impression is abroad that I am playing off my own bat, as the saying is. I can assure the committee, however, that I do not export a single case of jam to Western Australia, nor am I likely to do so. But there are very many articles in soft goods manufactured in Victoria, and in leather goods which are manufactured partly out of imported leather, and a number of small items of ironware which are worked up into manufactured articles and exported, which would be injuriously affected by the Bill in its present form. The Bill does not affect jam half so much, probably, as it will affect confectionery. But if it affected jam exclusively, I hold that the principle at issue is so sound that this committee ought, if possible, to get it embodied in the Bill, so that our manufacturers may continue their trade with Western Australia instead of seeing that trade pass away, as it otherwise undoubtedly will, to the United States, Germany, and other countries. When we did finally get relief from the operation of this clause, so much of this trade would have passed away from us that the manufacturers in the other States would never get it back. I hope the Minister will recognise that there is something vital in the principle underlying the provision which we desire to see inserted. I know that the subject has been one of considerable difficulty. But I believe that we have now fairly thrashed the matter out, and I think that unless the Minister can show that there is some insuperable obstacle in the way, he ought to give way and allow of the insertion of the provision proposed, which confers only a fair measure of justice upon manufacturers in these States.

Mr.KINGSTON. - I want to bring the attention of the committee, if I possibly can, to exactly what is proposed, irrespective of the question of the amount of trade done between the other States and Western Australia. It is a question of principle. It is a question of whether it is right to concede what is asked for or not. What we have provided for already is this : that so far as Western Australia is constituted a foreign country by reason of her special right of taxation of Australian goods, and so far as she exercises that right, then, to prevent double taxation, drawback shall be allowed. But what is proposed here ? So far as I can make out, it is a proposal to give in respect of goods which are transported to Western Australia, whether they pay a special duty or not-

Mr PIESSE

- Oh, no, no !

Mr KINGSTON

- There is nothing to prevent it.

Mr Piesse

- The clause says, " to such an extent and in such manner as may be prescribed."

Mr KINGSTON

- I know what the result would be if the Minister had power to do it. By all means let us give him the power that he ought to have. But if we give him power which he ought not to have, pressure will be brought to bear to make him exercise that power in a way in which he should not. If we pass this clause in the way in which it is proposed, would it not be quite possible for the Minister to allow of drawback in respect of goods transported to Western Australia, irrespective of whether or not they were subject to special taxation in Western Australia?

Mr Piesse

- No more than it would under the Minister's own clause No. 159a.

Mr KINGSTON

- Not at all. What do we want to insert this provision for, if we have already provided for it ?

Mr Piesse

- We have not made it clear enough.

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Mr KINGSTON

- I have made it just as clear as it ought to be. We have provided in clause 159a that in respect of goods regarding, which Western Australia has a special power of taxation, so far as she exercises that power, there shall be a special power of drawback. But here it is proposed that, irrespective of anything of that sort, there shall be power to allow drawback on the transport of goods from any part of the Commonwealth to Western Australia almost at the sweet will and pleasure of the Minister, subject to the right of prescription. I say that ought not to be so. The test of the right to drawback ought to be, " Are these goods the subject of special taxation in Western Australia"? If they are, well and good. I would put it to the honorable and learned member for Tasmania that if they are, not subject to special taxation in Western Australia, it would be just as fair to provide for a power of drawback upon the transport of goods to Geelong, Hobart, or anywhere else. As I have already said, the test of the right to drawback ought to be the question whether or not the goods are subject to special taxation in Western Australia. The long and the short of it is that some people see - and rightly enough - that if the Tariff is reduced and they have cleared goods at the higher duty, they will not be in such a good position to compete with others as if they had imported at the lower duty. But how are we to meet that? We cannot meet it as they do in some places, where it is simply a question of giving time for the clearance of old stocks. We want Inter-State free-trade at the earliest possible moment. What we are giving to those who have goods in the Commonwealth at the time of the imposition of uniform duties is the right to transport from one part of the Commonwealth to another without the payment of duty. That is where the right to drawback comes in. There is another instance in which the right comes in where goods are made subject to special taxation in Western Australia, and we have provided by clause 159a that where they are made subject to special taxation they shall have a special right to drawback. Cause 159 provides that drawbacks of import duty may be allowed on exportation in respect to goods other than those specified to such amount, and in such a manner as may be prescribed. Under a provision of that sort the drawback officers are entitled, when goods are composed of various ingredients, to look into the question of their composition and see

as regards those ingredients that have paid duty that drawback is allowed. That clause gives the fullest power to do what is fair and right under the circumstances. The drawback may be allowed on sugar in jam, which is generally about one-half the quantity; or if it were a question of goods imported from abroad and re-exported, we would allow the drawback of the duty on the raw material imported.

Sir Malcolm McEacharn

- Is not that blocked by clause 159a.

Mr KINGSTON

- No.

Sir Malcolm McEacharn

- The clause refers to goods "not originally imported."

Mr KINGSTON

- Clause 159 provides the general power under which we can act in respect of these goods. It is not "on the goods" but "in respect to goods" that drawback may be allowed to such amount and in such manner as may be prescribed. It will therefore be seen that the power is not blocked by this clause. The trouble so far as clause 159 is concerned is that "transport" to

Western Australia would not be export within the ordinary meaning of the term, because it is simply a transfer of the goods from one part of the Commonwealth to another. It was at the suggestion of the Treasurer that I provided a clause of this description in order to meet the special case of Western Australia. We have declared that as regards these goods - and they must be Australian goods, because Western Australia has a special power of taxation only in regard to Australian goods - so far as she exercises her power in respect of them and taxes them, then such goods, when sent to Western Australia, shall be deemed to be exported, and drawback may be allowed.

Mr G B EDWARDS

- How could we have duty paid on Australian goods?

Mr KINGSTON

- It only occurs in a very few cases. There is the case of Queensland sugar, for instance.

Mr A McLEAN

- Does the clause cover the case of goods - such as carriages - manufactured here from imported material upon which duty has been paid.

Mr KINGSTON

- Imported from abroad?

Mr A McLEAN

- Yes, but manufactured here.

Mr KINGSTON

- No, and it ought not to do so. If we are going to allow the drawback of import duty on transport from one part of the Commonwealth to another, where no duty is paid, where shall we be?

Mr A McLEAN

- I see the point.

Sir Malcolm McEacharn

- Supposing a duty is charged in Western Australia?

Mr KINGSTON

- But they have not the right to do that. The Commonwealth uniform Tariff comes into force, and, so far as imported goods are concerned, admission into any part of the Commonwealth is admission to all; subject to the provision that as regards Australian goods - I am using the term generally; the words in the clause are "not originally imported" - Western Australia may indulge in special taxation. Where she does, in regard to Australian goods, there we give the right to drawback. When the goods pass from one State to another, accounts are kept between the States, and each is credited with its own consumption.

Mr Thomson

- There will be no difference in effect in regard to that matter.

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Mr KINGSTON

- The great question which I shall ask honorable members to consider concerns drawback in respect of import duty on goods from abroad. It seems to me that it is impossible to allow that. The question may be

asked - " Why not" 1 The answer is because there is no special reason for it. There is no special power of taxation, as regards any part of the Commonwealth in relation to imported goods generally. There would be just as big a case made out for allowing drawback of duty paid on transport from Melbourne to Geelong as there would be in relation to goods sent from Melbourne to Perth, because imported goods travel free. No doubt we can sympathize with those 'who have cleared at higher rates, but they have the additional advantage of larger markets. I think that, in the circumstances, honorable members will come to the conclusion that we have made sufficient provision already. Any further provision would lead to the embarrassment of the Minister in administering the measure.

Mr THOMSON

- I am afraid the Minister - and I have been following him with every intention of ascertaining what would be the exact effect of clause 159a - has not made it clear to the committee that the new sub-clause will accomplish what he appears to desire, and what, if he does desire, will be something in keeping with what is sought by the amendment proposed by the honorable member for Tasmania. We have had a considerable discussion upon the sub-clause. Clause 159a provides -

If the Parliament of the State of Western Australia, in exercise of the power conferred by the Constitution, imposes duties of customs on goods passing into that State, and not originally imported from beyond the limits of the Commonwealth - and these are the only goods on which she has power to impose special taxation - then, whilst such duties are so imposed, drawback may be allowed in the State in which import duty has been paid and on any such goods as if exported.

Now, it was asked in the previous discussion - "How can these goods be goods which are not originally imported when it is specifically stated that an import duty has been paid"? The explanation given - and that was one reason for this sub-clause - was a perfectly valid one. It was explained that goods may have been imported from one State to another before federation. For instance, duty might have been paid to the State in which they were imported and then this clause would allow them the drawback if after the establishment of the uniform Tariff the goods were imported to Western Australia and made subject to the special duty.

Mr Piesse

- Goods in hand at the time of the imposition of the uniform duties t

Mr THOMSON

- Yes.

Sir George Turner

- They might be made after the imposition of the uniform Tariff from materials imported prior to the imposition of that Tariff.

Mr THOMSON

- Even according to the interpretation of the Treasurer the manufacturers would have to obtain the material before the imposition of the uniform Tariff.

Mr Watson

- Is that the only set of cases desired to be covered by the clause ?

Mr THOMSON

- That is all which it was claimed that the clause covered, and I do not see how more can be claimed. That, I think, is the full limit of the claim that Can be sustained. The honorable member for South Sydney and the honorable member for Tasmania, Mr. Piesse, desire to go further than that. They desire to have a drawback of at any rate that portion of the duty which has been paid on the ingredients used in the manufacture.

Mr Kingston

- That will be covered by this clause.

Mr THOMSON

- Does the honorable and learned gentleman claim that this clause goes further than was argued during the previous debate on the subject ?

Mr Kingston

- It does not- refer to goods imported from abroad.

Sir George Turner

- - Can Western Australia charge on them ?

Mr THOMSON

- Of course she can. This will not affect Western Australia at all. But here is the difference. She gets full credit for the duty on everything that enters and is consumed within her borders. If Western Australia recognises goods as imported goods - we will take jams for instance - although they are manufactured within the Commonwealth, then she has no right to charge duty upon them ; but if she does not recognise them as imported goods - that is, if she ceases to regard the sugar that forms the principal ingredient in jams as an imported article, but says that it is an Australian article - she has power to impose a special duty.

Mr Kingston

- The test is this- special duties, drawback ; no special duties, no drawback.

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Mr THOMSON

- Now, the honorable and learned gentleman admits that the clause does not cover the case.

Sir George Turner

- If Western Australia, can impose a special duty there ought to be a drawback.

Mr THOMSON

- The clause does not provide for that.

Sir George Turner

- The Minister says it does.

Mr THOMSON

- If Western Australia accepts these goods as Commonwealth manufactures she has power to impose a duty. Suppose the goods were jams, and they were regarded by Western Australia as an Australian manufactured article.

Mr Watson

- The fruit may come from Tasmania and the sugar from Queensland.

Mr THOMSON

- There would be no drawback then. If the sugar is imported sugar, Western Australia may choose to regard it as Australian sugar, because otherwise she would not be able to impose any duty on an imported article. If she says - " This is Australian sugar," she has a right of taxation. Then the Minister of the exporting State would say - " This is jam, not sugar, which is manufactured here, and we have no power to allow drawback." Consequently, the manufacturer would be placed at a disadvantage as compared with foreign manufacturers. This would be a protection of the outside manufacturer. If the Australian manufacturer has to pay duty, and the foreign manufacturer has no duty to pay, that is protection in its worst form - it is the protection of the outside manufacturer against the Australian manufacturer.

Mr Mauger

- We should not go in for that.

Mr THOMSON

- I have no doubt that honorable members opposite would be as opposed to that as honorable members on the Opposition side of the Chamber. I think with the honorable member for Tasmania, Mr. Piesse, that the sub-clause now inserted by the Minister does not cover such cases at all, because the goods themselves have not been imported ; it is simply some of the ingredients of the goods that have been imported. They have changed their nature in course of manufacture, and that change of nature allows Western Australia to impose her duties.

Mr Kingston

- We shall allow draw back wherever Western Australia is allowed to impose duties.

Mr Mauger

- The honorable member for North Sydney wants drawback of the part of the goods that have been imported and have paid duty.

Mr THOMSON

- Yes ; I support the honorable members who have moved in this matter in their contention that that portion of a manufactured article which has paid taxation shall receive drawback on export. The Minister says that that can be allowed under this clause. In the previous debate it was claimed that it was only

goods that passed from one State to another prior to the imposition of uniform duties that the clause would apply to.

Mr Kingston

- Wherever Western Australia taxes there is drawback. This clause follows the Constitution in that respect.

Mr THOMSON

- The sub-clause refers to goods sent into that State and not originally imported.

Mr Kingston

- That is the only power of taxation Western Australia has.

Mr THOMSON

- Then it says that drawback may be allowed in the State in which an import duty has been paid. Must not the goods have been originally imported to have paid import duty? Is not that evidence? If you regard the goods as being the same in nature as those imported they must have been imported to have paid import duty; and if they have been imported there is not power to tax them. How can goods not originally imported have paid import duty?

Mr Kingston

- Would the honorable member allow the rebate of a foreign import duty when no additional duty is charged in Western Australia?

Sir George Turner

- The Minister says that if goods going into Western Australia are made of sugar which comes from Mauritius, Western Australia cannot impose a duty on that sugar, but if they are made from Australian sugar, Western Australia can impose a duty on them, and, therefore, drawback should be allowed.

Mr THOMSON

- I am sure the committee cannot accept such an opinion. If sugar is imported for purposes of manufacture you cannot say that the jam manufactured from it is sugar.

An Honorable Member. - Half of it is sugar.

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Mr THOMSON

- It does not matter; it is a distinctive article which is dealt with separately in every Tariff". I am certain Western Australia would do nothing of the sort. We cannot say that Western Australia would allow jam to come in free, as colonial produce, because it contained Mauritius sugar. Western Australia would not ask what sugar it contained. She would simply ask whether the jam was manufactured in the Commonwealth, and if so she would say - "We are entitled under our special provisions to charge duty." She would charge it; and she would be perfectly right in doing so. In the case of boots, for instance, she would not say - "Here is a piece of American leather in these boots; we are not going to charge duty on that American leather." What she would say would be - "Were these boots manufactured in the Commonwealth or outside of it? We will charge duty if they were manufactured within the Commonwealth." That is the position. The contention of the Right Honorable the Treasurer is that Western Australia would not charge a duty if any of the ingredients of the manufactured article had been imported, but I am sure the committee cannot accept that interpretation. When we were debating this point the other evening, it was said that the clause would apply to certain cases of imported goods, but not goods imported from abroad - to goods imported into one of the States of the Commonwealth, before the imposition of the uniform Tariff, from another State of the Commonwealth. I have used sugar as an illustration, because no doubt it will be dutiable, and the duty upon it may bear a considerable proportion to the price of the manufactured article in the case of jams and confectionery; and it is therefore a good illustration. If the sugar has been imported, and is here made into jam, Western Australia will recognise that jam as a Commonwealth manufacture, and it seems to me that there is no provision made, and that the Right Honorable the Treasurer has failed to show it, to get a drawback on that article when it is delivered to Western Australian ports. The request which has been made is a reasonable one, and one with which the Minister ought to comply. An opportunity to obtain a drawback ought to be given, and it ought to be put in some way that will make the right clear and evident, and not the reverse, as this clause makes it, by saying that it refers only to goods not originally imported from beyond the limits of the Commonwealth, and then afterwards saying that a drawback may be allowed in the State in which import

duty has been paid. Is not that contradictory - goods not originally imported, and allowance made where import duty has been paid on those goods? It cannot be. The goods are not the same when they are manufactured into a different article.

Mr Kingston

- Where would the honorable member draw the line ? When would they become different ? Suppose we import the raw material of a coat and the coat is made in Victoria, would the honorable member say they would have a right to put a special rate on the whole coat ?

Mr THOMSON

- I would say this : that it would be quite unnecessary - and the sub-clause gives the Minister every latitude - it would be quite unnecessary to allow drawbacks in cases where the amount to be withdrawn was not of any great importance.

Mr Kingston

- Would the honorable member look into the matter?

Mr THOMSON

- The Victorian Government has its drawback regulations.

Mr Kingston

- So have all the States.

Mr THOMSON

- I mean that they have very effective and extensive ones, allowing drawbacks according to a regular rule on certain goods. It is the very same question the Minister will have to decide in connexion with goods that go abroad. These goods would be in just the same position if they went abroad, and the Minister would have to make a decision as to what drawback, if any, was allowable. The clause really is intended to say that we shall treat these goods, if they are to be subject to a special duty in Western Australia, in the same way as if they were to be sent to New Zealand.

Mr Kingston

- That is what it says.

Mr THOMSON

- No, it does not provide that ; and I am sure the committee will not agree with the Minister's interpretation.

Sir WILLIAM McMILLAN

- I will just say what I imagine the clause means. It seems to me that in the first place it confines the drawback entirely to goods manufactured in the Commonwealth, and which have practically no ingredients from outside, or if they have ingredients from outside they are not of sufficient consequence to affect the question of the drawback.

Mr Kingston

- So far as there is a special tax on them.

Sir WILLIAM McMILLAN

- It seems to me that to make it clearer there should be added some such words as " where import duty has been paid on any such goods or portion of such goods." Is that understood ?

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Mr Kingston

- Yes.

Sir WILLIAM McMILLAN

- If that is understood, the clause, so far as the English of it is concerned, says - that if we have an article manufactured in the Commonwealth, then to the extent that there is any duty imposed upon that, or a portion of it, where there is a duty in Western Australia, we can get a drawback.

Mr Kingston

- Where they exercise their special power of taxation.

Sir WILLIAM McMILLAN

- But this does not seem to me a fair way of dealing with this question as a whole. It seems to me that the principle is this - that we shall not pay double duty in any part of the Commonwealth.

Mr Kingston

- That is so.

Sir WILLIAM McMILLAN

- Supposing for the sake of example we import sugar from Mauritius, and that that goes into jam manufactured in the Commonwealth. Surely if that goes to Western Australia where there is a duty on sugar too, we have a right to give a drawback upon that sugar to the exporter from the Commonwealth into Western Australia.

Mr Kingston

- Where she has a special duty in addition to the federal duty which everybody pays.

Sir WILLIAM McMILLAN

- Exactly. Then we would give the drawback.

Mr Kingston

- Yes.

Sir WILLIAM McMILLAN

- But it does not say so in this clause.

Mr Kingston

- I think so.

Sir WILLIAM McMILLAN

- Surely it does not. We know that my right honorable friend will not always be Minister of Customs, and others may have to interpret this clause. I am sure the right honorable gentleman wishes to make it as clear as possible, and it does not seem to me to imply that. I consider that so long as these duties are in existence in Western Australia in our Customs regulations she will have to be treated practically as a foreign country.

Mr Kingston

- So far as her special powers are concerned.

Sir WILLIAM McMILLAN

- Then the Minister says that so far as the principle of this clause is concerned no. double duty shall be charged.

Mr Thomson

- The clause does not provide that.

Sir WILLIAM McMILLAN

- I say so, but the Minister will not believe it. I cannot convince the right honorable gentleman. It seems that it is not clear, and surely if it is not clear to us it cannot be clear to the right honorable gentleman.

Mr Kingston

- Well, we will not admit that.

Sir WILLIAM McMILLAN

- Then the light honorable gentleman will require to make some regulations to interpret this

Mr A McLEAN

- The last speaker has pretty fully forestalled what I was going to say. I quite agree with the principle that the Minister lays down that where goods have paid duty within the Commonwealth, and are again subjected to special duty in Western Australia, there should be a drawback in respect of the original duty.

Mr Kingston

- That is right.

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Mr A McLEAN

- I am satisfied that the Minister's clause does not go the whole way. It goes to the extent of goods manufactured within the limits of the Commonwealth of Commonwealth material. No doubt the clause will cover those cases ; but suppose goods are manufactured within any State in the Commonwealth, partly of local products, and partly of imported products, which have paid duty, Western Australia would not discriminate between these, but would charge a duty on the whole as being the manufacture of another State, and therefore to the extent that a portion of the materials had paid duty the local importer would have to pay double duty ; that is quite clear. Again, take the case of jam. It would be made up partly of imported sugar, which had paid duty, and partly of colonial fruit. Western Australia would charge a duty on that as being the manufacture of another State, and therefore the whole, including the imported sugar, would be paying duty a second time, and to that extent there should be a drawback. Or take the case of a

carriage made partly of imported timber and partly of local timber. Western Australia would charge a special import duty on the carriage, and therefore the material which had been imported would doubtless be paying duty twice unless drawback were allowed in respect of that particular portion. If the Minister will give the question a little consideration he will see that he is entirely of the same opinion that we are, but believes that the whole case is covered by his clause. I am sure that he meant the clause to cover the whole case, but I feel sure that as it stands it does not.

Sir William McMillan

- Will the Minister agree to recommit the Bill for the purpose of striking out the words "not originally imported from beyond the limits of the Commonwealth" ?

Mr KINGSTON

- If that will suit honorable members, I have no objection.

Mr. PIESSE (Tasmania). - I am not quite clear that it would meet the case. Taking his own interpretation, the Minister thinks that the manufacturers ought to have this allowance only on stocks which they have in hand on the date of the uniform Tariff coming into force. I hope there is a clear understanding that we are going to cover all cases throughout the term of five years.

Mr. G.B. EDWARDS (South Sydney). - If it is understood that the Minister has promised to recommit the Bill for the purpose of striking out the words "not originally imported from beyond the limits of the Commonwealth," it will meet the whole case?

Mr Kingston

- Yes.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 165 (What are coasting vessels).

Mr KINGSTON

- I propose to ask the committee to make a verbal amendment to correct a slip. The words "beyond the limits of Australia" would exclude a Tasmanian ship from being a coaster, and therefore I wish to substitute the words "to any other port or place."

Clause verbally amended and agreed to.

Clause 213a-

No proceeding for anything done for the protection of the revenue in relation to any Tariff or Tariff alteration proposed in Parliament shall except as mentioned in the next section be commenced before the close of the session in which such Tariff or Tariff alteration is proposed.

Mr PIESSE

- It is necessary to transpose some of the clause, otherwise we certainly shall not be doing what we intend to do. Honorable members will see a reference to "the next section," but the clause which is really intended to be referred to is that which is now numbered 213b.

Mr KINGSTON

- I propose to incorporate clause 213aa in this clause. I move -

That the words "whether against an officer or otherwise" be inserted after the word "proceeding."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 213aa negatived.

Clause 213b agreed to.

Clause 230-

Proceedings by the Customs for the recovery of penalties under this Act, or for the condemnation of ships, or goods Seized as forfeited, are herein referred to as Customs prosecutions.

Mr PIESSE

- I think the words "by the Customs" are indefinite. I do not know exactly what is meant. I submit to the Minister that if he would leave out the words the clause would be as efficient.

Mr KINGSTON

- It might be, but the words are just introductory. Proceedings by the department under the Act would be referred to as Customs prosecutions. They make the clause more complete, if the honorable member does not mind.

Clause agreed to.

Clause 231a (Defendant to have right of trial in high or State court).

Mr. PIESSE(Tasmania). - In this clause the word " prosecution " is used in two senses, and in one case the word "prosecutor" should be substituted for prosecution.

Clause verbally amended, and agreed to.

Clause 239 (Defendant a competent witness).

Mr KINGSTON

- At the suggestion of the honorable member for Tasmania, Mr. Piesse, I propose to make this clause agree with clause 240, and I therefore move -

That after the word "offence," the words "or for an offence directly punishable by imprisonment" be inserted.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 249 -

All penalties and forfeitures recovered under any Customs Act shall be applied to such purposes and in such proportions as the Minister may direct.

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Mr PIESSE

- This clause was passed rather hurriedly at the close of one of our sittings, and I hardly think we were quite seised of what we had done. I think that under this provision it is altogether in the hands of the Minister for Customs to say what should be done with the fines. That might be perfectly safe in the case of the present Minister, but to invest any Minister with the uncontrolled disposition of all fines and penalties which may be recovered under this Bill, is to give a very wide power. I think that we should make the clause more consistent with the form in which it was originally introduced.

Mr Mauger

- It is no-new power.

Mr PIESSE

- Yes, it is. The Minister has distinctly stated the principles by which he would be guided in distributing the fines at his disposal, but I have heard it hinted that there was an Australian Minister who used a power of this kind in a way that could not altogether be defended.

Mr Mauger

- As I have just said, it is no new power.

Mr PIESSE

- It is in some of the States. Great objection was taken to the recognition of the right of the informer to share in the penalties, and I think we have gone to the other extreme in not directing that the Minister should pay the fines and penalties into the consolidated revenue account of the Commonwealth, rather than leave the matter as we have done.

Mr Crouch

- Would it meet the view of the honorable member if we inserted the word "departmental " before the word " purposes."

Mr PIESSE

- Some such word might be inserted. I do not suppose there is likely to be any misappropriation in the case of the present Minister, but still the provisions of the clause should be made a little more definite.

Sir WILLIAM MCMILLAN

- I think this is an important matter. I should like to know how these fines and penalties would appear in the public accounts. If the money is to be distributed according to the sweet will of the Minister, how are the appropriations to come under public notice in the public accounts. It is a good thing to lay down the rule that the whole of the fines shall be paid into the consolidated revenue. I do not know how far this provision will contravene that rule, but I think it should certainly be provided that all fines and penalties should be paid into the consolidated revenue, and appropriated afterwards as may be considered desirable. If the understanding is that that is to be done, I shall be quite satisfied.

Mr Kingston

- We should pay certain sums out of these fines and forfeitures, and the balance would go into the

consolidated revenue.

Sir WILLIAM McMILLAN

- But, could these payments be made departmentally, so that some portion of the funds would not appear in the Treasurer's account 1

Mr Kingston

- As regards a portion of them, yes.

Sir WILLIAM McMILLAN

- I forget what the arrangement generally is, but it seems to me that in a large Commonwealth - such as we are now inaugurating - a great deal of evil might crop up, if we did not very carefully safeguard this matter. At any rate there should be some means by which we should insure a publication of these appropriations regularly.

Mr Kingston

- It would be a Ministerial act.

Sir WILLIAM McMILLAN

- As I say, I do not know what the actual, result of this provision would be, but it seems to me to largely depart from ' the ordinary course adopted in dealing with the funds of the country.

Mr KINGSTON

- The usual practice is that we appropriate the fines as far as may be necessary to pay informers and account for the balance, and of course the publication of ' the rewards given to informers would hardly do.

Sir William McMillan

- Not as regards the names.

Mr KINGSTON

- The clause, in the form in which we originally introduced it, provided that one-half of the fines should be paid into the common revenue, and the other half to the seizing officer, and that if there were an informer as well as a seizing officer, one-third should be paid into the common revenue, one-third to the seizing officer, and one-third to the informer. This was very severely criticised, and the result was the passing of the clause in its present shape. ' I do not think this is a new section. In England, the section is free from the objections that were urged against the original clause. The English Act provides that -

All seizures whatsoever, which shall have been made and condemned under the Customs Act or any other Act by which seizures are authorized to be made by officers of Customs, shall be disposed of in such a manner as the Commissioner of Customs may direct.

Sir William McMillan

- It is a very unpleasant matter to deal with.

Mr KINGSTON

- Yes, it is. This provision is very similar, and I think that after we have fought the matter out three times it might now be allowed to stand.

Mr Piesse

- Would the Minister agree that a report should be made to Parliament ?

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Mr KINGSTON

- I would rather not put any such provision in, because of the special services to which these funds are to be applied.

Clause agreed to.

Clause 255 (Regulations to have force of law).

Mr. PIESSE(Tasmania).- This clause declares that the Minister may make regulations " not inconsistent with the Act." But in the interpretation clause, "this Act " includes " all regulations made thereunder So that the Minister might be put in the position of making a regulation, and thereafter not being able to make any regulation which would be inconsistent with the first one.

Mr KINGSTON

- I am sure the honorable member is always candid, and will admit that that is not the intention of the clause.

Mr Piesse

- Yes.

Mr KINGSTON

- Then that is all right, because there is a provision in the Bill that the definitions in the interpretation clause shall stand "except where otherwise clearly intended," and the words "this Act," include all regulations made thereunder. As the honorable member admits that the intention he has suggested is not the intention of the clause, then the objection he has raised does not apply.

Clause agreed to.

Sir WILLIAMMCMILLAN (Wentworth). - Is the Minister not going to recommit clause 256, dealing with the publication of regulations ? I understood there was a general desire that notice should be given.

Mr Kingston

- That matter has been fought out.

Sir WILLIAM MCMILLAN

- I understood that there was a suggestion that by altering the word "shall" into "may" the Minister would be able to deal more leniently in this matter. I do not know whether the Minister has seen reason to alter his views, and whether due notice will be given on all occasions.

Mr KINGSTON

- Yes, on all occasions - I mean, wherever it is practicable. I now move -

That the following clause be inserted to stand as clause 123 (a) : - * - "it "This part of this Act shall not affect any duties payable under any State Act."

Mr Thomson

- What is the effect of that ?

Mr KINGSTON

- The effect is to prevent any alteration in the existing style of computation in reference to duties collectable under existing legislation. This Bill is intended chiefly to apply to the new Tariff that is to be, and is intended to be brought into operation practically contemporaneously with it. The object is generally to prevent any objection that the Bill might alter existing duties.

Sir Malcolm McEacharn

- Can the Minister give us an instance 1

Mr KINGSTON

- There may be some little difference from the mode of computation we have approved here, and it might result in heavier duties being collected under the principles of the Bill than under the principles under which State duties are at present collected. That is not the intention. It is intended that this Bill shall be operative under the new Tariff, and that it shall not alter the principles under which we are collecting the present duties.

Sir MALCOLM MCEACHARN

- Unless we know what Acts are going to be-

Mr Kingston

- This clause refers only to duties under the existing Tariffs.

Sir MALCOLM MCEACHARN

- But it appears to me that double duties might be collected under this clause. There might be certain Acts now in existence, and the Minister might still be able to collect under this Bill. I do not see anything in the explanation the Minister has given that makes the meaning at all clear.

Sir WILLIAMMCMILLAN (Wentworth). - If I understand the matter aright, the meaning is that, supposing this Bill becomes law a fortnight before the duties are collected under the uniform Tariff or the Budget proposals, there will be an intervening space during which the Commonwealth will continue to collect under the special Tariffs of the different States which remain in existence until the uniform Tariff is imposed. Consequently there must be something put in this Bill to prevent it acting on the State Tariffs up to the time of the uniform duties.

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Mr KINGSTON

- The provision means that while duties are being collected under the State Acts, as at present, we cannot alter the mode of computation. Certain principles are laid down in regard to this, that, and the other thing, and those principles are laid down for future use in connexion with the Federal Tariff. The State Tariffs will shortly disappear, but until they do, they will continue to be collected as at present.

Sir WILLIAMMCMILLAN (Wentworth). - I suppose it is understood that under the Constitution, up to the date of the imposition of uniform duties any State can alter its duties as it likes. The power of dealing with the Tariff law, though not the power of collecting the duty, rests with the States until the moment uniform duties are imposed by the Common wealth.

New clause agreed to.

Schedule 2 -

The above scale of fees shall apply to the following places only : -

Brisbane, Rockhampton, Townsville.

Sydney and Newcastle.

Melbourne.

Hobart and Launceston.

Adelaide and Port Adelaide.

Fremantle, Perth, Albany, and Geraldton.

At any other place such fees shall be charged as may be prescribed.

Mr KINGSTON

- I move-

That all the words after "Schedule 2" be omitted with the view to insert, in lieu thereof, the following : -

All questions as to the number of lockers required, and the time necessary for their attendance shall be determined by the Minister.

The above scale shall apply to the following places only : -

Sydney,

Melbourne,

Brisbane,

Hobart,

Adelaide and Port Adelaide,.

Perth and Fremantle.

At any other place such fees not exceeding the above scale shall be charged as may be prescribed.

Some objection was taken as regards certain warehouses, and I think the difficulty was pointed out chiefly by the honorable member for Melbourne. After consultation with my officers, I have come to the conclusion that a fair thing is proposed in the new schedule now before honorable members. As to the prescribed rates which are the highest, we only apply them to capitals and their ports. There was some talk as to whether this, that, or the other port should not be treated in a different way, and we have laid down the broad rule that the capitals shall be treated in one way, and rules prescribed as regards the other ports.

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Sir MALCOLM McEACHARN

- I am glad the Minister has made this improvement in the schedule, which meets many of the objections which have been raised. - I am quite sure the new schedule will be received with pleasure.

New schedule agreed to.

Bill reported with further amendments.

Motion (by Mr. Kingston) proposed -

That the standing orders be suspended to enable the Bill to be recommitted for the further consideration of clause 159a.

Mr JOSEPH COOK

- I wish to enter my protest against the continual suspension of the standing orders.

Mr Barton

- It is to meet the general feeling of the House.

Mr JOSEPH COOK

- I do not care about any arrangement which may have been come to. I protest against the principle of continually suspending the standing orders.

Mr Barton

- It is the general feeling of the House that they should be suspended.

Mr JOSEPH COOK

- So it has been on a dozen other occasions during the present session. Ministers may affect to make light of this matter, but later on they will find that the suspension of the standing orders opens up limitless possibilities of debate in a way which they will not like. They are setting a bad example in asking the House so frequently to suspend the standing orders for purposes of their own. Later on they will find individual members of the House adopting the same course in a way which they will not relish. I protest against the practice, as one which I have never beheld in the Legislature in which I have been accustomed to sit. It can lead to nothing but ill results, if persisted in to the extent to which the Ministry seem prone to indulge in it.

Minister . for External Affairs

Mr BARTON

. - Every one in the House is aware that this is a proposal to enable the House to go on with precisely the same kind of business as that in which it has been engaged. There is a distinction between the practice of continually suspending the standing orders and a desire to meet the general wish of the House upon a matter which cannot involve inconvenience to any honorable member. That is the present proposal, and I do think that the honorable member for Parramatta is fully alive to the fact that the manner in which the standing orders are used depends upon the common sense of the House. When a common-sense proposal is made for the facilitation of business, the House is not to be the slave of the standing orders, but is to be the master of those orders. The standing orders are not enacted for the purpose of making the House as a body a mere subject of those orders, and when the general feeling is one way it is a common practice to suspend them so long as it is to carry out an understanding, or to facilitate the kind of business which the House has just been transacting. That is the object for which the standing orders are now to be suspended. If honorable members objected to their suspension we should withdraw the proposal, but it is only because there is a general desire and understanding that they should be suspended that we have adopted this course.

Sir WILLIAM McMILLAN

- It is only fair to the Minister to say that the course proposed has been taken at the request of honorable members on this side of the House. I do not think the honorable member for Parramatta was fully seised of the facts when he rose to dissent. This is merely a proposal to effect an alteration in the Bill which, I think, will avoid a very great deal of misunderstanding. We are not going to deal with new business. We are not proposing to put any Bill through by any unusual method, and in fairness to the Minister who has acceded to our request, I must say that the course proposed has been taken with the assent of honorable members upon this side of the House.

Question resolved in the affirmative.

In Committee(recommittal) :

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

Clause (on motion of Mr. Kingston) amended to read as follows -

If the Parliament of the State of Western Australia in exercise of the' power conferred by the Constitution imposes duties of customs on goods passing into that State, then whilst such duties are so imposed drawback may be allowed in the States in which import duty has been paid in respect of any such goods as if exported.

Bill reported with a further amendment.

POST AND TELEGRAPH BILL

Second Reading

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Sir PHILIP FYSH

- I move -

That this Bill be now read a second time. I propose to take advantage of this motion to rapidly glance through some of the most important portions of this Bill, but at the same time I shall ask honorable members to defer consideration of the very many regulations and the very many clauses which it contains until we reach the committee stage. I might occupy the time of honorable members for a considerable period in a running commentary on the various clauses, but I shall not consider it to be my duty to do so. I shall merely call the attention of honorable members to the salient features of the Bill, and leave the discussion of the various details to the committee stage of our deliberations. I think we may congratulate

the Commonwealth that the Postmaster-General has taken over an up-to-date department. The various developments which have taken place in Australia followed all those which have existed and grown elsewhere. We have the advantages of the money order system, of the postal card system, and also of newspapers and various periodicals passing through the Post-office for the convenience of the public. . These things I believe have heretofore given to the various States, and will give to the Commonwealth hereafter, all the advantages which may be expected from this department. In taking over the department it is very satisfactory to find that its statistical information covers the extent of the trade and commerce of the Commonwealth generally. We do not need to refer specially to the statistics of the Postal department for information as to the importance of the commerce of the Commonwealth ; but still, as these statistics do give some information which may be useful to honorable members, I propose hurriedly to glance over that portion of them which affects this particular department. In the Postal and Telegraphic departments nearly 7,000 officers are engaged. There is a capital sum of .£6,000,000 invested in the construction of telegraphs, and from £1,000,000 to £2,000,000 more in the construction of the various post-offices which will be taken over. This £8,000,000 represents something like four-fifths of the proportion of the assets of the various States, which at the time of the Federal Convention, it was presumed, would be taken over by the Commonwealth. We have also about 50,000 miles of telegraphs actively employed. These are carrying about 10,000,000 messages annually. In connexion with this portion of the work, it may be satisfactory to honorable members to have their minds refreshed with the fact that Australia stands first throughout the world with respect to the volume of its business over its mileage of telegraphs - even before the United Kingdom. The messages carried by the department in the United Kingdom are far in excess of the number carried by any other State or country in the world. In regard to post-offices there are also statistics worthy of attention. 400,000,000 mail parcels, letters, postal parcels, and newspapers are carried annually throughout Australia, representing 54- per head of the population of the Commonwealth, or 67 per head of the population of the United Kingdom. Again, the Commonwealth department carries a very much larger number of letters and mail parcels in proportion to the population than is carried in any other country. This is done at an annual expenditure of about £2,500,000. I shall not trouble honorable members with the exact figures. I shall occupy far less time by giving honorable members the approximate amounts. It answers my purpose, and I think it will answer the purpose of most honorable members to know that the total revenue of the Postal department of the Commonwealth at the present moment is about £2,500,000 per annum. One cannot speak very accurately in regard to this matter, owing to the fact that the bookkeeping systems of the various States, and their respective charges, are somewhat varied in character. Sometimes it is found that the cost of additions to a Post-office, or a new post-office, or certain expenses in connexion with the telegraph system, are charged by a State to its annual expenditure. We may presume, however, for our present purposes, that the annual cost is about £2,500,000, and that the deficiency of the department for Commonwealth purposes may be set down as about £200,000 per annum.

Mr Watson

- Inclusive of interest on capital.

Minister (without portfolio)

Sir PHILIP FYSH

- There, again, I cannot speak, accurately. I can give only approximate figures, because some of the States have been accustomed to estimate the departmental deficiency after allowing for interest, while in others they have not done so.

Mr Knox

- Does the loss stated by the honorable gentleman relate to last year's figures?

Sir PHILIP FYSH

- Yes ; I am giving the latest figures that the Postmaster- gGeneral has been able to obtain.

Mr Knox

- It would not be affected by the penny postage returns in Victoria ?

Sir PHILIP FYSH

- That is a matter which will come into the consideration in later years.

Mr A McLEAN

- So far as some of the States are concerned, a considerable addition will have to be made to the

£200,000 in regard to interest.

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Sir PHILIP FYSH

- Very likely. I am not in a position to give the figures very accurately, because of the varying systems of bookkeeping. In regard to this loss of £200,000 per annum, it will be found that Ministers are very desirous of overtaking it? In this connexion, may I say that economy ought to be one of the first orders of the day so far as the Commonwealth is concerned. If not, we shall find ourselves landed possibly in some expenses which we did not anticipate, and possibly in connexion with the new Civil Service Bill there will be an increased expenditure which the Convention did not anticipate. When we come to deal with a department in which savings can be effected, it is our first duty to endeavour to bring about those savings. In submitting this Bill, the Minister has been actuated by a desire to establish the department* on something like business lines. We shall find, therefore, that his purpose is to reduce the annual deficiency of £200,000, and the honorable gentleman was able to state in another House that, as the result of the arrangements that he was about perfecting under this Bill, we might roughly estimate the department's loss for the first year of the Commonwealth at about £120,000. This reduction can be accomplished only by certain concessions all round. The public must concede something; the department must concede something; and it is to be hoped that Members of Parliament themselves will concede something. They will find in the business clauses of the Bill that special provision has been made for dealing with the system of franks, which has so important a bearing upon the question of loss, whether associated with the various departments or Parliament itself, and also for dealing with the carriage of newspapers. Although there are no special rates named in the Bill as to the carriage of newspapers hereafter, or as to the carriage of parcels, yet special provision is made for regulations under which the Minister will be able to regulate the postal rates and telegraph charges. Under those regulations he will also be able to regulate the dimensions of parcels, and to define the meaning of the word "newspaper." All this it is hoped will lead to a reduction in the losses of the department. If in this way the Postmaster-General will be enabled to save to the revenue of the Commonwealth £50,000 or £100,000 per annum, Ministers are hopeful to secure from honorable members all the assistance which they can give to so desirable an end. The Postmaster-General has it within his power to make regulations in regard to the rates for the carriage of newspapers, and having fixed those rates he must lay the regulations upon the table of Parliament. Whatever arrangements may be made by the Postmaster-General, under the regulations which the Bill will enable him to frame, those regulations will have to be laid on the table of Parliament, and the Bill provides that either House of Legislature may rescind them. All the frank stamps which honorable members, as well as the various departments, are entitled to use in regard to the postal or telegraphic system will hereafter be allowed subject to these regulations, and they will be chargeable against the various departments which use them.

Mr Watson

- There are no franks used . by honorable members in relation to telegrams 1

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Sir PHILIP FYSH

- There are franked telegrams so far as a number of departments are concerned. It is proposed that whatever business is conducted by the department for other branches of the State should be fairly paid for in some method or other ; just as with respect to honorable members' railway passes, the railways get the benefit of the estimated revenue from such passes. If frank stamps are used in this House, for instance, the parliamentary expenses account will be debited with the cost of those franks. In this way we shall learn more particularly what the system costs us, and possibly, by some such supervision, we shall be able to keep the cost down to the minor sum which it ought to exhibit rather than to the maximum which at present it reaches. So far as the carriage of newspapers is concerned in some of the States, and so far as the franked telegrams and postal matter are concerned in the States generally, the cost at the present time is about £80,000. I have read lately that in Queensland there is an expenditure of £12,000 a year in connexion with franks under the telegraph system. Under this Bill it is proposed that the department shall be fully credited with all the work it does for each department of the Commonwealth, and each department of course will have to bear its own responsibility. By bringing that responsibility under the immediate notice of the Minister at the head of each department it is hoped that the large sum to

which I have referred may be materially reduced. I think honorable members will agree with me that in taking the complete monopoly of all the postal and telegraph systems in Australia we have to justify the advisability of that monopoly to the public. The various States have given to their people advantages which* could not have accrued to the individuals in those States except through the instrumentality of such a monopoly. There will therefore be found in this Bill such clauses with regard to the telegraphs and post-offices as will fully maintain that monopoly. With regard to our telegraph and telephone systems, certain special clauses are absolutely necessary, not only for the protection of the property of the Commonwealth, but also for the protection of private property and- of life. The number of cables that are now being erected, whether for lighting or tramway purposes, has made electricity a menace to property and life by reason of the fusion of wires, and if special regulations are not adopted the results are likely to be dangerous. I am referring now to the fusion which has often taken place in consequence of a great electric power running along cables and coming in contact with a wire carrying a minor power, such as is conveyed along our telegraph lines ; the consequence being frequently that damage has been done to property, whilst in many instances, as we have read, injury has been done to life. Moreover, fires have been originated in this way. It will be seen by honorable members, if they traverse this Bill carefully, that there is very good reason for those provisions which give the Postmaster-General full control over the enormous power of electricity, which possibly is only in its birth amongst us at the present moment; and that therefore, when we ask that these powers shall be given to the Postmaster-General in his capacity of controller of electric works, we are asking only for that which is necessary in the interests of the people, and for what is absolutely essential to the Postal department. I believe it will be found that private rights have been well respected in this Bill. Amendments have been made elsewhere with that object in view. Honorable members will recollect that the Bill has come to us after a most trying ordeal of about six weeks in another place ; and I presume that the attention which has been given to it elsewhere' will have been beneficial as regards the end which Ministers have in view. When we come to consider the Bill in committee with these amendments in it, we may be able to agree with most of them ; but even though occasionally we may find amendments which, to the minds of some honorable members may appear to be somewhat crude, yet with a little attention I am sure we shall be able to make them workable. I remember one clause which relates to wages and management and to local arrangements connected with various constructive works, find to that clause I hope honorable members will give their special attention, in order that we may make it workable, which perhaps it may not be at the present time. The desire of the framers of that clause is a good one, but it may be that in making their amendment they have not quite accomplished what is intended. The provision is clause 93, paragraph (y). It is a matter we shall be able to thrash out in committee, and to which I would particularly ask the attention .of honorable members, as Ministers desire to give all the assistance they can in connexion with what this clause provides. There are necessarily many technicalities concerned in a Bill with respect to electric power. Personally, I do not feel equal to the various technicalities contained in the measure. There are some specially difficult clauses in it ; one, I remember, in which provision is made as to two lines crossing at right angles, and which is the nearest point of contact. That is a clause the precise meaning of which possibly we may be able to discover in committee. With respect to nearly all these clauses, I may say that they have been framed under the superintendence of a committee of the heads of the department, assisted by the departmental electricians, who have also had the advantage of utilizing the provisions of the Electric Light and Power Act of Great Britain, which has been in existence for some time, and in which Act we shall doubtless be able to find much that may be necessary so far as concerns the consideration of the powers asked for in the Bill. The various Acts of the various States have also been ransacked in order to discover which sections are applicable and which are not.

Sir Malcolm McEacharn

- And which are the severest.

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Sir PHILIP FYSH

- I must admit- indeed I have already done so - that while the purpose of the Bill is to secure the monopoly to the Government, and to protect life and property, as well as to derive revenue from the operations of the department, it may appear to some honorable members that some of the clauses are too severe. I know that objections have been taken to them on that ground in another place, and that

some of the provisions have been ameliorated in consequence of that criticism. But the only desire of another place was to make the Bill a perfect measure, and it comes to us as a perfect measure in the view of that Chamber. Ministers do not ask this House to accept any severe clauses in this Bill that are not for the benefit of the entire community. The Government can have no other end in view than to do their best to conduct the business of the country with due regard to safety and to all the advantages that ought to accrue to the Government from a measure of this nature. I am sorry to say that the time has not yet come for making arrangements for a uniform rate of postage, or & uniform stamp for the Commonwealth. The various States have certainly their rights in respect of postal alterations. I know one of the States which has made a profit upon its postal business, and which under the Commonwealth Act will very likely lose in that respect. If we were to impose a uniform rate of a penny for letters throughout the Commonwealth, that State would lose another £20,000 per annum. While the bookkeeping system lasts we must recognise the necessities of some of our weaker States in respect of revenue. The Commonwealth has not been built up upon absolutely federal lines. That common weal, to which I hope we are all aspiring, and the realization of which we all look forward to seeing effected, has not yet been attained. We have talked much of federation, and for a great many years past most of us have given a great deal of lip service to this cause. Most of us know its catechism by heart, but I am afraid that many have not yet imbibed the true, vital federal principle, which must mean ultimately a common purse for the whole of the people. That common purse, I hope will come to us after the five years of Inter-State bookkeeping. We shall then have arrived at the idea to which we have tried to educate ourselves and the people, and at the fulfilment of the great aspiration we have cherished, that, when federation was accomplished and the Commonwealth established, we should have in Australia one people, not only with one destiny, but with one purse. When we have that one purse, then the Commonwealth may take upon itself the responsibility of a uniform system of penny postage, and it will be so much the better for the whole. Then it will be time, also, for us to think of what I hope is more than a sentiment- the establishment of a uniform postage stamp. I remember, very many years ago, when speaking at a postal conference - I am not sure whether my honorable friend from Parramatta was present - expressing a hope that at no far distant date we should have a penny stamp that would travel throughout Australia, upon any letter on which we might wish to use it, in much the same way that His Majesty's sovereign is circulated.

Mr JOSEPH COOK

- Was that the time the honorable member invited us out to Tattersall's?

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Sir PHILIP Fysh

- I am not speaking of Tattersall's at the present moment. I was saying that the uniform penny postage will be something more than a sentiment. Just as we have imbibed the principles of the federal spirit which has brought us together, largely by means of our social intercourse for years and years past, and very largely through the instrumentality of the letters which are posted from one family and from one State to another, so I think we shall, when we have established the whole object and purpose which our Commonwealth has in view, find a uniform penny postage stamp will be an effective means of holding together those who have bound themselves under this Constitution. I may find it necessary when we get into committee to talk more seriously about the clause to which my honorable friend has just referred, and which is known as " the Tattersall clause." I cannot pass it by now, because it is one of those clauses to which the attention of honorable members should be particularly given between now and when we come to consider the Bill in committee. Why it is called " the Tattersall clause" distinctively, I do not know, because I find that the same clause exists in New South Wales, though in a modified form ; it is the clause absolutely as it is in existence in Queensland ; it is nearly the same as the clause in existence in Victoria, and also in Western Australia, where we have, and have had for some years, the power given to the Postmaster-General to stop letters which he believed were being sent for improper purposes. I find that petitions are being largely signed. I hear, for example, of a petition bearing the names of 100,000 persons coming from New South Wales, and I have no doubt petitions will come from people immediately surrounding this Chamber. They are being signed in the streets for a purpose,, of which I informed myself by asking a man for the heading of the petition, which, I may add, I did not sign. I found it was .an invitation to people to petition against the invasion of their State rights, or rather, I should put it, the invasion of their private right to send a letter through the Post-office - that it should be absolutely

inviolable.

Mr Barton

- They asked a son of mine to sign a petition on that, ground, but he said he was not taking any.

Sir PHILIP FYSH

- The purpose of these petitions will be better understood when they reach the House. They are intended to inform the Commonwealth Parliament that the people who sign them strongly object to having their letters in any way tampered with by the Post-office. I presume that, on the principle of a man's home being his castle, they wish to say that a letter which passes from him to his friends shall be absolutely inviolable. Well, I am not the keeper of the conscience of my honorable colleagues in the Ministry. I do not know what their conscience is in the matter, but I am the interpreter of their object in introducing this Bill to the House, and I deem it my duty to say that Ministers desire to establish the principle that there shall be no variation in this respect in the States of the Commonwealth. Four of the States have legislated against the passing of a certain class of letters through the Post office - I allude to the class of letters which encourage gambling, and which encourage sweepstakes - and that being so, it was a serious consideration for Ministers whether they should establish a uniform system throughout the Commonwealth, or whether it would be at all practicable to 'make a separate arrangement in respect to any one State which deemed it expedient in the exercise of its rights - to establish its own gaming laws. In this connexion, as I had something to do with the passing of the Gaming Law of Tasmania, I should like to . supplement what has been so well said elsewhere by saying that so far as Tasmania is concerned, whether I go into

Tattersalls office, or whether I pass along the streets and observe the absence of tote shops, or 1\ go out to the race-course and see how well the races are conducted, with the absence of "bookies," and with the absolute abolition of all tote shops, and with a due recognition of the system, which is conducted by Tattersalls, I find - an object lesson to all the other States. So far as Tattersall's sweeps are concerned, they have been conducted in a manner that reflects credit upon the conductor. The legislation proposed is not specially directed against this one State. The clause is not aimed at putting down a particular error, if we choose to call it so, in one State; but it is merely in perpetuation of that legislation which four out of the six States have considered it advisable to enact. They have enacted a similar clause for a purpose which I. at once admit is a proper purpose. I had occasion, as Postmaster-General in years gone by, to veto the passing of certain letters through the Post-office. I have in mind the case of a man in the- neighbouring State of Tasmania, receiving letters, evidently carrying money, in respect of some future event, in connexion with a system which we believed was being conducted in a very improper manner.' I had occasion to stop the passage of that man's letters, and I know that in the other States we shall find instances where the Postmasters - General have, under certain sections or regulations, found it necessary to stop letters. If I give one instance, I think it will suffice to show honorable members that there is an absolute necessity for some legislation of this kind.

Mr O'Malley

- Was not the honorable gentleman's action wrong ?

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Sir PHILIP FYSH

- I think not. I acted under regulations framed under a special Act giving me that power. I know an instance, 1 think it is in this community, where a very undesirable character - a man who has spent a large proportion of his time in gaol - has been advertising himself under the designation of a tipster. It has been , found that he receives letters containing money, that he professes to give in return for that money information valuable to the inquirer as to the winners of certain horse races, and it is believed, so far as the character of the man and the conduct of his business are concerned, he acts on the credulity of foolish people, and actually defrauds people by means of Government officers. Under these circumstances, I observed in the Commonwealth Gazette within the past week a notice that the letters hereafter received in the Post-office addressed to a certain individual would, under certain regulations made under the local Act, be detained. Under this Bill such letters would be handed over to two officers,, who, let me inform honorable members, will be sworn to secrecy, and when the contents of those letters are discovered to be matter which is forbidden to pass through the post-office, then they will be returned to the dead-letter office, and dealt with as its provisions indicate. I do not think I need detain honorable

members upon that clause any longer. I have no doubt that it will evoke considerable discussion, and that we shall be able to compare notes with advantage to the Bill. I have said so much to indicate to honorable members that the clause has not been aimed specially at any one institution, but is asked for as a general power to the Postmaster-General, to be used whenever he in his wisdom considers it desirable that it should be used, not necessarily always to be used, not necessarily to be used in the case of "Tattersall," but only to be used as it has been used in these States for some time past, when special occasions have called for its use. So that, in this regard, we are simply proposing to transfer to the Commonwealth statute provisions such as have been in existence for some time.

Mr O'Malley

- For cases of emergencies.

Sir PHILIP FYSH

- They are not altogether emergencies, but they are special cases which I am quite sure the House, if consulted, would encourage the Postmaster-General to deal with. There are various clauses for dealing with literature of another character - clauses empowering the stoppage of the distribution of anything like obscene literature, indecent prints, or libellous matter, post cards on which libels may be written, as occur from time to time.

Mr Mahon

- Is the honorable gentleman giving the Postmaster-General power to say whether a thing is a libel or not?

Sir PHILIP FYSH

- The Minister will have full power under these clauses. If a post card comes through his hands and he believes that a libel has been written upon it, or that some obscene expression is used, he will have full discretionary power.

Mr Mahon

- But he will do that with a newspaper also.

Sir PHILIP FYSH

- Certainly, he will have full power to act similarly with newspapers. Need I call attention to a case which occurred in our midst within a very short period? Need I call attention to the Tocsin case? The Postmaster-General, under special circumstances, would, under these clauses, be empowered to stop the currency of such a print as that through the Postoffice.

Mr G B EDWARDS

- On what ground, in regard to the Tocsin case - it is not immoral or indecent?

Sir PHILIP FYSH

- Detrimental, disloyal, seditious, libellous.

Mr G B EDWARDS

- It would not come under this clause.

Sir PHILIP FYSH

- I believe that all those matters would come under the clauses of this Bill. The honorable member will find that the Postmaster-General will have full power to deal with the stopping of newspapers if they are believed to contain matter largely in contravention of good government, and of the purposes of the Act. Then, with respect to the carriage of newspapers through the Post-office there will be special regulations. First, let me remind honorable members that there will be regulations as to what shall be deemed newspapers under the Act. There has been an enlargement in the Bill since it went into another place, so that now the term newspaper will embrace not only weekly but monthly periodicals. A good liberal interpretation has been placed on the word "newspaper." Then with respect to the supplements to newspapers, it is known that mail carters and mail contractors have been increasing their mail contract prices for years past by reason of the very large amount of mail matter which is being carried. The newspapers and periodicals are largely responsible for this.

Mr JOSEPH COOK

- The parcels post.

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Sir PHILIP FYSH

- The newspapers are largely responsible by reason of the supplements which we often find inside -

supplements which have no reference to local information, except that which Brown, Jones, or Robinson want to convey to people with respect to his cheap tea or cheap wares. There is a special provision in the clause defining what shall be deemed to be supplements to newspapers.

Mr O'Malley

- But the Government are interfering with the newspaper profits.

Sir PHILIP FYSH

- We have nothing to do with the newspaper profits in this Bill. The newspapers in some States have been carried on at a profit possibly at the cost of the Post-office, but as I have explained, the purpose of the Postmaster-General in this Bill is to endeavour as nearly as possible to approximate the revenue to the expenditure. Any one who has had to do with mail contracts and the letting of them knows that year by year the amount claimed by various mailmen is considerably enlarged by reason of the enormously increasing bulk of the mail matter carried. This opens up another point with respect to the business purposes of the Bill. Within my own knowledge, as indeed it is within the knowledge of any man who has had anything to do with postal matter and post-office contracts, many of the contracts in the States are let not only for the purpose of carrying out the work which is the legitimate work of the Postal department, but for the purpose of providing carriage accommodation for outlying districts, sometimes let for the purpose, I think I am right in saying, in Tasmania, in Western Australia, and in Queensland particularly, with respect to outlying developments, and the amount of money paid for contracts by steamers is altogether disproportionate to the value of the work which they do for the Post-office. There is a provision in the Bill that when the Postmaster-General finds it desirable to cut down the cost of these contracts, and when the localities themselves may deem it very desirable to have a better service than he has provided for, they can supplement that service. That, I take it, would apply not only to locally supplementing the cost of a mail service by a steamer. I know one instance where £15,000 a year is paid for the carriage of mails, when the amount should be about £500 a year for the actual work done for the Post-office, and I have read, also, that often the necessity, in some outlying districts, exists for the subsidizing of a steamer, not so much to carry mails as to carry passengers and food to the people. These are local developments, and the Postmaster-General is desirous that local development shall be of local concern, that if it be necessary to subsidize so largely some of these services in interests which are not purely local, such services shall have an auxiliary of revenue outside the Post-office. That is only one of the methods by which the cost of the service can be kept down, and the revenue made to more closely approach the outlay than has hitherto been the case. I think I have now dealt with the principal matter this Bill contains, apart from the numerous subsidiary clauses. Whether it be in respect to the post-office or telegraph work, there are a great number of clauses which relate to the principles to which I have referred, and I might occupy the time of honorable members in going through these clauses in detail now, but it has not been my practice on the second reading of a Bill to do more than outline the special purposes that Bill is designed to accomplish, and to indicate three or four of the important clauses to which honorable members need give special attention. Knowing how closely honorable members are applying themselves to the consideration of the measures coming before them, I shall leave the matter now in the hope that a week or ten days hence I may meet them to discuss these clauses and endeavour to carry out the designs to which I have referred.

Mr JOSEPH COOK

- Can the Minister not say definitely when the Bill will be considered ?

Sir PHILIP FYSH

- I think it ought to be some time between seven and fourteen days, but so much depends upon what may be done with other Bills, that I cannot say anything more definite than that. The Excise Bill will shortly be before us, but if honorable members are prepared to take this Bill up again next week so much the better. I can hardly believe, however, that other work will have progressed sufficiently to enable us to do so ; but I shall be prepared to meet honorable members in committee at any time.

Debate (on motion by Mr. Joseph Cook) adjourned.

EXCISE ON BEER BILL

Second Reading

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Mr KINGSTON

- I move -

That this Bill be now read a second time.

The Bill which is now before honorable members relating to the excise on beer is another of the machinery Bills that will require to be dealt with in order to insure a satisfactory uniform treatment of matters affecting customs and excise. Beer is not altogether a very interesting subject, but there are matters of interest in connexion with the beer excise to which honorable members might like me to refer. I do not propose to disclose what the Government policy is on the subject of the excise on beer, but I think it is well to generally acquaint honorable members with what is the present position in the various States on this subject. There is a beer excise in force in every one of the federated States - some have adopted it earlier and some later. I find that Victoria and Tasmania were among the earliest of the States to adopt the beer excise, in 1880 - 21 years ago - and the last was South Australia, my native State, where I had the honour of recommending it in 1894. The duty ranges from 2d. per gallon in Western Australia and South Australia, to 4d. per gallon in Tasmania ; 2d. is also the rate prescribed as regards beer which is made from malt and hops solely in Victoria, while on other beer 3d. per gallon is charged. Beer in which malt and hops only are used does not seem to be quite such a favorite article of consumption among the good people of Victoria as is beer which contains other ingredients, for the malt and hop beer which paid duty last year in Victoria was under 500,000 gallons, whilst the thirst of Victorians was otherwise quenched by beer differently produced to the extent of nearly 14,000,000 gallons. The total quantity of beer which paid excise duty throughout the States during last year was 41,338,533 gallons, and honorable members will form a fair idea of the importance of this question of the excise duty on beer when I tell them that the net result to the revenue was £491,823. The different States, having different rates and circumstances, yielded different results. Tasmania, which has the highest duty, consumed only 7.33 gallons per head of the population during the year, and the revenue returned was £24,726.

Mr O'Malley

- They are a sober people.

Mr KINGSTON

- Of course the various States have various tastes, and I am not concerned in analyzing Mr. Coghlan's statistics except so far as they relate to the consumption of beer. It is, however, very strange to note how some States affect spirits, and some the humbler colonial article. The consumption in South Australia was 8.95 gallons per head, and the revenue £26,373. New South Wales was third on the list, so far as the average consumption was concerned, with 9.58 gallons per head, the revenue derived amounting to £165,934. Queensland consumed 11.58 gallons per head, and the revenue amounted to £66,344. In Victoria the consumption was 11.76 gallons per head, and the revenue derived was £176,787. As regards the consumption of beer, the accomplishments of the residents of the different States that I have mentioned, fade into actual insignificance as compared with the prowess of the people of Western Australia. Whilst Victoria is next on the list, with an average consumption of 11.76 gallons per head, I find that in Western Australia the consumption is 23.84 gallons per head - man, woman, and child - a source of revenue, which, no doubt, the Treasurer appreciates.

Mr Mahon

- It shows we have the money to pay for it.

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Mr KINGSTON

- It shows also that the people of Western Australia do hard work, and require at the same time good substantial refreshment, and further, that they patronize the local article to a degree that is not to be found in any other State. I hope honorable members will, from the figures to which I have referred, get a general idea of how the matter stands in the different States, and of the importance of the question. The Bill which we are submitting for the consideration of honorable members is intended, not to fix the excise, but to provide for the collection of the excise when imposed by Federal Act. Of course, as soon as a Federal Act comes into operation, the State Acts in relation to the excise on beer will cease to operate, this Bill having special and sole reference to the excise imposed by Federal Act. To protect the revenue the scheme is simple. We require the licensing of the brewer and the brewery so that no beer can be made except in a brewery. The excise officer has a right at all times to see what is going on, and the obligation is imposed on the brewer to pay the duty before the beer leaves the brewery. The duty is paid by affixing to the

vessel containing the beer a stamp equivalent to the amount of the duty, and by cancelling the stamp on the vessel before the beer is removed. These are broadly the provisions of the Bill. The brewer has to keep books and to render accounts, and every means, it seems to us, is taken for the purpose of securing the fullest information in regard to the output, and seeing that the beer produced is not put on the market before it pays every penny that is due. There are no provisions of the Bill on which I need at this moment lay any particular stress. Clause 5 gives a large definition of the meaning of the word "beer," but practically the word means all beer on which excise is imposed. Clause 7 lets in a number of the provisions in the Customs Acts in reference to procedure. Clause 8 requires licences, and there is provision for a licence fee, which is made the same in all cases. Security is taken from the brewer for his compliance with the provisions of the law. It is also declared how transfer of licences can be made, and under what circumstances they shall be cancelled, and the brewer is restrained from, among other things, making beer at any place other than in his brewery. Part 3 declares the full power, of supervision which is intended to be vested in the excise officer. Clauses 27 and 28 specify the mode of payment of the excise duty, and what is to be done in the way of stamping and cancelling stamps. Part 5 contains all the restrictions proper in connexion with 'removal of beer. Part 6 relates to the power of officers; and Part 7, dealing with miscellaneous matters, provides, amongst other things, for the forfeiture of beer which is not made by a licensed brewer, or which is removed from the brewery contrary to the provisions of the Bill.

Mr Higgins

- Will there be a spirit excise as well ?

Mr KINGSTON

- We shall require a Distillation Bill, no doubt. The idea of the Government is that in addition to the excise on beer, which in nearly every case, is properly dealt with in a separate Act, there shall be a General Excise Bill and a Distillation Bill. All these Bills are practically completed in their preparation, and will be introduced one after the other as soon as honorable- members are good enough to dispose of those measures, which, for the moment, occupy our attention. I have stated the general provisions of the Bill. I believe our purpose will be found to be plainly expressed, but we shall be very pleased if the House shall assist the Government in getting the Bill through as fast as possible, because, the sooner we get rid of the machinery Bills the better, in order that we may direct our' attention to the subject which so much occupies in perspective the minds of honorable members - the Federal Tariff.

Sir WILLIAM McMILLAN

- After the very brilliant speech of my right honorable friend on this very elevating topic, I think we can all agree to go into committee without any very formal or long debate on the second reading. The Minister has referred to the Tariff, and I am sure it will be the desire of this side of the House, if not of the other side, that Bills of this kind should be got through as soon as possible. We have a feeling that the time has arrived when the real issue between both sides of the House should be brought into relief. I am sure that all of us are heartily sick of these machinery Bills, necessary as they may be ; and I can assure the Ministry that there will be no delay so far as we are concerned. I do not know anything about the business of brewing, nor do I know whether there are any experts in the House at the present time, but I think that, whether there are or not, this is essentially a Bill for committee. It seems to me to be entirely regulative, in order to protect the revenue, and I am sure we all desire to do that, so long as there is no unnecessary harshness or espionage ; therefore, I shall say nothing further on the subject.

Question resolved in the affirmative.

Bill read a second time.

In Committee :

Clauses 1 and 2 agreed to.

Clause 3 -

This Act shall apply to any excise on beer imposed by the Parliament, and to the exclusion after the imposition of such excise of the operation of all State Acts relating to the excise on beer.

Mr. HIGGINS(Northern Melbourne).I should like to know what is the meaning of this clause. It may have a bearing on what I suggested, when the Customs Bill was before us, in regard to the relations between this measure and the State Acts. I understand that this Bill is to apply to the exclusion of the State Acts.

Mr Kingston

- That is so.

Mr HIGGINS

- I apprehend that there has been no difficulty found, as in the case of the Customs Bill, in applying this Bill, in the absence of the other Acts.

Mr Kingston

- No; I have looked right through them, and there is no difficulty.

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Mr HIGGINS

- Then as to the matter of interpretation, would it not be better to simply say, " And shall exclude the operation of all the State Acts relating to excise on beer V The words used in the Constitution Act would justify that.

Mr Kingston

- I want the second part to read with the first part of the clause. "To the exclusion " is, I think, the happier phrase.

Mr HIGGINS

- It is governed by the words " shall apply." It seems awkward to say "This Act shall apply to the exclusion of the operation,&c."

Mr Kingston

- That means that it shall apply solely and that the other Act shall disappear.

Mr HIGGINS

- It is a matter of drafting and if the Minister thinks that the provision is sufficiently clear I will submit.

Mr Kingston

- I will look at it further, but I think it is all right.

Clause agreed to.

Clause 4 agreed to.

Clause 5 (Definitions).

Mr HIGGINS

- May I ask if the definition of " beer," which is set out in this clause, will apply to ginger ale and all the other numerous imitations of beer 1

Mr Kingston

- It is 2 per cent and excise.

Mr HIGGINS

- There are several liquors such as I have mentioned which contain 2 per cent, of alcohol. It is not the intention of the Minister to impose any excise duty upon ginger ale?

Mr Kingston

- The secret of our intentions are at present concealed within the womb of time.

Mr Piesse

- Is there any material difference in the standards of the various States ?

Mr Kingston

- I do not think so. Of course the test is that the liquor contains not more than 2 per cent, of alcohol in respect of which an excise is payable.

Clause agreed to. Clause 6 agreed to. Clause 7 - This Act is an Act relating to the Customs within the meaning of the Customs Act 1901.

Mr HIGGINS

- May I ask what is the object of this clause? There is nothing more dangerous than to adopt a provision which incorporates another Act without knowing exactly what we are doing.

Mr KINGSTON

- The administration of Acts relating to the Customs are vested in the Minister of State controlling the Customs department. This clause is introduced for the purpose of bringing that in.

Clause agreed to.

Clauses 8 and 9 agreed to.

Clause 10 -

No person who is licensed to retail wine, beer, or spirits shall be licensed under this Act, and if any brewer shall be licensed to retail wine, beer, or spirits his licence under this Act shall thereupon cease.

Mr MAHON

- I should like to ask whether this clause will not prevent small breweries, which in places like Western Australia are permitted to hold gallon licences, from retailing beer. I wish to ascertain whether, in the event of this clause being passed and these establishments continuing to brew beer, their licence to retail will lapse? It is a point of some importance to small breweries.

Mr Kingston

- How is the licence expressed in Western Australia? Is it "licensed to retail"?

Mr MAHON

- Technically what I am speaking of is known as a "gallon licence." It is a licence which is held by storekeepers in various towns, and also by some of the smaller breweries, to retail a gallon of anything, but the drink must not be consumed upon the premises.

Mr MAUGER

- It would be interesting to know how this clause will affect tied houses. Nominally a number of houses in Victoria are licensed to individuals, but really those individuals are the creatures of the breweries, and the breweries are retailing their beer in various parts of the metropolis. I do not know if the provision in any way affects the brewer who is in possession of tied houses.

Mr KINGSTON

- I wish to look up the point which has been raised by the honorable member for Coolgardie. Probably it may be advisable to fix some limit to "retailing." I move -

That after the word "spirits," line 2, the words "in quantities of not less than one gallon" be inserted.

Mr Mauger

- It will not affect tied houses?

Mr KINGSTON

- No, because the owner of the tied house is not licensed.

Amendment agreed to.

Clause further verbally amended, and agreed to.

Clause 11 -

The annual fee for a licence is £25, computing as from the 1st of January, and when by reason of the time of the granting of the licence it will not continue for a full year, the amounts shall be reduced proportionately.

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Sir JOHN QUICK

- I should like to know whether this licence-fee of £25. involves any alteration in the existing laws of any of the States. There is no reference in the margin of the clause to the corresponding licence-fees in the different States.

Sir George Turner

- It is £25 in Victoria.

Mr KINGSTON

- I think the clause provides for the usual fee. I will look the matter up more closely before the Bill passes from this House. As regards the question as to large or small, I may say that of course this is not a licence-fee in respect of the output. Each brewer pays in accordance with his output by virtue of the excise. This is more in the nature of a registration fee.

Mr E SOLOMON

- I do not think that the brewers pay any licence fee in Western Australia, but if so, it would be a very small one, because licences are issued for the consumption of all colonial wines and beers for £5 per annum. I do not think the brewers would pay anything.

Clause agreed to.

Clauses 12 to 19 agreed to.

Clause 20 -

No brewer shall -

Make beer at any place other than his licensed brewery.

Make or sell at his licensed brewery any beverage not subject to excise duty,

Sell spirits in his brewery or at any place within fifty yards thereof.

Penalty : One hundred pounds.

Mr KINGSTON

- It has been pointed out to me that the provision contained in paragraph (6) is unusual and somewhat harsh, and that it might interfere to an extent not intended with existing establishments. I propose, therefore, to strike it out for the present. I may consider it further on. I move -

That the words "(b) Make or sell at his licensed brewery any beverage not subject to excise duty" be omitted.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 21 to 33 agreed to.

Clause 34 (Penalty for withdrawing beer without destroying stamp).

Mr POYNTON

- In looking through this Bill hurriedly it appears to me that under clause 27, which we have passed, a brewer is subject to a penalty of £1 00 if he allows beer to be removed from his premises without payment of duty. Under this particular clause an unfortunate person who procures that beer, although he has paid for it, is liable to a penalty of £50, notwithstanding that the brewer is himself the proper person to see that the barrel is stamped.

Mr Kingston

- That is another thing.

Mr POYNTON

- It seems to me that the penalty of £100 to which the brewer is liable, is an extremely mild one compared with that proposed to be inflicted on a person who may innocently do this thing. I do not know whether the provision has been copied from a State Act, but it seems to me that the brewer is better protected than is the victim of his negligence.

Clause agreed to.

Clauses 35 to 37 agreed to.

Clause 38 (Hours of removal).

Mr MAHON

- In the extremely hot weather on the gold-fields of Western Australia I have known beer to be delivered in the middle of the night. That is necessary in order to supply the legitimate demands of the public. .

Mr Higgins

- The words "or by written permission " would meet that case.

Sir George Turner

- Those words were put in to meet these particular cases.

Mr Kingston

- The department must keep some check upon the delivery of beer.

Mr MAHON

- If those words cover the matter it is all right.

Clause agreed to.

Clause 39 (Penalty for removing beer in unstamped cask or package).

Mr SALMON

- The penalty imposed by this clause 'seems to be an excessive one. It has already been pointed out by the honorable member for South Australia, Mr. Poynton, that the penalty for not destroying a stamp is £50, whilst the penalty in this case is twice that amount. It is altogether too much.

Sir William McMillan

- Is this the maximum penalty ?

Mr Kingston

- Yes, it is the maximum.

Mr SALMON

- I think there should be some reduction of the penalty, considering that in clauses 35 and 36, where the brewer may have been attempting to defraud the revenue, no penalty at all is fixed.

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Mr KINGSTON

- The honorable member for Laanecoorie will see that one way in which the revenue may be cheated is by the removal of beer from a brewery without knowledge of the department - by smuggling. This clause deals with such cases. No person is either to remove or receive beer without payment of duty.

Mr Salmon

- I am not trying to protect the person who removes or receives, but I say the penalty is too much for the man who receives.

Mr KINGSTON

- It is generally recognised that the receiver is worse than the thief. In this case receiving may not be as bad as removing, but it is necessary to have a high penalty on smuggling. The justices can deal with the matter at their discretion so far as the punishment is concerned.

Mr G B EDWARDS

- The clause is exceptionally hard on the receiver. A perfectly innocent person might receive beer from the brewer or brewer's agent, and might not take the trouble to satisfy himself that the duty had been paid.

Mr Kingston

- The barrel has to be stamped, and he must see whether the beer has paid duty or not.

Mr G B EDWARDS

- Here we penalize a possibly innocent receiver, who may not know that the beer has not paid duty. I can understand the brewer being severely dealt with, but in his case there is an officer appointed to see that the duty has been paid. We should provide that the receiver shall "knowing]" do this, before he is fined the £100.

Mr KINGSTON

- The penalty is on persons who receive the beer from the brewer, and upon those who remove it from the brewery. The nature of the case is such that the offender must know whether the duty has been paid or not. Unless we have a severe penalty, we may find ourselves lacking, in requirements for properly enforcing the Act.

Sir WILLIAM McMILLAN

- The revenue must be protected. A certain amount of latitude should no doubt be given, but when smuggling is carried on it is frequently done in this way. The people who receive smuggled goods are as much offenders as those who smuggle¹ them, and the penalty must be made as great a deterrent on the receiver as on the person who removes.

Clause agreed to.

Clauses 40 to 45 agreed to.

Clause 46 (Access to brewery and books).

Mr KIRWAN

- Is there any provision in this Bill by which the officers are compelled to preserve secrecy in regard to their examinations of the accounts of a brewery? It might be worth some persons' while to know certain particulars in connexion with a particular brewery, and if those particulars became public it would be very unfair to the brewer. Another consideration is that there are secrets in connexion with brewing, and it would be very unfair to those in charge of a brewery that those secrets should be made generally public. It would be well, therefore, if provision were made that an officer should not, under severe penalties, reveal any information gained in the course of his investigations.

Mr KINGSTON

- There is a great deal in what the honorable member for Kalgoorlie Says, but I think his contention is more a matter for a clause of general application. A provision in the Public Service Act would not be inappropriate. If any disclosure is made on the part of an officer, except in the course of his duty, he ought to be punished. The offence would be punishable by the Executive, and the only question is whether or not any further provision is required on the subject.

Mr Higgins

- I think there might be a clause in the Customs Act in regard to secrecy.

Mr KINGSTON

-I think it would be better to have such a provision in the Public Service Act.

Mr Kirwan

- There is such a provision in connexion with the telegraph service.

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Mr KINGSTON

- It is highly undesirable, if it can be prevented, to have similar clauses in different Acts, when one clause of general application would suffice. I entirely sympathize with the object the honorable member for Kalgoorlie has in view. The information, which is obtained by an officer in the discharge of his duty, ought not to be lightly revealed. Officers who do reveal it should certainly be dismissed, and it is quite possible to hold that they should be dealt with more seriously. I promise the honorable member to consider the matter in connexion with the general question, and see whether some provision of the kind cannot be devised.

Sir WILLIAM McMILLAN (Wentworth). - I see there is a sort of schedule of entries which are to be made under the Bill, and it is provided that the ingredients used are to be shown - sugar, malt, hops, and other materials.

An Honorable Member. - It might be put " materials generally."

Sir WILLIAM McMILLAN

- The question, of course, is as to what extent it is necessary for the officers to understand the details of " other materials," because I believe it is a fact that the very reputation of some of the breweries is concerned in some secret manipulation, which is not known outside, and which is, therefore, practically their capital. I fancy that all the Minister wants is that the officer shall see that the revenue is protected, and that he shall in no way exercise any espionage over the details.

Mr Kingston

- Oh, no.

Sir WILLIAM McMILLAN

- Still, that ought to be in the regulations and very clearly understood, because it does not matter what oath may be taken, these things, which are of such enormous importance, are likely to leak out, and we ought to be very careful that while we are protecting the revenue we shall not do anything which may incidentally injure the business.

Mr G B EDWARDS

- I think the Minister could serve his object much better if he confined the returns to those things which are necessary for the production of beer, and upon which we require to keep a check for the purposes of revenue. I know that under the Distillation Act, all that we are concerned with is the quantity of stuff that will produce a given quantity of spirit.

Mr Kingston

- The provisions of the Distillation Act are most elaborate.

Mr G B EDWARDS

- I think we might apply them here in a simpler form. All the Commonwealth wants to get at is whether these people have had more material in their brewery than has been sufficient to produce their output of beer, showing that there may be a leakage or a fraud in some way. If the clause were so drafted as to give the officers access to the books which showed the quantity of sugar, malt, or other alcohol-producing materials consumed in a brewery, it would be quite sufficient to give the necessary check on the revenue. But if we give them access to all other particulars, as has been pointed out by two other honorable members, the secret processes of these people may be revealed. Although the Minister says he sympathizes with the object for which an alteration has been suggested, I do not think that is sufficient to meet the case. These people ought to be properly protected. Among other tilings in connexion with breweries, I know that a great deal depends upon the various temperatures worked at, and the point at which they arrest fermentation. These are secrets which are guarded closely and jealously by brewers. If the officials are allowed full access to all these matters, they will be in the position of holding secrets which I have no hesitation in saying could be sold for thousands of pounds in some cases. Although these officers, as the Minister says, can be punished by the executive for any revelation of these secrets, we know that as a matter of fact, in some of the States, there are now great complaints about the revelation of returns under the Income Tax Act, where , there is very little inducement to reveal anything. Under a clause like this I am sure the Minister sees there will be an inducement of thousands of pounds to reveal facts known in some great brewery, by a knowledge of which opponents could hold their own

much better against it. I strongly urge that the Minister should consent at any rate to the recommittal of the Bill, and after he has had time to look into the matter he may be able to so alter the clause as to protect the legitimate rights of these people to their own trade secrets.

Mr. HIGGINS(Northern Melbourne).I think there is' a good deal in the suggestion of the honorable member for Kalgoorlie. I would remind honorable members that in the Post and Telegraph Bill, the second reading of which is now before the House, there is a provision of the kind suggested with regard to dead letters. These have to be opened with great formality and care, and officers have to make a declaration on oath that they will not reveal the contents. If. there are such precautions taken with regard to matters in which often no money is involved, but simply matters of private interest, surely we ought to take similar pains with regard to matters which may mean thousands of pounds to the persons interested.

Mr Mauger

- The art or mystery of brewing.

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Mr HIGGINS

- Yes; the art or mystery of brewing. So long as there is brewing and trade secrets in brewing, we ought to protect the property of the brewers in those secrets as carefully as we can. I think the suggestion made is a reasonable one, and it ought to be met in the Bill and not merely in regulations.

Sir WILLIAM McMILLAN (Wentworth). - In addition to this clause, could there not be some declaratory clause, which would set out that there should be no unnecessary interference in these examinations with trade secrets or matters affecting the trade ? There might be some declaration, I think, as a safeguard. Supposing an officer really attempted to go beyond his particular duty, there might be something in this Bill of a declaratory character, that would give the brewer a legal position in dissenting from any unnecessary interference.

Mr Thomson

- What Act is this from?

Mr KINGSTON

- A variety of Acts, and this is the general effect of the various provisions. I have here some of the returns which have to be sent in in Victoria. The officers have, for instance, from day to day, to make entries in their books, showing the quantity of beer in gallons produced, and distinguishing between the beer made from malt and hops, and the beer made from sugar, and other ingredients. They have to specify the exact quantities of sugar, malt, and hops received into the brewery from day to day, and the exact quantities used in the brewery from day to day. I have here the various provisions of all the Acts.

Sir William McMillan

- Is there a power of the officers to go beyond the books, and to go through the establishment, and poke their noses into everything ?

An Honorable Member. - There is in this Bill?

Mr KINGSTON

- There must be complete access to every part of the brewery.

Sir William McMillan

- I think that is wrong.

Mr KINGSTON

- I can assure honorable members that provisions of this sort has been found to be necessary. I thoroughly sympathize with the view that there should be no unnecessary interference.

Mr Higgins

- The officers must have access to any time, but this gives them the power to learn all that the brewer does.

Mr KINGSTON

- I do not want any unnecessary inquiry into trade secrets by any manner of means. On the subject of punishment the Government are thoroughly with honorable members that any revelation of confidential information officially acquired ought to be severely punished. But to put a clause of the kind into a little Bill referring to a special excise seems to be a mistake. I would rather have a general provision introduced into a Bill of more general application.

Mr Higgins

- We have a similar clause in the Postal Bill.

Mr KINGSTON

- I think the thing ought to be dealt with generally in the Public Service Bill - there is a good deal to be said in favour of it.

Mr V L SOLOMON

- It would be nicely buried there.

Mr KINGSTON

- It will not be buried there, because it will be a clause of general application that every one is bound to know. I think it would be a mistake to insert it in this Bill, but I will look further into the matter.

Mr THOMSON

- The matter of the oath to which the honorable member for Kalgoorlie alluded is a proper suggestion, but I do not know that even then the Bill does not provide greater powers than are necessary. I should be astonished to find that it does not provide greater powers than are to be found in similar Acts. What the Customs officers have to deal with is this : a certain quantity of material goes into a brewery for the brewing of beer. This is known to produce a certain quantity of liquor, and so long as the Customs house gets duty on the beer that is represented by that material which is taken into the brewery it should not be necessary to follow the material through every process in the brewery, so that the officer may be in a position to obtain valuable knowledge which has often cost brewing firms very large sums of money, and which is a marketable commodity that no oath would prevent a dishonest man at any rate from selling. It would be very difficult indeed to discover such a breach of duty, because the information could be so readily given in such a secret manner that there would hardly be any possibility of tracing it.

Mr Higgins

- Does the honorable member remember the case of the clerk, who, it was discovered, had disclosed to the London Globe a secret of the War Office ?

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Mr THOMSON

- Yes. Such a knowledge would be a marketable commodity to dishonest firms, who would be prepared to give very large sums for it, because the firms which possess it now have probably given very large sums for its possession, or each has paid a man a very high salary because he possessed the knowledge. Unless the Minister has some very strong reason to the contrary, I would move the omission of the words "and every stage of process in the making of the beer."

Mr KINGSTON

- The honorable member has suggested that we are going a little beyond existing legislation. The regulation under the Queensland Act of 1897, which is the latest, is as follows : - Every brewer shall provide all necessary facilities for enabling the supervising officer to have complete access to every part of his brewery during all working hours, and for enabling such officer to examine, note, and take account of any process of manufacturing or brewing beer. Honorable members will note that again I have hardly gone any further than the existing regulations.

Mr Thomson

- This goes a little further, but not much, certainly.

Mr KINGSTON

- I think we ought to have a right to note the making of the beer in order to see what is going on. I am willing to omit the words " every stage of the process," so that we can see what is being done with the materials.

Mr G B EDWARDS

- The " making of the beer " includes every stage.

Mr KINGSTON

- It is not quite so full as the other form in the way it points to detail, but I think the officer ought to be able to see what is being done with the beer and materials. If the honorable member for North Sydney is satisfied with an amendment of that description, I shall be prepared to move it.

Mr Thomson

- It is a little better, but it does not get rid of the entire difficulty.

Mr KINGSTON

- I do not see how we can dispense with our right to look at the making of the beer, and see what is being done with the materials. I move -

That the words, "every stage of process in" be omitted.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 47 -

Any officer may, at any time between sunrise and sunset, enter and search the premises of any person licensed to sell beer by retail, or any premises where he has reasonable cause to suspect that any beer is made, or any beer upon which duty has not been paid is kept or stored.

Mr MAHON

- Will the clause allow an officer without a warrant to search a man's premises? It is not usual for a man's private house to be invaded by any Government officer, policeman, or any one else. Apparently, from the wording of the clause, the premises of any person may be entered at any moment.

Sir George Turner

- They would be public-houses, breweries, or store-houses.

Mr MAHON

- It says "or any premises."

Mr Kingston

- The officer has to have suspicion.

Mr MAHON

- Exactly ; that would allow a Customs officer to demand from a grocer who keeps liquor in stock the right to go down to his cellar at any time.

Mr Kingston

- If he has reason to suspect that it is smuggled beer. We must have the power.

Mr MAHON

- I do not deny that the Minister ought to have the power ; but I certainly think he ought to so hedge it round that an officer shall not abuse it. No man's premises can be searched now by a policeman unless he has a warrant. The clause ought to be made clearer than it is, because from a casual reading of the clause it would appear that any man's private house might be searched by a Customs officer without a warrant.

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Mr KINGSTON

- Only when the officer has reasonable cause to suspect that that private house is being used for the purpose of an unlicensed brewery or for the storing or keeping of smuggled beer.

Clause agreed to.

Clause 48 -

Any officer having with him a writ of assistance or a Customs warrant under the Customs Act 1901, may at any time in the day or night enter into any house, premises, or place, and may break open the same and any chests, trunks, or packages in which beer not having paid duty is or is supposed to be.

Mr. HIGGINS(Northern Melbourne).The clause provides that an officer with a writ of assistance or a Customs warrant under the Customs Act may at any time break and enter. I should have thought that the writ of assistance would say on its face what a Customs officer can do. And as to the Customs warrant, there is a form in the Customs Act stating exactly what an officer can do. I do not find that the form of the warrant and of the writ of assistance correspond. The Customs warrant given under the Customs Act will allow an officer not only to break and enter packages, but also to take them away and put them in some place of security, where he can keep them and have them under the King's control. I think there is some danger from this clause standing in this form, because we ought to rest upon the words of the writ of assistance and the words of the Customs warrant as showing exactly what can be done. The clause says that an officer can act only with a Customs warrant or a writ of assistance in his hand. These documents should tell exactly what he has to do, but there is some variance between the clause as it stands and the Customs warrant set out in the third schedule to the Customs Bill. I shall not ask the Minister to alter the clause at the table, as I think it would be impracticable. I ask him to see whether it would not be better to leave out clauses 48 and 50 and to provide, if there is need of it, simply that the officer may act with a writ

of assistance or Customs warrant in the form prescribed . in the Customs Act:

Mr KINGSTON

- The object of the Customs warrant is only to enable the breaking open. The other clauses do not give that power. The Customs warrants - so far as I can remember, but I will look further into the matter - authorize officers to break open and enter premises and seize goods that are forfeited, and secure them either by removal to the King's warehouse or otherwise, as may be deemed necessary.

Mr Higgins

- If the Customs warrant provides that, why is the clause needed ?

Mr KINGSTON

- It might be construed, unless we are very careful in regard to it, that the clause contained in the Customs Act, having reference only to the seizure of goods which are forfeited on account of a breach of the Customs Act, would not apply to breaches of the Excise Act, which we have now under consideration. I think it is absolutely necessary that we should have this provision, and I think, moreover, that it fits in with a similar provision in the Customs Bill.

Clause agreed to. Clauses 49 to 59 agreed to. Clause 60 (Attempted offences).

Mr G B EDWARDS

-Will the Minister tell us where this clause is taken from?

Mr Kingston

- It is the usual clause an attempt to commit an offence is often as bad as the commission of the offence itself ;

Mr G B EDWARDS

- I know that that is in accordance with the philosophy of the Christian religion, but it seems very wrong in its present application. Anything might be considered as an attempt to defraud the Customs, and it might be very difficult to disprove a charge of that kind.

However, as the Minister states that it is . the usual clause, I suppose we must let it go, although it seems to me to be an extraordinary provision.

Mr Kingston

- It is in every one of the Acts.

Clause agreed to.

Clauses 61 to 67 agreed to.

Schedules I. to III. agreed to.

Bill reported with amendments.

DEFENCE BILL

Second Reading

Debate resumed (from 25th July, vide page 3107) on motion by Mr. Kingston -

That this Bill be now read a second time.

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Mr WINTER COOKE

- I think we are all agreed that scarcely any question of more importance than that of defence has come before this House this session. At all events, to my mind, it is one to which we ought to give the most attentive and earnest consideration. Several very able and interesting speeches were made upon the Bill last week, in addition to which there was the opening speech of the Minister for Defence. In looking over several of these speeches it occurred to me that many honorable members seemed to think that the Bill we have to consider contains a proposal for the formation of a large standing army. Honorable members appeared to suppose that some of the Ministers had been bitten by what the late Professor Huxley called the military mad dog, and that the proposal contained in the Bill would launch this country into a very large expenditure. It seems to me, however, that the measure is really drawn on a very moderate scale. It is founded, and very properly I think, on the report of several commandants, who were called together by the Minister of Defence to consider the military defence of Australia. That report was founded on two previous reports, one in 1894, and one in 1896. These two reports were, I think - one at all events - approved by the Defence Committee at home, and I think Ministers have done the right thing in taking advice from those best able to give it on this very important question. This Bill contains almost the same proposals as the Bill which the military commandants drew up. It is provided that we shall have a small

permanent force to man our forts, and I hope also, a small but efficient body of permanent field artillery. It is further proposed that we should have militia and volunteers, the militia being formed for the reason that it is difficult to get volunteers to attend the day drills that are considered absolutely necessary in connexion with some manoeuvres. It has been found in Victoria, at all events, that the volunteer system is to some extent a failure, and therefore I assume that the commandants thought that, in addition to volunteers, there should be a small number of partially-paid men who could be trained during the daytime, and thus be made more efficient than a purely « volunteer force. In addition to those three branches of the service, the rifle clubs were also to be made part of the defence force, and there does not seem to me anything very alarming in such a suggestion as- that, I am not speaking of numbers, but I would say this scheme seems to be the least we could have for the proper defence of Australia in case of any raid that might be made on us by a foreign power. I am not now referring to naval defence. Two objections have been taken to the proposals in the bill. One objection is, that .at the will of the Government of the 'day the permanent force could be ordered for service abroad. But I cannot help thinking that this is a power the Government ought to have. To my mind, even as a layman, .there might be occasions when it' would be most desirable that a small force, at all events, should be sent out of the country for the defence of Australia itself. I am not now referring to assistance given to the motherland, except so far as we are assisting her by defending Australia; but it might be absolutely necessary for the safety of Australia that a force should be sent beyond the limits of the Commonwealth. It might be found, for instance, that a small battery of artillery, with a few men in addition, might be necessary, say in New Caledonia, the New Hebrides, or in New Guinea, the latter of which is, I believe, partly owned by Germany. It might be justifiable to send such a force to the assistance of New Zealand, in order to defend Australia itself.

Mr Higgins

- Even if the men, or some of them, did not wish to go ?

Mr WINTER COOKE

- Yes, even if the men did not wish to go.

Mr Higgins

- And even if they thought it an unjust war ?

Mr WINTER COOKE

- I do not suppose any Australian would be unwilling to go, judging from the venturesome spirit shown during the South African war. I believe we should find the men ready to go, but at the same time we ought to have men properly trained and properly equipped, in order that effective defence might be made. History has shown us over and over again that attacking the enemy is sometimes the safest course. Indeed, an instance of this was given by the honorable and learned member for Northern Melbourne last week. He and I may differ, and probably we do,, as far as the poles are asunder, in regard to the South African war, but I heartily agree with him that the Boers took the light course, from their point of view, in entering the colony of Natal. At all events, it was in their mind - perhaps they thought more, but they thought this also - that that was their proper defence. I remember reading in the life of Lord Lawrence, who was a fellow countryman of the honorable and learned member for Northern Melbourne - one of those North of Ireland men who have done so much good work for the Empire - that during the Indian Mutiny, when he was Commissioner in the Punjab, and when General Anson, marching on Delhi, was about to in trench and wait for more troops, he sent, or is said to have sent, a message to General Anson - who had written a "book on whist - to this effect, " Clubs are trumps, not spades," meaning, of course, that to attack was the right thing, and that the General was not to .wait until the enemy arrived on the scene. I would point out that the power to send abroad the forces of the States is not peculiar to this Bill. I think the Government of Queensland has such a power, and certainly the Governments » of New Zealand and Canada have. The Canadian Act, chapter 41, section 79, is as follows : -
Her Majesty may call out the militia or any part thereof for actual service, either within or without Canada, at any time when it appears advisable so to do by reason of war, or invasion, or insurrection, or danger from any of them.

The New Zealand Act of 1886, No. 17, section 73 runs thus : -

The Governor may cause a sufficient number of fit and able nien to be embodied from time to time to serve as a permanent militia force in and throughout the colony, or beyond the limits . thereof, for resisting the common enemy.

I think there is a similar section in the Queensland Act, and, though I am not quite certain, in the South Australian Act.

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Mr Higgins

- That is for resisting the enemy, and not for taking offensive action.

Mr WINTER COOKE

- That may be. But the forces may be sent beyond the limits of the States, and sometimes offensive action is really defensive action. I hope that the actual power to send the forces beyond The limits of the Commonwealth will be retained in the Bill. There has been great alarm in regard to what may be called the conscription clauses. But there does not seem to be anything to be alarmed about. The clauses simply put in writing a power that a Government ought to possess, namely, the power of calling out the manhood of the country for the defence of the country.

Mr Mauger

- That is a power the British Government do not take.

Mr WINTER COOKE

- I do not know whether the British Government do or not, but it is a power which the Government -ought to have. Sometimes our more radical friends are very proud when they can say that in certain legislation the mother land lags behind Australia. On this occasion I would say that the motherland is behind us, if she is not prepared to call out her men when necessary.

Mr Higgins

- The motherland has much more need for conscription than we have.

Mr WINTER COOKE

- That may be ; but I am not now speaking of what it is requisite for the old country to do, though there are some very strong advocates of conscription, even in the old land. The -clauses in The Bill are really taken from- the Canadian Act, and in the Defence Acts of several of the States there is also the power to call out the men of the country in case of necessity. There is, therefore, nothing unprecedented in the proposals in the Bill. These are the only two serious objections which have . been taken ; But there is another objection with which I agree, namely, the objection to the power of appointing officers being left entirely to the Governor in Council. It is very difficult to find the true solution of this question. If the power be left entirely in the hands of the commandant there will be favoritism. If the power be left entirely in the hands of the Governor in Council there will be favoritism, and there certainly will be political pressure. I would like to see use made of such a council as we have in Victoria, called the Council of Defence. That council was not given power to appoint officers, but was given power to direct and organize the forces generally. It was supposed and believed that when this council was formed almost every question of any importance whatever would come before it. It occurred to me that the difficulty might be got over by allowing the Commandant to recommend appointments through a Council of Defence. If the .Council of Defence approved of the appointments, then the Governor-General in Council might give his assent to them.

Mr Higgins

- Would the Minister be a member of the Council of Defence 1

Mr WINTER COOKE

- Yes, as is the case in Victoria.

Mr Higgins

- Then he will boss the show.

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Mr WINTER COOKE

- Not necessarily. In Victoria the Minister is a member of the council, also the Commandant and two or three other officers. One of the objections which have been urged against the Victorian system is that some of the members of the board are junior to the Commandant. Therefore, the}' would be put in a very difficult position if they had to vote against any appointment recommended by the Commandant. But the actual question of appointments is not left to the Council of Defence in Victoria. If we adopted that principle, and established a Council of Defence, giving that body. the power of passing or not passing on the recommendations of the Commandant, it might be a good thing. But there might be on the council

officers junior to the Commandant, and they would be placed in the position of having to vote against the Commandant or Commander in Chief. However, I think that in committee we ought to endeavour to devise some means by which the danger of favoritism on the part of either the Commandant or the Minister in charge of the department can be avoided. Another objection which I have to this Bill is its comparative silence in regard to naval questions. No naval expert was summoned to the recent conference of commandants. I am aware that some time ago there was a meeting of experts upon naval matters, and they reported upon this subject, but not to the Commonwealth Government. I think that it would have been well if there had been present at the recent conference of military experts one or more naval experts, so that we could have learned if there was anything that we could undertake in the way of naval defence - other than harbor defence - and, if so, what would be the expense of the undertaking. We sometimes speak very loftily of having an Australian navy, but some of us who have looked into this matter know that in the present state of our finances, even if it were desirable, it is utterly impossible to establish an Australian navy. If, however, the Government had secured the advice of the Admiral of the Australian squadron, and one or two other experts, we should have learned what they thought could be done, and it is just possible that a scheme might have been submitted for the formation of an Australian marine. Such a marine could have been exorcised either on board of men-of-war lent to us by the Imperial Government or upon men-of-war not in full commission, but partly manned, "upon which our men in. Australia could have gained a knowledge of naval matters sufficient to be of some service to them when needed by the Imperial Government. Indeed, Australia should be the recruiting ground for the British navy. I do not think that at any near date - and possibly it would be impolitic - we shall have a navy of our own. But it would have been well to have obtained the opinion and advice of naval experts upon this question. We shall have to be dependent upon the British navy for some years to come. As the honorable member for Northern Melbourne said - " Our first, our second, and our third line of defence is practically the British navy." But at the same time we ought to be prepared to assist in maintaining that navy, partly by ' having such an Australian marine' as I speak of, and partly, perhaps, by contributing more than we do in aid of the auxiliary squadron. I cannot help considering that it is a shame for us to contribute so little as we do to the defence of the Empire. It is true that the British Government keeps its fleet out here partly for the defence of her own merchant service. But she also keeps it largely for the defence of Australia. Surely we ought to be prepared to do more than we are doing for the defence of Australia, and indirectly, therefore, of the Empire. Before concluding my remarks I should like to refer to the rifle clubs, which I intended speaking of earlier. I have long felt - and I spoke to this effect upon the platform - that it would be well if everybody could learn the use of the rifle. But there are two objections to the adoption of this course - first, the very great expense that Australia would be involved in ; and secondly, the difficulty of maintaining enthusiasm in the corps. In Victoria we have had rifle clubs established for some time, and I believe that at one period their members numbered between 4,000 and 5,000 men. The membership, however, gradually declined, and not long since was less than half that number, showing that for some reason or other the enthusiasm had died away. Now we have something like 20,000 members of rifle clubs. Clubs are being established all over the State. They are very desirable organizations, but the two difficulties confront us to which I have referred. Assuming that we overcome the first of these difficulties, namely, the question of the expense incurred, and that the Commonwealth can see its way to pay for rifles and ammunition, the second difficulty presents itself of keeping up the necessary enthusiasm. Unless we are prepared by some means or other to give great encouragement to these rifle clubs, I am persuaded that in a comparatively brief period their numbers will be greatly decreased, and we shall . find that we have spent money upon rifles, ammunition and rifle clubs to little or no purpose. I hope that under clause 119 the Government will be able to frame such regulations as will not only keep up the enthusiasm to its present high level, but as will also increase it. I may remind honorable members that in Switzerland the system is different. There it is compulsory, not voluntary, as it is' with us. A rifleman can complete what we would call his musketry course at the local village. If he fails to complete it at the village then he has to join his battalion. That cannot be done under our volunteer system of rifle clubs. We have nothing to compel a man to go on and perfect himself as a marksman.

Mr Higgins

- -The training is compulsory in Switzerland, but a man is not compelled to go into barracks for three years.

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Mr WINTER COOKE

- No. A certain course has to be gone through in the schools first of all ; then the riflemen can go back to their different villages. I might read a paragraph from the Nineteenth Century, which has been placed in my hands, and which I think explains the matter clearly : -

It is necessary that the recruit between the periods he is called upon to leave his work and rejoin his battalion for training should keep himself in practice with his weapon, and should what we call shoot his musketry course. It is here that the rifle club system comes in. When a man . is with his battalion he shoots his course at the military range. But during the periods he is at home he does this at his village, a condition being that he must be a member of the local rifle club. Thus, unless he fails to fulfil the prescribed conditions, is he saved the trouble and expense of leaving home, and attending at military headquarters.

As showing the expense involved in this work, I may mention that in 1898 the Government of Switzerland contributed £110,000 towards the cost of ammunition, in addition to a sum of £250,000, which was supplied from private sources for the same object. I mention these facts in order to show that the rifle-shooting movement is not the very cheap method of keeping up a defence force that some honorable members appear to think.

Mr Higgins

-The total expenditure per head in Switzerland is less than elsewhere.

Mr McDonald

- The cost in Switzerland a £7 per head.

Mr WINTER COOKE

- That is for the whole defence system. It is a compulsory system.

Mr Higgins

- They are only required to devote a certain number of days to military duties.

Mr WINTER COOKE

- Yes : but it is a compulsory system. I am devoting my attention to rifle shooting. We are proposing to help that movement here, and I am quite of opinion that every encouragement possible should be given to it. If a man only knows how to use the rifle it is something, but drill instruction is also desirable. Another point, about which there is an absolute silence in this Bill, and which might very well have been mentioned, is the desirability of establishing a military college such as there is at Kingston in Canada, and at West Point in the United States of America. I am afraid we are somewhat prone to think that volunteers and militia are sufficient. The experience gained by the United States of America during the civil war went to show how that the lessons taught at the celebrated academy at West Point were invaluable to both sides during that disastrous war.

Mr O'Malley

- Quite true.

Mr WINTER COOKE

- The right honorable the leader of the Opposition, whose speech, I am sure, every one who heard it must have welcomed as a splendid contribution to this question, and worthy of the quarter from which it came, said the other night that he wished we could have such men as Sherman, Grant, and Lincoln. I do not know about Sherman, but I do know that Grant was educated at WestPoint.

Mr O'Malley

- And so was Sherman.

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Mr WINTER COOKE

- Stonewall Jackson and Lee were also trained at West Point for four years. The United States of America hoped that if ever the time came when they should need trained men to officer their volunteers, they would be able to obtain them as the result of the work done at West Point. In glancing through the life of Stonewall Jackson yesterday, I came across a quotation which, although it is lengthy, I should like to read, as it shows from actual experience how desirable it is that we should establish here a college in which men may learn to take charge of regiments and small armies. Some of us have heard of mistakes made in South Africa. Although many of our British officers have made mistakes, I think it will be found,

when the history of this war is written, that they are not the only officers who have committed errors, but that many blunders have been the result of men with very little military knowledge and experience being placed in charge. In the weekly edition of the Times recently, a letter from Pretoria was published, in which the writer referred favorably to British officers, and said that many of the blunders were made by volunteer officers practically in charge of colonial corps. He also said that a great many of these disasters had been concealed. In the very same number of the Times there also appeared a letter from a Cape Colony officer, complaining of the British officer, so that it is very difficult for us to get at the truth of the matter. This is what the writer of the life of Stonewall Jackson says -

In the wars with England the militia of the different States had furnished the means both of resistance and aggression, but their grave shortcomings, owing principally to this lack of competent officers, had been painfully conspicuous. After 1814, the principle that the militia was the first line of defence was still adhered to, and the standing army was merely maintained as a school for generals and a frontier guard. It was expected, however, that in case of war, the West Point graduates would supply the national forces with a large number of officers, who, despite their civil avocations, would at least be familiar with drill and discipline.

This fact is to be borne in mind in view of the civil war. The demands of the enormous armies then put in the field were entirely unprecedented, and the supply of West Pointers inadequate to meet them ; but the influence of the Military

Academy was conspicuous throughout. Not a few of the most able generals were little more than boys, and yet as a rule they were far Superior to those who came from the militia or volunteers. Four years of strict routine, of constant drill, and implicit subordination at the most impressionable period of life proved a far better training for command than the desultory and intermittent service of a citizen army.

I know the trend of thought nowadays is rather in the opposite direction, but do not let us be led by the experience of the present, to disregard the experience of the past.

Mr Higgins

- Who wrote that life of Stonewall Jackson?

Mr WINTER COOKE

- I do not know who wrote the book, but it does not matter - there is the fact which I mentioned concerning four of the most distinguished men in the war. I have no desire that this Australia of ours should enter upon any aggressive war, or indeed take part, if it can possibly be helped, in the wars that the motherland may be compelled to enter upon. But when I hear speakers -saying that when the old country is really in danger they will be prepared to stand by her, I want to know what is " danger." Are we to wait until the knife is at the throat of Britain, and then say we will come to her assistance? An American citizen said to me once when I was travelling from Paris to Dijon - he had just been reading The Battle of Dorking - "If the old country comes to that, she will not want men to fight for her." We all remember The Battle of Dorking, that described in the form of a story, how England was invaded. And so when I am told that we shall do our best when the mother country is invaded, I want to know what " danger " is. It is important to awake to this fact, that the time will come, and probably at no distant date, when we shall have to do a great deal more than we are doing at present. Both in men sent by the Government of Australia under law and in the expenditure of money we may- yet have to assist Britain against her enemies.

Mr Page

- We are doing it now.

Mr WINTER COOKE

- In a volunteer way.

Mr Page

- That is the best way.

Mr WINTER COOKE

- It has proved very successful; but from what I can gather, and from what has been said by the honorable member for Northern Melbourne, I do not think it is 'done in the best way now. I gathered from his speech that we should wait to be attacked - wait to suffer ourselves - wait eventually till the old country suffers herself. I have no spirit of militarism in me. I recollect full well the days - young as I was then - of the Crimean War. I was born in Australia, but I was at that time living in a town in England, and I do not

suppose there was .in that town a family some member of which had not been stricken down in the war. I personally lost a cousin in the celebrated charge of the Light Brigade. I was also present in England at the time of the Indian Mutiny, and recollect well the losses sustained by many families in the same town at that time. Not long ago it was my privilege to be in Lucknow, to stand on the Ridge at .Delhi and beside the Well of Cawnpore, and while I felt pleasure and pride in the old country to which I belong, yet I could not help realizing what a terrible tiling war is. Still I am prepared to say that it is our duty, so long as we remain part of the Empire - and I hope Ave shall for all time - to do more than we have done ; we shall have to contribute more to towards the keeping up of the British navy ; and I hope also that we shall soon have under the law of the country not merely volunteers, but properly-equipped forces for the defence of the Empire. Mr. Speaker, I have finished. I only hope that the outcome of this discussion and of this Bill will be that we shall lay firmly the foundations of a defence force which will be such as we want for this great Commonwealth of Australia.

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Mr WATSON

- I am one of those who quite admit the importance of this question of defence, but I am not altogether with the last speaker, in respect particularly to the underlying current that seemed to pervade at any rate .his last few sentences .in regard to the part we should bear in relation to the rest of the Empire. I am one of those who believe that the influence of the Empire in regard to civilization has been such that we should be worse than foolish - looking, at it merely from the sordid, selfish point of view - if by any act of ours we helped to disintegrate it, or to allow its disintegration at the hands of another power. But it seems to me that the main lesson one gleans from the history of various countries in the past is that their great success encouraged them to spread abroad their operations until at last they became top-heavy ; because they were not able to rely upon each of their several dependencies or colonies being loyal to the central organization, and upon each being able to defend itself against any aggression. But the circumstances of the British Empire now are such that, given, as we must admit there is, a desire on the part of each of the outlying dependencies to do its best to maintain the integrity of the Empire itself, we can rely upon each of those dependencies doing all in its power to relieve the Empire from any anxiety on its account. It seems to rae that if Australia takes such steps as will insure against the danger not only of invasion, but even of seizure of our various coaling ports and other places that may be used as bases for offensive action against the commerce of Great Britain - if we defend those* - we shall be doing all that can be reasonably expected of us. Apart altogether from the foolishness of our seeking to engage in every trivial contest that England has on hand, each British. State has a duty to its own citizens ; and Australia, as compared with similarly settled places, has in proportion to the number of people to be governed - and that means in proportion to their tax-paying ability - a necessarily expensive form' of Government. The development of new territory, and the carrying of the various resources of civilization to the individual units of the Commonwealth, are matters that involve considerable, expenditure. We have to spend such a large amount of money, comparatively speaking, in that way, that it leaves us very little indeed for indulging in anything like militarism on a large scale - more .especially as our resources are circumscribed. For the first ten years, the Commonwealth Parliament will have to be very economical indeed if it is to raise sufficient money to carry on the operations of the Commonwealth Government, and to spend as much as the States have hitherto spent on defence. I do not want to enter into the Tariff question, but, assuming, as is likely, that we shall raise all our revenue from customs and excise, no matter what kind of Tariff is imposed - - whether ostensibly for revenue purposes or secondarily for revenue purposes - the opportunity of gathering in any large sum from that source peculiarly for Commonwealth purposes is not such as can be strained to any great extent : and it seems to me that even if our desire were to embark on such enterprises as naval and military display, we should find ourselves so hampered by financial considerations that we should have to discontinue them after a very short experience. It would seem from the second reading speech of the Minister for Defence that the amount spent on defence during last year, which I believe was an increased amount as compared with the previous year's, was somewhere between £700,000 and £800,000. For that, leaving out cadets as non-efficient, they were able to furnish a total enrolment of some 58,000 men. Of these, some 29,000, or roughly speaking 30,000, were riflemen or members of rifle clubs, the great majority of whom had been only recently enrolled, and upon their training, either with the rifle or with the ordinary form of discipline or

drill, very little indeed had been spent. So that so far as the greater portion of the £700,000 which the States were committed to is concerned we might almost eliminate the riflemen. The number of partially - paid, or militiamen in the various States amounted to 15,603, and the number of volunteers to some 8,500. The militia were distributed in this way : New South Wales, 5,000 ; Victoria, 3,000 ; Queensland, 4,000 ; South Australia, 3,000 Western Australia, 2,000, and Tasmania some 263. But we want to look into the cost of these various arms of the service, and I took the trouble to get out the cost in each of the various States so far as it was obtainable. I find that in New South Wales the average for a militiaman came to £17 5s. 9d. That includes lancers, mounted infantry, and Australian horse, who form a sort of dragoon regiment, and are armed with carbines and swords.

Mr Cruickshank

- But they are not paid, are they 1

Mr WATSON

- Yes, they are paid now. But I will refer to that by-and-by. They include also infantry and partially-paid artillery.

Mr Mauger

- Does it include cost of the encampments 1

Mr WATSON

-Yes j including the cost of encampment, but not including the cost of service ammunition supplied to them.

Mr Page

- Does it include horsemen as well ?

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Mr WATSON

- Yes j horsemen get the same pay as infantry. The volunteers in New South Wales number 3,200, and cost on an average £8 10s. per man, inclusive of ammunition. I was not able to include the cost of ammunition in the case of the militia, because it was not specified in the estimates that were available. In Victoria the cost of the militia is £11 14s. 8d. per man ; and in Queensland £13 19s., or in round figures, £14 per man. I was not able to get the cost in South Australia, because in the appropriation for last year the number of men to be provided for was not stated, and I could not analyze the figures given.

Mr Wilkinson

- Has the honorable member got the total cost for each State there 1

Mr WATSON

- No ; I did not attempt to get that out. The point I wanted to make was that the average cost of militia in the various States runs to £16 per annum, exclusive of ammunition, and without counting in the cost of the commandant and other administrative officers, who naturally, of course, ought to be placed against the Defence establishment.

Mr Mauger

- What about allowances 1

Mr WATSON

- -Allowances in the way of rent and that sort of thing were not obtainable either ; but taking the figures merely upon the basis I have mentioned, honorable members will see that the cost is comparatively large. I heard some honorable member interject to-night that the cost of the service in Switzerland amounted to only £7 per man, inclusive of everything. Here, exclusive of ammunition and allowances, the cost runs to £16 per man.

Mr O'Malley

- There they have all privates and few officers, and here we have all officers and few privates.

Mr WATSON

- I would not like to say that, because I do not think the militia forces of New South Wales have any more than the normal number of officers.

Mr Poynton

- The cost per head of population is 3s. 6d., and the cost in South Australia is 1s. 9d.

Mr WATSON

- I was not able to, get those figures.

Mr McCay

- Do your figures include pay ?

Mr WATSON

- Yes : pay, instruction, uniform, and other expenditure of that description and the total cost, exclusive of ammunition and the commandant's salary, allowances, and so on, comes to about £16 per man. The New South Wales

Volunteer Forces, inclusive of ammunition, cost some £8 10s. per man. Going to New Zealand, I find that they have there an enrolments - apart from the permanent militia, as they term them, a small engineering and artillery force - an enrolment of 1 1,500 men under the volunteer system. The various companies of these men get for them, in respect of uniforms and other expenditure that may be gone to on behalf of the men, a capitation fee of £3 10s. per annum for mounted men, and £2 10s. for dismounted men. The men themselves get no pay except some 2s. 6d. per day for each of six daylight parades.. The total cost in New Zealand is £6 5s. 9d. per head of the men enrolled.

Mr Crouch

- That is less than the volunteers in New South Wales.

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Mr WATSON

- It is less than the volunteers cost in New South Wales. In New Zealand, with the exception I have stated, they have no militia at all. Their mounted and dismounted troops, and their garrison and field artillery, are all volunteers, paid in the manner I have indicated. The most the men can earn in the course of a year is 2s. 6d. per day for the six daylight parades, or 15s. in the total. The point I wish to make is, that it seems to me to be the duty of this Federal Parliament to get the greatest degree of efficiency compatible with a reasonable expenditure of money. It has always seemed to me that it is impossible to work the militia and volunteer system side by side. Most people will admit that if we have one set of men, who are certainly citizens in the sense that they are not regular soldiers, and if we have those men receiving pay, even though it is not more than £1.1 or £12 per annum, as in New South Wales, it must still necessarily breed a certain sense of injustice in the minds of the men who are giving up practically an equal amount of time to the service of the country, and are doing nearly as much to qualify themselves for the defence of the country in the case of necessity. Above that I find that while we have two distinct sets of individuals, as we have in New South Wales, there is a continual pressure on the part of officers, particularly of the establishment - that is, the instructors and .partially - paid officers - against the idea of volunteers altogether. They are continually pushing forward. I suppose it is natural that any branch of the service will think that it is superior to all others, unci that leads to a degree of friction which, to my mind, does not often tend to a successful, issue, so far as running two branches of these citize'n forces at one and the same time is concerned.

Mr Crouch

- Especially if the superiority is true.

Mr WATSON

- I dare say there is something in that, and I am not one to deny that we shall probably get a certain degree of greater efficiency in discipline and drill from a militia force pure and simple than from a volunteer force.

Mr Wilkinson

- Not in rifle shooting.

Mr WATSON

- I am not prepared to deny that, with regard to drill and discipline, perhaps we may get a little more ; but the difference in degree of efficiency, from the point of view of the soldier, is more»than made up under the volunteer system by the increased numbers we can get, and at only a moderate expense. Assuming that the militiaman has a degree of efficiency which we may put at 50 per cent, as against the regular soldier, and assuming that the volunteer has a degree of efficiency of only 40 per cent., it stands to reason that if we can put double the number of volunteers in the field for the same expenditure, then we have SO per cent, efficiency as against 50 per cent, in the case of militiamen.

Mr Manifold

- Would the honorable member give the volunteer an effective allowance ?

Mr WATSON

- The honorable member means for his personal expenditure ?

Mr Manifold

- For his drill.

Mr WATSON

- Not for his personal expenditure, but I believe in the capitation fee. I want to draw attention preliminarily to the fact that at least in New Zealand, and in a modified degree in New South Wales, the cost of the volunteers is not more than half that of the militiamen, with the result that if we assume that we can get the people to join the volunteers corps, for the same expenditure in instruction, in provision of rifles and other arms and uniforms, we can get double the number of men under arms under the volunteer system that we can get under the militia system. With regard to the probability of getting men to volunteer we have the fact that in New Zealand, where the population is about 700,000, they have an enrolment which is 3,000 greater than all the branches of the military service in New South Wales. Although there is double the population in

New South Wales, yet the enrolment in New Zealand is over 3,000 more than the total enrolment in New South Wales, counting rifle clubs, volunteers, and militia. So that, if we are to judge by that standard, it seems to me that we can easily get men.

Mr Mauger

- How many of them are Maories %

Mr WATSON

- I cannot say, because the personnel is not analyzed. The Maories are allowed to join the forces indiscriminately, at least they were when I was there. There were a couple of Maories in the battery I was in.

Mr Higgins

- They have no special regiment.

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Mr WATSON

- I do not think so. They are counted as British people. With regard to the volunteer movement in New South Wales, I contend that it has never had the proper degree of encouragement. In the first place it had to exist side by side, not with a competing system, but with two systems ; it- had to make headway against all kinds of official discouragement, and the men were never given that quantity of ammunition which I reckon ought to be given to any set of citizen soldiers to insure that in the use of the rifle they should be as nearly proficient as possible. And with regard to the rifle clubs also in New South , Wales there has been a distinct discouragement rather than encouragement on the part of the authorities. Any set of men who wished to form a rifle club in that State had to be prepared, not only to dip their hands into their pockets to provide ammunition - I admit that they get that at a slight reduction on the cost - but also to spend money out of their own purses to fix up ranges, and in other ways to do things which, to my mind, ought to be done by the State if we desire that they shall become proficient in rifle shooting. The question is not which is the most desirable system. That might be fairly made the -subject of debate if our resources were absolutely unlimited, if gold would rain down 'from the skies and enable us to keep as many men', as we choose as militia, and to keep them away from .their ordinary avocations as long as we might deem necessary in order to give them a training. AVe are not in that condition, and the question resolves itself into this - which force is most likely to result in efficiency with the expenditure of a given sum of money ? And, speaking as one who was in a volunteer corps for some years, and who has followed very closely the volunteer movement in New Zealand and New .South Wales, I believe we are more likely to get an efficient force, considered from all points of view, by the volunteer system than by any other. I may here refer to the-interjection which was made by the honorable member for Gwydir a few moments ago with ref erence to the Australian Horse. Lt.-Col. Mackay got together the Australian Horse in New South Wales as a bush volunteer regiment, and considering all the circumstances, I believe it was one of the best horse regiments in that State. He was first allowed, I think, an establishment of 400. Applications for permission to form troops came flowing in to such an extent that after a great deal of trouble he got an extension of his number to 600, and still was unable to comply with the desire of those

who wished to participate in the movement. I would like the honorable member for Wannon to remember that this occurred before the war fever came on. We can quite understand that, under the 'circumstances which have existed during the past eighteen months or two years, there would be a natural desire to form rifle clubs and corps generally. But before that the Australian Horse was organized, and considerably over 1,000 applications were sent in during the first three months of the movement. In my own district there were at least two troops which were refused permission to form, because of the establishment not permitting of it - that is, they were already enrolled up to their full strength. This regiment went on for, I think, two years as a purely volunteer one. Then what occurred? Without any initiative coming from the men concerned - I mean the rank and file, I will not say as to the officers, because I was not in their confidence - the regiment was suddenly transformed into a partially paid or militia force. The attendances were all that could be desired at drills and half-day parades. For, as honorable members are doubtless aware, in the country they can easily arrange for half-day parades on Saturday afternoons and so on. The regiment was going on swimmingly, and yet while Colonel Mackay himself was in South Africa, it was transformed into a partially-paid force at an additional cost* of £6,000 or £7,000 per annum to New South Wales. There was an instance where the men were perfectly satisfied to go on.

Mr Mauger

- Then why was it not done?

Mr WATSON

- I do not know unless some of the officers asked for it. I could not understand it when I saw the item on our own Estimates.

An Honorable MEMBER - Did the men object ?

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Mr WATSON

- No ; the men did not object. Of course, I do not say that these men are any different from the rest of us - we are all prone to seize the opportunity to get a little more money when it occurs ; but I do say there was no demand for the change on the part of the men. They were quite prepared to go on as volunteers, and, therefore, I think that that instance is another argument in favour of the idea that we can get volunteers if we ask for them, and if we are prepared to give some reasonable encouragement. What I would propose in regard to volunteers would be this : That we should give each regiment sufficient capitation money for each efficient member to cover the cost of the uniforms and also supply the men with rifles and instruction. In regard to ammunition, I should say that it should be supplied on a liberal scale, to be fired off, say, half of it under conditions imposed by the commandant, and the other half as the individual, himself may prefer. I am satisfied that in that way we should get quite as efficient a force together as is necessary, and at comparatively small expense. Now, in regard to the naval forces, or rather the clauses of the Bill dealing with the possibility of appointing a naval commandant, and providing in other ways in regard to- the naval forces, I might say that it has always seemed to me to be absolutely foolish to talk of naval forces, at any rate in New South Wales, under the circumstances that have existed there for some years past. Although a large proportion of the men constituting what were nominally the naval forces there were men who had served in the Royal Navy, and would have made efficient seamen to man any ship of war that might have belonged to New South Wales, still, in the sense in which they were existent as a force, they were really garrison artillerymen - nothing more or less. They had a certain amount of naval training, but without a ship and opportunities for practice or for bringing on the non-seafaring members of the brigades or volunteer corps, as the case might be, there was no sense, to my mind in speaking of them as a naval force at all. I, for one, doubt very much whether there is any opportunity likely to present itself for forming an Australian navy far many years to come. I am one of those who think that a navy would be a material advantage in connexion with the defence of Australia.

Mr Mauger

- Why not use the merchant service ?

Mr WATSON

- I do not think vessels belonging to the merchant service would be of much value in opposing a fleet of modern warships. They have proved useful as auxiliaries and as tenders, and probably if war occurred the Commonwealth Government would take possession of such of these merchant vessels as were necessary for its purposes; but to allude to such ships as forming a fleet, or as being in any sense a naval

force, is wrong. I would point out to honorable members that as far as a navy is concerned there must be first of all a large initial expenditure, because a modern battleship costs at least £1,000,000, and those that are being laid down under the new programme of the British Admiralty are to cost a million and a-third.

Mr Kirwan

- £1,500,000.

Mr WATSON

- I know the amount is more than has been spent on battleships in the past. It is not only the initial expense that will have to be incurred, and which would involve some £30,000 or £40,000 a year for the payment of interest, but a large amount of money would have to be paid for the manning of the fleet, especially in Australia, where you could not expect to get men at 1s. a day, in the same way as they can be obtained in England.

Mr Mauger

- I should hope not.

Mr WATSON

- I should hope not, too. We should have to maintain, practically, a full crew for each vessel, because to-day a man of war is such an intricate piece of machinery that experts are required in every department. We cannot nowadays go into the street of such a port as Hull, or similar ports in England, and impress nien for the navy, who, even though they have not been to sea, can do as good work in boarding an opponent as men who have been to sea for many years. In the old days of Nelson, when the fighting was on, it was not so much a matter of manning the ship, as getting men who could fight, as long as a large proportion of the men were seamen. Today, however, every man must be an expert. When H.M.S. Orlando first arrived in Sydney, and I visited her, I was very much struck with the fact that one could hardly move, even in the Admiral's cabin, for the machinery which was jammed into one's side everywhere. The whole vessel was, in fact, packed with cogwheels and infernal machines. All this emphasizes the fact that we cannot have anything like an Australian navy without incurring an expenditure that we dare not face, and it is, therefore, of no use for us to discuss a question of this kind at the present stage. I am quite prepared to admit that as far as outside defence and the protection of our commerce is concerned, we ought to be prepared to make some contribution towards the maintenance of something like an efficient British fleet. AVe make a contribution now, but I am afraid that the vessels that are here under the auxiliary squadron agreement are fast becoming obsolete, and that even the guns with which they are armed are not of sufficiently new design to be effective on active service.

Mr Mauger

- Our own Cerberus is twenty years behind the times.

Mr WATSON

- Only twenty? I thought she was more behind than that. There is another aspect of this matter to which I would like to advert, and that is the establishment of a small arms factory, and also an ammunition factory' in conjunction with it, or at any rate, if not in conjunction with it, at least under Government control. I notice that recently some plea has been put forward that the Colonial Ammunition Company should be quite sufficient to serve the purposes of the Commonwealth, and yet I am informed, on what seems to be very reliable authority, that the cartridge cases and most of the component parts of the cartridges which are put together here by that company, have to be imported from oversea under present conditions, and consequently if we relied only on that company, we should practically be in just as parlous a condition in the event of a general war as if we had no factory here at all.

Mr Crouch

- It is purely a packing company.

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Mr WATSON

- It is purely a packing company. It seems to me that the question of providing ammunition in case of trouble is so important that we should not leave it to any private individual; We find that the British Government have found it necessary to increase the Governmental establishments with regard to the supply, not only of ammunition, but of arms. Of course, they have to rely in times of emergency on outside firms as well, but they have been continually increasing their own establishments, with a view of being

quite satisfied as to the class of work that is turned out. We know what the recent experience was with eighteen or twenty batteries of guns which came from Germany only a little while ago during the South African war, and in many other respects the experience of the British Government has been the reverse of satisfactory. Contract work in a matter of, we might say, life and death, is very likely indeed to turn out anything but that which is desired. I remember reading an account of the battle of Yalu between the Japanese and Chinese. An English officer, who had been engaged to instruct the Chinese in the running of the warships during that battle, went below with a view of getting something in the way of ammunition, and, though the vessel was supposed to be manned and ready for action, he found that all the ammunition on board was a number of practice shells supplied by a contractor, and filled with a charge of powder of about one hundredth part of what the shells were supposed to contain, the balance being made up of sand. The charge was merely sufficient to burst the shell. There were a great number of instances of this sort; and I think that even if it does mean some preliminary expense to establish a factory, such a step would, in the long run, be a great advantage. If such a factory were established merely for the supply of ammunition necessary for proper practice with the various arms of the service, the Government could not possibly lose anything, while they would have a reserve in times of emergency. Coming to the Bill itself, I must say that I am not very much impressed with the general idea of it. I have heard one or two honorable members compliment the Government on the shape in which the Bill has been introduced, but it seems to me to be a most slavish imitation of the existing order of things.

Mr Mauger

- The existing order here.

Mr WATSON

- The existing order here, and, apparently, in the other States also. Whatever is, apparently in the eyes of the Government, is right. I had hoped that we were going to get something better than what had gone before. I always believed that as one result of federation we ought not only to get a larger fighting force for the same money, but that each individual unit should be of greater efficiency, because of the centralized control we should be able to exercise. But the Bill has gone on the same old lines in the way of having a small permanent force - with which we all agree - and then the militia, the volunteers, the riflemen, and even the cadets. Why the Federal Government or the Defence department should be expected to take charge of the boys at school I cannot for the life of me understand. The training of the cadets is a matter that should, for physical as well as other reasons, be left with the various scholastic institutions. The public schools should undertake the cadet system under the various States, because, as I have said, from a physical point of view, and from the point of view of discipline, it is of value to the lads to have such instruction. But why the Commonwealth should be saddled with the system I cannot understand.

Mr Mauger

- Would the honorable member make the training part of the school curriculum.

Mr WATSON

- I would, most certainly.

Mr. Mauger. - And have a separate staff of teachers?

Mr WATSON

- Well, I do not know. It is suggested that the teachers have quite enough to do already, but in New South Wales teachers are only too glad to become officers in the cadet corps. It is regarded as a relief from the monotony of teaching the youthful mind A B C to go outside and instruct the youngsters in drill.

Mr Wilkinson

- Who would supply the cadets with arms.?

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Mr WATSON

- The sort of arms the youngsters require should not be very expensive. They would want only a few rifles, fitted, perhaps, with Morris tubes or something of the kind, to teach them how to shoot, . but so far as drill is concerned, dummy rifles could be used, as in New South Wales. The Bill, in my opinion, too slavishly follows the systems already in existence; and where those systems have been departed from, I do not think there has been any great improvement. I thought, for instance, that we should have had from the Minister some indication of what he was going to do with the obsolete arms of the service. There are

the Lancers of New South Wales.

Mr Wilks

- Make them the escorts of the Governor-General. .

Mr WATSON

- Of course, from a spectacular point of view the Lancers are an. excellent force. They always look well, and I believe they are efficient with their arm. But if we are to judge by what has gone on in South Africa - if we are to judge by the opinions of those who are qualified to speak on the subject such weapons as the lance are obsolete. It is time we gave our men arms likely to be used in actual warfare, and insisted on their becoming effective. I contend that the day of the lance has gone, and that opinion is apparently held by the heads of the army in England where, as I saw recently, Lord Roberts has abolished exercises with the lance, the bayonet, and the sword. There is another point on which I wish to express an opinion, namely, the word "emergency" as defined in the Bill. In this matter I absolutely agree with the honorable and learned member for Northern Melbourne that it would never do to place in the hands of the Governor-General the power to call out the military forces of the Commonwealth for other than actual or apprehended invasion. As that honorable and learned member rightly pointed out, not only are the permanent men, but the whole of the citizen soldiers, involved in any such action on the part of the Government. Another interpretation of the same word " emergency " allows the district commandant to call out the men under his control. Under the Bill as it stands, it would be open to any hysterical madman who happened to be in charge of a district in New South Wales, Victoria, Queensland, or elsewhere, when the shadow of an approaching warship was reported as having been seen, to call out the whole of the forces under his command, without consulting any one, without putting the responsibility for the act upon the shoulders of those who can be brought to account. When the Governor-General calls out the forces, it is with the advice of his responsible Ministers, who are, of course, answerable to Parliament. I quite agree with the suggestion that the power of the Governor-General or of the district commandant to call out the forces in case of emergency should only be exercised in cases of actual or apprehended invasion. Another matter which I should like to see definitely fixed in the Bill has reference to the appointment of officers. Most of us who take an interest in military matters have had a very disappointing experience so far as the appointment of officers is concerned. One of the things which has tended to bring the volunteer force into disrepute in New South Wales has been the class of men who have been appointed, in a large number of cases, as officers of the various regiments. Without any desire to throw contumely upon politicians, I must say, that some of the political officers have been amongst the worst offenders.

Mr Mauger

- The whole system of appointment is rotten to the core.

Mr WATSON

- The whole system is indeed rotten. A young fellow of seventeen years of age was recently sent away in one of the contingents for South Africa in charge of adults. Assuming that the captain and first lieutenant of that particular corps had chanced to be killed in action, and that the command had devolved upon this youth, what possible confidence could the grey-beards in the corps have had in his discretion or wisdom under stress of circumstances ? In the past there has been no encouragement for men to qualify from the ranks, and when they did qualify, they were penalized by the absurd dress regulations which have existed. I was speaking the other evening to two gentlemen in New South Wales who had joined the volunteer forces as officers. One of them said that he had £80 worth of uniforms to provide before he was allowed to join the regiment. The second gentleman had had to face a bigger expenditure. One was a lieutenant and the other a captain. Of course, it is not one uniform that costs this sum. These officers have a regular variety of uniforms. They have as many changes as an actor makes upon the stage.

Mr Mauger

- They have lightning changes.

Mr WATSON

- Yes. If this volunteer or citizen soldiery business is to be merely one of going in for ornaments, and of seeing how pretty a man can look when dressed up in feathers, by all means let people who desire that sort of thing follow it up.

Mr Higgins

- There is a poor chance for Napoleon's marshal to come forward.

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Mr WATSON

- Yes, there is nothing in his knapsack here. It does seem to me that we ought to stop this sort of thing altogether. If we are to have a citizen soldiery, the uniform should be of the simplest description, and every officer should have his uniform found by the Government. There would then be no obstacle in the way of a man who might have all the points necessary to constitute a good officer, but who might be a struggling professional man. A young man who is just endeavouring to make his way in his profession cannot afford to spend £80 or £100 in uniforms. The present system does not offer that degree of encouragement which men who give their time to the service of the State are entitled to expect at the hands of the Government. I should like to see a clause inserted to insure that no person shall be appointed as an officer until he is over 21 years of age, and has served some time at least in the ranks either as a private or a noncommissioned officer.

Mr Wilks

- He should pass an examination, but it is just the reverse now.

Mr WATSON

- I take it for granted that we shall not think of passing the Bill unless an examination be insisted upon. But apart from the mere technical examination, a man before being appointed as an officer should have had some little experience in the ranks. An officer is usually appointed to the lower grades first, but before he is so appointed I think he should have served a reasonable time either as a non-commissioned officer or as a private. In the German army - and although I do not agree with a good deal of what we hear in regard to the German army, about the necessity for a man being elected by the officers of the mess before he can join the regiment - they have a very good rule, which provides that every officer, before he can be appointed, must serve a certain time in the ranks.

Mr MAUGER

- It is just the opposite here. A man from the ranks cannot possibly become an officer in our regulars.

Mr WATSON

- I know of another case that occurred in my own State, where a man of good attainments and education, and with a splendid knowledge of drill, was proposed to be appointed as adjutant to a certain corps. He had been the sergeant major and drill-instructor for years in the New South Wales forces. It was proposed to appoint him adjutant to a newly-formed corps, which appointment carried with it the rank of lieutenant. When the proposal was made it was met with the fiercest opposition.

Not only the head of the force, but every officer superior in rank, seemed to take a special interest in endeavouring to keep this man out of the position. It was only the firmness of the commanding officer which pulled him through.

Mr Wilks

- It was a case of class prejudice,

Mr WATSON

- Yes ; and yet the man in question was of superior education, and a smart and efficient officer. I dare say that the honorable member for Dalley remembers the incident. I do not know that there is much else that I need weary the House with. I have attempted to give some of the reasons why, in my view, a citizen force should consist of those who are willing to serve the Commonwealth without any monetary consideration. Although I am essentially a man who believes in peace, and who would suffer a great deal rather than bring the calamity of war and all that follows in its train upon the people, yet I recognise that there is no duty under modern conditions that ought so to impress itself upon us as that of being prepared to defend our country in case of peril. It is no use any one saying that because some of us have no property therefore we have nothing to defend. Although I have no property, I feel I have a liberty to defend that is worth a great deal. I think that any man, no matter what his condition in life may be, is interested in the defence of the Commonwealth of Australia, and ought to be prepared to give even liberally out of the time at his disposal in order to qualify himself to take an efficient part in that defence whenever circumstances render it necessary.

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Sir EDWARD BRADDON

- The honorable and learned member for Northern Melbourne has found in this Bill an insidious attempt to introduce a spirit of militarism amongst us. He has asked a very pertinent question - " What do we all want to do 1 " to which he also replies - " We all want to pursue our peaceful avocations undisturbed by wars or rumours of war." Necessarily it is the desire of all of us to live at peace. But how shall we best secure peace but by being prepared for war; prepared for invasion, prepared to defend ourselves, having as our motto, not anything that can be construed into aggression, but " defence, not defiance." The honorable and learned member, in speaking of militarism, will surely admit that the term is one which may be differentiated very considerably. Militarism, such as prevails in some countries of Europe, and such as existed in the old time of Rome, when the legions elected their emperors and practically ruled the Government, is a thing monstrous and inconceivable to us of modern times and of advanced liberal opinions. But a nation in arms - such as we have seen in that little country Switzerland, from time to time, where militarism does prevail - a people united for their own defence - " defence not defiance " their motto - is surely an 'admirable spectacle !

Mr Higgins

- That is not militarism.

Sir EDWARD BRADDON

- It may be construed into militarism as much as anything that can be found in this Bill.

Mr Higgins

- In Switzerland we simply find citizens giving a certain time to soldiery.

Sir EDWARD BRADDON

- I am sure we are all of one mind in deprecating any idea of unnecessarily entering into war. We must all deplore .the fearful waste, the unprofitable waste of much treasure, which is the result of war, and we must still more deplore the loss of precious lives which must inevitably occur in any war. But we have obligations as a people, obligations to fulfil to ourselves primarily, and secondly to the Empire, and I hope those obligations we shall always be prepared to carry out in the future as we have done in -the past. The honorable and learned member for Northern Melbourne says there are two vital questions arising out of this Bill. The first is what he calls " the conscription," the other that of our' military serving abroad in the defence of the Commonwealth. Now, the conscription as we find it in the Bill, is merely what exists at present practically in every one of the States, I believe, and what exists in every country in Europe, and even in England, where there is the latent power of conscription,, only put in abeyance from year to year by an Act passed annually by the Parliament of the country.

Mr Higgins

- There is no power of conscription in England.

Sir EDWARD BRADDON

- There is a power equivalent to it ; a power of calling out the people.

Mr Higgins

- There is no power in England equivalent to the conscription.

Mr JOSEPH COOK

- There is the power of calling out the militia compulsorily.

Mr Higgins

- But a conscription means the calling out of the whole population.

Sir William McMillan

- There is an implied power to call out every man if the country is in danger.

Sir EDWARD BRADDON

- If the honorable and learned member will consult the statutes and the -various authorities on the subject, I think he will find that there is' a latent power which, practically amounts to a conscription, which, as I have said, is only kept in abeyance by an Act annually passed by Parliament.

Mr Higgins

- They are struggling hard to get the power of conscription in Great Britain now.

Sir EDWARD BRADDON

- The honorable and learned member has said that one of the vital questions raised by this Bill is whether our military are to serve abroad in defence of the Commonwealth. He has given some illustrations which no doubt have had the effect of throwing some amount of ridicule on the idea. He suggests that in the

event of Bathurst being in danger we might send our troops to Afghanistan in order to defend Bathurst. I do not think that is ever going to occur; but will the honorable and learned member not see the most complete justification for our troops going to the assistance of the Empire in the defence of South Africa.

Mr Higgins

- That was done voluntarily. Every man voluntarily gave his consent to it. But this proposal is to compel our men by their oath to do it, whether they like it or not.

Sir EDWARD BRADDON

- I suggest that the honorable and learned member will admit that we were amply justified in sending our men to assist the mother country in the defence of her territory in South Africa.

Mr McDonald

- I question it.

Sir EDWARD BRADDON

- I am only speaking of the actual necessity for sending our men there.

Mr McDonald

- There was no necessity.

Sir EDWARD BRADDON

- The desirability of doing it.

Mr McDonald

- I question the desirability

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Sir EDWARD BRADDON

- Then I do not understand the honorable member's frame of mind, because the defence of South Africa, the prevention of South Africa being torn away from the Empire, was as much a matter of concern to the States of Australia as to any part of the Empire.

Mr Barton

- Not only that, but it involves our most important trade.

Sir EDWARD BRADDON

- That is a most important point to which I am coming. It has been said truly that Great Britain could afford to lose any one of her colonies, rather than South Africa. South Africa is the great high road to these colonies, the great high road to India. What would the Empire be if shorn of that which is the main road to her various oversea territories ?

Mr Higgins

- Every man that we sent went there by his free consent. We want to keep to that position; we do not want to compel men to go abroad against their will.

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Sir EDWARD BRADDON

-Perhaps the honorable and learned member will allow me to pursue my own line of argument. I am trying to show how absolutely necessary it was that we who are vitally interested in the retention of South Africa as part of the British Empire, should assist in defending it from attack. I do not think any one will cavil at that. Surely if that be so, if it be admitted that there was justification for sending our troops to South Africa for the defence of British territory, there is justification for our arming ourselves with the power of doing the same on some future occasion. An honorable member has pointed out how insufficient, to his mind, this Bill is, in that it does not extend any sort of attention to the great question of naval defence. On this point the Navy League of England, which has done considerable work for the navy by keeping the Imperial authorities up to the mark in regard to that defence, writes as follows : -

The League has been founded to educate public opinion, and by this instrumentality to impress upon the Imperial Government and upon the whole electorate of all parts of the Empire, the paramount necessity of the command of the sea for the honour and safety, and, indeed, the very existence of that Empire. The League further desires to urge its conviction that the navy is at present inadequate to secure this vital need.

This league asked of the people of all British possessions that they should aid them in seeing that our defence by sea is such as we desire. I quite agree with those honorable members who point out the impossibility of our having a fleet. A single first-class ironclad costs, as has been said, from a million to a

million and a half sterling, and it is hopeless to attempt to do what is absolutely impossible. Nor do I think we can do what the honorable member for Bendigo suggested, if I understand him aright, namely, establish naval stations or bases at different points. I do not think we can do that. But we certainly might make some arrangement for having along our seaboard naval reserves, training our maritime population so that they might be of use in time of war, and also training them on board ships, which might be easily procured for that purpose. The youths and men thus trained would not only be educated for a seaman's life, but for other careers possibly more useful than that of a seaman. I believe if this Bill were to make some provision of that character which would establish among us a naval reserve, to be drawn upon when occasion required, we should have done good work in that direction. The honorable member who preceded me spoke of the necessity of our having an arms and ammunition factory. The Government should take that matter into their serious consideration and see that such a factory is established at the earliest opportunity. It is an undoubted fact that is within my own experience, as Premier of one of the States, that at times it is exceedingly difficult to get ammunition as it may be required supplied by the British authorities, or supplied by anybody else ; and it would be beyond anything that one can conceive in the way of a misfortune that we should find ourselves in a time of stress and trouble without sufficient armaments and sufficient ammunition - a difficulty that might very well be avoided by the establishment of such a factory as that suggested. I am entirely with those honorable members who desire to see our army limited in its character as to its divisions. I think if we have a permanent force - as we must have a small permanent force to look after our artillery and do the regular work connected with our small garrisons, such as they are - and in addition to that a volunteer force without any militia, we shall have done well. There is no doubt that in Tasmania, at any rate, the establishment of a militia - of a partly paid, not sufficiently paid - force, did away to a great extent with the finer spirit of volunteerism. Do not let us fall into the error at the outset of throwing cold water on the spirit of our people. Let us have the permanent force which is required, and, in addition to that, nothing but volunteers. As to the officering of these regiments, I am also very much in accord with honorable members who have preceded me. Let the volunteer regiments be officered by men who have served their time as privates in the regiments. I can speak on this subject with some amount of confidence, inasmuch as I at any rate saw that this was done in Tasmania, where privates who have served in the rank are promoted to the position of officers. It was pointed out to me by my military advisers that possibly these officers being so promoted would find some little social difficulty by reason of their earlier training, and so forth. But I waived that aside. To me the object was to see that the man who did his work well as a private in the ranks attained promotion, and was raised in the service to which he belonged, and on which he shed lustre by the services he had rendered. I do not think there is any particular reason why we should fall into the weakness and vanity of any particular frippery for our officers that will involve difficulty in regard to finding their uniforms. The best uniform is that seen in the field during the course of service; and as simple for the officers as for the men.

Mr O'Malley

- The only difference - a brass button on the shoulder !

Sir EDWARD BRADDON

- Experience in the field, especially against the Boers, has proved the desirability of there being no brass button that shall distinguish the officer from the private, because where there were such distinctions the enemy had occasionally a bad habit of picking out the officer and shooting him in preference to shooting the private. While I think we ought to regard the appointment of officers to the permanent forces as more particularly belonging to the Commandant or the Commander-in-Chief, the appointment of the other officers in the volunteer regiments should be left to some council or board of advice, upon whose recommendation the Governor in Council should make the appointments. They should be dealt with in all cases very much as the civil service is to be dealt with under the Public Service Bill ; that is to say, some responsible officer or body, such as a council, should make the recommendation, the Governor-General should confirm that recommendation, and Parliament should have in its possession a report from time to time, showing whether these appointments had been made in accordance with the recommendations or whether they had been disregarded, and the appointments not made.. As to the matter of drill of the volunteers, we have, I think, learnt a good deal by our experiences in South Africa. What we have to do primarily is to teach the men to shoot, and whether they belong to the volunteer forces or to rifle clubs, let them have the best equipment possible, and the best instruction. If we make good riders and good shots

of them we will have for all our local purposes, or for any purposes of war that are likely to arise as good material as can be put into the field. No doubt when the Bill gets into committee it will undergo considerable amendment. I do not myself complain that the Bill is based very much on the Defence Acts of the various States. The Government no doubt thought they would be more secure with regard to this measure if they founded it upon that which most of us have had some considerable experience of. But improvements have been suggested by various honorable members from time to time, and no doubt these improvements will, after consideration, in many cases be adopted. For myself, I necessarily support a Bill which has for its object the placing of the Commonwealth of Australia in the position of independence in the matter of defence which we ought to occupy. We have assumed the responsibilities of nationhood ; we have vindicated our right to be called a self-governing people by our action in South Africa. Our sons there have served gloriously, and have shed infinite credit upon us as a nation and as a community. I hope that under this Bill, perfected as it will be in committee, Australians will continue to do as splendidly in the future in respect of war as they have done in the past.

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Mr A McLEAN

- This Bill, like most important measures of the present session, deals with what is essentially a non party question. Both sides of the House and every section of the community are equally interested in the future safety of the Commonwealth. The Government, therefore, may rely that any criticism that may be offered to any provisions of the Bill will be offered in good faith and with a genuine desire to improve the measure, and to make it the best that the collective wisdom of the House is capable of making it. When considering the question of our future defence, our first duty is to take careful note of our geographical position, that we may avail ourselves of any advantages which nature may have placed at our disposal. The first thing that must strike any person on looking at the map of the world is our great distance from the big military powers and over-crowded nations of the West. The wide expanse of sea which separates us from those military nations is, in my opinion, our greatest safeguard, because in order to invade Australia any of these military powers of the old world must run the gantlet of the British fleet, and must operate so far from their base of operations as to place them at an enormous disadvantage. I think, therefore, that we have not very much to apprehend from that particular quarter. But in order that we may avail ourselves to the full extent of the advantages of our geographical position, it is, in my opinion, absolutely necessary that we should lose no time in providing for the future control of the islands of the Pacific. When those islands are under the control of the Commonwealth, or at any rate under the British flag, it will be impossible for any European nation to form depots, arsenals, or coaling stations within easy distance of our coast.

Mr O'Malley

- Hear, hear ; they belong to us.

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Mr A McLEAN

- When, however, we look towards the East the prospect is not altogether so reassuring. We know that Japan is rapidly following in the footsteps of the great military powers of the world. She has made enormous strides within the last few years in the equipment of both an army and a navy, and, in my opinion, Japan is destined to play a much more important part in the history of the world than she has done in the past. China, on the other hand, has not yet shaken off the sleep of ages which has made her the Rip Van Winkle of modern times. But even China may profit by the experience of the last few years, and see the necessity of equipping herself with some of the armaments of modern warfare, and in that event I think that it is from that quarter possibly we have most to apprehend, because China is not at any great distance from our shores. When listening to the speech of the Minister who introduced the Bill, I noticed that, with the exception of one or two passing references, it was entirely devoted to our land forces, and in that respect the right honorable gentleman's speech was a true reflex of the Bill as it stands. It appears to me, therefore, that it is contemplated that we should fight the enemy, if, unfortunately, we should ever be called upon to repel invasion, on our own shores. In my opinion, that is the greatest blot on the Bill. It ignores the advantages of our isolated position as an island continent. It appears to me that our sole, or, at least, our chief effort should be directed to preventing an enemy landing upon our shores. The history of warfare in the past, as well as in the present, proves the horrors

that any country is subjected to where war has been carried on within its own territory. We need only turn to South Africa at the present moment and see what is going on there, and then we must remember that South Africa is engaged with perhaps the most magnanimous and humane nation under the sun. What would we have to expect if we found our country overrun by a horde of pagans? I do not believe we should be concerned so much - although we should not overlook that branch of our defence altogether - with the idea of driving out an enemy that has landed on our shores, as with the importance of preventing them desecrating our shores by setting foot upon our soil at all. It is to that that we should give primary attention. I fear that the great cost of a navy is beyond our resources at the present time. But I think that we might make a satisfactory arrangement with the mother country by giving a larger subsidy, or, perhaps, by providing a portion of the men. The details, of course, is a matter for the consideration of experts, rather than politicians. But it appears to me that we should give primary attention to strengthening our naval defence, and also our harbor defence. I do not think that point can be too strongly pressed on the attention of the Government. What would be thought of England among the great military powers if she neglected the advantages of her insular position, if she neglected to strengthen her navy, and relied on her land forces? We are very much in the same position as England in that respect, with the additional advantage that we are situated so very far from the base of operations of the great military powers, that it would be very much easier to repel invasion by water, and to prevent an enemy from landing on our shores, than it would be for Great Britain, separated as she is by only a short distance from the other great military powers. I trust that the Government will give careful consideration to that aspect of the question, that they will not neglect any natural advantage which we may possess. It appears to me that that is the greatest safeguard that we have at the present time. I do not wish to labour this or any other point - and I am not going into details, because that is more a matter for committee - with regard to our land forces, because I recognise that we must be prepared for any emergency. Even with a reasonably adequate naval defence it would still be possible for an army to be landed on our shores. We should be prepared against any such contingency, and I thoroughly agree with those who in that respect advocate reliance on our citizen soldiers. I believe it is in that way we can get the greatest possible amount of efficiency at a minimum cost. It is quite true that it will be necessary for us to keep a few thoroughly trained men in charge of our guns and forts. We should also have a small skeleton army, which could be built up and recruited when occasion requires. But our chief attention should be directed towards fitting our young men for the defence of their country. I confess that I was somewhat disappointed when I heard the worthy and genial Minister for Defence deprecate the expense of rifle clubs. I have yet to learn of, and I certainly cannot find that his speech or the Bill indicates, any cheaper mode of defence. During the short time my Government were in office that branch of the service did not escape our attention. When we came into office the number of members of rifle clubs in Victoria was considerably less than 3,000, but within less than a year we had increased the number to over 20,000. The cost of rifle clubs depends on the amount of practice which they have in the year. If we teach a young man to become an expert shot with a rifle he will carry the skill with him all through life, and one expert shot is very much more dangerous to an enemy than a dozen indifferent shots. I do not believe that we could incur a moderate expenditure in any way which would more conduce towards beneficial results than in teaching our young men how to become expert marksmen. Most of these rifle clubs are composed of young countrymen who are already good horsemen. It is not necessary for the State to teach them to ride, because almost every boy in the country practises horsemanship from his youth upwards. If we teach them to shoot we shall have at a minimum cost a body of men who will be good marksmen and good horsemen, and a very little drill indeed will make them very formidable opponents if we are ever required to call them up in defence of the country. I am thoroughly with those honorable members who have deprecated any great expense in costly uniforms. I have heard it said that if we take away the glittering uniform we take away all the inducements and attractions of military life. In our slender forces we can very well spare those young swells who are only attracted to the army by the sheen and shimmer of gold lace, and as an honorable member here says - "brass buttons." We can find sufficient men for our purpose who will be attracted to the force by their loyalty and a patriotic desire to serve their country in its hour of need, and these are the men who will do the best work when they are called upon. I do not like the compulsory provisions of this Bill. It is a reflection on the loyalty of the people to introduce that principle, and I am perfectly sure that it is unnecessary and superfluous. I am quite sure that if ever the

defence of our own shores, and for that matter if the defence of the Empire should require it, the Australians will not be found cowering under the sheltering folds of the Union Jack, while others hold it aloft. If it should ever become necessary to rally to the defence of the Empire, there will be no portion of the King's subjects who will do so more readily and more willingly than the Australians. And they have shown, I think, that the military ardour which distinguishes the great race from which they have sprung has not lost any of its fire or force under these southern suns. We need have no fear in that respect, and it is not necessary to put any compulsory provision in the Bill. The more this is left to the free will of our people the more ready will they be to rally to the call of duty whenever they are required. I hope that the Government will carefully consider the matter. I only rose to draw attention to the one point, namely, that I fear that the Bill as it stands relies too much on our land forces, " and that it contemplates driving out the enemy after they have gained a footing rather than preventing them from landing on our shores.

Mr McCAY

- I do not intend to detain the House at any length this evening. There are a number of matters in this Bill to which I should desire to address myself, but they are rather matters of detail in connexion with its provisions than matters of principle, and what I have to say upon these points I will mention in committee. There are, however, a number of clauses in the Bill involving general principles to which I think it right to address myself now instead of waiting till a later stage. In the first place, I would like to refer to the point that has been so forcibly put by the honorable member for Gippsland, and that is the comparative value to us of our military and naval defences in the Commonwealth of Australia. There is no doubt of course that in a continent like ours, isolated from the rest of the world by many thousands of miles of ocean, there is an initial difficulty for any intending foe to overcome in bringing forces to our shores and landing them. But I would remind honorable members that there are many thousands of miles of coast line in our continent, and scores, if not hundreds, of landing places for an enemy, and while we have more acres than men - as many square miles as men - it will be quite impossible for us to contemplate sufficient naval defences to enable us for one moment to neglect to provide completer land defences than are required in such a place as Great Britain. The Channel fleet and the fleet in the North sea can guard practically the whole of the British coast, but here no fleet except one of such enormous dimensions that neither' could Australia for a moment contemplate maintaining it nor the Empire contemplate supplying it, would be sufficient to secure our shores against raids.

Mr A McLEAN

- We always know from which direction the difficulty is to be apprehended.

Mr McCAY

- We can always tell from what source danger is to be feared, but we may not be able tell what particular roundabout route the danger may take to reach us, nor can we tell at what particular point of debarkation the danger will reach our shores.

Mr Higgins

- It is the difficulty of getting away that the enemy fears.

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Mr McCAY

- I am not desirous of posing as a definite authority on this matter, or of entering into an irregular discussion with other honorable members, but I do adhere to the general statement, which I think, at any rate, is correct, that the extent of our coast line renders our reliance on naval defence less satisfactory than if our coast line were smaller and our population larger, and that it is more necessary in our case than it would be in the case of a country with a larger population and a smaller coast line to defend, to pay attention to the land forces that stand behind the naval forces, which latter undoubtedly form our first line of defence. Consequently, although I agree with those honorable members who have expressed disappointment that the Minister and the Bill alike say practically nothing about our naval defence, nevertheless we must not forget the great importance of the subjects that are dealt with in the Bill. I agree with the honorable member for Gippsland that it would probably be money well spent if we were to increase our contribution towards the maintenance of the Australian squadron, and I agree with him that we must feel sure always, not only that Britain will help us, but that Britain recognises that we are prepared to take a reasonable share of the cost of the defences that are so necessary to us. However, I am a landsman, and know very little about seafaring matters, and I do not, therefore, desire to dwell on

that matter any longer; but I do wish to say a little about the land forces under the system proposed in this Bill. Unfortunately, in this case, as in many others, we are possessed of a knowledge of how much we could do if we had the money and of how little money we have to do it with. I quite agree with those honorable members who have said - and I believe the feeling is general - that beyond the garrisons necessary to man our forts, and, perhaps, a small instructional staff, the Commonwealth does not desire any permanent forces. There have been movements from time to time to have permanent infantry forces as a sort of standard and example for the other forces to attain to. I have had a certain amount of experience in these matters - I have been a member of the militia for fifteen years, and have always taken a keen interest in my work so far as I have had time to do it and I am satisfied that the advantages to be gained from having permanent forces other than the skilled mechanics, for that is really what they are, who are required to man our forts, and who would assist out non-garrison forces and help them to work according to proper lines, the expense of maintaining permanent forces would be greater than any corresponding advantages we could hope for. Therefore, on citizen forces of some kind or other Australia will have to rely, and intends to rely. If there were no other reason for our doing this, we could not afford the cost that would be involved in adopting any other system. I do not agree with the honorable member for Bland that a militia force is not desirable. I quite admit that, as he has said, it will cost more than a purely volunteer force; but if the honorable member will look at his figures he will see that practically the difference in cost between the volunteer and military forces is only the difference caused by the amount of pay that is given to the partially-paid men. That is practically the difference, although there may be a few shillings spent in other directions.

Mr Watson

- The difference practically doubles the cost.

Mr McCAY

- It about doubles the cost in some cases - in New South Wales, for instance, where the forces seem to be the most expensive, according to the figures quoted by the honorable member. I feel that in the first place we should have voluntary enlistment, and I do not think there is any necessity for anything approaching conscription clauses, because I am satisfied that Australia will always furnish as many men as are required for any proper purposes connected either with the defences of our shores or with the larger matter of the defences of the Empire. I think in the first place that the labourer is worthy of his hire, and if we are going to appeal to what is called the patriotic spirit of the citizen to induce him to prepare himself in time of peace for the work he will have to do in time of war, to undergo the necessary training and keep it up, he is as much entitled to payment - and it cannot be very large because the circumstances of the community will not permit it to be otherwise - as is any other man who prepares himself as a skilled workman for any occupation in which he may engage. It seems to me that to appeal to a man's patriotism to prepare himself to defend us in time of danger is a variety of sweating. If the duties of defence were to fall on all shoulders equally there would be no objection, but that will not be the case. Those who are prepared, and who do prepare themselves by training to defend us will be our first line of defence; they will be the men who will first go to the front, and it is a species of sweating to call on the patriotic spirit of such men to induce them to do what others ought to do as well as they - what the men who are not trained ought to do as well as the men who are trained. The pay that is given is not a large sum.

Mr Watson

- My point was that we should get a larger number of men.

Mr McCAY

- Yes. But without any derogation of the volunteer forces, I say that the partially-paid forces are somewhat better trained - I do not say very much better, because I have a great admiration for the work done by the purely volunteer forces - not because they are better men or more capable men, but because they do more training in the course of the year. They certainly do in Victoria, where the number of drills they are called upon to perform is considerably in excess of the number of drills gone through by the purely volunteer forces. And the more drills they get the better trained they will be.

Mr McDonald

- And the more pay they will get.

Mr McCAY

- No :. the honorable member is quite wrong. In all the forces I am acquainted with, there is a maximum amount of pay, and to the credit of the men, a very large number of them put in extra drills for which they do not get paid, thus showing that it is not the mere money that attracts them. Indeed, it is obvious that the pay is not the sole attraction. In Victoria, for example, for some years the men got a shilling for a night drill, which with getting their kit ready for parade, coming to the parade, and going home implied something like two and a-half hours' work.

Mr Isaacs

- Sometimes they have to pay their railway fares.

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Mr McCAY

- As a rule the men travel free on the railway, but they have to pay cab and tram fares, and very often country coach fares. I have known men in the same corps as myself, who have walked seven and eight miles to parade, and seven and eight miles home again, and had to pay for tea, which took their shilling. These men, or the great bulk of them, are not serving for the pay. But they have not only to give much of their time, but they have to spend a considerable amount of money incidentally in small sums which might be disregarded by persons with large incomes. These expenses are considerable to men on daily wages. It is true that many of the parades are held in holiday times, but many are not ; and, as a matter of fact, some of the men cannot afford to come to parade unless they get some reimbursement for expenses. At any rate, we come back to the old question - is the work worth paying for? If it is worth paying for, honorable members in the Opposition corner should be the last to suggest that payment should not be given?

Mr Fowler

- But we do not pay for it. According to the honorable and learned member the men are sweated.

Mr McCAY

- I say that in many cases the payment is too small. It is true that in Victoria the payment has gone back to the old amount of 2s. for night drill, and while that is not excessive, it is something. The pay in Victoria is 4s. for half-day drill, and 8s. for a whole day of eight hours, or 1s. an hour, the men being allowed a maximum of £7 10s. a year, which is about 3s. a week, for attending 45 drills. That is practically an average of a drill a week, some drills being for the whole day, some for half-a-day, and some night drill.

Mr Wilks

- And if the men miss a drill, payment is deducted.

Mr McCAY

- If they do not attend the drill they do not get any money. They do not get paid for the work they do not do, and sometimes they do not get paid for the work they do. My idea as to the limitation of partial payment is merely the limitation of the public purse. If the community could afford to pay every one of our citizen soldiers for the work he does, I would support payment being made. I recognise that it may be necessary not to give payment in many cases, because the community cannot afford it. Further than that, we know that in the country districts very often, men can better spare the time for attending parade. Their work is of such a character that they can get away with less inconvenience than can men working for wages for employers in the larger centres of population. As a result, we find, generally speaking, partially paid forces in the centres of population, and the purely volunteer forces, who, while they get no remuneration, have their kit paid for, in the less thickly populated districts. It seems to me, therefore, that it is desirable on this account that pay should be granted, not only in fairness to the men themselves, but in the interests of Australia. I have already said that, to my mind, if we do have invasion, we may expect it in the form of a raid by a comparatively small hostile force. That is ' the most likely form of invasion at any rate, and we therefore want to have our men ready, and not have to train them when the enemy comes. ' The better trained the men are the better it will be for us, because a smaller force better trained would under such circumstances be more suitable for our defence than a larger force not completely trained.

Mr WATSON

- "What percentage of difference is there between the volunteer and the militia as to the degree of efficiency ?

Mr McCAY

-I say that the volunteers, if they do as many drills as the militia, are just as good as the militia. They are

practically the same class of men. They are all men who are inspired with the desire to fit themselves for the defence of their country, and that is an excellent spirit because it does not have any incitement or inducement in times of peace. They are men who want to be fitted for the work if the work is to be done, and they are just as praiseworthy as the men who come forward when the danger appears to be at hand. On the whole, I say that partially paid forces do more drills than the volunteers, and they are better trained because they do more work.

Mr Watson

- What percentage of difference is there between the two bodies, practically ?

Mr McCAY

- I could not tell the honorable member without referring to the regulations. The Victorian force is the only one with which I am familiar.

Mr Poynton

- How much better would these men be than the men sent to South Africa after a few weeks' training ?

Mr McCAY

- That is another matter. A whole year's training here only amounts to the equivalent of about three weeks continuous training.

An Honorable Member. - Twelve days training.

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Mr McCAY

- The training is longer than that, there being five whole days, fifteen half-days, and 25 night drills. I see, however, that it is not much more than twelve or eighteen days. If we could get men out for three weeks' continuous training, we could put more into them than we could with the scattered drills throughout the year. But, unfortunately, men cannot get away from work for three weeks.

Mr Fowler

- That is the militia system in Great Britain.

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Mr McCAY

- It is : but it is unworkable in Australia. There are not sufficient men available in that way, because employers say that they cannot afford to let them away for three weeks, though they could do without them for a day or half-a-day, or for a few days at Easter. I have had a long experience in this matter. In the town where I live we have every Easter great difficulty in getting the men to the camp training, not because employers are unwilling to let them go, but because employers have contracts to perform, and see losses and penalties at hand if the men are not kept at work. The corps that gets 80 per cent, of its men out for camp training does very good work indeed. The men are willing, and the employers are willing, but the exigencies of business prevent the former getting away from work. I will say at once that for years I have felt that to a large extent the training of the forces, whatever character it assumes, has gone on the wrong lines. I have mentioned the number of drills, which practically amount to an average of two or three hours a week. In that time we have to get in work with the men which will, if possible, make them efficient soldiers, ready to do their duty in time of war if war should arise. If we have to waste our time in teaching men to -move in a perfectly straight line along a perfectly level piece of ground, we cannot instruct them properly in fire discipline, which is the beginning and the end of military training. The whole object of drill is to teach men to obey orders so that they can get quickly and easily into position where they can use their rifles. That is the first thing, and the second thing is to teach them how to use their rifles when there. When I think of the period spent in ceremonial drill in order that the forces shall be ready for the inspecting officer when he comes along, I am astounded at the time that is absolutely wasted. I sincerely trust that the cablegram which appeared in the press the other day to the effect that the Commander-in-Chief of the British Army, Lord Roberts, had abolished the ceremonial portion of the drill in the drill-book is true.

I hope that we shall follow that example in Australia. In Victoria we have faithfully followed every change in the drill books of Great Britain. I suppose that the same remark applies to the other States. Of course the ceremonial drill looks well, and it is of some service. No doubt men who are trained in the barrack-yard have the instinct of obedience drilled into them, and it is very often of service in the battle-field. If we had the time to impart such instruction to our forces here it would be a good thing. But

when we have not the time to do everything, it is our business to choose that which is most necessary and to omit that which is least necessary. Barrack yard training - teaching men instinctively to obey immediately the order is given - is very well if we have time to do other things that are necessary ; but, if not, that portion, of the training must be sacrificed. The more field work our men can do the better it will be for them. It is very well to see men forming fours and presenting arms with the precision of machines, but there is no presenting arms in the field. It is another portion of the rifle which is then presented towards the enemy. If we have "to waste time in teaching men to do manual exercises beautifully, we shall not have time to instruct them to shoot beautifully, and that is the portion of the work which is most needed. We should have it thoroughly understood that in our citizen forces no time shall be wasted on things which look nice when they are not so serviceable as the practical work which is brought as nearly as possible up to service conditions. In that connexion, no time spent in rifle shooting is wasted. Of course a man can spend too long a time in firing at fixed targets, with fixed bull'seyes of a fixed size and at known distances.. That, however, is only the first stage in his shooting instruction. As a matter of fact, we have not time to teach men to judge distances properly. They do not get enough training at head and shoulder targets, such as those they would be more likely to see if engaged with an enemy. AH this is due to the fact that so much time is spent upon other tilings. Before an inspection comes along we find a corps or battalion engaged week after week upon movements which are to be executed smartly in order to satisfy the inspecting officer. I repeat that no time spent in rifle shooting is wasted. If we had to choose* between training men at drill and teaching them to shoot with the rifle, it would be better to teach them rifle shooting, because it takes a longer time to make a marksman than to teach a man to do drill work efficiently. It is necessary to have our forces fairly efficient, in order that they may assist our first line of defence in meeting any raid which may be made. There are only three other matters to which I wish to refer. The first is in regard to equipment. Here, again, the inevitable money question faces us. It is perfectly certain that in Victoria the defence forces are not properly equipped. I dare say that the same remark applies to the other States. We have men ready to do any work that is required of them, but they are not properly equipped. We have not modern rifles in Victoria.

Mr Piesse

- They could not be got when asked for.

Mr McCAY

- We did not ask for them; we took the Martini-Enfields when we might have had much better.

Sir George Turner

- We had to buy them.

Mr Crouch

- They have been rejected by Canada.

Mr Higgins

- Who advised that?

Sir George TURNER

- The Home a,ut,11011-, ties advised it strongly.

Mr McCAY

- I think that the Treasurer will admit that he took the wrong rifle. I am told by men that with the Lee-Metford rifle they can do ten times better shooting than with the Martini-Enfield. Moreover, if we had to send a force on the march we have not the transport for them. We have not the equipment for the men to carry. In Victoria we have not waggons for our field guns, and we have not field guns which are anything to boast about. Neither have we any reserve of ammunition. In fact, we have scarcely anything that we ought to have, except the men. Doubtless, the same conditions prevail in the other States. I am afraid that the Commonwealth Government will have to face the fact that during past years some of the States have been cutting down their defence votes, with the result that the equipment of the forces has suffered. We are told that we have 60,000 men in the Australian forces, including the rifle clubs. I venture to say that we have not proper equipment for half of them. This is a point which we shall have to face. Whatever sized force we have, we must have the equipment available for that force. I am quite aware that the right honorable gentleman, whose brow is becoming furrowed with the demands that are made upon the Treasury continually--

Sir George Turner

- It is not a question of the demands upon the Treasury, but of the demands to cut down the enormous defence expenditure.

Mr McCAY

- The right honorable gentleman knows that I am heartily with him in my desire to see proper economy observed. But our equipment has fallen below what it ought to be, and, in order to bring it up to the proper standard, money will have to be spent. It will not be a recurring expenditure. It will, however, be a large sum at the start, and will amount to hundreds of thousands of pounds.

Sir George Turner

- It will amount to £250,000 at least.

Mr McCAY

- I am afraid that that amount will not cover it, but we shall be living in a fool's paradise if we have a large force of citizen soldiers, without having them properly equipped for service. It is of no use saying that we have 60,000 men available if we have not 60,000 modern rifles for them to use.

Mr Piesse

- And reserves of ammunition.

Mr McCAY

- Yes ; but that is being provided for. I desire to say a word or two about the cadets. The reason why I am glad to see the cadet force embodied in this Bill is that if we had to choose between drill and rifle shooting we should prefer that our men should be trained in rifle shooting. If we get- as many as possible of our boys trained in rifle shooting at school, or shortly after leaving school, when they become grown men they will be ready to go straight on with the field training.

Mr A McLEAN

- They learn to shoot in half the time when they are young.

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Mr McCAY

- They will get a certain amount of drill- at school, which -will be of service to them subsequently. In Victoria, however, I do not suppose that 10 per cent, of the youths who join our military forces have belonged to cadet corps. I will take the case of the town in which I live as an example. There they have a cadet corps in connexion with the public school. The boys leave school at the age of thirteen or fourteen years. They cannot join the infantry corps established in that town until they are eighteen years of age. There is no corps that they may join while between the ages of fourteen and eighteen years, and therefore they lose their interest in the matter and drop out. The result is that by the time they reach an age at which they are able to join the militia the impulse has passed. In order to get over this difficulty the senior cadet movement is necessary. Of course, we cannot have a senior cadet corps for 20 or 30 or 40 youths. That is the difficulty. In Victoria Ave have only one senior cadet battalion, and that is in Melbourne. The Government should provide means by which the boys could belong to the senior cadet corps as an auxiliary force, doing their work with the adult forces, and controlled by the officers of the citizen troops, so that from first to last they could be kept in touch With our system of defence. In this way the difficulty would be overcome. There is nearly always a force, either of the militia or the volunteers, available within a reasonable distance, to which these boys could be attached during the intermediate years when they are too old for the junior cadet corps and too young for the regular forces. The adoption of such a system would mean practically no increased expense while it would keep these lads in touch with the system, and enable us to capture, instead of 10 per- cent., something like 90 per cent, of them for the adult forces. I will admit that in Victoria, as I dare say in other States, we have seen, class prejudice coming up in connexion with the appointment of officers. I will say, however, that so far as my observation goes in Victoria that feeling has been dying out very rapidly during the last few years. In the battalion to which I belong, and taking the names of the officers as they occur to me, I find that out of fourteen, seven are engaged in professional or semi-professional work, and seven are engaged as employes in places of business or as artisans, so that there is not much sign of class prejudice there. I have only instanced this case as relating to a corps that I know best. I believe, however, that this change is taking place in connexion with most of our corps, and properly so, because I could never see the connexion between social position and rank in corps in a country like ours. We are supposed to give equality to all. Of course, one may find cases of it here and

there, but on the whole it is dying out. Further than that, in my experience of the last fifteen years, I have found throughout the forces that there is a tendency to diminish the cost which officers incur in joining. As I said the other day, and as I said truly, although I was pulled up about it, an officer on joining the forces is able to get his necessary outfit for about £1.5, which is not an unreasonable amount. Of course, I was referring at the time to the bulk of our officers. I was not alluding to the officers of the permanent forces. When an officer joins he gets his working kit, his khakee - that is the uniform I believe in - and he does not need any other. He might also get his full dress, his mess dress, and this and that and the other thing, and the moment you begin changing guineas into gold lace, £50 does not take you far. I can point to dozens of officers who have been for years in the forces, and who have not spent more than £15 or £20 on their preliminary kits. Their subsequent expenses have been in the renewal of those articles. The only tiring a man loses by not having scarlet tunics and gold braid - they are pretty, but they are unnecessary, although in the permanent forces I understand they must have these things because they have to attend a large number of parades where they are required - is that he cannot attend certain functions. A man in the citizen forces loses attendance at levees and presence at balls if he has not got these things, but attendance at such functions is no part of his training, nor is it part of the work for which he is paid.

Mr Watson

- Is it not within the powers of the commanding officer to say that a man need not get these extra things?

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Mr McCAY

- The commanding officer has really no discretion. Our dress regulations in Victoria are really a large volume considering the subject with which they deal. They provide for all sorts of uniforms. With the exception of artillery officers, who have to wear blue instead of khakee. an officer. in the citizen forces need not have to spend more than £15 on his kit. If he chooses to indulge in other uniforms he can do so. He cannot attend certain functions unless he has got them, but the great bulk of officers do not bother about them. I suppose that not more than one-fourth get a full set of uniform. I shall be glad to see a dress regulation which will abolish all these things and leave only the working uniform. I think nothing looks better on a man than a well-fitting suit of khakee. The tendency in Victoria has certainly been that way. In 1880 when I joined we had blue jackets and scarlet jackets, full dress trousers and undress trousers. Now, however, one suit of khakee is all that is necessary. The tendency in this direction ought to be made compulsory. There is no doubt that influence may be brought to bear on a person desiring to be an officer. It may be said - " Unless you get these things you had better not join."

Mr Crouch

- But the honorable and learned member has never heard of a case of that kind.

Mr McCAY

- I have not.

Mr PAGE

-i have.

Mr McCAY

- I have not. I am speaking of the position of affairs in the forces of a State of which I know a great deal. I know a good many officers in Victoria ; my knowledge is not merely confined to the district in which I happen to have served. The only other matter I desire to refer to is that it is utterly impossible to discover from this Bill whether the system is to be territorial or departmental; whether a given territory apart from the districts, which are practically equivalent to the States, is to be under the control of one commanding officer, or whether corps of various kinds are to be established irrespective of districts and commanded from a central position. It will be perfectly impossible to provide commands to sub-districts unless we are going to create a large number of additional permanent officers. They must necessarily be permanent officers, because the citizen officer cannot afford to give the time required to go over a considerable district, commanding corps of all sorts, and, unless he is to have command of all the corps in his sub-district, we might as well not have a sub-district at all. I do not think the establishment of the territorial system for commands is possible beyond the establishment of districts. It will mean the creation of a large number of extra permanent positions, which will be practically unnecessary, in that the expense would be much greater than the benefits that would be gained. I have said all that I desire to say on the second reading. I have confined myself to a few points which appear to me to be practicable. We all admit that we

must depend on our citizen soldiers, and we ought to endeavour to bring about such reforms as will enable us to obtain the best possible results for the least possible expenditure.

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Mr WILKINSON

- I do not propose to occupy the time of the House at any great length to-night, but I can hardly allow the second reading of this Bill to go without raising my voice in favour of some of its provisions and against others. To my mind, it is a measure in connexion with which, unless we are very guarded, the Commonwealth may be plunged into very great expense - far greater than we can possibly afford at the present juncture. I do not profess to bring any expert military knowledge to bear on the question, but I have had some experience in one of the arms of the force proposed to be constituted under this Bill, and it is to that branch that I propose to confine my remarks. I should like to premise that I am in accordance with the sentiment that seems to prevail largely in the House, that the defence force of Australia should be purely a defence force, and that it should be as purely as possible a citizen force. I recognise that in these days, when war is more of a science than it was in the days of old, we must keep a number of trained experts. War does not now depend so much on courage as on skill. We want, as well as the qualified tactician, the skilled marksman, the skilled mechanic, the skilled artillerist, and the engineer, men who have had the training of years in all branches, who will act as instructors to those who will form the great bulk of the citizen army of Australia. There has been a great deal of talk in this debate about the first line of defence, and I quite agree with the honorable member for Bland. He pointed out that it costs from £1,000,000 to £1,500,000 to construct one battleship. It appears to me that there is a truer first line of defence than that which has been culled our first line of defence - namely, the navy. To my mind, our truest first line of defence would be a happy and contented population settled upon our soil. If, instead of spending millions upon the construction of battleships and arming them, to defend a coast line which the navy of Great Britain would scarcely be sufficient to defend, we spent those millions in settling people in homes which they would love and fight for ; and if we trained them in the knowledge and use of arms by forming them into rifle clubs and volunteer forces, the nations, however powerful they might be, would hesitate before they attempted to assail our shores. That would, in my opinion, constitute a truer and better first line of defence than all the navies we are likely to be able to construct for the next half century at least. With regard to the provision that is made in the Bill for allowing the Governor-General to permit the defence force of Australia to go beyond the seas, without speaking in any dogmatic manner upon that point, I say that if any Australian force is to be sent beyond the seas of Australia, it should be for purely Australian defence purposes. I can imagine a case where it would, perhaps, be wise to send a force beyond our shores. One honorable member, in the course of his speech, instanced Netherlands India, where there is a comparatively large force composed partly of trained European soldiers and partly of natives trained by European officers. We know also that there are other European possessions not far from our coasts, and we can imagine the concentration of a hostile force in any of those places. It might then be wise to send a force from Australia to burst up their operations rather than allow the war to reach our own territories. In such a case that provision would be wisely exercised, but I hope it will not be used in any other way. Here I would say that it appears to me that not only in this Bill, but in other measures which have been before the House, there is rather too much of government by regulation. I have seen a good deal of the evil of thus placing power in the hands of the Governor in Council and other officers to make regulations under Acts of Parliament, and I have seen such regulations made as have been certainly in accordance with the letter of the Act, but decidedly not in some cases in accordance with the spirit of it or in accordance with the intentions of the Legislature. Under this Bill many matters are to be left to regulations framed by the Governor in Council, which matters, in my opinion, should find a place in the measure itself. I have said that I believe that a small permanent force will be necessary. I believe that force should bear about the same proportion to the defence forces of Australia as the teachers bear to the pupils in our State schools, and that it should perform a similar function, supplying the teachers and trainers of those who are to be the defenders of Australia. The honorable member for Corinella said just now that if we had to choose between musketry instruction and drill, it would be better to take the former. I am in accord with that view, because we have the opinions of the experts of the world to-day to the effect that it largely depends on the weapon and skill of those who use it on which side victory shall lay. The honorable member for South Sydney in the course of his remarks the other night lay stress on the

same fact. He said that victory depended on superiority of weapon. He I instanced the use of the long-bow in the time of Edward III. and Henry V., at Agincourt and Crecy. We find that the same was the case in the war between Japan and China, and in other wars. To-day the Boers are able to offer a very stern and strong resistance to, I suppose, some of the best soldiers the world has ever seen, because they have been trained to use a weapon which, I believe, is superior to the weapons with which the British forces were armed. Lord Roberts has given his opinion, which, briefly summarized is, that - High courage, sound health, power of endurance, discipline, organization, and leading, under the existing conditions of war, all become more or less subservient to marksmanship at the supreme moment of actual conflict with the enemy.

Another authority has given it as his opinion that -

Unless men learn to shoot the weapons in their hands with accuracy, they might as well be armed with inferior weapons.

I take that position, and that is why I say we should have a small force of permanent men to act as instructors, not only in the use of the rifle, but in the use of the larger guns as well. That branch of the defence force in all the States seems to have been neglected. I freely admit that a certain amount of drill will be necessary even in rifle clubs, and Queensland has in my opinion set a wise example in that respect. Do we find that there is any lack of enthusiasm in the rifle clubs or volunteer forces? I do not think so. We have here in Victoria 20,000 members of rifle clubs according to returns I saw lately, and from the estimate of the expense of keeping up these rifle clubs, recently submitted by Colonel Templeton, we find, that these 20,000 men, trained to the use of the rifle, cost no more than 700 men in the permanent force. There will be few who will say that these 20,000 men will not be able to give a better account of themselves in Australia's time of need than 700 men, however highly trained in drill and other manoeuvres they may be. I venture to say further, that man for man, the 20,000 are better marksmen than the 700 of the permanent force.

Mr Crouch

- The honorable member is mistaken there.

Mr WILKINSON

- If we take the men in the permanent force we will find that the crack shots amongst them are members of the rifle clubs as well, and men who have largely got their shooting practice as members of rifle clubs, and not as members of the militia or permanent forces. If we look at the results of the rifle association meetings in this and in the other States we will find that members of rifle clubs are generally at the top in all competitions. In Queensland the rifle club movement has not taken the same hold on the people as it has done here, but that is not due to any want of enthusiasm there, and when we consider the conditions under which members of rifle clubs work there, we will find that the force is as efficient and its competent to take the field to-morrow as a good many of those who are enrolled and attend their drills regularly, but who when they get a rifle in their hands hardly know how to use it, except to shoulder it or present arms with it. In Queensland the members of the rifle clubs - and I am speaking of something of which I have some little knowledge, as for thirteen or fourteen years I have been a member of a rifle club - are expected to provide their own uniform ; they are expected to attend a certain number of squad drills, and to undergo a certain course of musketry instruction. They certainly get their ammunition at a little below cost price. They pay fid. per packet of ten rounds for it, but I do not know exactly what the State pays for it.

Mr Crouch

- 9£d.

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Mr WILKINSON

- In return for then services what do they get 1 The}- get free passes over the railways when they go to compete in matches ; they get 60 rounds of ammunition a year free, and they get a 10s. capitation grant when they are returned as efficient. But the 60 rounds of ammunition and the capitation grant do not go to the individual. They go to the club, and the value is divided up into prizes to encourage mark man ship again. So there is no personal gain to members of the club except in so far as they can qualify themselves to win some prizes offered by the club or by citizens who desire to encourage rifle shooting. What I want to say is that, in connexion with this particular department, which has been taken over by the

Commonwealth, I believe economy can be studied more, perhaps, than in connexion with any other. The expenditure in the State from which I come has run up enormously of late, and I believe we can have a very much larger and more efficient force than we have in that State for far less money than we have been paying - men who will be able to give a good account of themselves should the need ever arise, and men who will give their services willingly. I believe also that every man, whether he be in the volunteer force or the permanent force, should have an opportunity of rising from the ranks to the highest office in the defence force. I hold the opinion that the leaders of men are not made, but that they are born, and that we are just as apt to find them in the ranks as amongst the commissioned officers. Men who have qualifications of that kind, and who have risen in that way, will be followed far more readily than some jack in office, who is most ignorant of what it is most essential he should know. If we had some such force as this, with some skilled men to train them, I believe Australia would be found by outside nations of the world to possess a defence force ready to rise and repel any invader, and of sufficient strength and sufficient power to preclude any attempt being made to raid her shores. It may be said unless we have a navy, our centres of population, being near the coast, will be liable to suffer incalculable damage, because we will not be able to protect them. But if we had a navy such as we would be able to institute at the present time, we would be still liable to that, even though we were protected by such a force of the British navy as the Imperial Government could afford to send for the protection of Australian shores. A marauding squadron may at any time bombard some coastal settlement of Australia, and we will be liable to that for many years to come. What we want to impress upon the nations of the earth is that, should at any time an attempt be made to effect a landing in Australia, there will be a force here able to give the invaders a very warm reception, and make it little worth their while. I have every faith in the patriotism of the Australian citizen. I believe that whether he is trained or not, if he is living in a country such as I have tried to picture in the course of my remarks, in a home worth living and dying for, he will be found ready in the time of need. I believe, with Henry Lawson, that -

There are boys out there by the western creeks, Who hurry away from school
To climb the sides of the breezy peaks, Or dive in the shaded pool ;
Who will stand to their guns when the mountains quake
To the tread of a mighty war,
And fight for right - or a grand mistake -
As men never fought before.

We have seen that they were capable of doing this. We have seen that they did it on the fields of South Africa. And if that was done for the honour of the Empire, if it was done for the honour of the flag that floats over us, are we not justified in relying upon the more than willingness of our people to do it for their own native land ? The proportion of the native born is largely increasing here in Australia, and I venture to assert that there is as much patriotism in the Australian native as there is in the native of any other land. There will be no need for conscription, and no need for pressing men into the defence force to defend Australia when her needs arise. Let us have a small force to instruct these men in the use of arms and in the few simple manoeuvres now shown to be necessary, and we shall have done all that need be done in providing for the defence of Australia. We do not want to wage an aggressive war. If we did, then we might go in for mercenary troops. In the early history of the nations of the world every man was expected to defend his home and his country, just as we propose that men here shall be expected to defend Australia. But when the war was over the farmer returned to his fields, and the shepherd to his flocks, and the army was disbanded until it was needed to repel aggression again. By-and-by the mercenary spirit crept in, not for home defence, but for wars of aggression, and the States that espoused it never prospered long. I hope the time is far distant when Australia will ever attempt an aggressive war. Let it be purely defence, and we shall never lack men when the hour of need comes, nor shall we lack means either. I must apologize for having trespassed upon the time of the House a little longer than I had intended, but I think it is necessary, on this occasion at any rate, where a little seeming extravagance in the beginning might lead in the end to very great expenditure, that we should be very cautious in the way in which we move. I hope that the Bill will emerge from the two Houses in such a form that we shall have a purely citizen soldiery, and a purely Australian defence force.

Debate (on motion by Mr. Hughes)adjourned.

ADJOURNMENT

Order of Business : Allowances to Civil. Servants

Mr BARTON

- (Hunter- Minister for External Affairs). - move -

That the House do now adjourn.

The early orders of the day for to-morrow are formal ones. There will be the consideration of a message as a formal matter ; the report on the Customs Bill, and the report on the Excise on Beer Bill. After that the debate on the Defence Bill will be continued, and the next measure to engage attention will be the Service and Execution of Process Bill, which will be followed in due course, if it can be reached this week, by the Immigration Restriction Bill. If that Bill is not reached this week I propose to go on with the Post and Telegraph Bill as one of those machinery Bills which ought to be brought into operation as soon as possible. I understand that a question was asked this afternoon about a fortnight's adjournment. The Government have made no such proposal, nor has it engaged their attention.

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Mr FULLER

- A good many appointments have been made by the Administration, both of a new character and also by transfer from other States. We were told by the Prime Minister that the strictest economy would be exercised in regard to the salaries, but I should like to draw his attention to a statement in one of this morning's newspapers. It is said that a number of transferred officers from other States, in addition to their salaries, which most of us consider very high, are also drawing a sum varying from 10s. to two guineas a week according to the grade which they occupy. If that is so it appears to me to be a great departure from the system of economy which was promised to us by the Prime Minister. I do not know whether it is a fact or not, but I would like to know whether there are any expenses allowed to any of the officers who have been transferred from various departments in the States. There is also a further statement made, and that is that these extra payments are to be continued up to the time of the establishment of the federal capital. If that is so it appears to me to be a very long time during which these extra payments will be made, It is also stated that it is the intention of all the Ministers, with the exception of the Attorney-General and the Treasurer, to remove themselves and their staffs to Sydney when Parliament goes into recess. I should like to know whether, if that is to be done, all those transferred officers will get the same allowance according to grade, as is now it is said being paid. If all the staffs which are engaged in the different departments are transferred in that way, a very large amount of money indeed will be paid in allowances to officers receiving high salaries. There is also a further statement made, which appears to me to call for attention at the hands of the Cabinet, and that is in connexion with the purchase of a large number of Inter-State tickets for conveying by railway under -secretaries, secretaries, and other officials, between the different States, from Friday to Tuesday morning. I was under the impression that these gentlemen were suffering from overwork. If they are able to travel from Friday to Tuesday morning, and it has been necessary to purchase these Inter-State tickets for their convenience, they cannot be so much overworked as we were led to believe. I should be very glad to have from the Prime Minister an answer in regard to the various matters which I have brought forward.

Mr WATSON

- Most of us were rather surprised to see the statements that appeared in the newspaper this morning - it was the first I saw of it, anyhow - as to the allowances which have been made to a number of officers in Melbourne. I understood that the salary to be paid to each officer was to be the total amount which he was to receive. I for one object to the expense of the civil service being loaded in the way which the paragraph referred to would appear to indicate, It will be, I presume, for the Prime Minister to say what the real state of affairs is, but I should hope, anyhow, that some misinformation has got abroad so far as these allowances are concerned. It would seem from the paragraph that these allowances are to be continued even in the event of the officers going back' to Sydney.

Mr Barton

- No. From all I have heard of that part of the paragraph there is a vast deal in it that is incorrect. I have not read it.

Mr WATSON

- I think most honorable members will agree that where a man receives a fair salary he ought to be prepared to bring his family, if he has one, down to the place where Parliament is sitting, because it is

certain that we shall be here until Christmas at the earliest. The expense of removal should not amount to a very great deal. The salaries are fairly liberal on the whole, so far as I can see, and there should not be any objection to a man bringing his family here or coming here himself for the whole term of the session. Mr. BARTON(Hunter- Minister for External Affairs). - I. have not seen the paragraph alluded to by the honorable and learned member for Illawarra, but I have heard something about it. I am sorry, that coming from Sydney as I did yesterday, I have -not been able to read -ill the newspapers.

Mr JOSEPH COOK

- Does not the right honorable member read them 'f

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Mr BARTON

- I dare say the honorable member who has interrupted me has been able to do so. I cannot do that ; I have other things to do. There is some truth and some inaccuracy in this paragraph ; but it is a fact that in certain cases living allowances extending as high in one instance as £2 per week, and coming down as low as 10s. per week, were made by me on the officials leaving Sydney. That is to say, the allowances are not quite equivalent to 6s. per day in the highest case, and something like 1s. 6d. per day in the lowest. That is the extent of what has been done, and that was only arranged as a temporary measure. The Treasurer and I have been in consultation with regard to the whole of this question, and it will engage the attention of the Cabinet, with a view to equalizing the remuneration and including everything in the salary. As to the other part of the matter, it has not been settled yet whether Ministers and their staffs will remove to Sydney at the termination of the session. It must always be remembered that it is a desirable thing that the Governor-General should reside for some portion of the year in each of the two principal cities, without regard to this other fact that he must pay some visits to the other capitals. "Where the Governor-General is, there to a large extent the administration must be carried on, because it is impossible for Ministers to make a trip every time there is an Executive Council meeting. Consequently, when the Governor-General returns to Sydney, I, at any rate, as his principal and daily adviser, must return to Sydney, and I intend to do so : and if I return to Sydney and I am in contact with the Governor-General, it would be absurd for me to try to administer from Sydney a staff residing in Melbourne. I can only say that much on this question at present, because it has not yet received full consideration at the hands of the Cabinet.

Mr Crouch

- Does not that make Sydney the seat of Government contrary to the Constitution ?

Mr BARTON

- No ; it is not contrary to the Constitution, because the Constitution speaks only about the permanent seat of Government. There is no fixed seat of Government either in Melbourne or Sydney, or anywhere else, but the seat of Government is, as the lawyers put it, at large, «and the Government can be administered by the Governor - General according to convenience, and upon the advice of his responsible advisers who will have to take the risk of any wrong advice they may give, and who are perfectly prepared to take it. That is all I can say on that point, because what is to be done at the conclusion of the session is a matter that needs no settlement at the present time. Sufficient for the day is the evil thereof. "We shall decide this matter when the occasion arises, and before the close of the session so that honorable members who may disagree with the course we propose may have an opportunity of expressing their opinion.

Mr McDonald

- Are the officers still to receive the pay they are now getting?

Mr BARTON

- The whole matter is under consideration now by the Treasurer and myself with a view to preventing any allowances at all.

Mr McDonald

- Is there any understanding that these allowances shall go on ?

Mr BARTON

- That must abide the determination of the arrangement that is arrived at between myself and the Treasurer.

Mr McDonald

- The Prime Minister may as well give us the information, because we shall have to get it ; he may as well give a civil answer.

Mr BARTON

- I am answering the honorable member as civilly as I can under interruption.

Mr McDonald

- I asked the Prime Minister a civil question, and he will not give me a civil answer.

Mr BARTON

- Surely I have been sufficiently civil to the honorable member ; I do not wish to be discourteous in any way. I have told him that the matter is under consideration as between the Treasurer and myself, and will be determined very shortly.

Mr V L SOLOMON

- Are the salaries and the allowances to be continued in the meantime ?

Mr BARTON

- The salaries are, and the allowances have been continued ; but the allowances, I have reason to believe, will be discontinued. I cannot say any more than that, because I cannot go beyond the conditions of affairs that exists at the present time ; and if I tell honorable members that the matter is under consideration by the Treasurer and myself with a view to making arrangements, which will render these allowances unnecessary, I have said enough to show . that I am acting in good faith with the House.

Mr V L SOLOMON

- Will the Prime Minister show the House to-morrow what officers are receiving these salaries and allowances ?

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Mr BARTON

- Certainly; if any honorable member moves for a return, I will have it laid on the table without delay. Now about other matters. There has been no frequent issue of Inter-State railway tickets. As far as any member of my department is concerned, he has not gone to Sydney, with the exception of one officer who went for purely- domestic reasons, except in attendance upon me, and the frequency of these visits, or the unnecessary nature of them may be judged from the fact that whereas other members have been able to go to and fro every week, I have only been able to go myself once in three weeks, and once in five weeks. My last visit before that, which terminated this morning, was three weeks ago, and between that and my previous visit there was an interval of five weeks. Jam therefore returning to Sydney on the average once a month. Moreover, it is incorrect to suppose that during these visits I am not engaged in the business of the Commonwealth, or that those who are accompanying me are not engaged in that business with me. As I cannot conduct my official business without the attendance of some officers, their presence has been necessary in such cases. I may mention that yesterday, before I left Sydney I was engaged in public business for the whole day, until I left off to take my dinner and go to the train. . I think that that is a fair day's work for any man, and honorable members will understand that I cannot conduct such business without having a responsible officer with me. As to the remainder of this paragraph, the comparison of salaries of which I have heard is based upon an utterly flimsy foundation. It is enough, in order to show that, to take one illustration. The case of the President of the Senate is mentioned, and it is stated that in South Australia the President of the Senate received as President of the small Legislative Council there - small in respect of the population it represents - the sum of £600 a year, whereas he now receives £1,500 a year here, including his member's allowance. Now, the course which has been taken with regard to the President of the Senate has been taken by this: House in regard to the Speaker, and I think by a considerable majority, and the attack therefore is upon this House. I venture to say that if any one will look at this matter with the smallest sense of fairness, he will say - that the comparison here should not be between what was received by the President of the Senate in South Australia or by any other officer in his own State, but between the salary attached to the position in the Commonwealth and that attached to similar positions in the principal States. In adopting a fair basis of comparison in these matters we have to consider what the office is worth, and in that connexion we cannot eliminate from consideration what is being paid to the occupants of offices of similar grade in the principal States.

Mr V L SOLOMON

- The point is why were we not taken into the confidence of the Government and fully informed as to the

salaries and allowances that were being paid?

Mr BARTON

- I am not now dealing with that portion of the paragraph. I have already disposed of that, and I am now referring to the comparison of salaries paid.

Mr.V. L. Solomon. - That is not what was complained of.

Mr BARTON

-I beg the honorable member's pardon. I know what was complained of, because the representatives of the press have drawn my attention to the matter. I think that I have the right to say that the true basis of comparison for officers who have entered the Commonwealth services, is what is being paid for similar services in the States, assuming that in the States the salaries paid are not excessive. I venture to say this, that if honorable members will take the salaries they have voted for the Commonwealth officers, and compare them with salaries, attached to similar positions in New South Wales and Victoria, they will see that the amount voted, in nearly every case, for the Commonwealth offices, has been less than the amounts voted in the States mentioned.. That is of itself a sufficient answer to the charge that we are paying extravagantly high salaries. I can assure honorable members that, although they may find isolated instances which go the other way, and which are inevitable in organizing a new service, the merest comparison between the rates paid in Victoria and New South Wales - the two principal State - and in the Commonwealth, which includes the whole of the States, will show that the Commonwealth is more reasonable in the allotment of salaries, that is in the way of economy, than the principal States of the Commonwealth.

Mr G B EDWARDS

- What is the good of economy when other allowances are made ?

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Mr BARTON

- Let it be pointed out also that in the way of railway privileges the principal officers of those States have open railway passes, while the principal officers of the Commonwealth have not. . That is a strong fact to be taken into consideration when anybody wishes to form an opinion as to whether Commonwealth officers on occasion should be allowed, especially in attendance on a Minister, to travel when a Minister finds himself obliged to travel. I hope honorable members now will suspend their consideration of this matter until the questions which they have raised have been considered by the Government. I can assure them that there is no tendency to extravagance on the part of the Government. The Estimates of the Government are, and have been, swelled, as the Treasurer has already explained, by two causes, one of which is the extraordinary expenditure - expenditure out of the common rut - which was forced on the

Government by the initiation of a new system, and the other of which is the large advance which has taken place since the estimate of the expenditure of the Commonwealth was made four years ago at Adelaide in the expenditure of the transferred departments, that increased expenditure having become the ordinary annual expenditure of those departments long before they were transferred to the Commonwealth.

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22:53:00

House adjourned at 10.53 p.m.