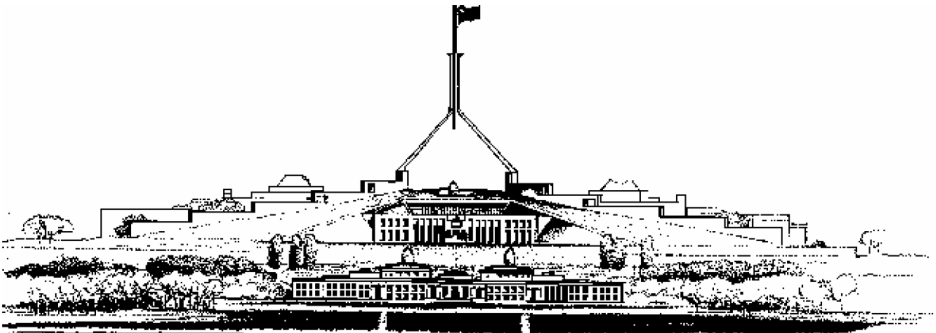




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate

Official Hansard

No. 34, 1907
Friday, 23 August 1907

THIRD PARLIAMENT
SECOND SESSION

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

GOVERNOR-GENERAL.

His Excellency the Right Honorable HENRY STAFFORD, BARON NORTHCOTE, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Companion of the Most Honorable Order of the Bath, Governor-General and Commander-in-Chief of the Commonwealth of Australia.

DEAKIN ADMINISTRATION.

(From 5th July, 1905.)

Minister of External Affairs	...	The Honorable Alfred Deakin.
Treasurer	...	*The Right Honorable Sir John Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Honorable Sir William John Lyne, K.C.M.G. (30th July, 1907).
Minister of Trade and Customs	...	The Honorable Sir William John Lyne, K.C.M.G.,
		<i>Succeeded by</i>
		The Honorable Austin Chapman (30th July, 1907).
Attorney-General...	...	The Honorable Isaac Alfred Isaacs, K.C.,
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (13th October, 1906).
Minister of Defence	...	The Honorable Thomas Playford,
		<i>Succeeded by</i>
		The Honorable Thomas Thomson Ewing (24th January, 1907).
Minister of Home Affairs	...	The Honorable Littleton Ernest Groom,
		<i>Succeeded by</i>
		The Honorable Thomas Thomson Ewing (13th October 1906).
		<i>Succeeded by</i>
		The Honorable John Henry Keating (24th January, 1907).
Postmaster-General	...	The Honorable Austin Chapman,
		<i>Succeeded by</i>
		The Honorable Samuel Mauger (30th July, 1907).
Vice-President of the Executive Council	...	The Honorable Thomas Thomson Ewing,
		<i>Succeeded by</i>
		The Honorable John Henry Keating (13th October, 1906),
		<i>Succeeded by</i>
		The Honorable Robert Wallace Best (20th February, 1907)
Honorary Minister	...	The Honorable James Hume Cook (28th January, 1908).

* Resigned office, 30th July, 1907.

MEMBERS OF THE SENATE.

THIRD PARLIAMENT.—SECOND SESSION.

President—Lieut.-Colonel the Hon. Albert John Gould, V.D.

Chairman of Committees—The Hon. George Foster Pearce.

Best, Hon. Robert Wallace ...	...	Victoria.
Cameron, Lieut.-Colonel the Hon. Cyril St. Clair ...	...	Tasmania.
Chataway, Thomas Drinkwater ...	...	Queensland.
Clemons, Hon. John Singleton ...	...	Tasmania.
Croft, John William ...	...	Western Australia
de Largie, Hon. Hugh ...	...	Western Australia.
³ Dobson, Hon. Henry ...	...	Tasmania.
Findley, Edward ...	...	Victoria.
Fraser, Hon. Simon ...	...	Victoria.
Givens, Thomas ...	...	Queensland.
Gould, Lieut.-Col., the Hon. Albert John, V.D. ...	...	New South Wales.
Gray, John Proctor... ..	...	New South Wales.
Guthrie, Robert Storrie ...	...	South Australia.
Henderson, George ...	...	Western Australia.
Keating, Hon. John Henry ...	...	Tasmania.
Lynch, Patrick Joseph ...	...	Western Australia.
Macfarlane, Hon. James ...	...	Tasmania.
² McCull, Hon. James Hiers ...	...	Victoria.
McGregor, Hon. Gregor ...	...	South Australia.
Millen, Hon. Edward Davis ...	...	New South Wales.
Mulcahy, Hon. Edward ...	...	Tasmania.
Needham, Edward....	...	Western Australia.
³ Neild, Colonel, the Hon. John Cash ...	...	New South Wales.
40'Loughlin, Major the Hon. James Vincent ...	...	South Australia.
¹ Pearce, Hon. George Foster ...	...	Western Australia.
Pulsford, Edward ...	...	New South Wales.
Russell, Edward John ...	...	Victoria.
Russell, William ...	...	South Australia.
St. Ledger, Anthony James Joseph ...	...	Queensland.
Sayers, Robert John ...	...	Queensland.
Stewart, Hon. James Charles ...	...	Queensland.
Story, William Harrison ...	...	South Australia.
Symon, Hon. Sir Josiah Henry, K.C.M.G., K.C. ...	...	South Australia.
Trenwith, Hon. William Arthur ...	...	Victoria.
Turley, Henry ...	...	Queensland.
² Vardon, Joseph ...	...	South Australia,
Walker, Hon. James Thomas ..	...	New South Wales.

¹ Chairman of Committees.

² Election declared void 31st May, 1907. Elected 15th February, 1908.

³ Temporary Chairman of Committees.

⁴ Chosen by State Parliament 11th July, 1907. Choice declared void, 20th December, 1907.

MEMBERS OF THE HOUSE OF REPRESENTATIVES.

THIRD PARLIAMENT.—SECOND SESSION.

Speaker.—The Hon. Sir Frederick William Holder, K.C.M.G.

Chairman of Committees.—The Hon. Charles McDonald.

Archer, Edward Walker	...	...	...	Capricornia. (Q.)
Atkinson, Llewelyn	...	...	...	Wilmot. (T.)
Bamford, Hon. Frederick William	...	...	...	Herbert. (Q.)
³ Batchelor, Hon. Egerton Lee	...	...	...	Boothby. (S.A.)
Bowden, Eric Kendall	...	...	...	Nepean. (N.S.W.)
Brown, Joseph Tilley	...	...	...	Indi. (V.)
Brown, Hon. Thomas	...	...	...	Calare. (N.S.W.)
Carr, Ernest Shoobridge	...	...	...	Macquarie. (N.S.W.)
Catts, James Howard	...	...	...	Cook. (N.S.W.)
Chanter, Hon. John Moore	...	...	...	Riverina. (N.S.W.)
Chapman, Hon. Austin	...	...	...	Eden-Monaro. (N.S.W.)
Cook, Hon. James Newton Haxton Hume	...	...	...	Bourke. (V.)
Cook, Hon. Joseph	...	...	...	Parramatta. (N.S.W.)
Coon, Jabez	...	...	...	Batman. (V.)
Crouch, Hon. Richard Armstrong	...	...	...	Corio. (V.)
Deakin, Hon. Alfred	...	...	...	Ballarat. (V.)
Edwards, Hon. Richard	...	...	...	Oxley. (Q.)
Ewing, Hon. Thomas Thomson	...	...	...	Richmond. (N.S.W.)
Fairbairn, George	...	...	...	Fawkner. (V.)
Fisher, Hon. Andrew	...	...	...	Wide Bay. (Q.)
Forrest, Right Hon. Sir John, P.C., G.C.M.G.	...	...	...	Swan. (W.A.)
Foster, Francis James	...	...	...	New England. (N.S.W.)
³ Fowler, Hon. James Mackinnon	...	...	...	Perth. (W.A.)
Foxton, Colonel the Hon. Justin Fox Greenlaw, C.M.G.	...	...	...	Brisbane. (Q.)
Frazer, Charles Edward	...	...	...	Kalgoorlie. (W.A.)
Fuller, Hon. George Warburton	...	...	...	Illawarra. (N.S.W.)
Fysh, Hon. Sir Philip Oakley, K.C.M.G.	...	...	...	Denison. (T.)
Glynn, Hon. Patrick McMahon	...	...	...	Angas. (S.A.)
Groom, Hon. Littleton Ernest	...	...	...	Darling Downs. (Q.)
Hall, David Robert	...	...	...	Werriwa. (N.S.W.)
Harper, Hon. Robert	...	...	...	Mernda. (V.)
Hedges, William Noah	...	...	...	Fremantle. (W.A.)
Holder, Hon. Sir Frederick William, K.C.M.G.	...	...	...	Wakefield. (S.A.)
Hughes, Hon. William Morris	...	...	...	West Sydney. (N.S.W.)
Hutchison, James	...	...	...	Hindmarsh. (S.A.)
Irvine, Hans William Henry	...	...	...	Grampians. (V.)
Irvine, Hon. William Hill, K.C.	...	...	...	Flinders. (V.)
Johnson, William Elliot	...	...	...	Lang. (N.S.W.)
Kelly, William Henry	...	...	...	Wentworth. (N.S.W.)
⁴ Kingston, Right Hon. Charles Cameron, P.C., K.C.	...	...	...	Adelaide. (S.A.)
Knox, Hon. William	...	...	...	Kooyong. (V.)
Liddell, Frank	...	...	...	Hunter. (N.S.W.)
Livingston, John	...	...	...	Barker. (S.A.)
Lyne, Hon. Sir William John, K.C.M.G.	...	...	...	Hume. (N.S.W.)
Mahon, Hon. Hugh	...	...	...	Coolgardie. (W.A.)
Maloney, William Robert Nuttall	...	...	...	Melbourne. (V.)
Mathews, James	...	...	...	Melbourne Ports. (V.)
Mauger, Hon. Samuel	...	...	...	Maribyrnong. (V.)
² McDonald, Hon. Charles	...	...	...	Kennedy. (Q.)
McDougall, John Keith	...	...	...	Wannon. (V.)
McWilliams, William James	...	...	...	Franklin. (T.)
O'Malley, Hon. King	...	...	...	Darwin. (T.)
Page, Hon. James	...	...	...	Maranoa. (Q.)
¹ Palmer, Albert Clayton	...	...	...	Echuca. (V.)
Poynton, Hon. Alexander	...	...	...	Grey. (S.A.)
Quick, Hon. Sir John	...	...	...	Bendigo. (V.)
Reid, Right Hon. George Houstoun, P.C., K.C.	...	...	...	East Sydney. (N.S.W.)
³ Salmon, Hon. Charles Carty	...	...	...	Laanecoorie. (V.)

MEMBERS OF THE HOUSE OF REPRESENTATIVES.

THIRD PARLIAMENT.—SECOND SESSION—*continued*.

Sampson, Sydney.	Wimmera. (V.)
Sinclair, Hugh	Moreton. (Q.)
Smith, Hon. Bruce, K.C.	Parkes. (N.S.W.)
Spence, Hon. William Guthrie	Darling. (N.S.W.)
Storrer, David	Bass. (T.)
Thomas, Hon. Josiah	Barrier. (N.S.W.)
Thomson, Hon. Dugald	North Sydney. (N.S.W.)
Thomson, John	Cowper. (N.S.W.)
Tudor, Hon. Frank Gwynne	Yarra. (V.)
Watkins, Hon. David	Newcastle. (N.S.W.)
Watson, Hon. John Christian	South Sydney. (N.S.W.)
Webster, William	Gwydir. (N.S.W.)
Wilks, Hon. William Henry	Dalley. (N.S.W.)
Willis, Hon. Henry	Robertson. (N.S.W.)
Wilson, John Gratton	Corangamite. (V.)
Wise, George Henry	Gippsland. (V.)
Wynne, Hon. Agar	Balaclava. (V.)

HEADS OF DEPARTMENTS.

Senate.—E. G. Blackmore, C.M.G. ; (C. B. Boydell, Acting).

House of Representatives.—C. G. Duffy, C.M.G.

Parliamentary Reporting Staff.—B. H. Friend.

Library.—A. Wadsworth.

Joint House Committee.—G. E. Upward ; (G. H. Monahan, Acting).

- ¹ Election declared void 10th June, 1907. Elected 10th July, 1907. Sworn 16th July, 1907.
- ² Chairman of Committees.
- ³ Temporary Chairman of Committees.
- ⁴ Deceased reported, 12th May, 1908.

COMMITTEES OF THE SESSION.

SENATE.

STANDING ORDERS COMMITTEE.—The President, the Chairman of Committees, Senator Best, Senator Dobson, Senator Clemons, Senator Guthrie, Senator St. Ledger, Senator Sir J. H. Symon, Senator Trenwith.

LIBRARY COMMITTEE.—The President, Senator Chataway, Senator Keating, Senator Lynch, Senator Stewart, Senator Sir J. H. Symon, Senator Walker.

HOUSE COMMITTEE.—The President, Senator de Largie, Senator McColl, Senator McGregor, Senator Mulcahy, Senator Colonel Neild, Senator Turley.

PRINTING COMMITTEE.—Senator Croft, Senator Findley, Senator Lieut.-Colonel Cameron, Senator Henderson, Senator Macfarlane, Senator Pulsford, Senator Givens.

COMMITTEE OF DISPUTED RETURNS AND QUALIFICATIONS. — Senator de Largie, Senator Dobson, Senator Macfarlane, Senator Colonel Neild, Senator Sir J. H. Symon, Senator Turley, Senator Walker.

PRIVILEGE PROCEDURE.—Senator Colonel Neild, Senator Henderson, Senator Turley, Senator Chataway.

HOUSE OF REPRESENTATIVES.

STANDING ORDERS COMMITTEE.—Mr. Speaker, the Prime Minister, the Chairman of Committees, Mr. Joseph Cook, Mr. Groom, ¹Mr. Kingston, Mr. Watson, Mr. Wilson.

LIBRARY COMMITTEE.—Mr. Speaker, Mr. Glynn, Mr. Harper, Mr. W. H. Irvine, Mr. Knox, Mr. Salmon, Mr. Bruce Smith, Mr. Spence.

HOUSE COMMITTEE.—Mr. Speaker, Mr. Batchelor, Mr. Chanter, Mr. Fisher, Mr. Mahon, Mr. Mauger, Mr. Page, Mr. Dugald Thomson.

PRINTING COMMITTEE.—Mr. Edwards, Mr. Fowler, Mr. Hutchison, Sir John Quick, Mr. Storrer, Mr. Watkins, Mr. Willis.

PRIVILEGE PROCEDURE.—Mr. Bamford, Mr. Fuller, Sir John Quick, Mr. Wise.

¹ Decease reported, 12th May, 1908.

ACTS OF THE SESSION.

ADDITIONAL APPROPRIATION ACT 1905-6 AND 1906-7 (No. 9 of 1908)—

An Act to appropriate further sums for the service of the years ended the thirtieth day of June, One thousand nine hundred and six, and the thirtieth day of June, One thousand nine hundred and seven. [Initiated in House of Representatives by Sir William Lyne, 22nd May, 1908. Assented to 3rd June, 1908.]

ADDITIONAL APPROPRIATION ACT 1907-8 (No. 11 of 1908)—

An Act to grant and apply an additional sum out of the Consolidated Revenue Fund to the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir William Lyne, 22nd May, 1908. Assented to 3rd June, 1908.]

ADDITIONAL APPROPRIATION (WORKS AND BUILDINGS) ACT 1905-6 AND 1906-7 (No. 10 of 1908)—

An Act to appropriate further sums for the service of the years ended the thirtieth day of June, One thousand nine hundred and six, and the thirtieth day of June, One thousand nine hundred and seven for purposes of Additions, New Works, Buildings, &c. [Initiated in House of Representatives by Sir William Lyne, 22nd May, 1908. Assented to 3rd June, 1908.]

ADDITIONAL APPROPRIATION (WORKS AND BUILDINGS) ACT 1907-8 (No. 12 of 1908)—

An Act to grant and apply an additional sum out of the Consolidated Revenue Fund to the service of the year ending the thirtieth day of June, One thousand nine hundred and eight for the purposes of Additions, New Works, Buildings, &c. [Initiated in House of Representatives by Sir William Lyne, 22nd May, 1908. Assented to 3rd June, 1908.]

APPROPRIATION ACT 1907-8 (No. 6 of 1908)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund to the service of the year ending the thirtieth day of June, One thousand nine hundred and eight, and to appropriate the supplies granted for such year in this session of the Parliament. [Initiated in House of Representatives by Sir William Lyne, 7th April, 1908. Assented to 16th April, 1908.]

APPROPRIATION (WORKS AND BUILDINGS) ACT 1907-8 (No. 6 of 1907)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund to the service of the year ending the thirtieth day of June, One thousand nine hundred and eight, for the purposes of Additions, New Works, Buildings, &c. [Initiated in House of Representatives by Sir William Lyne, 25th September, 1907. Assented to 8th October, 1907.]

AUSTRALIAN INDUSTRIES PRESERVATION ACT 1907 (No. 5 of 1908)—

An Act to amend the Australian Industries Preservation Act 1906. [Initiated in Senate by Senator Best, 3rd October, 1907. Assented to 14th April, 1908.]

BOUNTIES ACT (No. 12 of 1907)—

An Act to provide for the payment of bounties on the production of certain goods. [Initiated in House of Representatives by Mr. Groom, 16th July, 1907. Assented to 28th November, 1907.]

COAST DEFENCE APPROPRIATION ACT (No. 19 of 1908)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum of Two hundred and fifty thousand pounds for Harbor and Coastal Defences. [Initiated in House of Representatives by Sir William Lyne, 4th June, 1908. Assented to 10th June, 1908.]

COMMONWEALTH SALARIES ACT (No. 7 of 1907)—

An Act relating to the Taxation by the States of Salaries and Allowances paid by the Commonwealth. [Initiated in Senate by Senator Best, 5th July, 1907. Assented to 8th October, 1907.]

CONSTITUTION ALTERATION (SENATE ELECTIONS) 1906 (No. 1 of 1907)—

An Act to alter the provisions of the Constitution relating to the Election of Senators. [Initiated in Senate by Senator Keating, 17th August, 1906. Assented to 3rd April, 1907.]

CUSTOMS TARIFF 1908 (No. 7 of 1908)—

An Act relating to Duties of Customs. [Initiated in House of Representatives by Sir William Lyne, 8th August, 1907. Assented to 3rd June, 1908.]

CUSTOMS TARIFF AMENDMENT 1908 (No. 13 of 1908)—

An Act to amend the Customs Tariff 1908. [Initiated in House of Representatives by Sir William Lyne, 2nd June, 1908. Assented to 10th June, 1908.]

DISPUTED ELECTIONS AND QUALIFICATIONS ACT (No. 10 of 1907)—

An Act to amend the Law relating to Parliamentary Elections, and to provide for the Settlement of Questions relating to the Qualifications of Members of the Parliament, and to Vacancies in either House of the Parliament. [Initiated in Senate by Senator Best, 30th October, 1907. Assented to 22nd November, 1907.]

ELECTION EXPENSES REIMBURSEMENT ACT (No. 20 of 1908)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the purpose of reimbursing expenses incurred by candidates in connexion with certain elections which have been declared void, and in proceedings in relation thereto. [Initiated in House of Representatives by Sir William Lyne, 5th June, 1908. Assented to 10th June, 1908.]

EXCISE PROCEDURE ACT (No. 1 of 1908)—

An Act relating to procedure on applications for a declaration under the Excise Tariff 1906 (Act No. 16 of 1906). [Initiated in Senate by Senator Keating, 10th October, 1907. Assented to 18th February, 1908.]

EXCISE TARIFF 1908 (No. 8 of 1908)—

An Act relating to Duties of Excise. [Initiated in House of Representatives by Sir William Lyne, 8th August, 1907. Assented to 3rd June, 1908.]

EXCISE TARIFF (STARCH) 1908 (No. 14 of 1908)—

An Act to amend the Excise Tariff 1908. [Initiated in House of Representatives by Sir William Lyne, 2nd June, 1908. Assented to 10th June, 1908.]

INVALID AND OLD-AGE PENSIONS ACT (No. 17 of 1908)—

An Act to provide for the payment of Invalid and Old-age Pensions, and for other purposes. [Initiated in House of Representatives by Mr. Deakin, 2nd June, 1908. Assented to 10th June, 1908.]

JUDICIARY ACT (No. 8 of 1907)—

An Act to amend the Judiciary Act 1903. [Initiated in Senate by Senator Best, 5th July, 1907. Assented to 14th October, 1907.]

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY ACT (No. 4 of 1907)—

An Act to authorize the Survey of Route for a Railway to connect Kalgoorlie, in the State of Western Australia, with Port Augusta, in the State of South Australia. [Initiated in House of Representatives by Mr. Groom, 16th July, 1907. Assented to 28th August, 1907.]

OFFICERS COMPENSATION ACT (No. 4 of 1908)—

An Act to provide for compensation to be paid on retirement or on decease of certain officers of the Commonwealth. [Initiated in House of Representatives by Sir William Lyne, 13th December, 1907. Assented to 14th April, 1908.]

OLD-AGE PENSIONS APPROPRIATION ACT (No. 18 of 1908)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of Seven hundred and fifty thousand pounds for Invalid and Old-age Pensions. [Initiated in House of Representatives by Sir William Lyne, 4th June, 1908. Assented to 10th June, 1908.]

PARLIAMENTARY ALLOWANCES ACT (No. 5 of 1907)—

An Act relating to the Allowance to Members of each House of the Parliament of the Commonwealth. [Initiated in House of Representatives by Sir William Lyne, 14th August, 1907. Assented to 28th August, 1907.]

PARLIAMENTARY PAPERS ACT (No. 16 of 1908)—

An Act relating to the publication of Parliamentary Papers. [Initiated in House of Representatives by Mr. Deakin, 3rd April, 1908. Assented to 10th June, 1908.]

QUARANTINE ACT (No. 3 of 1908)—

An Act relating to Quarantine. [Initiated in House of Representatives by Sir William Lyne, 10th July, 1907. Assented to 30th March, 1908.]

SUPPLY ACT (No. 1) (No. 2 of 1907)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir John Forrest, 4th July, 1907. Assented to 5th July, 1907.]

SUPPLY ACT (No. 2) (No. 3 of 1907)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir William Lyne, 13th August, 1907. Assented to 15th August, 1907.]

SUPPLY ACT (No. 3) (No. 9 of 1907)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir William Lyne, 8th November, 1907. Assented to 14th November, 1907.]

SUPPLY ACT (No. 4) (No. 11 of 1907)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir William Lyne, 20th November, 1907. Assented to 23rd November, 1907.]

SUPPLY ACT (No. 5) (No. 2 of 1908)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and eight. [Initiated in House of Representatives by Sir William Lyne, 11th March, 1908. Assented to 14th March, 1908.]

SUPPLY ACT (No. 1) 1908-9 (No. 21 of 1908)—

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June, One thousand nine hundred and nine. [Initiated in House of Representatives by Sir William Lyne, 5th June, 1908. Assented to 10th June, 1908.]

SURPLUS REVENUE ACT (No. 15 of 1908)—

An Act relating to the payment to the several States of the Surplus Revenue of the Commonwealth. [Initiated in House of Representatives by Sir William Lyne, 13th March, 1908. Assented to 10th June, 1908.]

BILLS OF THE SESSION.

BILLS OF EXCHANGE BILL—

[Initiated in Senate by Senator Keating, 5th July, 1907; lapsed at prorogation.]

COMMERCE (TRADE DESCRIPTIONS) BILL—

[Initiated in House of Representatives by Mr. Austin Chapman, 19th November, 1907; lapsed at prorogation.]

CONCILIATION AND ARBITRATION BILL—

[Initiated in Senate by Senator Needham, 1st November, 1907; lapsed at prorogation.]

CRIMINAL APPEALS BILL—

[Initiated in Senate by Senator Colonel Neild, 4th July, 1907; lapsed at prorogation.]

DEFENCE BILL—

[Initiated in Senate by Senator Dobson, 2nd August, 1907; lapsed at prorogation.]

ELECTORAL (DISPUTED RETURNS) BILL—

[Initiated in House of Representatives by Mr. Chanter, 8th August, 1907; lapsed at prorogation.]

FIRE INSURANCE BILL—

[Initiated in House of Representatives by Mr. Frazer, 25th July, 1907; lapsed at prorogation.]

MANUFACTURES ENCOURAGEMENT BILL—

[Initiated in House of Representatives by Sir William Lyne, 13th November, 1907; lapsed at prorogation.]

MARINE INSURANCE BILL—

[Initiated in House of Representatives by Mr. Groom, 22nd October, 1907; lapsed at prorogation.]

PAPUA. BILL—

[Initiated in House of Representatives by Mr. Deakin, 3rd July, 1907; lapsed at prorogation.]

PARLIAMENTARY WITNESSES BILL—

[Initiated in Senate by Senator Keating, 11th July, 1907; lapsed at prorogation.]

POSTAL RATES BILL—

[Initiated in House of Representatives by Mr. Austin Chapman, 23rd July, 1907; lapsed at prorogation.]

PUBLIC SERVICE (APPEALS) BILL—

[Initiated in House of Representatives by Mr. Hughes, 8th August, 1907; lapsed at prorogation.]

REMUNERATION OF LABOUR DEFINITION BILL—

[Initiated in Senate by Senator Colonel Neild, 17th October, 1907; lapsed at prorogation.]

BILLS OF THE SESSION—continued.

XXV

SEAT OF GOVERNMENT BILL—

[Initiated in House of Representatives by Mr. Groom, 17th July, 1907; lapsed at prorogation.]

NAVIGATION BILL—

[Initiated in Senate by Senator Best, 12th September, 1907; lapsed at prorogation.]

NORFOLK ISLAND BILL—

[Initiated in House of Representatives by Mr. Deakin, 2nd June, 1908; lapsed at prorogation.]

PUBLIC SERVICE BILL—

[Initiated in House of Representatives by Mr. Groom, 2nd June, 1908; lapsed at prorogation.]

SEAMEN'S COMPENSATION BILL—

[Initiated in Senate by Senator Best, 3rd June, 1908; lapsed at prorogation.]

PARLIAMENT CONVENED.

THIRD PARLIAMENT—SECOND SESSION.

Parliament was convened by the following Proclamation :—

(*Gazette No. 28, 1907.*)

PROCLAMATION

COMMONWEALTH OF
AUSTRALIA TO WIT.
NORTHCOTE,
Governor-General.

By His Excellency the Right Honorable HENRY STAFFORD, BARON NORTHCOTE, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Companion of the Most Honorable Order of the Bath, Governor-General and Commander-in-Chief of the Commonwealth of Australia.

WHEREAS by the Commonwealth of Australia Constitution Act it is amongst other things enacted that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit, and also from time to time by Proclamation or otherwise prorogue the Parliament: And whereas on the fifth day of April, One thousand nine hundred and seven, the Parliament was further prorogued until Wednesday, the twelfth day of June, One thousand nine hundred and seven, and it is expedient to further prorogue the said Parliament: Now therefore I, HENRY STAFFORD, BARON NORTHCOTE, the Governor-General aforesaid, in exercise of the power conferred by the said Act, do by this my Proclamation further prorogue the said Parliament until Wednesday, the third day of July, One thousand nine hundred and seven, and I do appoint the said Wednesday, the third day of July, One thousand nine hundred and seven, as the day for the said Parliament to assemble and be holden for the despatch of business. And all Members of the Senate and of the House of Representatives respectively are hereby required to give their attendance accordingly, in the building known as the Houses of Parliament, situate in Spring-street, in the City of Melbourne, at half-past Two in the afternoon, on the said Wednesday, the third day of July, One thousand nine hundred and seven.

Given under my Hand and the Seal of the Commonwealth of Australia aforesaid, this eighteenth day of May, in the year of our Lord One thousand nine hundred and seven, and in the seventh year of His Majesty's reign.

(SEAL OF THE
COMMONWEALTH
OF AUSTRALIA.)

By His Excellency's Command,

JOHN FORREST.

GOD SAVE THE KING!

CONTENTS

FRIDAY, 23 AUGUST 1907

CHAMBER

Question
STATE REFERENDUM AT FEDERAL ELECTIONS2283
Printing Committee.....2283
Bills Of Exchange Bill2283
Paper2301
Bounties Bill
Second Reading.....2301
Senate Election: South Australia2311

Senate.

Friday, 23 August, 1907.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

STATE REFERENDUM AT FEDERAL ELECTIONS.

Senator STEWART asked the Vice-President of the Executive Council, *upon notice*—

1. Has the attention of the Government been called to a statement recently made by Mr. Kidston, Premier of Queensland, to the effect that he proposes to take a referendum on the reading of the Bible in State schools, at the next Federal election?

2. Is it the intention of the Government to permit the minds of the Federal electors to be distracted by the introduction in this fashion of highly controversial questions of State policy?

Senator BEST.—I believe that some correspondence has taken place in regard to this and similar matters. I have not yet had an opportunity to make myself acquainted with it, and I ask my honorable friend to renew the question on Wednesday next.

PRINTING COMMITTEE.

Consideration of Printing Committee's report, presented 22nd August (*vide* page 2179).

Senator HENDERSON (Western Australia) [10.34].—I move—

That the report be adopted.

So far as it has been able, the Printing Committee has carried out the desire of the Senate in respect of the tabulating of papers, both printed and unprinted. The report which honorable senators are now asked to adopt discloses the title of each paper which was considered by the Committee at its last meeting, and its recommendation in each case. I may explain that some of the papers which are recommended not to be printed, such as the regulation under the Defence Acts, have already been printed as statutory rules, and consequently the Committee took no action in respect of them. The Committee recommended the paper headed "Lands Acquisition Act" not to be printed, because it was considered to be of an unimportant character, so far as giving information to honorable senators was concerned, and also because it had already appeared in the *Gazette*. The Committee recommended the Report of the Conference of Statisticians to be printed. It will be seen from the remark in the third

column of the table that the paper was already in type, but had not been ordered to be circulated amongst honorable senators. Believing it was a paper of some importance, the Committee recommended that it should be printed and circulated.

Senator TRENWITH (Victoria) [3.36].—I desire to suggest to the Printing Committee what I think would be an improvement in the form of presenting their report. It came as a temporary shock to me yesterday afternoon when the report was being read to learn that they had recommended that several very important papers should not be printed. But it occurred to me almost at once that the papers were in print, and that that was the reason for the recommendation. I would suggest to the Printing Committee that in any future case of that kind they should indicate in their report that the paper is already in print.

Question resolved in the affirmative.

BILLS OF EXCHANGE BILL.

In Committee (Consideration resumed from 23rd August, *vide* page 2210).

Postponed clauses 3 and 4 agreed to.

First schedule.

Senator GIVENS (Queensland) [10.40].—I understand, sir, that the proper procedure is not to consider the schedule of a Bill until the Bill has been finally dealt with. Both Senator Walker and myself propose to move the insertion of new clauses.

The CHAIRMAN.—The proper course for an honorable senator to pursue is, when I put the motion to report the Bill, to move, as an amendment, that the Bill be reconsidered for the purpose of dealing with proposed new clauses.

Senator GIVENS.—But the schedule will have been considered.

The CHAIRMAN.—The whole Bill can be reconsidered at that stage.

First schedule agreed to.

Second schedule.

FORM OF PROTEST WHICH MAY BE USED WHEN THE SERVICES OF A NOTARY CANNOT BE OBTAINED.

Know all men that I, A.B. [householder], of _____ in the State of _____, in the Commonwealth of Australia, at the request of C.D., there being no notary public available, did on the _____ day of _____, 19____, at _____ demand payment [or acceptance] of the bill of exchange hereunder written, from E.F., to which demand he made answer [state answer,

if any], wherefore I now, in the presence of G.H. and J.K., do protest the said bill of exchange.

(Signed)

A.B.
G.H. } Witnesses.
J.K. }

N.B.—The bill itself should be annexed, or a copy of the bill and all that is written thereon should be underwritten.

Senator WALKER (New South Wales) [10.42].—In the States promissory notes are eclipsing bills of exchange, and, therefore, I ask the Minister in charge of the Bill to consider whether it will not be well to insert the words, "or promissory note," in this schedule. According to the definition clause, a bill of exchange does not include a promissory note.

Senator GIVENS (Queensland) [10.43].—In order to bring the schedule into line with clause 100, as amended, I move—

That the following words be left out:—"there being no notary public available."

It will be remembered that we struck out of clause 100 the words providing that the services of a notary public should be obtained where such an official was available.

Senator KEATING (Tasmania—Minister of Home Affairs) [10.44].—I wish it to be understood that whilst I do not propose to ask the Committee to divide, that is not to be construed into a recognition that it will have done wisely if it accepts this consequential amendment. At a later stage I propose to ask the Senate to recommit clause 100, and then, if it is re-committed and restored to its original form, it will, if this amendment is carried, be necessary to make a consequential alteration in the schedule, restoring it to its present form. For the purpose of harmony, however, a prior amendment should be made in the schedule. The heading should be altered by striking out after the word "protest" the words "which may be used when the services of a notary cannot be obtained."

Senator GIVENS.—Is not the title of a clause or a schedule necessarily altered in accordance with any amendment made therein?

Senator KEATING.—I do not know that it is, but no harm could be done by making the heading consistent with clause 100 in its amended form. I suggest that the words to which I have referred should be struck out for no other purpose than that when the Bill leaves the Committee it shall be without any inconsistencies in this respect. Hereafter, as I said, I shall take the proper course to have clause

100 restored to the form in which it was presented, and in which the Government think it ought to leave the Senate.

Amendment agreed to.

Senator GIVENS.—Is it necessary that I should move to amend the heading of the schedule in the way suggested?

The CHAIRMAN.—The suggested amendment will be taken as consequential.

Amendment, by Senator WALKER, proposed—

That after the word "exchange," line 11, the words "or promissory note" be inserted.

Senator KEATING (Tasmania—Minister of Home Affairs) [10.47].—I point out to the honorable senator that a bill of exchange is not defined in the interpretation clause. We provide that "bill" means a bill of exchange, and "note" means a promissory note. I question whether there would be any great advantage derived from the amendment.

Senator WALKER.—Part IV. of the Bill deals with "Promissory Notes."

Senator KEATING.—Yes, but as I have already pointed out, the term "bill of exchange" used in its widest sense covers not only what is known as an acceptance, but also a promissory note and a cheque. It might be that it would be advisable to retain the words as they stand at present. I do not know that any great harm would be done by accepting the amendment, but I do not think that it is necessary.

Senator WALKER.—We might in the interpretation clause define "bill of exchange" to mean a bill or promissory note.

Senator KEATING.—When the Bill is recommitted I promise the honorable senator that I shall consider that.

Amendment, by leave, withdrawn.

Second schedule, as amended, agreed to.

Motion (by Senator GIVENS) agreed to—

That the Bill be reconsidered for the purpose of considering new clauses 7A, 81A, and 94A.

(Reconsideration.)

Senator GIVENS (Queensland) [10.52].—I move—

That the following new clause be inserted to follow clause 7:—

"7A.—(1) From and after the thirtieth day of June One thousand nine hundred and eight a bill of exchange, cheque, or promissory note drawn or made within the Commonwealth shall not be invalid or inadmissible in evidence by reason that it is not stamped with a duty stamp under the law of any State.

(2) A person shall not be liable to a penalty for indorsing, negotiating, using, transferring, or presenting for payment a bill of exchange,

cheque, or promissory note which is not stamped with a duty stamp under the law of any State.

Provided that this sub-section shall only apply to a penalty for enforcing the payment of stamp duty or for securing the affixing of a duty stamp on any instrument."

As clause 7 was originally submitted to the Committee it contained a provision limiting the right of the States to impose stamp taxation on bills of exchange, cheques, and promissory notes. That provision was struck out, and as the clause stands the States have unlimited powers to impose taxation upon these instruments of trade and commerce, which under the Constitution should be controlled by the Federal authority. As introduced, clause 7 contained the following sub-clause—

"Bills of exchange, cheques, and promissory notes drawn or made after the commencement of this Act shall not be subject to stamp duty under the laws of any State other than—

- (a) in the case of a bill of exchange (not being a cheque)—the State in which the bill is drawn;
- (b) in the case of a cheque—the State in which the cheque is payable;
- (c) in the case of a promissory note—the State in which the note is made."

The Committee came to the conclusion that it was desirable to strike that provision out. I voted for the amendment, not because I believed that the States should have an unlimited right to impose such taxation, but because I believed that the only way in which we could carry out the purpose of the Constitution, obey the mandate of the people in adopting the Constitution, and give due weight to the responsibility with which we have been intrusted, was by depriving the States entirely of any right to impose taxation on these instruments, and leaving the Federal authority free to impose such taxation on them as it saw fit, or to refrain from taxing them at all. The power to legislate in respect of bills of exchange, cheques, and promissory notes was given to the Federal Parliament with the specific and defined purpose of federalizing the law on the subject, so that it might be uniform throughout the Commonwealth. The Bill, as it stands, proposes to make the law on this subject uniform, with one exception. The exception is that it leaves the States free to impose discriminating stamp duties on these instruments of trade and commerce to any extent they please. If we have six States authorities dealing with the matter in six different ways, we can have no real unification of the law. These instruments might be subjected to severe

taxation in one State, light taxation in another, and might not be taxed at all in a third. Merchants making use of these instruments in one portion of the Commonwealth might be placed at a great disadvantage as compared with competitors in other parts of the Commonwealth. Some persons hold that what I propose in this matter is an interference with the States' right of taxation, and an unwarrantable interference with those rights.

Senator W. RUSSELL.—So it is.

Senator GIVENS.—The fact is that the Federal Parliament, in carrying a proposal of the sort, would not interfere in the slightest degree with the rights of the States. The States are in exactly the same position as the Commonwealth. They do not possess an iota of power that they do not derive from the people, nor does the Commonwealth.

Senator W. RUSSELL.—What the honorable senator proposes would take away one of their sources of revenue.

Senator GIVENS.—When the people of the Commonwealth gave the Federal authority power to legislate on this matter they saddled the Federal authority with the full responsibility of dealing with it, and took away the right referred to from the States.

Senator ST. LEDGER.—And wiped out a power conferred by the States' Constitutions?

Senator GIVENS.—They left to the States the powers which, it was thought, could be best exercised by them, and they gave to the Commonwealth the powers which could be best dealt with by a central authority. I do not propose that the States should have no right to impose stamp taxation. The States authorities can, if they please, impose a stamp tax on dog collars, or on anything else, so long as they do not interfere with the legislative functions with which the people have intrusted the Federal authority. If we do not deal with this matter in a truly Federal spirit, we shall be evading our responsibility and doing something for which the people may hold us to very severe account. We have had six States legislating in connexion with this matter in six different ways, and unless we really federalize the law, we shall only add one more to the six already existing. If that is honorable senators' idea of making the law of the Commonwealth uniform, it is not mine. By adopting the course which, so far, has been adopted in this connexion,

we shall only accentuate the trouble arising from having too many authorities dealing with a particular branch of the law. What I propose need not be of the slightest disadvantage to the States. There is nothing in the world to prevent the Commonwealth Parliament, if it thinks fit, imposing a uniform system of stamp taxation upon these instruments, and treating the revenue derived from that taxation as we now treat revenue from whatever source it is collected. That is, it can be handed back to the States. The States cannot complain that they have been treated harshly in the past. Up to 30th June of this year—that is, within a little over six years since the establishment of Federation—over £5,500,000 has been handed to the States Treasuries over and above the three-fourths of Customs and Excise revenue which the Commonwealth was compelled to return to them. But, instead of their being grateful to us for managing the affairs of the Commonwealth economically, and for treating the States in a generous way, there has been a howl from the anti-Federal and “States’ Frights” party against the Commonwealth.

Senator GRAY.—Is not the honorable senator an advocate of States rights?

Senator GIVENS.—I am an advocate of the rights of the people of Australia.

Senator ST. LEDGER.—This is only a step towards unification.

Senator GIVENS.—The honorable senator has his limitations like other people, and perhaps we ought not to blame him.

Senator DOBSON.—If the people of Tasmania want the £8,000 a year which they derive from stamp duty, why should the Commonwealth deprive them of it? Why should we not respect their rights?

Senator GIVENS.—The Tasmanian Government has not a scintilla of right that is not derived from the people, and when the people adopted the Commonwealth Constitution they saddled the Federal authority with power to make the law on this subject uniform. That was the only reason why the power was intrusted to the central authority. What can it matter to the Tasmanian people whether the taxation is imposed by the State or by the Commonwealth so long as the State Treasury receives the money?

Senator DOBSON.—If one or two States do not want stamp taxation and Tasmania does, why should she not have it?

Senator GIVENS.—So long as the will of the people in regard to making these instruments uniform is not rendered nugatory, Tasmania may have it.

Senator DOBSON.—The law will be made uniform except in this respect.

Senator GIVENS.—The Bill might as well have been chucked into the waste-paper basket so far as accomplishing unity is concerned if one State is to be allowed to impose taxation which is not imposed by other States.

Senator DOBSON.—It is an excellent Bill.

Senator GIVENS.—I am pleading for the will of the people.

Senator DOBSON.—The will of the Tasmanian people is that their State Government should be enabled to collect the £8,000 which it now derives from these stamp duties.

Senator GIVENS.—It is not the will of the people of Tasmania that we have to consider, but the will of the people of Australia. It was the will of the Tasmanian Parliament to give legislative sanction to a gambling concern, which is an eyesore, and has been a means of corruption to public men. We should stand up for the honour and well-being of the people of the Commonwealth as a whole. We have to carry out the responsibility intrusted to us when the Commonwealth Constitution was instituted, and not to maintain pleas which are put in on behalf of any section of any State. The new clause which I propose would not come into operation until after the 30th day of June, 1908.

Senator MULCAHY.—If it is a good thing, why not have it at once?

Senator GIVENS.—Because I do not want to have an awkward interregnum; and if the honorable senator had given any attention to the matter, he would have understood that, without making such a remark.

Senator ST. LEDGER.—The honorable senator really ought to be charitable to our limitations, and kind towards our defective intellects.

Senator GIVENS.—The reason for the amendment is plain, on the face of it. It is, that if the Commonwealth desires to impose uniform taxation, it will leave the States free to impose such other taxation as they think fit, until the 13th June next. In the meantime, the Commonwealth will be able, if it is thought fit, to make an actuarial examination of the average amount of stamp taxation imposed by the States, and will then be able to impose a Commonwealth stamp duty. There will thus be no awkward interregnum, and the provision will work automatically. The proviso to the clause was not in it, as originally

drafted. The point with which it deals was overlooked by me. But I have been advised by responsible draftsmen that such a condition is necessary, in order to avoid any document being rendered inadmissible in case of fraud, or anything of that sort. In deference to the opinions of experts, I have included the proviso. I trust that the Committee will give serious attention to the new clause, because I am of opinion that this is the only way to achieve the will of the people in making uniform the law throughout the Commonwealth, with regard to bills of exchange, cheques, and promissory notes. If it was not the intention of the people that that law should be made uniform there was no object to be served by taking power from the States and handing it over to the Commonwealth. We cannot have uniformity, or a system which will be satisfactory to the people, without such a provision. We shall probably be told that, although the Commonwealth has powers in this respect, those powers are not exclusive. But I maintain that they are undoubtedly exclusive, if we choose to fully exercise them. We may be told that the powers of the Commonwealth and of the States may be used concurrently. Of course, they may. But how are we to carry out the Federal idea, if in addition to having six States' laws dealing with this matter we are to add a seventh law, namely, that of the Commonwealth. There can be no uniformity in such circumstances. Instead of federalizing the law, we shall simply have added one other authority to the six different authorities already existing. The matter was intrusted to us, in order that we might deal with it federally, not in a narrow, sectional spirit, as Senator Dobson would have it dealt with. We ought not to be influenced by the fact that, in the little island which he represents, a large number of these particular instruments are in circulation, because there is a large gambling concern centered there. I am pleading for the exercise of a truly Australian Federal spirit in legislating with regard to these subjects.

Senator TRENWITH (Victoria) [11.10].—The only argument used by Senator Givens, for his amendment, is that under the Constitution we have power to pass it, and, that as we possess the power, the people who intrusted it to us desired that we should use it. But I venture to say that that is not a sufficient argument for Federal interference. The Constitution certainly gives us the power to act

either jointly or exclusively. Obviously, it gave us that power, because it was thought that there might be reasons why it would be wise so to act. The Constitution deals differently with other matters. It vests exclusive jurisdiction in the Federal Parliament in some matters, notably Customs and Excise. Where the framers of the Constitution desired that there should be exclusive Federal jurisdiction, where it was felt that concurrent jurisdiction would be incongruous, they particularly and definitely prescribed exclusive jurisdiction. In this case, the Constitution gives us discretion to exercise the jurisdiction, either exclusively or conjointly. I agree with Senator Givens that, if in the opinion of the Federal Parliament there is reason why it should exercise the jurisdiction exclusively, we have a perfect right, and it would be wise for us, to exercise it. But in arriving at an opinion, the Parliament has to consider the circumstances of the case. Now, the Federal Parliament has, at present, no interest whatever in stamp taxation, except for the purpose of simplifying its operation as it already exists in the respective States. It has an interest in providing a ready means of information with regard to the operation of stamp taxation. Senator Givens has suggested that there may be—and I think that some day there will be—a need for the Federal Parliament to take over stamp taxation as a means of obtaining revenue, either for Federal or for Federal and State purposes. But at present the necessity has not arisen. Senator Dobson has pointed out that the Tasmanian Government and people—because the Government are only the hand of the people, the means by which they express their desires—derive £8,000 per annum from this source. Some other State might wish to raise by stamp duties £80,000. It is assumed, and it is reasonable to assume, that Tasmania has fixed a rate of taxation that meets its requirements. A uniform Stamp Duties Act adopted by the Federal Parliament might fail to give Tasmania its £8,000, and might succeed in giving to the other State more than the £80,000 which it required. Therefore, in this case, unless the Federation has its own Federal purposes to serve, the Federation is an ineffectual means of levying stamp duties for State purposes. It has not been shown that up to the present there is any need for stamp duties for Federal purposes, and so this

proposal would be at this juncture an unwise incursion—I do not say improper, because it would be quite proper if we thought fit to adopt it—into the region of State taxation. The only aim of the Bill is to create a more readily available and uniform avenue of information with regard to this particular form of legislation throughout the States. The Federal Parliament will always act wisely in deferring so far as it can to the wishes of the States as States. I do not lay it down as a rule that they must unnecessarily defer to the States if the wishes of the States conflict with the general interest, but the question, "How will this be received by the States as States?" should always be a powerful factor in our deliberations. Honorable senators who are students of the history of the United States know that the cause of dissention, and even civil war, in America was largely a disregard on the part of the central authority of the wishes and desires of the sovereign States of the Union.

Senator GIVENS.—Nonsense. Does not the honorable senator think that the interference of the Federal authority of the United States with the holding of slaves was right?

Senator TRENWITH.—That was the very last of the American revolutions. There was a continuance of minor causes of irritation all along the line of American history until 1861, when the final revolution brought to the American Federal Parliament an appreciation of the wisdom and necessity of always considering—while exercising Federal authority to the full in the interests of the whole people—as far as practicable the prejudices, antipathies, and wishes of the sovereign States of the Union.

Senator ST. LEDGER (Queensland) [11.20].—Senator Givens has addressed the Committee several times to explain what his desire is in this matter, and has been replied to from this side of the Chamber. He now reiterates his point, and places great importance on it, giving as a reason that after all he is seeking to give expression to what he calls "the will of the people." That reminds me of a remark made by a celebrated French Judge during the Revolution. A gross crime had been committed, and the prisoner in extenuation pleaded, "I am acting on behalf of the Committee of the Commune. In so doing, I am speaking and acting for

the people and carrying out their wishes." The Judge replied that the crime was a horrible one, and that he did not see the relevancy of the plea. He added that unfortunately in France at that time it seemed that there was no blackguard who did a blackguardly action but called himself the representative of the people. I cannot see the relevancy of Senator Givens' remark about the will of the people. We are administering the affairs of the Federation under a written Constitution which recognises the existence of States. It therefore follows that it recognises also that those States have certain sources of revenue upon which they rely to meet the cost of the administration of their affairs. The honorable senator must take into consideration that there are two classes of Government in Australia—one the Government of the Federation for Federal purposes, and the other the States Governments for States purposes. The distinct effect of the honorable senator's proposal would be to deprive the States in the aggregate of £150,000 of revenue at the very least. His own State would be seriously affected. The people of Queensland have expressed no desire whatever for any such alteration. The same applies to the Treasurer of the State of Queensland. There have, however, been repeated expressions of opinion that upon matters in which the Federal and State Legislatures have concurrent powers of taxation, the powers of the States shall be strongly respected by the Federal Treasurer. While the States are not justified in limiting unduly the power of the Federal Treasurer in any way, that is a bargain which is mutual, and the duty of the Federal Treasurer is to respect the wishes of the people as expressed through the States Treasurers. Every support given here to Senator Givens and Senator Stewart in this matter will be a direct attack on the revenue of Queensland. The only persons who are entitled to express their will with regard to the States revenues are the States electors. They have not expressed their will in this direction, and until they do so this Chamber must be very careful how it intrudes its taxing power or its taxing arm. The loss to Queensland under this proposal would be between £40,000 and £50,000. Senators Givens and Stewart are distinctly expressing their desire to deprive the Treasurer of Queensland of that amount of revenue, and, as a necessary

consequence, to force the Queensland Government to impose another form of taxation in order to make good the deficiency. The persons who have the best right to express their wish on that question are the citizens of the State *qua* State electors. When they have expressed their desire, as they can at any time and in a proper form, to be relieved of this form of taxation and to have direct taxation as the sole source of revenue, both in the States and in the Federation, then, and not till then, should this Parliament interfere. Senator Givens has given the strongest reason why the Government should hesitate in this matter. He has pointed out by way of reproach against the States that our Federal revenue has been so buoyant that during the last six years we have returned to the States a sum of £5,500,000 over and above the three-fourths of Customs and Excise revenue. The deduction from that argument is irresistible—that at present the Federal Government need no more revenue. We know from history that the States do need revenue if they are to develop themselves, much more than the Federal Government do.

Senator FINDLEY.—They have plenty of sources from which to obtain it.

Senator ST. LEDGER.—That is no reason why we should interfere with their taxation. The Federal Budget has been tabled, and I have heard no complaint from the Treasurer that his resources are strained. Therefore the Federation does not need, as yet, one extra penny of revenue. On the other hand, the case from the point of view of Tasmania is irrefutable. That small State has to look to every penny. What reason has been given, beyond the sentimental wish or pious aspiration to carry out “the will of the people,” why we should interfere with or cripple that State? It is not more than two or three years ago that in Queensland every penny of State revenue was mortgaged down to the hilt, and £40,000 or £50,000 would have been a veritable God-send to the State Treasurer. The time may not be far distant when Queensland and the other States will require every penny they can get. Why, then, should we at this stage intervene between the States and their citizens in taxation matters, when, confessedly, from Senator Givens’ own mouth, it is proved, and strengthened by the Budget, that the Federal Treasurer is not in need at present of one penny of extra revenue?

Senator GIVENS.—I did not say anything of the sort.

Senator ST. LEDGER.—I understood the honorable senator to say distinctly, and to boast of it, that the Federation has returned five and a half million pounds to the States.

Senator GIVENS.—Over and above what they were constitutionally entitled to.

Senator ST. LEDGER.—The conclusion, therefore, is that we do not require revenue, and the States do. These are questions of revenue, and therefore the Government should recognise that they should be dealt with in a financial Bill or as part of the Financial Statement. It will only lead to confusion if we introduced into this measure—which is simply intended to codify the law—an interference with financial questions.

Senator KEATING.—That is what I said on a similar amendment in Committee previously.

Senator ST. LEDGER.—I hope the honorable senator will excuse me for urging it again in view of what I consider to be a direct attack on that principle. There is the proper time and the proper way to do these things. This Bill does not deal with or affect in any way the grave question of the concurrent or exclusive jurisdictions of the States and the Commonwealth. It is intended in every line to be merely a codification of the law. It would be a great mistake to intrude into it an element of strife on points of revenue or taxation between the States and the Commonwealth. Let us “stick to our last.” The Bill is intended simply to lay down the law on some indefinite points so that throughout the whole Commonwealth merchants and others concerned may know where to look for the law. It was never intended to bring in revenue to the Commonwealth. If it had been it would have been included in the Financial Statement. If we are going to deal with these matters of taxation, let the Government bring down a Bill with that object. If we are to regulate stamp duties, let them bring down a Stamp Duties Act. The Bill as it stands will be of great use to, and will be welcomed by, the community, and the Committee should set their faces against introducing into it a provision which would only cause dissension between the States and the Federation.

Senator GIVENS (Queensland) [11.30].—It has been stated by Senators Trenwith and St. Ledger that the Commonwealth has no need of more revenue.

Senator ST. LEDGER.—At present.

Senator TRENWITH.—I do not think that I said that. But it does not matter.

Senator GIVENS.—Senator Trenwith said that the Commonwealth has no need of additional revenue at the present, but that it may have by-and-by. Senator St. Ledger emphasized that remark by stating that there is not a scintilla of need for the Commonwealth to impose taxation for its own purpose at the present time. He even went so far as to accuse me of having made a similar statement. I did not make a statement of the kind. I merely pointed to the fact that so far the Commonwealth has returned to the States no less than £5,500,000 of surplus revenue, which it was not compelled to return by any provision in the Constitution. But that is an entirely different thing from saying that the Commonwealth does not need more revenue. We have not been able to take over certain Federal functions, the exercise of which is urgently required on behalf of the most needy of our people, simply owing to the insufficiency of the revenue. There has been a proposal to amend the Constitution in order to raise more revenue for the purpose of fulfilling a Federal function. Here without altering the Constitution, but by merely taking over a Federal function, we have the means of raising more revenue for the purpose, but honorable senators say "No, that is a matter for the States to deal with." The poor old people who were led to believe that under Federation there would be established a system of old-age pensions, which would secure them against want, misery, and hardship, have had to wait in vain, simply because we must defer to the States, and leave them their powers of taxation. By adopting my amendment we should not be taking a scintilla of power from the States, but simply carrying out a function with which the people intrusted us. Senator St. Ledger has said that the Bill is merely a codification of the law. Coming from a lawyer, that is a very curious statement, because he must know that the Bill is much more than a codification of the law. It is an assumption by the Commonwealth of its power to deal in a uniform way with a particular subject. It is a proposal to supersede the States' laws, and not to codify

them. How can the honorable senator possibly say that the law will be the same after the Bill is enacted? It cannot be the same, because one State will have the right to impose a stamp duty of 6d. on a £10 cheque, whilst in another State there may be a 1d. stamp duty payable on a £10 cheque. The law will vary in accordance with the needs or exigencies of each State. As the Bill stands, a bill of exchange will be an illegal, worthless document, unless it complies with the law of the State and bears a State duty stamp.

Senator ST. LEDGER.—I doubt that as a matter of law.

Senator GIVENS.—Then let the honorable senator support the proposed new clause. Because all it provides is that a bill shall not be deemed to be a worthless piece of paper only because it does not bear a State duty stamp. We find the honorable gentleman tied up in a legal knot of his own making. He says that my amendment involves a violent interference with the position of the States, and he interjects that he doubts whether as a matter of law my statement—that a cheque will be so much waste paper unless it bears a State duty stamp—is correct. Like other lawyers, he resembles necessity, inasmuch as he knows no law. It has been stated by several honorable senators that it is proposed to rob the States, by taking from them a revenue amounting in the aggregate to from £140,000 to £150,000 a year. We cannot rob the people of a State by not taking anything from them. If we do not take any taxation out of their pockets, they retain the money.

Senator WALKER.—But we disturb the financial arrangements for the time being.

Senator GIVENS.—That is quite right. The States can tax their people in a more desirable and equitable way. There is not a scintilla of justification for the taunt that the purpose of the amendment is to rob the States or to interfere with their power of taxation. It was the people themselves who interfered with the power of the States when they intrusted this duty to the Commonwealth. We have no power which is not derived from the people; nor have the States in their own sphere. This talk about a collision between the different authorities is so much nonsense. There can be no conflict except on the part of the stinking-fish anti-federalists. I hope that my proposal will be considered on its merits.

Senator DOBSON (Tasmania) [11.37].—Senator Givens has got hold of an idea which has something to recommend it, but which he is simply running to death. It is quite true that one great object of this Parliament in legislating is to make a uniform law. If we can make a uniform law without depriving the States of the revenue which they consider necessary, why should it not be done? Without this amendment the law will be absolutely uniform. From the Gulf of Carpentaria to Southport, the law in regard to bills of exchange, cheques, and promissory notes, and the rights and liabilities of parties will be absolutely the same. That being so, why cannot my honorable friend be content with that uniformity instead of trying to deprive the Tasmanian Government of £8,000 a year, which the people have been paying cheerfully, and which is very much required? I ask my honorable friend to consider two points. He is very much in favour of the imposition of a Federal land tax. There he will be running counter to the States. He will be carrying out what he is legally entitled to do, but there is a kind of unwritten understanding that it shall not be done except in a case of emergency, which, of course, the Labour Party may override if they have the requisite number of votes. Suppose that my honorable friend ever succeeds in securing the imposition of a Federal land tax. What will be the position in Tasmania? There will be two land taxes, for we can no more do without the £40,000 which our land tax brings in than my honorable friend can do without his allowance of £400 a year, plus the additional allowance of £200. There we shall have brought about the state of things which my honorable friend is now deprecating. In addition to a Federal land tax we, in Tasmania, will have to pay a land tax of one halfpenny in the pound. And if the other States do not impose a land tax there will be want of uniformity in that regard. My honorable friend must see how he has exaggerated his point. At the present moment we have a bookkeeping system, and Tasmania has to contribute on a *per capita* basis to the whole of the "other" expenditure. She has for defence and other purposes, to bear a larger expenditure than she ought to be required to do, and she has simply to be content with her own revenue under the bookkeeping section. Some of the States raise £3 to £4 per head by Customs and Excise duties, but Tasmania

can scarcely raise £2 per head. Where is the uniformity there, I ask Senator Givens? There is an absolute want of uniformity. He urges that uniformity is desirable, but he carries his point very much too far. I appeal to honorable senators not to deprive Tasmania of the revenue of £8,000 a year by assenting to this amendment. We cannot afford to do without that revenue. If the stamp duties on bills of exchange, cheques, promissory notes, and other instruments are repealed, the loss to our revenue will be over £10,000.

Senator E. J. RUSSELL (Victoria) [11.42].—I rise to support the amendment, but not from a desire to deprive the States of any portion of their revenue.

Senator DOBSON.—But it will do so.

Senator E. J. RUSSELL.—I shall never vote for a proposal unless it is really Federal in its essence. Since I entered the Senate I have heard the boast that as one result of the Federation the power of the press in the States has been killed. So far as I am able to judge, it has been replaced by an influence which is equally pernicious to the Commonwealth. I refer to the tendency to submit to the domination of the States Governments. No honorable senator has been able to give accurate information as to the revenue which is derived by the States from stamp duties.

Senator TRENWITH.—Nonsense. Senator Dobson has just given the figures for his State.

Senator E. J. RUSSELL.—Senator Dobson has only given an estimate of the probable loss. In Victoria the Controller of Imposts is not able to state how many cheques are stamped here.

Senator DOBSON.—My estimate was obtained from the Premier of Tasmania.

Senator E. J. RUSSELL.—Unless an honorable senator happens to be "in the know" with the Premier of his State, or willing to "truckle" to the State Government, he is not able to ascertain the exact position of its revenue. I am informed on reliable authority that the bookkeeping system of the States would have to be changed before it would be possible to ascertain the exact position. I do not admit that when the people of Australia accepted the Constitution Act there was an unwritten understanding that the Federal Parliament was to exercise only one half of its functions. That objection is only raised when the revenue of a State is concerned. When the Quarantine Bill is before us will any

honorable senators rise here and object that it will deprive the States of a certain amount of revenue, and that to that extent they should be recouped? In dealing with Customs and Excise, though we provide for a uniform Tariff, we do not leave it to the States authorities to collect the duties. In my opinion, regardless of the views of the States Governments, the Commonwealth Parliament should exercise to the fullest the functions with which it has been intrusted by the mandate of the people as embodied in the Constitution. I have no wish to see the States deprived of revenue in this matter. I hope the Commonwealth will exercise its full powers by imposing stamp taxation, and returning to the States the revenue derived therefrom in the ordinary way.

Senator DOBSON.—Suppose New South Wales does not desire revenue from a stamp tax?

Senator E. J. RUSSELL.—It is not with me a question as to what New South Wales, Tasmania, or Victoria desires. I consider the Commonwealth as a whole. We should not consult the wishes of the New South Wales authorities in regard to the taxation we think it necessary to impose. If, in its wisdom, the Commonwealth Parliament believes it to be desirable to tax these instruments of trade and commerce, it has a right to do so. It derives its power direct from the people, and can disregard the wishes of any State Parliament or Government. Let the Commonwealth authorities suggest even a common-sense method of dealing with any particular question, and the States authorities immediately resent it. I invite honorable senators to consider the action recently taken in Sydney by the State Premier of New South Wales. It is indicative of the attitude of the States generally towards the Federation.

Senator GRAY.—Does not the honorable senator think that the Commonwealth authorities should submit in that matter?

Senator E. J. RUSSELL.—Certainly not.

Senator WALKER.—Why does not the Commonwealth appeal against the judgment of the New South Wales Full Court?

Senator E. J. RUSSELL.—I have no wish to be side tracked. My point is that the action taken in New South Wales indicates the real feeling of most of the States Governments towards the Commonwealth. It is an anti-Federal feeling. It appears

to me that there is a war going on silently between the States and the Commonwealth authorities, and, instead of asserting our powers under the Constitution, we are truckling to the States. This means that, instead of controlling affairs within our jurisdiction, we are allowing ourselves to be controlled by the States authorities. I wish to give expression to no opinion here that is not my own as to what is best in the interests, not of New South Wales, Victoria, or Tasmania, but of Australia as a whole. I have no wish merely to echo what a State Premier desires. The difficulty in connexion with this matter can, I think, be easily overcome by the imposition of Commonwealth stamp duties, and the establishment of a uniform law throughout the Federation. I intimate that not only in connexion with this measure, but in connexion with every measure that is proposed, unless it makes provision for a uniform law, I shall be found in opposition to it. If uniformity cannot be brought about in this instance, I shall vote against the third reading of the Bill.

Senator LYNCH (Western Australia) [11.50].—I am with Senator Givens in his anxiety to enforce the powers intrusted to the Commonwealth to the full so long as in doing so we shall not bring the States unnecessarily into collision with the Commonwealth authorities. The proposal now made would certainly have that effect.

Senator GIVENS.—If I give in to the honorable senator all the time he will not quarrel with me. I should be a very poor creature to adopt that attitude.

Senator LYNCH.—The Commonwealth has now been established for over six years, and there has not been a great deal of friction with the States authorities. It is not worth while to provoke conflict with the States authorities in order that the powers of the Commonwealth in this particular matter should now be exercised to the fullest extent. I am speaking on this question as a representative of the State of Western Australia. If the amendment were adopted, its result would be to straighten the financial position of that State, and dry up one of the springs of revenue. It has not yet been laid down how the powers of the Commonwealth should be assumed, but our practice has been to gradually take them over as opportunity offers, and when that can be done with the least possible annoyance to the States. Senator Givens is greatly

concerned about the exercise of the Commonwealth powers in connexion with a twopenny-halfpenny matter like the imposition of a stamp tax, but only the other day when the Commonwealth Parliament was asked to exercise the great power intrusted to it in respect to the construction of railways, the honorable senator advised a slow course of action.

Senator GIVENS.—The trouble then was that Senator Lynch and those who agreed with him wished us to exceed our powers in that respect.

Senator LYNCH.—The honorable senator was not so anxious to exercise that power which is vested in the Commonwealth Parliament under section 51 of the Constitution Act, but he is now extremely concerned that the Commonwealth Parliament shall exercise this power to the extent of imposing a stamp duty of a penny on a cheque. The present is not a proper time to exercise this power to the full, some of the States being in anything but a satisfactory financial position. I am not prepared to support a proposal which would accentuate the present financial difficulties of Tasmania and Western Australia. We have many other powers vested in us by the Constitution. We have the power to deal with laws affecting marriage and divorce. Why should we allow that power to remain dormant?

Senator GIVENS.—We should exercise it at a fitting opportunity.

Senator LYNCH.—The exercise of that power would not involve a collision with the States authorities as would the exercise of this power in the way proposed by Senator Givens. We have been intrusted with the power to deal with currency, coinage, banking, railway construction, fisheries, and so on; but, as I have said, our practice has been to gradually assume our powers when their assumption will provoke the least possible friction with the States authorities. I recognise the exclusive power of the Commonwealth Parliament to deal with bills of exchange, cheques and promissory notes, and I shall support the full exercise of that power when to do so will not provoke unnecessary friction with the States. I believe that at an early date we shall be able to take that course.

Senator WALKER (New South Wales) [11.55].—It has afforded me very great pleasure to listen to Senator Lynch's remarks. It seems to me that the honorable

senator has taken a common-sense view of the question. We know that at the present time the Tasmanian Government have very great difficulty in keeping their finances in order and making ends meet. I find that the Premier of that State is at present communicating with the Premier of Victoria to see whether he cannot get the Victorian Government to make good to Tasmania about £30,000 a year estimated to be lost to that State by the abolition of Inter-State duties on goods now manufactured in Victoria. I have very strong sympathy with Tasmania, which is the weakest State in the Commonwealth from the point of view of population. £10,000 a year may appear to some of us a small amount, but when added to the £30,000 which that State has lost by the establishment of Inter-State free-trade, it makes a total loss that is of some consequence to the finances of Tasmania. In exercising the powers given to the Federal Parliament, we ought to consider the finances of the States, and there is no doubt that what is now proposed would unduly interfere with the finances of Tasmania and Western Australia. I believe that in New South Wales very shortly stamp duties will be abolished, but that is no reason why the other States which require revenue should not impose such local taxation. I point out that it is direct taxation, which many honorable senators would like to see made uniform throughout the Commonwealth. I appeal to Senator Givens to withdraw his amendment. In the interests of the Commonwealth as a whole, as well as in the interests of the States, we should not, at the present time, do anything which is calculated to embitter their mutual relations.

Senator KEATING (Tasmania—Minister of Home Affairs) [11.58].—Considering that the amendment was threshed out before by the Committee, Senator Givens will probably see his way, as Senator Walker has suggested, to withdraw it. The honorable senator has had an opportunity to put before the Committee and the country his views in regard to the different matters with which he dealt in submitting his amendment. At the outset, I should have said with regard to it that, although it is not framed in exactly the same terms, the amendment is really, in effect, that which we have already negatived, but for one qualification, that it is not to take effect until after the end of the present financial year. Senator Givens' justification for that

qualification is that he thereby gives an opportunity to the Commonwealth Government to make provision for the imposition of Commonwealth taxation by way of duty stamps upon these instruments, and to distribute the resultant revenue amongst the States, or use it for some Federal purpose, and, directly or indirectly, in that way relieve the States of expenditure to an equivalent amount. Might I point out that in all the States, and in Great Britain, whose legislation is the model of that now proposed in this measure, and has been the model of the legislation of the States, the principle followed has been that the law dealing with bills of exchange, cheques, and promissory notes as this Bill does, does not deal with taxation. The question of taxation is dealt with in a separate and comprehensive manner in a stamp duties enactment. I speak with knowledge of the course adopted in Tasmania, where stamp duties are imposed under the Stamp Duties Act of 1882, and a number of amending Acts. I had occasion to refer to those enactments in previous discussions on the Bill. They embrace the whole policy with respect to stamp duties taxation. Included in the schedule are not only bills of exchange, cheques, and promissory notes, but bills of lading, conveyances, powers of attorney, and various other instruments, upon which Parliament in its wisdom thought it desirable to impose stamp duty for revenue or other purposes. If the Commonwealth is to embark upon a policy of taxation by way of stamp duties, it will be necessary, either for the protection of the revenue of the States, or to secure revenue by this means, to provide that on or before a certain date a measure shall be introduced to impose stamp duties upon one or a number of different classes of instruments. We should be prepared to enter upon a comprehensive and general policy. When we do that, and not until then, should we interfere with or take away from the States their present rights of taxation. I know it may be objected to that line of argument that the Bill as originally submitted proposed to interfere with the taxing powers of the States. I admit that it did. But it did so to this extent only—that it provided that every one of these instruments should be liable to stamp taxation in one State only. But Senator Givens' proposal goes further. It provides that on and after a certain date the States shall have no further powers of

Senator Keating.

taxation whatever in relation to these instruments. The reason why that is provided is that in the meantime the Commonwealth may make provision to introduce a Federal tax which will take the place of the States taxes, and the revenue from which shall be enjoyed directly or indirectly by the States. But it is for the Commonwealth, if it thinks fit to introduce legislation of that sort, to do so in a complete and comprehensive way. It should not introduce piecemeal legislation of such a character to meet the desires of those honorable senators who wish to force on a position that would be disastrous to the good feeling and amity that should exist between Commonwealth and States.

Senator STEWART.—This is piecemeal legislation.

Senator KEATING.—It is far from being piecemeal legislation. It is founded upon probably the most comprehensive single enactment on a commercial subject that exists. The English Act has been so comprehensive, as I pointed out in introducing this Bill, that since it was passed, twenty-five years ago, only one amendment of it has been introduced. Some reference has been made to a further amendment suggested in consequence of the decision of the Privy Council in *Marshall v. The Colonial Bank*. But apart from that point the English Act has stood the test of experience and business necessity for twenty-five years, and only one comparatively trifling amendment has been introduced. That shows that it is a comprehensive measure, and anything but piecemeal legislation. In these circumstances, and especially considering that a similar provision has been negatived, I hope that Senator Givens and Senator Stewart will be satisfied with the expression of opinion that they have elicited, and will see the wisdom of not pressing the amendment.

Senator STEWART (Queensland) [12.5].—So far as I can gather from the opposition to Senator Givens' amendment, what honorable senators ought to do is to vote against the third reading of the Bill. I interjected when Senator Keating was speaking that this was piecemeal legislation. I intend to show how it may be defined in that way. The Constitution gives the Parliament of the Commonwealth power to legislate with regard to bills of exchange, cheques, and promissory notes. We are now engaged in exercising that power. Why? Is it for no other reason than that we want something to occupy our time? Nothing of the kind. It is because

we consider it necessary in the interests of the people of the Commonwealth that the law on this subject should be made uniform.

Senator WALKER.—That is an ideal which will in time be realized.

Senator STEWART.—We are not dealing with ideals now, but with actual facts. Now, whilst if this Bill passes the law with regard to these instruments will be professedly uniform, some other laws which have a direct bearing upon bills of exchange, cheques, and promissory notes will not be uniform. The public will not be able to refer to one law, but will have to refer to the laws of six different States with regard to stamp duties. Is that considering the interests of the public? I think not; and for that reason I submit that Senator Givens' amendment ought to be adopted, or that the Bill should be negative on its third reading. Section 26 of the Queensland Stamp Act provides—

If any person signs or executes any instrument liable by law to a stamp duty before it is duly stamped he shall be liable on conviction to pay the whole of the deficiency, as the case may be, of the stamp duty payable upon or in respect of such instruments, and a further sum as penalty not exceeding £50, save where any specific penalty is in this Act provided.

That is to say, if a Bill is not stamped, the drawer will be liable to a fine not exceeding £50, and also to pay the duty. It must be evident that if we are to do the right thing in this matter, we ought to make the law uniform. The Constitution gives us that power. I am in favour of Parliament exercising either the whole power or none of it. Some honorable senators have given as a reason why this amendment should not be passed that we should be interfering with the taxation powers of the States. But we have been given authority by the Constitution to interfere with that taxing power. That authority is given us in the interests of the community as a whole. What is the use of dealing with one branch of the subject only when we can make a complete job of the thing? We are dealing with one branch of the subject, while we appear to be afraid to tackle the other branch because one or two States may lose a few thousands of pounds of revenue. I shall not enter into that aspect of the question, because it does not interest me. I suppose that the State which I represent would lose revenue if Senator Givens' amendment were carried. But there are other sources of revenue which the State Parliament can tap, and which I believe a

considerable section of the public desire to see tapped. I believe, further, that it is very much in the interest of the advancement and progress of Australia that some of the other avenues of taxation should be approached. For that reason, if for no other, I shall support the amendment. An even stronger reason is that the Bill only deals with the question in a half-hearted fashion. If we are to touch it at all, we ought to do the thing completely.

Senator LYNCH.—It is uniform so far as it goes.

Senator STEWART.—It would be very much better and less confusing to make it uniform right through. Senator Lynch seems to be an advocate of the principle of uniformity a step at a time. I want any particular subject which the Commonwealth is authorized to deal with made completely uniform. I do not believe in doing a thing unless I am prepared to do it fully and completely. Otherwise, I prefer to leave it alone. I suggest to the Government that they should either accept the amendment or withdraw the Bill.

Senator Lt.-Colonel GOULD (New South Wales) [12.16].—I am very sorry to find that the charge has been renewed with regard to the question of stamps on promissory notes and bills of exchange. Notwithstanding all that Senator Stewart and others may say about it being within our competence to do what is proposed, and about it being desirable, if we are to have a law dealing with bills of exchange, cheques, and promissory notes, to embrace in it every conceivable subject appertaining to them, this Parliament is not called upon, in framing its legislation, to disregard the rights of the States. This Parliament is rather called upon, so far as it can do so fairly, honorably, and consistently, to conserve the rights of the States. It may be asked whether this is a right of the States. It is a right of the States at the present time to deal with their own stamp duties as they see fit. In saying that, I recognise that it may be within the power of this Parliament to take that right away from them, but would that be wise or just? It is all very well to talk about wealthy States, to whom £10,000 or £20,000, or £30,000 is not very much, but the smaller States, which are in an impecunious position, must be considered. It is the duty of members of Parliament, whether they represent poor or rich States, to do all they can to defend the rights, interests, and property of every individual

State. We who represent New South Wales are concerned in the interests of Queensland, to which Senator Stewart belongs, of South Australia, from which the leader of the Labour Party in this Chamber comes, and of all the other States. The great object of having uniform legislation with regard to bills of exchange, cheques, and promissory notes is that there shall not be diverse interpretations of the law dealing with the drawing and utilizing of those documents. But that does not apply to what may be termed an internal provision for the protection of States' revenues. If it can be shown at any time that it is necessary to deal with the question of abolishing the States stamp duties altogether, well and good. Perhaps, Senator Stewart will come down later on with a proposal that the Commonwealth Parliament shall impose duties on all bills of exchange, cheques, and promissory notes. It may be within our competence to do so, but it would not be wise. It would have to be shown that there was a necessity for that course of action. While there is no necessity for it, it is far better to allow the law to stand as accepted by this Chamber up to the present. I know that the Bill so far does modify the taxation powers of the States in the imposition of stamp duties.

Senator GIVENS.—The provision that there shall be only one stamp on any document was left out in Committee.

Senator Lt.-Colonel GOULD.—Then it appears that the rights of the States in this connexion will be conserved. Of that I approve, because, while personally I should prefer a one-stamp system, the States have a right to be considered, and it is for the States, through their respective Parliaments, to say whether they want the present system continued or not. I urge upon the Committee the undesirableness of interfering with them in the way that has been proposed. When we know that there is friction—I am not alluding to the more recent matter—between the States and the Commonwealth in many directions, I should like to see the Commonwealth stand forward as the big brother who is prepared to assist and sympathize with the States to the fullest possible degree. The States may possibly annoy the Commonwealth to some extent by pin-pricks, but let the Commonwealth be above noticing anything of the kind. The Commonwealth occupies a big position as representing the united people of Australia, and

can afford to pass over any little slights that may be cast upon it by the States, which, as honorable senators should remember, are losing a great many of the rights, privileges, and powers they possessed before the Federation came into existence, and, therefore, naturally feel a little sore. Let us take that higher and broader plane, and say that we are above feeling any little irritation that may come from the States. We want them to realize that our desire and aim is to help them so far as we possibly can, and not to aggrandize the Commonwealth Parliament by belittling them in any way. This Parliament occupies an exalted position. Let it retain it like a big-hearted and large-minded man, and not descend to smaller matters, or attempt so to interfere with the States as to create unnecessary friction.

Senator GIVENS.—This amendment is not proposed as an interference.

Senator Lt.-Colonel GOULD. — That may be true in this case, but I know that that sort of feeling appears sometimes to be evidenced. At any rate, the States believe that it exists. Let this Parliament be big enough to show the States that it does not exist on the part of the Commonwealth. The Commonwealth is really too big for it. I hope honorable senators will not accept the amendment, but will leave the matter in its present position.

Senator STEWART (Queensland) [12.23].—The fact that I am about to state ought to open the eyes of honorable senators to the true value of the present system of taxation. In Victoria, upon the improvement of whose lands many millions of pounds of public money have been spent, I find that in the year 1905-6 the sum of £103,536 was paid in land values taxation. In 1903-4—after which date bills of exchange, transfers of real estate, &c., were lumped together—the sum of £117,600 was derived from taxation of bills of exchange, cheques, receipts, and contract notes, or £14,000 more than was received from a land tax. I believe the same sort of thing prevails in every one of the States. I shall take every opportunity that presents itself to me of shifting the burden of taxation from these documents on to the land.

Senator ST. LEDGER.—The honorable senator is consistent in his attack upon the land.

Senator STEWART.—I am. I hope to continue to be consistent because I

believe that is the crux of the whole position. Land values taxation appears to be the one thing necessary at the present time to promote the prosperity and progress of Australia.

Question—That the proposed new clause be agreed to—put. The Committee divided.

Ayes	...	...	7
Noes	...	...	19
			—
Majority	...	...	12

AYES.

Findley, E.	Story, W. H.
McGregor, G.	Turley, H.
Russell, E. J.	Teller:
Stewart, J. C.	Givens, T.

NOES.

Best, R. W.	Needham, E.
Chataway, T. D.	O'Loughlin, J. V.
Croft, J. W.	Pearce, G. F.
De Largie, H.	Russell, W.
Dobson, H.	Sayers, R. J.
Gould, A. J.	St. Ledger, A. J.
Gray, J. P.	Trenwith, W. A.
Keating, J. H.	Walker, J. T.
Lynch, P. J.	Teller:
McColl, J. H.	Henderson, G.

Question so resolved in the negative.

Proposed new clause negatived.

Senator WALKER (New South Wales) [12.29].—I move—

That the following new clause be inserted to follow clause 81:—

"81A. If a cheque drawn on a banker by a customer is post-dated the banker shall not be responsible or incur any liability by reason of having inadvertently paid the cheque on presentation but shall in such case be entitled to charge the customer with the amount of the cheque as paid by him."

It has been maintained by some lawyers that the date is no necessary part of a cheque. No bank will intentionally pay a post-dated cheque, but it may inadvertently do so, and thereby inconvenience the customer. We think that a bank should not be penalized because inadvertently it pays a cheque which has been post-dated. If a man wishes to make the money payable at a future date, he ought to give a promissory note, and pay stamp duty. A cheque is not post-dated with the intention of defrauding the revenue, but it has that effect. On a busy day in a bank, a thousand cheques may come in. The paying teller does not look at the date, but at the signature, and unintentionally, as I have said, he may pay a post-dated cheque before its due date. We wish to make it clear that a bank shall not be responsible for paying a post-dated cheque in such circumstances.

Senator KEATING (Tasmania—Minister of Home Affairs) [12.32].—This would be a very dangerous amendment for the Committee to accept. It may be that in certain circumstances persons have evaded their responsibility under the Stamp Duties Act of their State by issuing post-dated cheques. But, after all, what we have to look to in this case is, what was the intention of the party in issuing the document? Post-dated cheques are very frequently issued without any such intention, as the honorable senator indicated, and the whole transaction savours of nothing which would require a bill of exchange or a promissory note. Very often a man who is in funds may issue a post-dated cheque and put it in the hands of another person, who practically is a bailee of the cheque for a third person, who may not be arriving for a week or two. For his own protection, as well as for the protection of the bailee, a drawer may post-date a cheque for three weeks, so that, in the meantime, it cannot be converted. There are various reasons why cheques are post-dated. Sometimes a man in receipt of a regular salary, but which is not receivable till the end of the month, may draw a cheque and ask that it be not presented until a certain date, when his account will be in funds to meet it. If, in the meantime, the cheque is presented and honoured, and other cheques of his are dishonoured, why should the banker escape the responsibility for his act? The date on which the cheque purports to be drawn is the date on and from which it is payable. I think that the banks can be trusted to exercise sufficient skill and caution to prevent them paying in advance of the date. I hope that honorable senators will not adopt the amendment.

Senator GIVENS (Queensland) [12.35].—The amendment shows the length to which the advocates of the banks will go in order to provide immunity for them. What is a post-dated cheque?

Senator WALKER.—It is an evasion of the Stamp Duty Act.

Senator GIVENS.—No. The Minister of Home Affairs has very effectively disposed of that argument, and I could give countless instances in which it is nothing of the sort. Suppose that I send a cheque to a person in Cairns, where I and my banker live. It is a matter of ordinary safeguard with me to date that cheque about the date when I think it will arrive at Cairns, so that it cannot be anticipated

and paid before that event. Senator Walker has therefore indulged in a piece of special pleading which is calculated to mislead the Committee. What is a post-dated cheque? It is an order from a customer to his banker to pay on a certain date a certain sum to the holder of the cheque.

Senator GRAY.—It is like a bill of exchange.

Senator GIVENS.—It is a bill of exchange.

Senator WALKER.—Why does he not give a promissory note? Because it is liable to stamp duty!

Senator GIVENS.—No. The Minister of Home Affairs quoted several reasons why a cheque should be given instead of a promissory note, and I have quoted another reason. A post-dated cheque is simply an order to the customer's banker to pay a certain sum to the holder of the cheque on a certain day, and the banker is merely an agent of the customer to perform that duty for him. If the banker has paid the money before the due date, he has disobeyed the order of his principal. It would be a monstrous thing to give a banker immunity for an act of that sort. I suppose that we shall next be told that bankers should get an immunity because they are not able to read. A banker is presented with a cheque with the date plainly written thereon, and, forsooth, because he may pay the money inadvertently, he wants an immunity. Was ever such a ridiculous or monstrous proposal submitted? I hope that it will not be entertained by the Committee for a moment. Apparently the banks want to get rid of an every-day responsibility.

Senator WALKER (New South Wales) [12.38].—I desire to ask the Minister of Home Affairs whether the date is a necessary part of a cheque? I think he knows that the cheque need not bear a date at all.

Senator KEATING.—It need not.

Senator WALKER.—Therefore there is no necessity for a banker to see whether a cheque bears a date or not. In Queensland I think it is illegal now for a person to issue a post-dated cheque. In London, in my time, it was a punishable offence to do so, because it was an evasion of the Stamp Duty Act. A post-dated cheque is only paid by inadvertence, because any bank may unintentionally pay such a

cheque. I think that all those honorable senators who favour the recognition of a good commercial practice ought to support the amendment.

Senator KEATING (Tasmania—Minister of Home Affairs) [12.39].—Senator Walker has asked me if the date is an essential part of a cheque. It does not matter if a cheque bears no date, as it is then payable on demand. If, as the honorable senator says, the presence of a date on a cheque is of no consequence, then there is no justification for his amendment. I ask honorable senators, even if they accept his interpretation of the law, to regard the amendment as superfluous.

Senator TRENWITH (Victoria) [12.40].—A date on a cheque may not be necessary, but if a date be necessary, it is an instruction to the banker to pay only on that date. Therefore, if a banker pays a post-dated cheque before that date he distinctly disobeys the instruction of his client. I think it would be dangerous to pass the amendment.

Senator GRAY (New South Wales) [12.41].—I support the amendment, because in my commercial life I have always interpreted the law to be that a post-dated cheque is an evasion of the Stamp Duties Act. I think it is most unfair to ask a bank to be responsible for inadvertent payment in the case of a cheque which is issued with the knowledge that it is an evasion of the law.

Senator KEATING (Tasmania—Minister of Home Affairs) [12.42].—As a question of law has been raised, perhaps I had better read what is said in regard to post-dated cheques by Hamilton in his *Australian Banking Law*. At page 99 of the second edition, published in 1900, he says—

It is not uncommon for customers to post-date cheques. A post-dated cheque is in substance a bill of exchange for the number of days during which it has to run; and a banker is bound to observe the date, and, if he pay such a cheque before it is due, he is guilty of negligence, and liable to compensate the customer for any loss he may sustain.

For that statement the authority of several cases is quoted in a foot-note.

Senator ST. LEDGER.—There is a Queensland case.

Senator KEATING.—Hamilton goes on to say—

Although the drawer may incur a penalty, a post-dated cheque is not invalid.

Authorities for that statement are given in a foot-note, and these are all, I think, English cases—

Post-dating does not make a cheque irregular within section 29 (1) of the Bills of Exchange Act 1882, so as to charge the holder with equities of which he had no notice. The drawer of such a cheque is under no obligation to stop payment of it for the benefit of a third person. For instance, he would not be obliged in the case of the insolvency of the payee to stop payment of it for the benefit of the trustee. In one case, where a banker cashed a post-dated cheque (which had been lost) before the day of its date, he was held liable to the loser for the amount. But the Supreme Court of Queensland has held that the true date of a post-dated cheque is the day of its issue, and that a banker is not liable for cashing such a cheque before the day of its date.

The authority for the last statement is the case of *Magill v. The Bank of North Queensland*, discussed in *Grant on Banking*—

A false pretence may be made by means of a post-dated cheque.

That is all that Hamilton has to say on the subject of post-dated cheques.

Senator GRAY.—Is there any authority as to a particular date? Suppose that a party draws a cheque six months in advance, is that legal?

Senator KEATING.—I should not think that there is any authority. It is stated that it may be construed as a bill of exchange for the period between the date of issue and the date which it bears. But the balance of authority here, despite the Queensland case, is that a post-dated cheque has to be paid on and from the day of which it bears date, and that payment beforehand renders the banker liable to the customer. I do not think that the Committee will see any valid reason for altering the law in that respect.

Senator GRAY.—Would not that in a great measure do away with bills of exchange?

Senator KEATING.—If it would do away with bills of exchange, and if the drawer of a post-dated cheque is liable to a penalty for evading any of the responsibilities of the drawer of a bill of exchange, this is not the way to penalize him. Other penalties can and would be provided. We ought not to enable the banker to put the drawer of a cheque in a false, and perhaps, very damaging position.

Question—That the proposed new clause be agreed to—put. The Committee divided.

Ayes	...	...	3
Noes	...	...	21
Majority			18

AYES.

Gould, A. J.
Gray, J. P.

Teller:
Walker, J. T.

NOES.

Best, R. W.
Chataway, T. D.
de Largie, H.
Dobson, H.
Findley, E.
Givens, T.
Henderson, G.
Keating, J. H.
Lynch, P. J.
McColl, J. H.
McGregor, G.

Needham, E.
O'Loughlin, J. V.
Pearce, G. F.
Russell, W.
Sayers, R. J.
Stewart, J. C.
St. Ledger, A. J.
Trenwith, W. A.
Turley, H.
Teller:
Croft, J. W.

Question so resolved in the negative.

Proposed new clause negatived.

Senator WALKER (New South Wales)

[12.47].—I move—

That the following new clause be inserted, to follow clause 94—

“94A. Where a promissory note has been made with negligence, and the negligence of the maker has afforded facility for the fraudulent alteration of the amount of the note, and the note has thereby been fraudulently altered so as to increase its amount, if the note as so altered has in good faith and without negligence been paid by a banker, the banker shall not be responsible or incur any liability by reason of having paid the note.”

I am afraid that there is a feeling against the banking fraternity in the Committee. I shall not occupy time in dilating upon this clause, since honorable senators are aware of my views on the subject. If there is to be a division upon it, I hope the voting will be more equal than it was in the last division. I am not very hopeful of carrying this clause, but I discharge my duty in moving it, and I leave it to the Committee to accept or reject it.

Senator KEATING (Tasmania—Minister of Home Affairs) [12.48].—I hope the honorable senator will not press the clause. There are several objections to it. In the first place, to pass it would be to protect bankers as a class, whilst other persons interested in the like way would not receive the same protection. A promissory note may be made payable by the maker at his own office, at a solicitor's office, a bank, or anywhere else. The honorable senator proposes to give bankers protection in the event of certain negligence in the drawing of a promissory note. The only justification

for the proposal would be the provision made with regard to cheques where the negligence of the drawer has led to a fraudulent alteration, and the banker has in good faith, and without any knowledge of the fraudulent alteration, paid an amount in excess. We have made provision that, in such a case, the banker may go into Court and recover the excess paid, if he can prove certain things. If the proposed new clause is to be accepted at all, it must be drawn in harmony with clause 81, as amended by the Committee, and the onus must be thrown upon the banker of proving negligence which led to the fraudulent alteration of the note, and his own diligence and good faith. In ordinary circumstances, although a promissory note may be domiciled at a bank, I do not know that that imposes any legal liability on the banker, unless there is an agreement between him and the maker of the note, and in such a case his responsibility would be governed by the terms of the agreement and the general law. For this reason, I think that the clause is superfluous. I find at page 157 of the *Law Reports* for 1891, that in the case of *Bank of England v. Vagliano Brothers*, Lord Macnaghten, in stating the judgment of the Judicial Committee of the Privy Council, said—

The relation of banker and customer does not of itself, and apart from other circumstances, impose upon a banker the duty of paying his customer's acceptance.

And, later on, he said—

If a banker undertakes the duty of paying his customer's acceptances, the arrangement is the result of some special agreement, express or implied. And such an agreement, in the absence of express stipulation to the contrary, must have reference solely to genuine bills of exchange. It cannot be supposed to contemplate any dealings with fictitious instruments.

Here I say again that if we are going to give this protection, it must be extended, not only to bankers, but to other persons who may be responsible to honour a note under an agreement, express or implied. If it is to be made applicable to other persons as well as bankers, it must then be surrounded by the same safeguards as those with which we have surrounded the provisions of clause 81, at the instance of Senator Chataway. In the circumstances, I hope Senator Walker will not press the proposed new clause.

Senator WALKER (New South Wales) [12.54].—I shall take the opinion of the Committee, on the voices at all events. With regard to what the Minister has been

good enough to say as to Lord Macnaghten's judgment in the Vagliano case, I am in a position to inform the Committee that during the last forty-five years, in Australia, a promissory note domiciled at a bank has been held to be an instrument on which the bank must pay when it falls due. I can give an instance in point. A squatter in the Gladstone district was a customer of the Australian Joint Stock Bank, in Rockhampton, and the Bank of New South Wales authorities were surprised, on one occasion, when a remittance came in from him for £100. It was a small place in those days, and it was looked upon as an extraordinary thing that a well-known constituent of another bank should deposit £100 with us. The amount was consequently put to a "Sundry Casual Depositors' Account," as we did not look for any more to follow. A few weeks afterwards the same gentleman sent another remittance of £100, to be placed to his credit, and this time it was put to a current account. Shortly afterwards a promissory note for £200 by this gentleman was presented, and our manager sent it back, "Refer to drawer." This gentleman at once instituted an action against the Bank of New South Wales for injuring his credit, because he really had £200 in the bank, but the £100 credited to the "Sundry Casual Depositors' Account" had been overlooked. He had, therefore, a good case, and we paid that man £300, because we did not honour his promissory note for £200.

Senator KEATING.—Was that before 1891?

Senator WALKER.—Yes, it was in the seventies. I recollect the name of the man, and the whole of the circumstances of the case. We were very glad to get out of the difficulty by paying him £300, although he had used the bank as a mere convenience. I am certain that any bank in Australia would do the same, because it would be felt that the man whose note was dishonoured would, in the circumstances, have a good ground of action, and there is no doubt that a jury would give him a verdict.

Senator KEATING.—The honorable senator has heard Lord Macnaghten's opinion.

Senator WALKER.—I am speaking of what is the practice in Australia, and we know that practice becomes law in the course of time.

Proposed new clause negatived.

Bill reported with amendments.

Sitting suspended from 1 to 2 p.m.

PAPER.

Senator KEATING laid on the table the following paper—

Census and Statistics Act 1905—Trade, Shipping, Oversea Migration, and Finance of the Commonwealth of Australia for the month of June, 1907—Bulletin No. 6.

BOUNTIES BILL.

SECOND READING.

Debate resumed from 9th August (*vide* page 1712), on motion by Senator KEATING—

That this Bill be now read a second time.

Senator McCOLL (Victoria) [2.2].—Senator Clemons, who is unable to be present to-day, has asked me to take his place in resuming the debate on the second reading of this Bill. I am profoundly impressed with the great importance of the measure. We are entering upon a new phase of Commonwealth experience and expenditure, and I feel that we ought to be extremely careful as to the lines on which we proceed. The question with which we are faced has in it no party elements. I am sure that every section of the Senate is desirous that we shall do the best we can to develop the great Continent of Australia. This Bill is the first attempt that has been made by the Commonwealth to develop the Continent. Though the Commonwealth has been established about seven years, we have, hitherto, done nothing in this direction. It is true that last year a Bounties Bill was introduced and passed in another place, but it was blocked in the Senate. I think that it was properly blocked, because that Bill was very crude, unscientific, and ill-considered. It seemed to have been hastily got up, and to have been presented without due consideration of the important issues involved in it. I was pleased that the Senate determined to hold it over for further investigation and consideration. It seems that the Government has profited by the criticism then offered. The Bill now before us is a great improvement upon, and the objects which it is intended to promote are better in their character than were those dealt with in the former measure. In the interim the Government have taken the opinion of experts, and have made alterations in their policy in accordance with their recommendations. Under the last Bill it appeared to me that the only persons who could derive any advantage would be

the manipulators of products or the manufacturers. On this occasion, however, provision has been made that the benefits shall go to the actual growers of the products affected. Indeed, the Government have probably gone a little further in the other direction than was quite wise. They are not giving to the manufacturers sufficient profit from the bounties scheme. We do not hear this year the cry of "protection to the farmers." It was not a true cry. This is in no way protection to the general body of farmers, though it is certainly an attempt to encourage cultivators to enter upon the manipulation and cultivation of fresh products.

Senator TRENWITH.—Will it not add more strings to the farmer's bow?

Senator McCOLL.—Possibly, but it is not protection as we ordinarily understand the term. I welcome this Bill as an indication that the Government is now recognising that the solid prosperity of this country is only to be attained by the cultivation and extension of our primary industries. We may stimulate city industries as much as we like, and it is quite a worthy thing to do so. By all means let us protect them, and assist the workers by means of Wages Boards and Courts of Arbitration. Let us multiply all the various schemes that have been brought forward to push on the prosperity of the country. But in the very last analysis we have to fall back upon the land, and the man upon the land, to insure the solid prosperity of this Commonwealth.

Senator FINDLEY.—Break up the large estates.

Senator McCOLL.—At present the Bounties Bill is the only matter which we have in hand. We shall, however, have to spread cultivation over this Continent by means of an army of small independent freeholders. As a member of the Senate I am proud that we have an opportunity of helping on this great work, and that we have the final word in whatever is done to assist in developing the country by means of bounties, or in other ways. The amount involved in this scheme is very large. It means more than the actual amount to be given in bounties, because, in addition to the £400,000 odd which is to be devoted to that purpose, there will be all the expenses of administration, which will run up the expenditure to at least half a million of money. This is the first serious attempt to exercise the

power of the Commonwealth in this direction, and, therefore, it is not only an important, but a very interesting experiment. Under the Constitution we have deprived the States of their power to grant bounties. They cannot devote one penny to such a purpose unless with the permission of the Commonwealth. Having deprived the States of their power to assist the producers, however much they may desire to do so in this direction, it is incumbent upon us to be all the more careful to proceed on right lines. We must remember also that we are legislating not for to-day or to-morrow only. This is not simply a measure that will operate for a year or two. We are legislating for the next fifteen years. Once the Bill is passed, and the machinery under it is put in motion, the people will be committed to the full expenditure of the money involved in it, providing that the opportunities that it affords are taken advantage of. I feel all the more impressed with the importance of the subject, because failure will not only mean a money loss, but a set back to the policy of assisting agriculture by means of bounties, or in other ways, probably for a generation. I was a member of the Victorian Parliament when the policy of paying bounties was brought forward for the assistance of agriculturists sixteen or seventeen years ago. I think that the Vice-President of the Executive Council was a member of the Victorian Parliament at the time, and, of course, he is thoroughly cognizant of what I am going to say. The sum of £250,000 was allotted for the purpose of paying bounties. In almost every case they failed in their object.

Senator BEST.—They missed fire.

Senafor McCOLL. — Growers and others, lured by the prospect of cash payments in return for a certain amount of planting being done, were induced to rush eagerly into planting the various products for which the money was made available. In almost every case but one the bounties failed in their object, and the plantations that were made have been rooted up. One purpose for which a bounty was given succeeded. I allude to the encouragement of dairying. I am not going to discuss the causes why dairying did succeed, nor shall I argue whether its success has been an ample return for the money expended. We know what the success of the dairying industry has meant, not only to Victoria, but, by means of the example this State set, to the whole of

the States of Australia. It has opened up enormous markets for our producers. I do not grudge the expenditure of that money, seeing that one industry of such vast importance has succeeded. I wish to call the attention of the Senate to the fact that of all the proposals that were made under the Bounties Act to which I have referred, there was only one which was accompanied by an effort to teach and educate the farmers. When the bounty proposals were brought forward skilled instructors were engaged to teach our dairy farmers. The cream separator was then almost a new invention, and most of the people had no knowledge of it. They were carrying on dairying by the old, rough, crude methods, without any science. The Government appointed instructors to take round separators, to show how they were worked, and what were the results obtained from them, to point out the constituents of the milk, and in various ways to help on the industry by scientific teaching. The consequence has been that the industry has become a great success. The present Prime Minister was in the Government at the time, and with the Honorable J. L. Dow, who had charge of this matter, took the greatest possible interest in it, and made an honest effort to stimulate new industries, but the dairying industry was the only one attended with success. I freely concede also that the attempt now being made by the Commonwealth Government is an honest one. I give them credit for the efforts which they are making. They are realizing that it is the exporting industries of this country that are going to be the principal source and foundation of our national wealth. We may easily raise enough for our own needs in this country, but we shall never become great by what we produce for local consumption. It is the production and exportation of those staples which can be grown in almost all parts of Australia, and which are in demand all over the world—butter, cereals, beef, mutton, wine, and wool—that must be the great source of our national wealth. It has been by the development of these nascent industries that we have been enabled to tide over our bad times, and it is by means of them only that we shall be able to steer the Commonwealth into the full stream of national prosperity. We have to remember that our producers have to compete in the world's markets against the best skill and science, and against

lower-paid labour than is to be obtained in Australia. Therefore we should stimulate our industries in every way, and encourage our farmers to produce to their fullest capacity. Taking that as a text, I desire to point out that if we look at those countries of the world which to-day are foremost in agriculture, and study the means by which they have been pushed ahead, we shall find that not one country that is in the lead owes its success to the system of bounties. That brings us to the question that we should very carefully consider whether this is the best system we can adopt. We find that the leading countries have developed their agriculture, not by means of bounties, but by the education of their producers. Those countries which may be termed bounty countries—which are known as having adopted the policy of giving bounties for the encouragement of agriculture—are in no way the leading countries of the world. The labour in those countries is very low paid. It is mostly hiring or serf labour. I only need to name such countries as Hungary, Brazil, Chili, Russia, and France. Of those countries France is by far in the lead, but she is not taking the lead in the world's agriculture so far as exporting is concerned. France is a country of small holdings, and agriculture there is not carried on on a large scale. About two years ago I had an opportunity of visiting the great national show of France in Paris—the *Concours d'Agriculture*. In going through the machinery there, I did not see one plough larger than a two-furrow plough. Everything was small in that regard. Therefore, when one speaks of countries that are going to raise great production from the soil, one cannot include France among them. The leading countries in agriculture to-day are those where scientific research has made agriculture not a mere game of chance, not a mere gamble upon the weather, not a mere dependence upon the rainfall or the clouds, but an industry in which, by the application of well-defined scientific principles, the risks of cultivation have been largely reduced. Those are the countries where the people have been taught by experimental investigations what are the best crops to grow, and the best way to grow them, and have been given the right kind of things to plant. Those countries have done more. They have searched out markets for their people, and aided them in sending their stuff abroad. By these methods they have built up a sound system of agriculture. In

this Bill there is no provision whatever for teaching the people. We are asking the people to engage in a number of new industries, but we offer them no light, or leading, or teaching whatever. By proceeding in this way we are making the same mistake as the Victorian Government made in its generous and genuine attempt to increase the agricultural production of this State about seventeen years ago. The people are left to grope their way, and to experiment at their own cost. If the things that they will produce are satisfactory, if they comply with all the conditions, they are to receive these bounties. But the Bill contains a peculiar phrase—"as may be prescribed"—which leaves the whole matter most vague and shadowy. Goodness knows what may be prescribed. We do not know what faddist may be put at the head of affairs. Conditions impossible to fulfil might be imposed, because we know from bitter experience that many of the men who are leading in these matters are not practical men. They do not understand the needs of the people, and they often lay down conditions and regulations with which it is almost impossible to comply. When a farmer has done all that is prescribed, and run all the risks, there is a chance that he may get the bounty in the end. But if an industry is a profitable one, and if there is a great rush to embark in it, there will be such a number making claims that the amount of the bounty paid to each individual will be very small indeed. Now that we are making our first essay in this direction, shall we not very carefully consider whether we are on the right road or not? Shall we not endeavour to learn thoroughly what we ought to do now, and not wait until in years to come we may be compelled by bitter failure to retrace our steps, and start all over again? The importance of agriculture has been laid down very forcibly, but by none more than by Washington, the great man who was the first President under the American Constitution, and one of the authors of American Independence. In 1796, in his last address to Congress, he said—

It will not be doubted, with reference either to industrial or national welfare, that agriculture is of primary importance. In proportion as nations advance in population and other circumstances of maturity, this truth becomes apparent, and renders the cultivation of the soil more and more an object of public patronage.

At the time those words were uttered, and for many long years afterwards, that great country to which he spoke was young, and its soil had not been worked over and over

again. The lands in the eastern portion of America were fat. They had an assured precipitation of some 30 or 40 inches. America is a very peculiar continent from the meteorological aspect. Right down the centre, along the 93rd meridian, there is a line drawn which separates the humid from the arid, or semi-arid regions; but at this time they were only dealing with the land on the eastern coast. That was very rich, and they thought then that it could never be worked out. So the farmers of that day, and for years afterwards, went on cropping it, never dreaming that it could be exhausted, until, in the course of time, they worked it out. The humus that was required to stimulate and assist production was nearly run out of the soil. Failure after failure occurred, and thirty or forty years ago there was very little before the farmer of Eastern America but ruin. I have gone very carefully into this matter, and I know the condition of affairs. Nearly every farm carried a mortgage. Prices were low. The land was not producing as much as it had done in the past, and, consequently, the farmers did not know which way to turn. Agriculture in the United States at that time was at its lowest ebb. But the practical Americans faced the issue. They said: "We are not going to let this state of things go on. We recognise that agriculture is the source of our national wealth." So they looked around the world and took stock of what was being done in other countries in order to get some line to guide them to better work in the future. They saw a country emerging from primitive agriculture, and just beginning to lead the nations in scientific farming. That country was Germany. The work of Liebig, the great agricultural chemist, was then just coming into prominence. He had studied what had never been so thoroughly studied before—the chemistry of soils and plants. He looked round amongst the farmers, and saw the waste and loss that was going on. He experimented in his laboratory with fertilizers and with the character of the soils. He inculcated principles and introduced methods which began almost immediately to restore the loss, to repair the waste, and to bring fertility into those districts which an unscientific and crude system of farming had almost ruined.

Senator TRENWITH.—And concurrently the Government gave bounties.

Senator McCOLL.—The Government gave bounties afterwards, but not beforehand. That knowledge had to be disse-

minated. That was achieved by the Germans adopting the method of Experimental Farms. The first one was fixed at Moeckern, in 1851, and then the progress and expansion of agriculture went on by leaps and bounds. Those Experimental Stations were spread throughout the country. The knowledge and experience of the men there was placed within the reach of all. There are now seventy of those stations throughout Germany. They have given to the people a knowledge of the true relationship between chemistry and agriculture. The success that attended the efforts of Liebig and others in Germany was noted in other countries, which began to follow their instructions. America, under the conditions which then prevailed there, turned to Germany for the needed lesson, and in 1875 the first Experimental Station was started in the United States. In the installation of those stations, both the States and Congress aided. By 1886 there were twelve established, and now there are sixty of them throughout the United States. They have 700 teachers, and every detail of agriculture is taught there. They deal with every question connected with agriculture and all cognate industries, from the soils up to the finished products. Soils, plants, and animals are all dealt with. The work of these Experimental Stations covers a very large field. It consists in the perfecting of machinery and implements, the fertilization of the soil, the suitability of soils to different crops, the questions of drainage and seepage, irrigation and its methods, the cultivation of wet and dry soils, rotation of crops, feeding and digestion experiments with animals, the value of foods for various stock, laboratory investigations of diseases of plants and animals, introduction of drought-resisting seeds and plants, the crossing of breeds of stock and plants, and various other minor matters.

Senator BEST.—Are all these Federal?

Senator McCOLL.—They are a combination of Federal and State. The consequence is that in America farming is now conducted on well-defined principles. The farmer is not, as he was years ago, the mere sport of the seasons. Instead of being the slave and victim of circumstances, his increased knowledge enables him to bend circumstances to his own will, and to get the production in many cases in spite of them. In Australia, the farmer is dependent almost entirely upon natural

conditions. So far he has not had instruction or help to enable him to overcome those difficulties, and make the profit that he should make out of his farm. To-day the United States of America is the leading agricultural country in the world in its methods and scientific work, and in its enormous production. Several names are indissolubly connected with this great work. I will mention first Justin S. Morill, who in 1862 had 11,000,000 acres set apart for the encouragement of agriculture. The next was W. H. Hatch, who brought in the Bill for Experimental Stations. Later Morill brought in provisions by which a sum of £5,000 a year was payable to each Experimental Station. That was made a fixed charge upon the revenues of the United States. The balance of the money required is found by the States. They have trained men in all the States, and no farmer need be in any difficulty for any length of time. He can immediately get advice and assistance to put him on the right track if things are not going well. Above and beyond these agricultural stations we find the great Department of Agriculture at Washington crowning the work. I have with me the history of this Department from its very beginning. It only came under my notice last night. It is very interesting reading, but I shall not take up the time of the Senate by quoting extracts. It is well known what a great institution that Department is. It was under various commissioners or secretaries up till 1897, when the gentleman who is at present at its head—Senator Wilson, of Iowa—took charge. He was a senator at the time, but resigned his position to accept that office. He is a Scotchman who had settled in Iowa. I had personal interviews with him in America a little while ago. Under his management, that great institution is a long way the first of its kind in the world. In connexion with it, they have fifteen bureaux or branches, namely, for the weather, animal industry, plant industry, publications, soils, statistics, forestry, entomology, chemistry, foreign markets, accounts, irrigation and conservation, rural engineering, and cereals. The salaries for the Agricultural Department at Washington to-day are only £12,500 a year. To sum up the American system briefly, they have, first of all, Agricultural Colleges, with a three or four years' course, covering advanced instruction in all the sciences, and ending with a degree. Secondly, they

have the Experimental Stations, putting the theories of the laboratory to the test of field practice. Thirdly, they have a Federal Department of Agriculture, with a staff of experts carrying on investigations of a scientific nature, and in connexion with that they have the Office of Experimental Stations, which deals more particularly and directly with the work of that branch. They have an officer of Experimental Stations, co-ordinating the work of the State institutions, collecting the results of similar institutions in other parts of the world, and aiding, suggesting, and advising the Experimental Stations throughout the various States. The result of this policy has been that in the east they have restored agriculture, but to the west they have an enormous territory which had scarcely been touched, and which measures 500 miles by 1,100 miles, comprising an area of nearly 400,000,000 acres. That was the great problem which had to be faced in America. The demand for land was great. It is keener to-day in America than it is in Victoria or any other part of Australia, and it cannot be supplied. The great American problem is the great Australian problem of to-day. If we look at a map, we shall see that our settlement bears the same proportion to Australia as a rim bears to a cart wheel. If we are going to take in hand the question of aiding agriculture, we should do what we can to assist in solving this great problem and utilizing those enormous areas. In the United States, it was found that much of the country which was marked or called "desert" was not desert at all, when it was properly and scientifically treated. To-day people are settled on moderate areas of land, and are doing very well indeed by reason of the improved methods of agriculture and the improved implements which the various organizations of the country have brought into use. They have learned there the laws relating to the soil and sunshine. The laws relating to moisture, the atmosphere, and the soil are now being understood. For two months in the United States, I paid close attention to those matters. I travelled about the country a great deal and, from what I had seen and read, I came to the conclusion that just as in many branches of science—for instance, in electricity and telegraphy—we are discovering secrets and forces which have existed since the world began, but have hitherto been

hidden from man, we are only now beginning to understand them and bend them to our use. So it is with the cultivation of the soil. In that which seems to be the simplest of all operations men are now learning methods, systems, and secrets which hitherto have been unrevealed. In many of these areas, the crops are fair in quantity,—in some cases they are large—and extremely good in quality. The Americans have searched every country for drought-resisting seeds and plants. Where they found that the seeds and plants they had would not grow in the soil of a particular country or State, they sent to other parts of the world for seeds and plants which were grown in similar soil. For seeds and plants for the dry areas, they went to the country on the banks of the Volga and the Don, in Southern Russia. From Algeria, they brought wheat, oats, corn, grasses and other things. These seeds and plants are now producing wonderfully in the dry areas. It is really astonishing how greatly the production has been stimulated. The first lot of drought-resisting wheat was planted in 1900, and last year's crop was expected to range from 25,000,000 to 30,000,000 bushels. By the work of the Reclamation Branch, which was inspired by Senafor Newlands, enormous areas are being brought under water. Streams are harnessed for power and irrigation, and all over this district, which was looked upon as a desert, there are farmers who are doing well on areas comprising from 160 acres upwards. Why should we wait to develop this great country, which has the same problem to face as had America? We are crying out for settlers, but we have no land to give them. Why should we not take the question in hand and see what we can do? Why cannot we make a start now and not wait until we are driven by necessity to act? Why should we not now co-operate with the States, co-ordinate with the work which they are doing, and test the value of this great continent? Throughout Australia there are rivers to be locked and catchments to be made. There are going to waste tens of millions of tons of water which might be dammed and used. The rivers might be weired and catchments made at the head of the rivers and other suitable places, so as to spread the water over the soil and bring fertility and success to this great continent. On all our coastal ranges, there is a heavy rainfall. On the outside, it runs

Senator McColl.

away almost unused to the sea, while inside it runs to waste under the sands of the interior. If any one glances at a map of Australia, he will see that in many parts, especially in New South Wales and Queensland, there is a great riverine system. Nature has formed the country in such a way that, if we like, we can save nearly all the water and spread it on the land. In his great work, *The Heart of Australia*, Professor Gregory gives in his adhesion to a belief which has been held for many years, and that is that in Australia there are great underground sources of water which remain to be tapped. It is known that when enormous rains fall the rivers come down and overflow the country, but that in a very short time the waters all disappear. There is not time for them to disappear by evaporation. Therefore they must be lost to the surface by soakage. There is another fact which has been brought into prominence by investigation throughout the world during the last two years, and that is that the arid soils are the richest if they can only be supplied with the needed moisture. They are rich in all the elements of plant life. For many years, in fact for ages, they have been undergoing what is called the process of weathering. The chemical elements have not been leached out, and only require the fertilizing influence of moisture to make them productive. I am not denying that there is some good in a bounty, but is there not a more excellent way in which we can spend the money and develop the country? The potentialities of our country are enormous, but it will take money to develop its resources. It is the duty of the Commonwealth to take co-ordinate action with the States in order that we may enter upon that great work of development. The first thing we require is a Department of Agriculture—it need not be started on very expensive lines—invested with Commonwealth authority, to take the subject in hand. We want to know what are the best things and the worst things which we can do. As regards the work to be done under this Bill, I have a fear of divided authority. I have known many cases where the authority was divided, and in almost every instance the end was failure, and we could not apportion the blame.

Senator BEST.—What is the divided authority to which the honorable senator is referring?

Senator McCOLL.—We have no information yet as to how the Bill is to be administered. According to the debate in another place, it is to be administered partly by the Commonwealth and partly by the States.

Senator BEST.—Practically that is the system which obtains in America.

Senator McCOLL.—Excuse me, it is not.

Senator BEST.—In America they work in conjunction.

Senator McCOLL.—In America they work by co-ordinate action; but the Experimental Stations are in touch with the officer of Experimental Stations in the Department of Agriculture, and take their guidance and directions from him.

Senator KEATING.—The honorable senator's argument is for the establishment of a Commonwealth Department of Agriculture?

Senator McCOLL.—Yes. There is the danger of divided authority. Never have I seen the danger of divided authority so clearly evidenced as in the attempt to establish irrigation in Victoria. I have been in touch with the movement from its inception. Divided authority—local officials and Government officials—has been one of the causes of failure. The Government officials blamed the local officials, and *vice versa*. There was no means of fixing where the blame ought to lie, hence the movement has not progressed in many cases as it ought to have done. In some cases it has been a failure.

Senator KEATING.—We shall carry out this measure by co-ordinate action.

Senator McCOLL.—In this country, what makes the difference between good times and bad times? It is the state of the industries appertaining to the soil. When we have a drought everything is bad; tradesmen and labourers are out of work, and business men and bankers are complaining. Production, therefore, is the great source of the country's wealth. When our farmers enjoy good times then almost every other class enjoys good times also. The way in which to build up the country is to get at the new wealth that is obtainable from the soil and the mines. Apart from that particular question, under our present political and social conditions the great safety valve of our economic system is prosperous land settlement. The end of that settlement is production. It is not prosperous unless it is producing. Therefore, let us make the land

available, get settlement, and teach the settlers the best way in which to proceed; and then we shall have that production which will be the strength of the country.

Senator GIVENS.—Hear, hear, but it should not be for the landlord.

Senator McCOLL.—There is a good deal of force in that argument; but I am not dealing with it to-day. Is this country doing all that it might in that direction? Is not its production absolutely insignificant in proportion to its enormous area? Out of 1,902,660,240 acres in Australia we had only 9,554,012 acres under crop last year. That means that there are 1,893,106,228 acres that we are not cropping at all. What are the crops we are growing? We have 9,554,012 acres under crop, and of this area 5,977,794 acres are under wheat, 1,654,390 under hay, and 581,793 acres under oats. These are the staple products of the country. The balance of the area cultivated, 1,340,035 acres, is under maize, fodder, orchard, sugar, root crops, and a few other crops. Nearly 90 per cent. of our cropping is devoted to wheat, hay, and oats. The yield of wheat in Australia for last year was 66,151,546 bushels. The land cultivated for wheat is divided in this way: In New South Wales they have under wheat 2,826,617 acres. If the Commonwealth be represented by 100, Victoria is represented by 3, and although it is by far the smallest State on the mainland, it has 3,303,586 acres under cultivation. South Australia has 2,158,486 acres; Queensland has 559,753, Western Australia 460,826, and Tasmania 244,744 acres. From these figures, honorable senators will see that the area of land that we are putting to practical use in the raising of crops is absolutely insignificant when compared with the total area available for the purpose. The average yield of wheat in Australia is 11 bushels per acre; of hay 1½ tons per acre; and of oats, 22½ bushels. The value of our wheat crop for 1906-7, estimated at an average price of 3s. per bushel, was £9,923,181. Let us ascertain what we can really do with our land. Let us open up our back country. If we are to adopt a policy of bounties could we not devise a system that would benefit a larger number of people and embrace a larger area than would the system outlined in this Bill? Could we not apply the bounties to the growth of the staple agricultural products, for which there is an unlimited demand in the other parts of the world? Suppose, as an illustration, we take

a district in which the average yield of wheat for the past ten years has been only 10 bushels per acre, and we offer a bounty to farmers who will produce from land in that district a yield of 12½ or 15 bushels to the acre. The adoption of such a course would stimulate our farmers to use their best efforts, and to put their brains, as well as their bodies, into their work. We could have no failure from the adoption of such a system, because the man who would, by the use of improved methods, endeavour to raise the yield from 10 bushels to 12½ or 15 bushels, might obtain, if not the full quantity aimed at, 11 or 12 bushels per acre from the land, and in that way the State would benefit by a larger production and the increased revenue which would come in from foreign parts from the sale of our produce.

Senator W. RUSSELL.—Suppose there was not much rain?

Senator McCOLL.—I am pointing out that an improved system of agriculture will in some places overcome even the difficulty of a small rainfall. Of course, there must be some rain; but it has been proved in America that where there is a rainfall of only 11, 12, or 13 inches a year, the raising of crops can be looked upon as absolutely sure. The subject is a very interesting one, but I cannot dilate upon it now. I shall be prepared to give Senator W. Russell some works on the subject, which he can study if he desires to see what is being done in this direction in America. Our export of wheat and flour in terms of wheat amounted to 38,561,840 bushels, which, at an average of 3s. per bushel, represents £5,784,276. If we could increase those totals by 25 or 30 per cent. honorable senators can realize what a benefit it would be to the country at large. This leads me to the question whether the method proposed in this Bill is the best that could be suggested for the profitable expenditure of the money. Under this Bill, we are appropriating for bounties a large sum of money which will go into the hands of only a very few people. Is it well that this money should be spent for the benefit of a few people, and to encourage the growth of a few crops, when it might be devoted to encouraging a largely increased production of staple products, for which there is a market all over the world, and which a great body of our people is engaged in cultivating? I believe that by co-ordinate action with the States, we could make our unalienated lands productive to a large extent, and by the

adoption of improved methods we could make our alienated lands produce far more than they are producing at present. I have no doubt that in this country, by the adoption of proper methods, farming, instead of being to some extent a gamble, might be made an exact science.

Senator GIVENS.—Is it not the main object of the Bill to encourage the establishment of new industries?

Senator McCOLL.—I am discussing whether we are really moving on right lines in this Bill at the present stage of the Commonwealth's development. We have in all the States enormous areas still unalienated. In New South Wales, out of a total area of 198,634,880 acres, there have been granted, sold, or alienated 49,970,335 acres. There are held under lease or licence 123,015,992 acres, and unoccupied or reserved, an area of 25,648,533 acres. The total area left to operate on in that State is 148,664,545 acres.

Senator W. RUSSELL.—What is the average rainfall?

Senator McCOLL.—That depends upon where the land is. In some parts of the State there is an annual rainfall of from 40 to 50 inches, and in other parts of only 8 or 10 inches. In Queensland, with a total area of 427,838,080 acres, there have been alienated 17,659,874 acres. There are being cropped 559,753 acres. The area of land under lease or licence is 240,152,615 acres; unoccupied and reserved, 170,625,591 acres; and there is thus the enormous area of 410,178,206 acres on which to operate. South Australia has a total area of 243,244,800 acres, of which 13,467,925 acres have been alienated; 2,158,486 acres are cropped; 89,249,486 acres are under lease or licence, 114,527,380 acres are unoccupied or reserved; and there is in that State 229,776,866 acres available for future operations. In Victoria, with a total area of 56,245,760 acres, 26,346,802 acres have been alienated; 3,303,586 acres are being cropped; 17,994,233 acres are held under lease or licence; 11,904,725 acres are unoccupied or reserved, and in the leased, licensed and unoccupied lands we have left to operate on, 29,898,958 acres. In Western Australia, with a total area of 624,588,800 acres, there have been alienated 12,380,035 acres; 460,826 acres are being cropped; there are 145,769,592 acres held under lease or licence; 466,439,173 acres unoccupied or reserved, and 612,208,765 acres on which to operate.

Tasmania has a total area of 16,778,000 acres, of which 5,338,953 acres have been alienated, 244,744 acres are being cropped; 1,303,383 acres are held under lease or licence; 10,135,664 acres are unoccupied or reserved, and this makes 11,439,047 acres available for future operations. I have left the Northern Territory out of the reckoning, but I may say that it contains a total area of 335,116,800 acres, of which only 475,365 acres have been alienated. We have in Australia in the various States, exclusive of the Northern Territory, unoccupied land to the extent of 1,442,166,387 acres. This land is still entirely under the control of the States Governments. No doubt it may be said that much of it is useless, but surely in this enormous territory, by the adoption of improved methods of cultivation, we shall find many millions of acres available for settlement if we go about our task on right lines. We could deal with the work before us in two ways. First of all, by utilizing unalienated land, and in the next place by encouraging the adoption of improved methods of cultivation by those in possession of the alienated lands. If we glance at a map of the United States, published thirty or thirty-five years ago, we shall see marked all over it the words "desert," "desert," "desert." If we look at a map of the United States, published last year, we shall find it marked with railroad tracks.

Senator PEARCE.—"Desert" railways!

Senator MCCOLL.—Reservoirs, channels, cities, towns, villages, and statistics of population and production. It is interesting to see what has been done in some of the States of America, but before I deal with that subject, I should like to compare what we are doing in Australia with what is being done in Canada. In Canada there are 63,422,388 acres of occupied land; of this area 19,763,747 acres are under crop, as compared with 9,554,012 acres under crop in Australia. The average yield of wheat per acre in Canada is 21 bushels and of oats 39 bushels, as against an average yield in Australia of 11 bushels per acre of wheat and 22 bushels per acre of oats. In the United States, by the adoption of improved methods, they have been able to increase the average wheat yield in three years from 12½ bushels to 15½ bushels per acre. To go back to what has been done in the arid States of America, that in days gone by were described as "desert" countries, and

over some of which Brigham Young carried out his celebrated trek, I find that in Arizona they have now 1,935,327 acres of farming land. In Colorado, with an area of 103,925 square miles, they have 9,475,888 acres of farming land. The wheat yield in Colorado in 1906 was 8,266,538 bushels; the yield of oats 5,962,394 bushels. The population of that State in 1880 was 1.9 per square mile, but seven years ago the population was 5.2 per square mile, and to-day it is very much higher. In Kansas, which was formerly looked upon as a desert State, where agricultural development could not be expected, in 1906 the area of farm land was 41,662,970 acres. The total area of the State is 82,080 square miles. Kansas in 1906 grew 195,075,000 bushels of maize and 81,830,000 bushels of wheat. The population in 1870 was 4.5 to the square mile, but in 1900 it was 18 to the square mile. In Montana, with 145,310 square miles, the wheat yield in 1900 was 3,297,335 bushels. In Nebraska, with 77,500 square miles, the population in 1880 was 5.9 to the square mile, but in 1900 it was 13.9 to the square mile. In that year, it had 125,255 farms, covering an area of 18,432,525 acres of improved land. In 1900, the maize crop of Nebraska was 249,782,500 bushels. The wheat yield in 1906 was 52,288,602 bushels, and the yield of oats 72,275,000 bushels. In Oregon, with 96,030 square miles, the population in 1880 was 1.80 to the square mile, but in 1900 it was 4.40 to the square mile. The wheat yield in this State, which was formerly looked upon as an arid State, was 14,215,597 bushels in 1906. In Texas, with an area of 265,700 square miles, the population in 1880 was 6.1 to the square mile, and in 1900 11.6. Last year, Texas grew 155,804,782 bushels of maize, 14,126,186 bushels of wheat, and 31,822,512 bushels of oats. In the whole of the States which I have mentioned, the products to which I have referred were not the only staples. There were a large number of others in addition, which were grown in enormous quantities. I am afraid that these figures have been somewhat wearisome to honorable senators, but I am putting them forward to show what was done in countries having similar circumstances and conditions to our own, and as indicating what we can do if we adopt the same methods here.

Senator PEARCE.—But we will not build railways through what we call our deserts.

Senator McCOLL.—There were other elements to be considered in connexion with the matter to which the honorable senator refers. This progress has been made by means of experiment, and by teaching the farmers the best methods of cultivation. It has been accomplished by utilizing all the water available, by boring for fresh supplies, and by water conservation and irrigation.

Senator DOBSON.—Do they take water through their wheat fields?

Senator McCOLL.—They are not growing much wheat in the irrigated districts. If we study the map of Australia—and I hold a copy of one in my hand—we shall find it marked here and there with “desert,” “desert,” “desert.”

Senator PEARCE.—Hear, hear!

Senator McCOLL.—This, of course, is a “throw in” for the honorable senator. I make him a present of it. Let us try these parts of Australia.

Senator PEARCE.—Hear, hear!

Senator McCOLL.—Let us see if we can obtain the same results from our so-called desert lands as have obtained in America. I venture to say that if we pursue the same policy as America has done, we can very soon alter the conditions which prevail, and enable this country to produce enormously more than it does to-day. I believe that it is by education, and not by the payment of bounties—by scientific experiments, and by showing the farmers the way to proceed—that at this stage we shall be most likely to attain success. If the farmer discovers that it will pay him to cultivate the outlying portions of this Continent he will very soon follow in the track of the pioneers. At present it is only by means of State activities that this work is being accomplished to any extent. The States are doing it fairly creditably, but not as extensively as it ought to be done to make any substantial progress. Our next progressive step in the direction of agricultural development ought to be the inauguration of a Federal Department of Agriculture. I should like to see the Senate, to which I am proud to belong, take the initiatory steps in that direction. In America to-day among the men whose names are most revered are those who started the producers in the directions I have indicated. In this Senate, I maintain, we ought to think big things, talk big things, and do big things. We ought

not to be content with little things if we are to justify our position in the public estimation. In my opinion the big fights of the future between nations will be industrial conflicts. The time for great wars has gone by, but we shall have great industrial struggles, which will extend not only to manufactures, but to agricultural production. In reference to manufactures, and also to agriculture—especially in reference to the latter—we have to consider the competitors that our producers will have to face when they enter into the markets of the world. They will have to meet the competition of producers from countries which are well equipped with all the latest scientific appliances and information. We shall have to face the competition of men who, instead of getting 11 bushels per acre from their land, are getting as much as 20 and 30. We shall, therefore, have to do what we can to equip our people so that they may be able to meet this competition, and to hold their own against it. The present time is the right time to do it. We should endeavour under the new protective Tariff to stimulate the industries of the cities. I hope we shall be able to accomplish some good in that direction. Let us also endeavour to stimulate the industries of the country. The Bill itself, I think, leaves too much to be prescribed by regulation. The words “as may be prescribed,” appear too often. The people who embark upon these industries should know exactly what they are going on, what they are to do, and how they are to do it. I think that the provisions of the measure will not help the small men. It is only strong men, possessed of great capital, or men co-operating with capital, who will be able to take advantage of it. I observe that Senator Croft is impressed with the same idea, and has endeavoured to frame an amendment to provide against that contingency. I also think that the payments under the measure should be more divided. It proposes only to pay on account of finished products. Let us see what that involves. It involves the farmer putting in his crop, waiting a long time for a return, and then, if he happens to have bad seasons, or is faced with adverse circumstances over which he has no control, or if he has not complete knowledge of the industry on which he has embarked, he will get absolutely nothing for the work which he has done. The bounties should be so divided that when a man has honestly cleared his land, has put in his crop, and

can show that he has entered upon the cultivation honestly, he shall have some share in them. That is the time when he wants assistance to help him on his way. I think that each bounty should be paid partly on the raw product and partly on the finished article. Then again, the claims will be so many in respect of those things which are easily grown that I fear that the amounts which will be distributed will be very small. Of course I realize that this Bill is merely a skeleton. It will have to be worked by means of regulations. I should like to see those regulations, and think that the Senate should have an opportunity of discussing them. I do not propose to discuss the details of the Bill, but shall conclude by asking the Senate to consider carefully whether we are proceeding on right lines, and if not to have no hesitation in making a change; because by reversing a false step to-day I believe that we shall be clearing the road for a better and more profitable course in future. I propose to test the opinion of the Senate by moving an amendment upon the motion for the second reading. I will conclude by quoting the words of an eminent Frenchman, Tisseraud, who says—

Old methods and paternal traditions have become insufficient for the struggle which has to be carried on against foreign competition. It is no longer the struggle for life between man and man which is the question; it is the struggle for existence between industry and industry, between agriculture and agriculture, between country and country.

We must grasp that great fact, and adjust our methods so as to conform to modern conditions. I move—

That all the words after the word "That" be left out, with a view to insert in lieu thereof the words "in the opinion of this Senate the development of agriculture will be better attained by a carefully organized system of agricultural education and scientific experiment than by the giving of bounties; and that proposals for such a system be formulated and submitted for consideration, and this Bill, or so much of it as relates to agriculture, be held over until such is done; and that the same be communicated to the House of Representatives."

Debate (on motion by Senator GRAY) adjourned.

SENATE ELECTION: SOUTH AUSTRALIA.

The PRESIDENT.—I have received a petition from Joseph Vardon, of Victoria-avenue, Millswood, in the State of South Australia, Printer, against the choice of Senator O'Loghlin as a senator for the

State of South Australia by the Parliament of that State. The Acting Clerk has certified as follows—

This petition was lodged with me this 23rd day of August, 1907, at half-past Two o'clock in the afternoon, and the sum of Fifty pounds was paid to me in relation thereto.

The Acting Clerk will read the petition to the Senate. Thereafter it will be necessary for the petition to be referred to the Committee of Disputed Returns and Qualifications.

Petition read by the Acting Clerk.

Senator BEST (Victoria—Vice-President of the Executive Council) [3.29].—In terms of standing order 91, I move—

That the petition be referred at once to the Committee of Disputed Returns and Qualifications.

Question resolved in the affirmative.

Senate adjourned at 3.30 p.m.