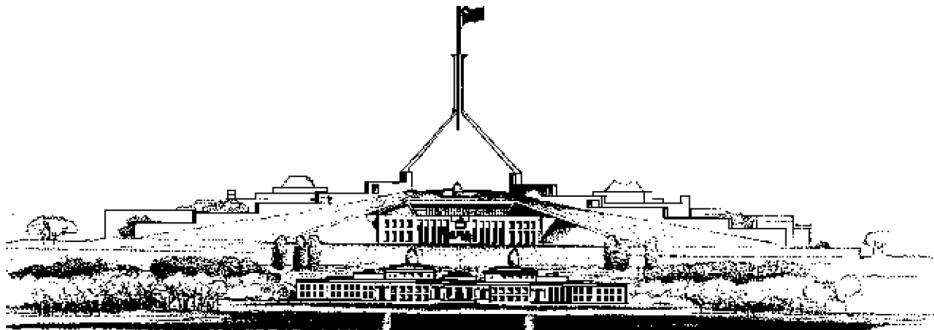




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



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FIRST SESSION

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in Tasmania under Mr. Justice Powers' award:—

1. Is it a fact that a number of post-offices in Tasmania, which were entitled to be raised in classification under Mr. Justice Powers' award from 1st January, 1916, have not been so advanced?

2. Are postmasters in Tasmania receiving differential treatment from those of the mainland; if so, why?

3. Will the Postmaster-General take immediate steps to see that the Judge's award is honoured in Tasmania as well as in the other States?

4. Should any cases be found where officers should have been raised from 1st January, 1916, and have not been, will the Deputy Postmaster-General be instructed that those who have been performing the duties are paid for all back time at the proper rate?

I should like to know whether the Minister is now in a position to furnish a reply to those questions.

Senator LYNCH.—The answers are—

1. No.

2. No.

3. Necessary steps have been taken.

4. There are no such cases.

#### **ASSENT TO BILLS.**

Assent to the following Bills reported:—

Supply Bill (No. 3) 1916-17 (No. 2).

Supply (Works and Buildings) Bill (No. 3) 1916-17.

#### **CASE OF D. L. GILCHRIST.**

Senator TURLEY.—Is the Minister for Works now in a position to make a statement as to the action, if any, which the Government have decided to take, in view of the references to Mr. D. L. Gilchrist in the report of the Royal Commission appointed to inquire into his charges in connexion with the Kalgoorlie to Port Augusta railway?

Senator LYNCH.—All that I can say in reply is that the matter was referred to the Attorney-General's Department for advice, and so far no advice has been received from that Department.

#### **HANSARD REPORTS.**

The PRESIDENT took the chair at 3 p.m., and read prayers.

#### **CLASSIFICATION OF POSTMASTERS.**

Senator READY.—I recently asked the Minister representing the Postmaster-General the following questions with reference to the classification of postmasters

Senator O'KEEFE.—(By leave) I wish to make a personal explanation. On Saturday last I made some reference to the fact that I believed that certain statements which I had made in a speech on the previous day had been censored from the *Hansard* report. You, sir, pointed out that that could not be. On your statement, I unreservedly withdrew what

#### **Senate.**

Monday, 18 December, 1916.

#### **CLASSIFICATION OF POSTMASTERS.**

Senator READY.—I recently asked the Minister representing the Postmaster-General the following questions with reference to the classification of postmasters

I said. I wish now to make a further explanation. I said that, according to the best of my recollection, something had been omitted from my speech which I thought should not have been omitted. I promised to go more carefully over the speech, and I have done so. I have discovered that it was I who made the mistake. I do not, and never have, desired, during my public career, that any blame should rest upon an officer of Parliament for any mistake of mine. I may be permitted to say that I was reading the proof of my speech, and was called out of the chamber. This was during the all-night sitting, and when I came back to take up the reading of the proof again things were pretty lively. Instead of beginning where I had left off my reading of the proof, I missed a portion of the report. I have discovered that *Hansard* did not make any mistake, and that a full report of my remarks was given. I take the first opportunity to remove any blame which may have been cast upon the *Hansard* Staff through my mistake.

The PRESIDENT.—I am glad that Senator O'Keefe has made this explanation. The facts were as I stated. The Government exercise no control over *Hansard*. The only control exercised over *Hansard* is by Mr. Speaker and myself. That practice should continue, because I have always held that Parliament should be supreme in the control of what concerns the two Houses, and no Government has any right to say what Parliament shall or shall not do. There is another matter to which I should like to refer in this connexion. Going into the matter raised by Senator O'Keefe's remarks, because I went into it, as well as the honorable senator, I find that any censoring of the *Hansard* reports that has been done has been the work of honorable senators themselves, who have at times taken the liberty of cutting out of the reports of their speeches certain things which they did not desire to appear.

Senator O'KEEFE.—That does not apply to my speech.

The PRESIDENT.—Certainly not. I have issued orders to the *Hansard* Staff that nothing but redundancies should be omitted from the *Hansard* reports. To be of any value at all, *Hansard* must be a true record of the proceedings of the Chamber.

Senator DE LARGIE.—I think, sir, that a statement such as that which you

have just made with respect to the manner in which honorable senators deal with their proofs, when they get them, should be supplemented by specific instances, stating the honorable senators who have offended, and what they have done.

The PRESIDENT.—The honorable senator is not entitled to speak at this stage, unless by way of a personal explanation.

Senator DE LARGIE.—Is it possible to have a more complete statement on the lines of that which you have just made?

The PRESIDENT.—I have only stated what I found in a general way. I adhere to that general statement, unless some action be taken which will compel me to disclose particular instances.

#### STEAM-SHIP FARES.

Senator DE LARGIE.—I ask the Assistant Minister whether the fixing of steam-ship fares and freights would come within the power for the framing of regulations under the War Precautions Act. If so, is the honorable senator aware that steam-ship companies trading to Western Australia have ceased to issue return tickets, and that it is estimated that on the last run of the *Zealandia* something like £1,000 was unfairly extracted from the pockets of passengers as the result of the issue of single tickets only?

Senator RUSSELL.—The freights and fares for the Australian coastal trade were fixed about last June twelve months, and no increases were to be permitted without the consent of the Government. I will have the matter investigated, and, if an opportunity offers, will report later to the Senate on the question.

Senator GUTHRIE.—Arising out of the answer to Senator de Largie's question, I would ask the Assistant Minister whether the same thing will apply to the coal-miners at Newcastle?

#### IMPERIAL OFFICERS COMMANDING AUSTRALIAN TROOPS.

Senator READY asked the Minister for Defence, *upon notice*—

1. Is the Minister aware that statements from responsible sources are in circulation that Imperial officers are being insidiously grafted into Australian divisions at the front, thereby causing dissatisfaction and discontent among Australian officers?

2. Will the Department have careful inquiries made into this matter, with a view to action, if correct?

Senator LYNCH.—The answers are—

1. Imperial officers to a very limited number have been appointed by General Birdwood to certain important positions only on Divisional Staffs, and in a few instances to Brigade Staffs. They do not receive any pay or allowances from the Australian Government, nor are they commissioned to the Australian Forces.

2. General Birdwood has been informed that the policy of this Government is that, as far as practicable, Imperial officers are only to be appointed to these positions when qualified Australian officers are not available, or when they cannot be spared from the appointments they already hold, and he has followed this policy throughout. The matter will again be brought to his notice without delay.

#### UNEMPLOYED RETURNED SOLDIERS.

Senator BARNES asked the Minister for Defence, *upon notice*—

Is it a fact, as stated in the *Age* of Tuesday, 12th December, that there are 400 returned soldiers out of work in Melbourne; and, if so, what do the Government intend doing to get the men work?

Senator LYNCH.—Inquiries are being made at the State War Council to ascertain the number of discharged returned soldiers out of work. It is the policy of the Government to give first preference to discharged returned soldiers and sailors in Government Departments.

#### PRIVATE DONALD JONES.

Senator McDougall asked the Minister for Defence, *upon notice*—

Is it a fact that Private Donald Jones is retained in a ward of Callan Park Hospital for Insane along with other private patients, although a hospital for returned soldiers suffering mentally has been provided by public funds?

2. Is his detention against the Minister's instruction in such cases; if so, will the authorities inquire into the reasons?

Senator LYNCH.—I have been furnished with the following report from the medical authorities:—

Private Donald Jones was admitted to the Military Hospital at Broughton Hall and transferred to a cottage which, though in the grounds of Callan Park, is used for severe mental cases in connexion with Broughton Hall, and is a portion of that hospital. He was not certified as being a lunatic. As his case is one of acute mania he was removed to Callan Park proper in order that he might be given special attention. His mental con-

dition is, unfortunately, still bad. Owing to the lack of accommodation at Broughton Hall, such patients, when it is for their benefit, are sent occasionally to the ordinary portion of the Hospital for the Insane at Callan Park. There they receive differential treatment to ordinary civil patients. Additional accommodation is being provided at Broughton Hall. When complete Callan Park will only be used for bad or acute cases needing special attention.

#### AUSTRALIANS IN COMMONWEALTH SHIPPING SERVICE.

Senator NEEDHAM asked the Minister representing the Minister for the Navy, *upon notice*—

1. How many Australian citizens have been appointed to positions as masters, mates, or engineers in the Commonwealth shipping service?

2. Is it a fact that one man has been appointed to a command of one of the Commonwealth ships who is a pensioner of the British India Company?

3. If so, was this man sent from London to Calcutta, thence to Australia, to replace the previous master?

4. Were there no Australian citizens qualified to take up such command?

Senator RUSSELL.—The answers are—

1. One master, one mate, one third engineer.  
2. He was employed by the British India Company. I am not aware if he is a pensioner.

3. In an emergency he was sent by the General Manager, London, to Calcutta to take over command of the ship.

4. See No. 3.

#### PROFITS OF COAL MINING COMPANIES.

Senator O'KEEFE asked the Minister for Defence, *upon notice*—

In view of the possibility that the coal mine owners of Australia will increase the price of coal to the consumers of Australia, will the Government obtain and lay on the table of the Senate a statement showing the profits, if any, of the coal mining companies of Australia for the last two years, giving the profit of each company separately?

Senator LYNCH.—An inquiry has been addressed to the Government of New South Wales in the matter.

#### PAPER.

The following paper was presented:—

Defence Act 1903-1915.—Report on the Royal Military College of Australia, 1915-1916.

**ENTERTAINMENTS TAX BILL.**

Bill received from the House of Representatives.

Standing and Sessional Orders suspended, and Bill read a first time.

**SECOND READING.**

Senator RUSSELL (Victoria—Assistant Minister) [3.20].—I move—

That this Bill be now read a second time—

Senator MILLEN.—We have not received copies of it yet.

Senator RUSSELL.—I regret that the honorable senator was not previously in possession of a copy of the Bill, which is one of an extremely simple character, and one which I feel confident will be readily approved. It forms part and parcel of the Government scheme of taxation. Originally, it was intended to raise about £1,000,000 by means of a tax upon sports, entertainments, theatres, and picture-shows generally. That estimate, however, was based on a misapprehension. Owing to the fact that many of the States either immediately prior to, or since the announcement of this policy, have adopted this method of taxation, the Government have been compelled to recast their own scheme. It has become necessary for them to reduce the previous estimate of the revenue likely to be derived from this source by one-half. Originally it was intended to tax these amusements to the extent of about 16 per cent., but the impost which it is now proposed to levy will average only about 8 per cent. I am not able to give the exact figures, because since the last estimate was made the other branch of the Legislature has excised the proposed tax on 6d. tickets.

Senator MILLEN.—What does the honorable senator estimate the tax will yield now?

Senator RUSSELL.—It was estimated that it would return £400,000 a year, but it is now thought that the amount will not exceed £350,000. The States, I repeat, have already trenched on the same field of taxation, and the Commonwealth and State taxes will, jointly, be equivalent to about 16 per cent. The reason the Government have instituted this method of taxation is the absolute necessity for raising money owing to the abnormal conditions which obtain consequent upon the stress of war. The Bill provides for the imposition of a tax of

1d. on every ticket exceeding 6d. in value and not exceeding 1s., upon tickets exceeding 1s. in value an impost of 1d. for the first shilling, and of  $\frac{1}{2}$ d. for every 6d. or part of 6d. by which the payment exceeds 1s. The Bill will be supplemented by the Entertainments Tax Assessment Bill.

Senator BAKHAP.—Where is the definition of "entertainments"?

Senator RUSSELL.—That will be found in the Entertainments Tax Assessment Bill. This measure will merely impose the taxation, and the question of what places of amusement shall be exempt is dealt with in that complementary measure. Consequently, I ask honorable senators to confine their remarks to the taxation proposals outlined in this Bill.

Senator MILLEN.—Without knowing upon what the Government are going to levy taxation?

Senator RUSSELL.—Not necessarily. The Entertainments Tax Assessment Bill is now being dealt with elsewhere, and in it the Senate will have a full opportunity of determining exactly the forms of amusement upon which the tax will be levied.

Senator MILLEN (New South Wales) [3.25].—In this Bill we are invited to impose a tax upon certain institutions, which are to be indicated in some other measure. The Assistant Minister seems to think that the fact that this Chamber will have control over that Bill is sufficient to justify it in finalizing this measure without knowing what that other Bill contains. I submit it is very important that we should know something of the way in which the proposed tax is to be levied. I therefore suggest that, after having passed the Bill through Committee, we should not finally relinquish our hold upon it until we have had an opportunity of considering the provisions of the Entertainments Tax Assessment Bill.

Senator NEEDHAM.—Why go into Committee on this measure?

Senator MILLEN.—We are all anxious, in view of the approach of Christmas, to complete our business as soon as possible, and, therefore, it may not be inconvenient to call a halt at the report stage until we have considered the complementary measure to this one. The Bill is distinctly a war proposition. The tax is to be imposed purely on account of our war needs. I wish honorable senators to keep that fact in mind, because, no matter whether we

say "Yes" or "No" to the Bill, this tax will be imposed. If we do not impose it, the States will.

Senator FINDLEY.—Some of the States have done so already.

Senator MILLEN.—We may dislike the tax, or we may favour it, but that is quite immaterial. Whether we say "Yes" or "No," it will be levied. The impost being inevitable, we are faced with this further question, "As it is a war tax, which Government ought to collect it, the one which is called upon to face the expenditure incidental to the war, or the Governments which are not?" If we could avoid placing a tax on the sixpenny tickets for admission to amusements, I should say that the schedule is right as it stands. But these sixpenny tickets are going to be taxed. Indeed, they are already being taxed elsewhere, and the revenue thus raised—if we do not impose the tax—will find its way into the State coffers, instead of into the Federal Treasury. In the circumstances, I ask whether we may not reasonably impose a tax on the sixpenny tickets, with the proviso that it shall not become operative except by proclamation, and that such proclamation shall not be issued unless it is seen that the State Governments are going to raid the field.

Senator TURLEY.—One State has already levied a tax upon those tickets.

Senator MILLEN.—Two States have already done so, and Tasmania has timidly approached the field by imposing a licence-fee of £10 in respect of a building which will accommodate 700 people. If we pass the Bill in its present form, the New South Wales Government may say that the Commonwealth has not touched the sixpenny tickets, and, therefore, it is justified in doing so. But if we take up the attitude I have outlined, that Government will probably keep its hands off those tickets. I do not wish to tax these sixpenny tickets if the States will give some guarantee that they will not touch them. In the absence of that guarantee, we ought to adopt some precautionary measure such as I have suggested. If the sixpenny tickets are to be taxed, and the people are to pay that taxation in the name of the war and because of the war, the revenue derived therefrom should find its way into the Federal Treasury. I do not think that the New South Wales Government would superimpose a tax upon that of the Commonwealth.

Senator NEEDHAM.—South Australia is levying the tax now.

Senator MILLEN.—She is levying a light tax of 1d. on a sixpenny ticket, I think. A war tax ought to go into the war treasury. It is of no use to abstain from taxing sixpenny tickets out of consideration for the people who would have to pay the tax, if the moment we stand aloof some other taxing body steps in and takes the amount. If this tax is to be collected, it ought to be made clear that the only justification for it is the war. It is monstrous if we abstain, out of consideration for the people, from calling on them for a contribution to the war tax, and immediately some State Government, which has nothing to do with the war, comes along, and, smiling at our consideration for these people, takes from them the dole that we refrain from taking.

Senator O'KEEFE.—This Bill does not say that it is only a war tax.

Senator MILLEN.—It does not need to. We all know it would not have been brought in but for the war. I do not mind putting in, "For war purposes" if it will make Senator O'Keefe any happier. If it is not a war tax, I am against it altogether. I am assenting to it only because I believe it is one of the necessary measures, unpleasant though they be, which must be passed to finance the expenses consequent on the war. That being so, I am strongly disinclined to see another Government collect what is really a war tax, when that Government is in no sense called on to meet war liabilities. It may be a little difficult, but I suggest that we might introduce an amendment levying the tax to-day, but holding it in abeyance until the issue of a proclamation to be issued only in the event of any other State Government attempting to impose that tax which we now refrain from imposing.

Senator STEWART (Queensland) [3.33].—I am opposed to this kind of taxation. It is not only undemocratic, but altogether out of line with modern ideas of how the money required to carry on the government of the country ought to be provided. I can show a much better field of taxation than this. If the Government is so helpless as to be compelled to tax the little innocent amusements of the people, it ought to throw up the sponge. We ought to have some clearly-defined ideas as to the finding of revenue. I look on the community as a huge insurance society

represented by the Government, every one paying a premium according to the amount of benefit he receives. The premium ought to be in proportion to the security afforded to the individual by the Government. The Government throws its shield over every man, woman, and child. It preserves our lives, or we expect that it will, our liberties, and our property. Every man's life is of equal value with the life of his neighbour, and the life of every woman and child is on the same plane. But when we come to property there is a remarkable difference between the various units of the community. Some men own property worth millions; other people own only what they stand up in. It necessarily follows that those who have a large stake in the country, as it is called, ought to pay a higher premium than those who have a comparatively small stake. Shortly put, contributions to the revenue ought to be in proportion to one's capacity to pay. That is the principle I would lay down in regard to taxation. I would not tax a man because he owned a motor car; or because he had a fine and well-furnished house, or because he wore certain kinds of jewellery. I would tax him solely on what he possessed, which is the only legitimate method of imposing taxation. That is the kind of taxation which has always been advocated by the Labour party, of which Senator Guthrie was, and, I suppose, will tell us he is still, a member. No doubt this tax was proposed by the late Government, but I scouted it then just as I do now. It is a deliberately undemocratic method of taxation, which ought not to be allowed to pass by the Senate, a majority of which is made up of Labour members. It is going back to the dark ages. We read of the existence one or two hundred years ago of every kind of iniquitous tax, the purpose of which was to save the rich from taxation. They used to have a window tax, and all kinds of other tiddly-winking taxation, so as to save the rich from being compelled to pay their fair share towards the cost of government. There was some excuse for them in those times, because the rich were the only people who sat in Parliament, and naturally they passed such legislation as suited themselves; but now the poor are supposed to be represented in Parliament, and here we have a proposal brought down to tax their amusements. Some people appear to think that to go to a place of amusement is abso-

lutely wicked. Every human being must have a certain amount of amusement. Senator Millen said this was a war tax, and that he would not consent to it if we were not at war. I say that in a time of strain like this people require more amusement than under normal conditions, and instead of that being an argument for the imposition of a tax of this character the Government are proposing a tax in a diametrically opposite direction. If we want money for the war we should go to the people who have got it. There are people in this country who own, I believe, nearly £2,000,000,000 worth of wealth. How much of that are we getting? Ought we not to exhaust that source of taxation before we attempt to interfere with picture shows or theatres?

Senator SENIOR.—I cannot think where you get your £2,000,000,000 from.

Senator STEWART.—If the honorable senator tots it up he will probably discover that there is that amount of wealth in Australia, or within easy measure of it. A very large proportion of that wealth is held by people who are in fairly comfortable circumstances, who never put their noses into a picture show—or if they do, do not go to the threepenny or sixpenny seats.

Senator RUSSELL.—No threepenny or sixpenny seats are taxed under this Bill.

Senator STEWART.—I thought sixpenny seats were taxed. Even so, I do not think this kind of tax will commend itself to a Chamber the majority of whose members are pledged to quite a different system of taxation. Why should we tax the amusements of the people? If the proposal were made to tax people who go to church every Sunday there would be a howl of indignation, and rightly so. But when we start out to tax the people who go to picture shows, or theatres, or other places of amusement, quite a number of honorable senators seem to think it is a legitimate method of getting revenue. God help the community which finds itself driven to this last resource of the impotent or the stupid. Why not go to the rich at once? How much are we getting from land-value taxation? Could not more be obtained? Have we exhausted that source of revenue? Have we even fairly tapped it yet? What good are we going to do by taxing amusements? It has become quite an axiom with the medical profession that a certain amount

of relaxation and amusement is as necessary for the well-being, comfort, and happiness of the citizen as even food and clothing. Are we, then, going to place obstacles in the way of the poorer section getting that amusement? The rich can have shows in their houses every night in the week. They have their balls and parties, with bands playing; they have their pianos and pianolas, and various other kinds of amusement; but Parliament does not propose to tax them, nor would I propose anything of the kind. But I would tax these people according to their possessions. If a man is worth £1,000 or £100,000, let him pay in proportion, and not until we have exhausted those forms of taxation should we degrade ourselves to tax the innocent amusements of the poor.

Senator SENIOR.—Some people say whisky is necessary; would you free it from taxation?

Senator STEWART.—Every man ought to be a judge of that matter for himself. If the honorable senator thinks whisky is good for him he takes it, and if he does so, he contributes something to the revenue, to which I have no objection. Whisky and amusements are two different things altogether, though I know some people get a certain amount of amusement out of whisky. One would imagine that we were living a hundred years ago, that the Government of every country in the civilized world was in the hands of the rich, and that forms of taxation were being devised for the one set purpose of freeing the rich from any contributions toward the cost of government, and imposing the whole burden on the backs of the poor.

Senator RUSSELL.—Do you think it is the working man who pays 10s. 6d. for admission to Flemington or for a seat in the dress circle of a theatre?

Senator STEWART.—I am not talking about Flemington or the dress circle seats at the theatres, but of a proper form of taxation. We should tax a man, not for what he does, but for what he has. If the kind of taxation proposed in the Bill were carried to its logical conclusion the man who hoards would contribute the least towards the cost of government, while the man who spends would pay the most. If a man goes to a theatre and takes his family with him, he circulates a

certain amount of money, and he is, at least, doing some good to the community, because he is helping some other man to find bread and butter, clothing, and house room for his family. The same may be said about those who go to an ordinary picture show, and even to a race-course. Spending money on a race-course may seem to some people a very foolish and useless thing. Personally, I hardly ever go to the race-course, and I never by any chance put money on a horse, because I am not sure of winning. Probably if I were sure, it might be a different matter.

Senator FINDLEY.—You are careful!

Senator McDougall.—What a lot of excitement you have missed.

Senator STEWART.—I have no objection, however, to other people going to such places and spending their time and cash in that way. If a man never went to a theatre, or picture show, or any other form of entertainment, he would escape a certain amount of taxation. Honorable senators must remember that the more money we get out of the people by these means the less we will have to look for in other directions. I repeat that the kind of taxation provided in the Bill before the Senate is bad from every point of view. It is bad in essence; it is against the best interests, more particularly of the poorer sections of the people, and it will act as a deterrent in a large number of cases where people might be thinking of going to places of entertainment. There are other directions in which we ought to go for money to carry on the government of the country. I have referred to one of them on many occasions, and if I remain a member of this Chamber I suppose I shall feel it incumbent on me to refer to it many times in the future, and that is to get from the community the values created by the community. Until that area of taxation, or of revenue—it is not taxation—has been exhausted, not a farthing should be placed upon the amusements of our people. I do not wish to say anything further about the measure. I intend to vote against the second reading, and to oppose any attempt at taxation of this character.

Senator NEEDHAM (Western Australia) [3.46].—It will not take me long to indicate my attitude upon the Bill, as I realize that all honorable senators are

anxious to bring the session to a close. I am going to oppose the second reading, because I do not believe in taxing the amusements of the people, especially, as Senator Stewart has so ably outlined, when there are in the Commonwealth citizens who are not being taxed to any appreciable extent at all, so far as their contributions to the war are concerned. The late Government, in their financial proposals, set out that there would be a wealth tax of a certain amount, covering a certain period, also that it was the intention to take all war profits, after allowing a certain amount in interest.

Senator SENIOR.—And also an entertainments tax.

Senator NEEDHAM.—I am coming to that. The Government also intimated that an entertainments tax would be imposed.

Senator SENIOR.—Down to 6d.

Senator NEEDHAM.—That is so, and I want to point out that my attitude towards this tax is the same as it would have been in regard to a similar proposal of the previous Government. That Government had a solid following in both branches of the Parliament, and though certain proposals were submitted to a meeting of the party which I attended, members of the party were not bound in any way to support either. Accordingly I thought myself as free then as I do to-day to support or oppose them. At that meeting only the financial statement was made.

Senator LYNCH.—You said just now that the party was not bound to support any of those proposals.

Senator NEEDHAM.—And I say it again.

Senator GUTHRIE.—You blow hot to-day and cold to-morrow.

Senator LYNCH.—Are you referring to taxation proposals?

Senator NEEDHAM.—I want to make myself quite clear. I know what I am saying, and I am not going to be taken off the track. At the meeting to which I refer the financial statement was made, but no vote was taken in connexion with the proposed war profits, wealth levy, or the entertainments tax, and I defy any honorable senator who was present then to prove that I am wrong.

Senator GUTHRIE.—They are honorable enough not to say what takes place at a Caucus meeting.

Senator NEEDHAM.—They were not always so, because the day after they left the meeting the morning papers contained a report of the proceedings, as furnished by the Prime Minister.

Senator RUSSELL.—We discussed the war taxation at that meeting.

Senator NEEDHAM.—I admit that, but I have been challenged by the Minister for Works, who asked me why I did not support these proposals, and I am saying that we are not asked to. Surely that is not giving away something which should not have been disclosed.

Senator DE LARGIE.—But you can take no exception to Mr. Hughes giving information to the press? He was the only person empowered to do that.

Senator NEEDHAM.—I am not raising any objection at all; it is Senator Guthrie who complains.

Senator GUTHRIE.—I say it is against all party procedure, and it is disgraceful.

Senator NEEDHAM.—The honorable gentleman need not get alarmed. I am not taking any objection to what Mr. Hughes said. I was merely replying to an interjection by the Minister for Works. During the recent referendum campaign I told the electors from every platform that I would not support an amusements tax because it was an attempt to levy upon the poorer sections of the community. I hold that opinion to-day, and I say the principle is wrong, even though sixpenny tickets may be exempted, to tax any man whose family may wish to go to a picture show, the prices for admission to which may be 1s.

Senator GUTHRIE.—Then put it on to the proprietors.

Senator NEEDHAM.—That is my trouble. If I was sure that the proprietors would not pass the tax on I would support the Bill, but I know perfectly well that it will be passed on.

Senator TURLEY.—Not necessarily.

Senator NEEDHAM.—It is usually done. When I and two of my colleagues were coming through from Western Australia recently we decided to while away an hour or two at a picture show in Adelaide, where the State entertainments tax is in operation; and we found an intimation on a poster in front of the theatre that the price of a sixpenny ticket was 1½d. extra. From our experience, therefore, I am arguing that the 1d. tax, as

proposed in this Bill, on a shilling ticket will not be borne by the proprietors of the theatre, but by the patrons.

Senator SENIOR.—It could be prevented if the Government were the purveyors of the tickets.

Senator NEEDHAM.—The honorable gentleman is quite right, but the Assistant Minister, when moving the second reading of the Bill, did not intimate that precautions would be taken by the Government to see that the tax was not passed on. If he will guarantee me that even now I will support the Bill.

Senator STEWART.—That would be taxation upon a special class.

Senator NEEDHAM.—And because it is a special case, I think that the proprietors of these theatres are better able to bear the loss of that penny, and the taxation itself, than are the patrons of them. So far as the principle of the tax is concerned, I am against it. It is a very old and true saying that "All work and no play makes Jack a dull boy." We know that one of the most popular forms of recreation for the working classes is the picture show. Whilst there may be exhibited in places films that should not be shown, and should be prohibited, still, it is a cheap and very often instructive method of passing a couple of hours in the afternoon or evening. But be that as it may, when I see a Government that proposes not to take the whole of the war profits, as was originally intended; when I see a Government not going on with the levy on wealth in the way which was proposed, I fail to see why this Government should come down for a start and want to tax the poorer portion of the community. After all, what amount are they going to get from this source? It will be very small.

Senator GUTHRIE.—Half-a-million.

Senator NEEDHAM.—That is just one-half of what the Government thought they would get from the original proposal.

Senator GUTHRIE.—Half-a-million is not a bad sum.

Senator NEEDHAM.—Even had the Government adhered to the original proposal, it is not the amount of revenue obtained from the tax I am alluding to, but the principle. I do not believe in imposing a tax on the poorer people of the community, who, it is well known, have very little time for recreation. If they have a chance to enjoy a

few hours in a cheap way, I do not think it is right for any Government to impose a tax which would prevent them from obtaining that little recreation.

Senator GUTHRIE.—Do you not think that the competition between the proprietors of picture shows will put the tax on the proprietors, and not on the public?

Senator NEEDHAM.—So far, I see no indication of that being done. If the Minister, in his reply, will intimate that it is the intention of the Government to see that the tax is not passed on, a new phase will arise. In default of such an assurance from the Government, I must vote against the second reading of the measure.

Senator FINDLEY (Victoria) [4.3].—I think it was Senator Millen who said that this form of taxation would not have been heard of but for the war. I do not think that any one will dispute that statement. I am one of those who believe that, although the tax is introduced because there is war, once the tax is passed by this Parliament it will be here to stay.

Senator GUTHRIE.—It will all depend upon this Parliament.

Senator FINDLEY.—That remark is perfectly true; but Governments and their Treasurers are very loath to let go a substantial source of revenue, once they realize the amount of money which can be obtained by probably one of the easiest methods possible, and that is by taxing the amusements of the people. I am a Labour man, who is now, and always have been, opposed to this form of taxation. In the years that have gone, the classes we represent here had very few opportunities for mental improvement, and had very few of the pleasures which fell to the lot of a certain favoured section of the community. Our platform has been a comprehensive one, making for the elevation and the betterment of the vast army of struggling industrials, and by the substantial progress we have made in the different States, we have enabled thousands of men, women, and children to have to-day some mental recreation which they had not the privilege of enjoying ten or twenty years ago. The principle embodied in this form of tax is altogether wrong. Are we to adduce as a reason why we should impose taxation that all forms of luxury should be taxed? We know that that is the reason why some

persons favour an amusements tax. They say, "An amusement is a luxury, and why should not people pay for a luxury?"

Senator DE LARGIE.—Hear, hear! A very good argument.

Senator FINDLEY.—I think it is a very sound argument to tax luxuries. The argument of the working men is that they have too few of the luxuries of life, and, in order that they may have fewer, some of the members of the party I belong to propose that they should pay additional taxation in order that luxury shall be farther and farther removed.

Senator BAKHAP.—Did you vote to reduce the tax on silk?

Senator FINDLEY.—I have given my vote and expressed my view on the taxation of silk.

Senator GUTHRIE.—You did not do that in regard to stained glass windows.

Senator TURLEY.—Or corsets.

Senator FINDLEY.—Once the taxation of luxuries is conceded, where are my honorable friends going to stop? Are they going to tax motor cars or those who partake of motor drives? Are they going to tax pianos?

Senator SHANNON.—Are they not taxed already?

Senator FINDLEY.—What I mean is putting a war tax on pianos. I am not speaking of a Customs duty; I am talking about special taxation, such as is proposed in this Bill. Then we are told that there are some persons who go to places of entertainment in evening dress and pay a big price for admission, and many who go to Flemington and other places of amusement, and that they ought to be taxed because they go to such places. Why should they be taxed?

Senator DE LARGIE.—Why did you not deliver this speech in the Caucus when the proposal was brought on there?

Senator FINDLEY.—If the honorable senator had been at the Caucus he would have known what I said. If he is particularly anxious to know what I said I will tell him. But I will not tell him unless he wants me to do so.

Senator MILLEN.—What is much more important is this: Had the change of Government not taken place, would you have opposed this Bill?

Senator FINDLEY.—Absolutely. I have been perfectly consistent in my

opposition to this form of taxation. No one can charge me with inconsistency on that point.

Senator BAKHAP.—I have heard that the Trades Hall is in favour of this tax.

Senator FINDLEY.—I cannot help that. It shows that we are not, as some persons allege, a machine party, and have to do what we are told. If the Trades Hall is in favour of taxing amusements, I am not with that body. But I do not think that the Trades Hall, as an institution, would be so foolish as to propose that a tax should be levied on the amusements of the people whom it represents.

Senator LYNCH.—Like Senator Needham, you did not accept this part of the taxation proposal?

Senator FINDLEY.—I accept what satisfies me, and I reject what does not satisfy me.

Senator DE LARGIE.—Did you raise any objection?

Senator FINDLEY.—Does the honorable senator want to know what I did at that meeting? I am one of those who, whatever my sins or shortcomings may be, have never made known anything which has taken place at a party meeting when it has been held in private. I have held that view through life, but if the honorable senator wants me to tell honorable senators what I said and did, I will tell them, but not otherwise.

Senator LYNCH.—Tell us as much as you can.

Senator McDougall.—They all know what you said. Why do you want to tell them?

Senator FINDLEY.—Of course, they know what I said. Does not the honorable senator see what they are after?

Senator MILLEN.—You ought to treat us all alike.

Senator FINDLEY.—What revenue did the Government expect to obtain from this form of taxation?

Senator RUSSELL.—About £350,000.

Senator FINDLEY.—When, on a former occasion, it was suggested that all forms of taxation should be taxed, we were told that the Government hoped to realize from this source £1,000,000.

Senator RUSSELL.—In my speech I pointed out that that estimate was based on an error.

Senator FINDLEY.—I was not present when the Minister was introducing the Bill; but admitting that the estimate

was based on an error, we are now told that a revenue of £350,000 will be derived from the tax. That is a very small sum when we come to consider the avenues which are open to the Government. Why is it proposed to tax amusements, and allow to go scot-free from any form of taxation, probably for all time, those patriotic gentlemen who put some money into the war loan? Should this Government be permitted to remain on the Treasury bench, these gentlemen are to be allowed, when the next loan is floated, to go scot-free, and all those persons who participate in any form of amusement, and pay the large sum of 1s. for admittance, are to be taxed.

Senator LYNCH.—Did you say "all forms of amusement"?

Senator FINDLEY.—I should say that this tax will cover all forms of amusement. The Minister for Works shakes his head as if all forms of amusement are not to be taxed. It would be interesting to know what forms of amusement are to be exempted from taxation.

Senator SENIOR.—Where there is no admission fee charged.

Senator FINDLEY.—That is an extraordinary answer to my question. All free shows are to be exempted from taxation, says Senator Senior. The present Government propose, in connexion with the taxation of war profits, that the exploiters shall be relieved of taxation by imposing taxation upon people who, when all is said and done, have too few opportunities of attending places of amusement. During the progress of the war, many persons have made abnormal profits by exploiting the great working mass of the community. These profits are not to be taken from them, as proposed by the late Government, but their taxation is to be eased down as compared with the taxation of war-time profits proposed in the Old Country. Mr. Lloyd George's Government propose to take the whole of the war-time profits. The late Commonwealth Government proposed to take the whole of the war-time profits for the second year, but the present Government propose to take only 75 per cent. of the war profits in the second year, after allowing a fair profit of 7 or 8 per cent. In the Old Country, the estimate of profits is to be based upon those earned during the three years immediately preceding the war, and Mr. Lloyd George's Government now propose that the whole of the war-time profits shall be taken by the

Government. There is one consideration which ought to guide the Labour party in the matter of taxation. This proposed taxation is opposed to the principles upon which honorable members of the Labour party were first elected. It is a form of taxation to which no one who has given attention to the Labour platform or to economics can subscribe. Honorable senators opposite justify it now because this is war time, but once an honorable senator gives his vote for this form of taxation, because it is war time, he may be assured that future Governments will continue it as long as possible. To justify this taxation, one must break away from a first principle of the Labour party, which is direct taxation. This is not direct taxation, but indirect taxation of the worst kind. It is a special class tax. The taxation to which all members of the Labour party can subscribe is land-value taxation.

Senator SENIOR.—How would the honorable senator reach those whose property does not include land values?

Senator FINDLEY.—Every one is more or less affected by land values.

Senator DE LARGIE.—Does the honorable senator say that the entertainments tax is not a direct tax?

Senator FINDLEY.—Yes, I do.

Senator DE LARGIE.—It is the most direct taxation ever proposed in this Parliament.

Senator FINDLEY.—When I say that it is indirect taxation, I mean exactly what I say. How is it proposed to raise the tax?

Senator DE LARGIE.—It is to be collected on the ticket that is presented at the door of the theatre.

Senator MILLEN.—It is a direct tax on the person who goes to an entertainment.

Senator FINDLEY.—In that sense it is a direct tax, but the proposal to impose it has been justified on the ground of the immense fortunes that are made by those promoting entertainments. But by this form of taxation we do not get at the proprietors of theatres or the shareholders of picture shows.

Senator MILLEN.—Only to the extent to which they may be disposed to share the tax with their patrons.

Senator FINDLEY.—Only to that extent, and we know that they are not generously disposed in that way.

Senator MILLEN.—It is not a matter of generosity.

**Senator FINDLEY.**—What I mean is that when the opportunity presents itself to those engaged in promoting entertainments, they will take every care that they do not pay the tax, but that those who witness the different entertainments presented by them will pay it.

**Senator LYNCH.**—The honorable senator says that the tax will not affect proprietors of entertainments, and if that be so, how does he explain their protest against it?

**Senator FINDLEY.**—When it was proposed to increase the income tax, and to impose a wealth tax, more than one deputation waited upon the ex-Treasurer, Mr. Higgs, to suggest that those proposed taxes should be reduced. Mr. Higgs was adamant. He gave the deputationists no encouragement whatever. Later on, I read in the financial columns of the *Herald* a paragraph in which it was explained that, although these representations had been made, and the ex-Treasurer had refused to give them any consideration, it would be all right eventually, because the taxation would be passed on.

**Senator RUSSELL.**—Is it proposed to reduce the taxation in connexion with the income tax and the wealth tax?

**Senator FINDLEY.**—The deputations to which I have referred protested against the increased taxation, and Mr. Higgs refused to reduce it; but later on, it was said that the taxation would be passed on, so that it would not affect the persons who made complaints to the ex-Treasurer. In just the same way it is explained that the entertainments tax will not affect those engaged in promoting entertainments.

**Senator BAKHAP.**—They are grumbling a good deal about it.

**Senator FINDLEY.**—Every one grumbles about taxation.

**Senator BAKHAP.**—The man in the street is not grumbling about it.

**Senator FINDLEY.**—That does not alter my view of the matter. I ask myself whether this is a proper form of taxation, and I say that it is not. It is breaking away from the first principles of taxation affirmed by the Labour party. If the Government require money, they could obtain very much more than £350,000 from the taxation of land values, a legitimate form of taxation, which there ought not to be any hesitation about adopting at this time.

**Senator LYNCH.**—The amount referred to will pay interest on our war indebtedness up to date, and a little more.

**Senator FINDLEY.**—I will admit that; but that is no reason why I should vote for this tax. Surely the Government do not pretend that unless they can pass this Bill they will not be able to pay the interest on our war indebtedness. It is far better for us to say here and now that we do not believe in this form of taxation, and we think that the Government should impose direct taxation. Much as I object to the present Government continuing to occupy the Treasury bench, I say that if they imposed a tax on land values they would be doing something that would command itself to a very large section of the citizens of Australia.

**Senator BAKHAP.**—There is a fairly substantial tax on land values now.

**Senator FINDLEY.**—There is a tax of a very infinitesimal character. The fortunes made in Australia have been derived mainly from land.

**Senator MILLEN.**—I remember Senator Findley's predictions as to the condition of paradise that would follow the imposition of the land tax by the Labour party.

**Senator FINDLEY.**—The peculiar thing about that land tax was that when it was proposed, Senator Millen and some of his friends said that it would ruin the people, but, after it had been in operation for some time, they said that it had not had the effect of bursting up the big estates, and did not achieve the object which the Labour party had set out to achieve by its imposition.

**The PRESIDENT.**—The honorable senator is entitled to allude to a land tax as an alternative method of raising money, but he is not entitled to discuss that matter in detail as if a Land Tax Bill were before the Senate.

**Senator FINDLEY.**—Suppose I said that we imposed a tax on land values with a £5,000 exemption, and that the opponents of that measure stated it would ruin a number of people in Australia. Suppose, I said, further, that after the taxation had been in operation for some time the same person asserted that it had not ruined the people, and had not had the effect of bursting up the large estates; do you, sir, rule that that would not be in order?

**The PRESIDENT.**—My ruling is that the honorable senator is entitled to advocate that the money required by the Government should not be raised in the way proposed by the Bill, but by a land tax as an alternative method. But he is not entitled to discuss in detail the merits or demerits of a land tax as he would be if a Land Tax Bill were before the Senate. Otherwise the discussion upon any Bill might become interminable.

**Senator FINDLEY.**—I can quite understand that the land question is a very interesting one.

**The PRESIDENT.**—I hope the honorable senator will not try to evade my ruling.

**Senator FINDLEY.**—No, I will not; but I want to point out how extensive a field is open to the Government if they desire to tax land. A much more substantial amount of revenue than can be raised under the proposed entertainments tax might be obtained by the taxation of land values to an extent which, so far from injuring any one, would stimulate industry and make people prosperous who are not prosperous to-day. I feel sure that Senator Grant, who has a few words to say on the taxation of land values, will confirm my statement that by a proper and legitimate taxation of land values it would be possible for the Government to obtain between £2,000,000 and £3,000,000 per annum. If the Government are not disposed to go in whole-heartedly for land value taxation they might still propose a small measure of that form of taxation. It would need to be but a very small tax upon land values that would return the £350,000 which they would lose if this Bill were not carried.

**Senator RUSSELL.**—Would the honorable senator make the exemption less than £5,000 unimproved value?

**Senator FINDLEY.**—I am not going to commit myself to anything definite here and now. The Assistant Minister knows very well that whatever one's individual opinions may be in regard to land value taxation, the amount of the exemption is decided by a number of individuals after mature consideration.

**The PRESIDENT.**—I would remind the honorable senator that the question before the Senate is the Entertainments Tax Bill, and not that of a land tax.

**Senator FINDLEY.**—I have no desire to further occupy the time of the Senate

beyond expressing the hope that this form of taxation will not be agreed to. I recognise that these are abnormal times, and I also realize the heavy responsibilities imposed on the Government by the stress imposed by the war. But I am inclined to think that if the Ministry had further time to consider their taxation proposals they would not be wedded to a tax on amusements. I know that some of those who will support this Bill would not do so under different conditions. I hope that the measure will not be carried, because I hold that there are other and more legitimate avenues of taxation open to us if we choose to exploit them. I am not at all concerned with what the State Parliaments may do in the direction suggested by Senator Millen. If they are prepared to do wrong, that is their business. But if the principle underlying this Bill is a bad one, we ought not to support it. It is because that principle is unsound that I hope this form of taxation will not be agreed to.

**Senator READY (Tasmania) [4.45].**—I find myself almost in perfect agreement with the remarks of Senator Findley. It seems to me that we have reached a remarkable situation in Commonwealth politics when we find a Government which can spend £500,000 on a referendum and a proclamation which was entirely futile—

**Senator DE LARGIE.**—The honorable senator was the Whip of that Government.

**Senator READY.**—Yes. Seeing that the Government spent, without a wink, £500,000 on a referendum and a proclamation calling men up for home service—

**Senator NEWLAND.**—It was not this Government that did that.

**Senator READY.**—Well, it was the late Government. I say that a proposal to add to the multitudinous taxes which the people have to pay, for the sake of collecting £350,000 annually, has neither equity nor common sense behind it. As Senator Findley has already pointed out, this £350,000 could easily be raised from other sources of taxation.

**Senator LYNCH.**—Did not the honorable senator's leader say something about watering down the proposals of the Government?

**Senator READY.**—Yes. But I want to see the taxation placed upon other shoulders.

**Senator DE LARGIE.**—Why did not the honorable senator object to the watering-down process in the Caucus?

**Senator LYNCH.**—And was not the honorable senator bound by these proposals?

**Senator READY.**—No. I know of no plank in the Labour platform which says anything about an Entertainments Tax. I never agreed to these second-hand methods of taxation, because I know that by going direct to those who are in receipt of big incomes the same object can be accomplished without creating a new tax. One has only to look at the new digest issued by Mr. Knibbs to discover fields of taxation which may be legitimately exploited to-day. According to Mr. Knibbs there are 7,437 persons in the Commonwealth—and the position is understated rather than overstated, because this is merely a progress report—who take £15,481,487 of the national income annually. Each one of these incomes is in excess of £1,000 per annum, the average being £2,800 per year. If, in lieu of this tax on amusements, which will fall very largely on the working classes whom my honorable friends opposite claim to represent, we levied a super-tax of 6d. in the £1 on all incomes above £1,000 per year, it would yield a revenue of £387,000 annually. What is wrong with a proposition of that kind?

**Senator GUTHRIE.**—Anything except the right thing.

**Senator READY.**—In other words, we should hesitate before we touch to the extent of an additional 3d. in the £1, persons who are in receipt of incomes in excess of £1,000 a year.

**Senator RUSSELL.**—We are going to increase the income tax by 25 per cent.

**Senator READY.**—I am quite aware of that.

**Senator RUSSELL.**—If we were to impose an increase of 25 per cent. on the income tax and were then to levy a super-tax of 3d. in the £1, our taxation, combined with that of the States, would absorb more than the total of some incomes.

**Senator READY.**—I would like to see figures to prove that in any case in which an income is in excess of £1,000 a year, it would be more than half absorbed by the State and Federal income taxes. Although we have a heavy land tax in operation, its effect has not been to smash up the very big estates. The seasons have been so prosperous that the large land-holders are paying the tax. In 1913-14 there were

404 men in the Commonwealth holding estates of between £50,000 and £100,000 in value. The aggregate capital value of those estates was £24,802,803. During the same year there were, 128 gentlemen or companies holding estates worth from £100,000 to £250,000 unimproved values, and these estates aggregated £16,435,560. In other words, there were 532 individuals or companies in Australia whose estates totalled an unimproved value of £42,338,363. What about levying a super-tax on them? If we imposed a tax of only 3d. in the £1 upon these gentlemen, it would realize far more revenue than will be collected under this Bill, and no one with less than £50,000 worth of land would pay the super-tax.

**Senator GUTHRIE.**—Let us do both.

**Senator READY.**—Will the honorable senator support my proposal?

**Senator GUTHRIE.**—Yes, if the honorable senator will support this Bill.

**Senator READY.**—We could also alter our gradations in regard to the land tax.

**The PRESIDENT.**—Order! The honorable senator must not discuss the land tax.

**Senator GUTHRIE.**—Is the honorable senator prepared to vote for this Bill if I support his proposal? Answer "Yes" or "No."

**Senator READY.**—If my proposal were adopted, this Bill would not be necessary. In my own small State, large estates still exist. There are big estates there, which, although they have been subdivided, have not been subdivided at the rate that we had hoped, and the companies that own the estates are paying dividends. What are we going to do about them?

**Senator GUTHRIE.**—Are you prepared to tax them and amusements also?

**Senator READY.**—I am not going to vote for a tax which falls on that small section of the community who have at present heavy indirect Customs taxation to pay, and, in addition, are being taxed by the State instrumentalities very much out of proportion to their incomes. I am not prepared to do it while there are men in Australia who own the greater part of Australia, and are not prepared to shoulder their responsibilities. For that reason I cannot support this tax as to either the rate or the principle, and shall vote against it on the second-reading stage, and also in Committee.

Senator DE LARGIE (Western Australia) [4.46].—I give the Bill my hearty support and approval. It is brought forward for the first time, and is quite justified in the circumstances. Senator Needham, Senator Findley, and Senator Ready are all opposing a taxation proposal introduced by the late Government, and Senator Findley, in his concluding remarks, said he was doing so honestly and sincerely. These proposals were agreed to at the Caucus which those gentlemen attended, and not a word was said in opposition to them, but now that they have been brought down by the new Government they are opposed. From that fact we can judge the amount of honesty and sincerity that there is in the opposition shown to them this afternoon.

Senator O'KEEFE.—I heard strong opposition to them there.

Senator DE LARGIE.—Only last week we heard the greatest howl that, perhaps, has been heard in this Chamber about watering down the taxation proposals of the previous Government, but we have an exhibition to-day of still further watering down.

Senator WATSON.—It was not this tax, though.

Senator DE LARGIE.—No, it was the general taxation proposals introduced by the late Government only a few months ago. The honorable senator was then behind them, and did not utter a word of opposition to the taxation they put forward. We can judge the amount of honesty and sincerity there is behind the howl we have heard this afternoon.

Senator FERRICKS.—Senator Findley came down immediately after the Caucus meeting, and denounced this proposal in the Senate chamber.

Senator DE LARGIE.—Where was Senator Ready then? Was he not the Whip of that party, and did he not continue to be the Whip right up to the time the new Government was formed? Was there any objection from him or from Senator Needham? Did any of those honorable senators raise their voice against the Bill till this afternoon, with the exception, perhaps, of Senator Findley?

Senator NEEDHAM.—I raised my objection in my own State, and also in Melbourne.

Senator DE LARGIE.—The honorable senator took good care not to raise objection in the Caucus or here until it was safe to do so.

Senator NEEDHAM.—You were not at the Caucus meeting.

Senator DE LARGIE.—I am stating what happened there. It is not necessary to be there to know what takes place. The best way to find out what happens in the Caucus is to read the *Age* or *Argus* next morning. The only meetings of which those papers cannot get hold of the secrets are those of the new Nationalist party. This kind of taxation is quite justified in the circumstances, and the fact that it was brought in with other measures by the Labour Government before there was any split in the party is the very best proof of that. We are merely following in the wake of every other country engaged in the war. War conditions have brought about a change of circumstances in taxation, as in everything else, and we are quite justified in adopting every available source of revenue. It is of no use to talk of raising the old-age pension or of providing pensions for the widows and orphans of fallen-soldiers unless we are prepared to take every legitimate means to raise the money. Where can it come from, unless we go to those who have money to spend on entertainments and luxuries?

Senator READY.—Why so tender as to enormous estates and very big incomes?

Senator DE LARGIE.—When the time comes I shall be prepared to go as far as any one to tax them, but you can go too far in many ways. The taxation of amusements has never yet been touched, and there is nothing very extraordinary in it in war time. In the Old Country one has to pay 2d. on the 1s. at every entertainment, whether one goes to the three-penny picture show, the sixpenny music-hall, or the ten-shilling theatre. The people who have money to go to entertainments in these days are those best able to pay the extra taxation.

Senator WATSON.—Look at the class who make the legislation in the Old Country.

Senator DE LARGIE.—The honorable senator only a few months ago was one of those who were going to impose this taxation. He was as silent as the grave on the matter until there was a change.

of Government. That is a further example of the honesty and sincerity in the opposition in regard to these proposals.

Senator WATSON.—You were not present.

Senator DE LARGIE.—I have learnt since I came here what the honorable senator's attitude was in the Caucus. I found war taxation in operation in Canada, which is a new country, with conditions approximating our own.

Senator STEWART.—There is no Labour party there.

Senator DE LARGIE.—Although there is not, the taxation of luxuries is as severe there as, and in some ways severer than, in Australia. In Canada there is not only an entertainments tax of the same kind as in Great Britain, but there is a 10 per cent. war tax on a seat in the observation car or a sleeping berth ticket on the Canadian-Pacific railway. There is an extra tax for war purposes on letters, newspapers, and post-cards. Surely an entertainments tax is far more justifiable than a tax on mail matter. As Australia is paying a great deal more per head of population for war purposes than any other country, we are quite justified in looking for new sources of revenue. I am quite prepared to see every reasonable taxation imposed on any kind of land, but it will be found before very long, as many of us who have had a little experience in land have discovered already, that we can tax that form of wealth altogether too heavily. If I had my way I would strike off every tax that is keeping the working man on the land in the position in which we find him to-day. He is the worst paid worker to be found in any part of Australia. The man on the land is being sweated, and until he is organized he will have to bear the burden.

Senator STEWART.—You can relieve him only by killing land monopoly.

Senator DE LARGIE.—There is very little land monopoly in Western Australia. Plenty of land is available there for any one who desires it. I can get the honorable senator 160 acres there for nothing. If those who are always howling about land taxation want to test their ability to utilize land, and get that enormous wealth which is said to be waiting for anybody who takes up land, I can offer them free farms galore in Western Australia. No less than 700 farms have been given up during the last twelve months in that State. I notice that those

who howl most about land taxation take very good care to have nothing to do with the land as a profession.

Senator STEWART.—Your land is principally sand.

Senator DE LARGIE.—We have as good land as in any other part of the continent. We have land of every variety.

Senator RUSSELL.—At one election they told us that you were a wealthy squatter, making money out of the land.

Senator DE LARGIE.—That was very good for an election cry, but, unfortunately for my pocket, it was not true.

Senator BAKHAP (Tasmania) [4.58].—I have assured the Administration openly in the Senate that I would give them such support as I thought necessary in regard to their war programme of taxation or any other form of legislative activity. Whether the numbers are up for or against this measure, I am prepared to carry out my promise, and vote for the Bill. The only people I am sorry for in this connexion are the unfortunate State Treasurers. In war, I know, we want men and money, and if we were not at war, I should certainly not vote for this measure, but would regard this field of taxation as one that ought more particularly to be reserved for the activities of State Treasurers and State Parliaments. In war, however, all things are abnormal, and the wise men who framed the Constitution reserved to the National Government full power of taxation over everything and anything. In normal times I objected to the imposition of a Federal land tax, but had it been proposed contemporaneously with the war I should not have voted against it, as I always said it ought to be regarded as a tax for war times. This measure, whatever its merits or demerits, is one about which there will practically be no protests whatever, because the people who go to picture shows will be quite prepared to pay the tax.

If a man wishes to take his family or some friends to a picture show, he will be quite willing to pay the prices demanded. We are told that upon a 1s. 6d. ticket there will be a tax of 1½d. Now, a ticket at 1s. 6d. will insure to the holder thereof a pretty luxurious seat in the ordinary picture show, and a man who can afford such a seat will not object to the extra 1½d. demanded. I must say, however, that I do not like duality of taxation. I do not like to see a Federal tax superimposed upon a State tax, but

this kind of thing is obviously inevitable in our present circumstances, and because of the financial situation arising out of this great war. But I suggest to honorable senators that, in regard to future taxation, we should have some regard for the difficulties of the State Treasurers, and, if possible, avoid hampering them to any great extent by an invasion of fields which, in normal circumstances, might be regarded as State areas of taxation. I know this tax is going to be a fairly productive one, and that in spite of the protests from managers of the picture shows, it will be received by the general public with comparative complacency. That being so, my only regret—if I may be permitted to repeat myself—is that it constitutes, to my mind, an invasion of the field that ought to be reserved for the Treasurers of the different States of the Commonwealth. Just one word more. I must say that I have been much amused at those gentlemen who are continually urging the imposition of heavy taxation upon land, and who are saying that land must bear its full share of taxation. It may be that if this war continues, and our debt increases, the land will have to bear still greater burdens. But I do pity those gentlemen who, while advocating the imposition of heavy burdens on the land, are also prepared to make that taxation heavier by fixing prices for primary products in a downward direction.

**Senator RUSSELL.**—Is the honorable senator suggesting that the Government are fixing prices in a downward direction?

**Senator BAKHAP.**—I am saying that the arguments of some honorable senators are double-barrelled, because they are prepared to place heavier burdens on the land and also to fix prices for the products of the land in a downward direction.

**Senator READY.**—There is a great distinction between taxation on land and land monopoly. That is the whole point.

**The DEPUTY PRESIDENT.**—The honorable senator is not entitled to discuss that matter on this Bill.

**Senator BAKHAP.**—I am aware that I am transgressing, and I only referred to the matter because some of the previous speakers touched upon it.

**Senator RUSSELL.**—I do not see how the honorable senator can claim that the Federal Government have reduced the prices of the primary products.

**Senator BAKHAP.**—I am speaking of the general policy, and not making particular reference to the Federal Government.

**Senator READY.**—Who has advocated that policy?

**Senator BAKHAP.**—It has been carried into operation.

**Senator READY.**—Where and when?

**Senator BAKHAP.**—It is on the Labour party's programme.

**Senator READY.**—No, it is not.

**Senator BAKHAP.**—The policy of the Labour party is to advocate the fixing of prices of primary products in normal times. However, in connexion with this Bill now before the Senate, I can promise the Government I will vote for it as it stands.

**Senator TURLEY (Queensland) [5.5].**—I think one mistake was made by Senator de Largie when he said that the taxation proposals were agreed to by the party with which he was previously associated. This is a measure which, even had there been no political crisis, would have been considered by the Parliament. When we realize that every country affected by this war is in difficulty, especially as regards taxation, and that, so far, Australia has not felt it to the same extent, it seems to me there is ample justification to vote for this measure, as I propose to do. Let us see what it is. We have heard a lot of talk about hypocrisy in politics, and I have in my mind the Ministerial statement read by Senator Pearce, on behalf of the Labour party, before the referendum was taken. It was presented to this House by command, and ordered to be printed on the 27th September, 1916, so it is useless for any honorable senator to say that he did not know a referendum was to be taken. As a matter of fact, we were preparing then for the referendum. The financial statement to which I have referred contains this paragraph—

Proposed entertainment tax.—This tax will amount to a halfpenny on a ticket costing threepence, a penny on a ticket costing sixpence, and a penny on each additional sixpence or part thereof.

That was in the statement presented to this Chamber, and I say that, independent of the views of individual honorable senators, had there been no crisis, that proposal would have been carried with, per-

haps, an exception that threepenny tickets would have been exempted.

Senator NEWLAND.—The proposal to which you refer penalized the purchasers of threepenny tickets, whereas this exempts even sixpenny tickets.

Senator TURLEY.—Undoubtedly, and what was it that induced honorable senators to agree to this sort of taxation? We might just as well examine the circumstances and understand clearly the reason. Prior to that time the exemption on the income of the wage earner stood at £156 a year, with an allowance of £13 for each child, so that a man with a wife and four children could claim exemption on an income up to £208. When this proposal for increased war taxation was brought up, an alteration made in the income tax exemption induced a considerable number of the Labour party to agree to an entertainments tax. The income tax exemption for children was raised from £13 to £26, with the result that a man with a wife and four children under the age of sixteen years could claim exemption on an income up to £260 a year, and escape practically all taxation except that collected indirectly through the Customs. Now, that is the position to-day, and that is the reason—I am speaking personally—that I agreed to taxation on entertainments, for I believe that a man with an income tax exemption of £260 could afford to pay a small amount in the way of war taxation if he patronized a picture show. I admit that the tax is bad in principle, and I do not believe that it would have been proposed or mentioned but for the severe strain imposed upon the finances of this country owing to the war. I think, however, that the Government would have made it easier for the members of this party if they had informed us, before this Bill was introduced, what classes of entertainment would come under the proposed tax, because there are various forms of entertainment which, in my opinion, should not be included. As the measure stands, there is no exemption practically, and we shall have to wait until we get the Assessment Bill before these details can be ascertained. I repeat that when it was proposed by the previous Government to relieve the family man of other taxation, the Labour party agreed to pass legislation in the form of an entertainments tax, and this would have been carried had not the party crisis occurred. I believe that at that time there would

have been a big majority in support of a tax upon the sixpenny tickets which under this Bill are to be exempt.

Senator NEWLAND.—Would they not have supported the tax on the threepenny tickets also?

Senator TURLEY.—No. I think that, in spite of the exemption under the income tax, the majority of the members would have objected to a tax on threepenny tickets under this proposal, but I believe that sixpenny tickets would have been included, whereas this Bill exempts the latter. This war has caused a very great deal of inconvenience in every country of the world. The war has not been raging in Australia, and so far it has not made a great deal of difference to an enormous proportion of its people. A large number of labourers have been taken out of this country, and so people have been able to obtain employment here. In very many cases wages have been increased during the last two years.

Senator MILLEN.—And because of the war.

Senator TURLEY.—Yes. I believe that this taxation will be of a temporary character. Seeing that the people of this country are enjoying better conditions than are enjoyed in any other belligerent country, I believe that a big majority of our population are not only able but are prepared to pay taxation for the purposes of the war. There are large numbers of workers here who would be prepared to pay more taxation if called upon, rather than be stuck up every day or two at the street corner and asked to contribute to private funds. I have spoken to many men on this subject. When I was explaining to a friend only a month ago that there would be increased taxation—a tax on pictures and one thing and another—he said to me, "That does not matter." I told my friend that it was intended to impose a tax of £1 a year on every single man who was making at least £100 a year, and he said, "A tax of £1 a year! My goodness! I only wish that they would put a couple of pounds on me, and relieve me from the importunities to which I am subjected every time I go down the street. If I were to give to the various funds to which I am asked to subscribe every time I go out, I would hardly have a shilling to take home to my wife and children." If this proposed taxation is imposed, it may

perhaps prevent persons from subscribing to these funds as freely as they do now. But that will not impose any more hardship. I believe that people will rather welcome taxation of this kind when they know that it is to be only temporary. It is all very well for some honorable senators to turn round and say, "The party need not have considered legislation of this description; they could have imposed a heavier land tax, a heavier income tax, and a heavier tax on the subscribers to war loans." Let me remind the Senate that there were not many honorable senators who voted to tax such persons. I believe that investments in war loans should be as open to taxation as any other investments into which people put money. That is the reason why I supported the proposal to tax war investments. I did not believe that millions of money in this country should be altogether exempt from any sort of taxation. But we were not able to carry our amendment. If those who now say that it is fair to tax war investments had recorded their votes in favour of our amendment there would have been no exemption to-day in that regard. We may come back to the proposal later; I do not know. Seeing that the statement laid on the table on the 27th September, and printed, included the imposition of an entertainments tax, and seeing, further, that we as a body had practically agreed to the proposal, because we had exempted a larger measure of income in connexion with the worker than he had previously enjoyed, I propose to vote for the entertainments tax on this occasion. I do not believe in being a humbug. If I had been strongly opposed to the proposals of the late Government, I should have risen and said, "I do not believe in the proposals of the Government whom I am sitting behind." Seeing that there has been a change of Government, and that the present Ministers have eased up the taxation as practically proposed by the Labour party as a whole in September last, and that some more relief is given to those who are in the habit of attending entertainments, I propose to vote for the second reading of this Bill. I can quite understand persons saying—for it was a statement which affected me—"How about the man in the country?" That is the reason why I am very glad to see the easing up of this taxation. In the cities persons can go down the street

and enter a picture show for 3d., and they think they are paying a big sum if they pay 6d. It is the people in the country districts who will get a little relief from this measure. Travelling companies have to charge a great deal more in a number of towns than they do when they are stationary. When the Government offer cheap fares, country people, who do not get so much amusement as do town people, come down to the towns at various festivals. They visit the picture shows and other entertainments because they have not been able to get near them in the country. Again, we are told that this legislation is going to cover persons who go to races and all that sort of thing. During the conscription campaign we could hear from one end of the country to the other this complaint: "How about those persons who are ready and able to attend race-courses almost every day of the week, and do not propose to do anything else?" That is what brought on the whole trouble. To-day we hear not only about taxing persons who go to race-courses, and are able to pay big prices for admission, but we also hear a very large number of persons expressing the view that if that was the reason why we had to go through the turmoil of a referendum, it was a good reason why the Government should have closed the places of entertainment for a time. But to say that by this measure we are interfering to a very great extent with entertainments like these, seems to me to be so much humbug. I propose, as I did propose when I was following a Government on the other side, to vote for the second reading of this measure.

Senator O'KEEFE (Tasmania) [5.23].—The arguments raised against the Bill have mainly been on the line that it imposes a tax on those entertainments which are patronized by the poorer people. Of course, to a great extent that argument is correct. In looking at the entertainments which are patronized by those who earn the lowest wages, that is the poorest people, one naturally turns to the picture shows. As the measure has been altered since it was introduced in another place, and the tax of one half-penny on tickets below the value of sixpence has been knocked out, leaving any charge over sixpence to be the minimum to be taxed, it seems to me that a great deal of the argument which might, in the first instance,

have been used against the measure has been swept away. In the cities and towns the prices of admission to picture shows are generally 6d. and 1s., or 6d. and children half-price. At almost all the picture shows in Melbourne and its suburbs, the prices, I understand, are 6d. and 3d. I was guilty of attending a picture show on Saturday night, and for the sum of 3s. I took in a rather large family of eight. For four adults I paid 6d. each, and for four children 3d. each. It was a very good show, and 3s. was the amount which I paid for front seats.

Senator STEWART.—It was the lowest charge.

Senator O'KEEFE.—At all events the seats were as good as any one could desire on a hot night.

Senator STEWART.—If you had gone to a good seat you would have had to pay 1s. 6d. a head.

Senator O'KEEFE.—On the general principle of taxing amusements I am going to vote to-day on the lines which I have always followed. I have always been in favour of taxing amusements reasonably. I have always held that as we have to get some measure of revenue to run the country, amusements are a fairly reasonable source from which to obtain part of that revenue, so long as we keep within fair limits. Still I cannot admit that this is a tax on the people who go to these amusements. My view is that an entirely wrong idea is held by those who think that this tax will be passed on. I do not think for a moment that the proprietors of theatres or picture shows who are now charging 1s. admission will charge 1s. 1d.

Senator DE LARGIE.—They are doing that all over the world.

Senator O'KEEFE.—If the proprietor of a picture show charges 1s. 1d. a head for admission, he will probably soon find his neighbour charging 1s. a head, in order to get the custom. In the case of a big rush at the ticket windows, the trouble of giving change, by reason of the tax of 1d. or  $\frac{1}{2}$ d., would be too great. I do not believe for a moment that if this taxation is imposed those proprietors who are now charging 1s. a head will put up their charge on the public.

Senator NEWLAND.—It is done in South Australia.

Senator O'KEEFE.—I am surprised to hear that statement. If it is being done there now I do not think it will be con-

tinued for very long. It will be remembered that when the last increase was made in the Excise duties on spirits—it was a very heavy increase which affected hotelkeepers very severely—the trade immediately brought into operation a new scale of charges. In many places where there were enough hotelkeepers to have an organization, they combined and adopted a scale of charges. For a little while, but only for a little while, that scale was in force. Then some hotelkeepers began to break away. They found that it paid them better to induce custom by sticking to the old charges, even although they might lose profit, than to turn away custom by charging an increased price for a drink to meet the increased taxation.

Senator NEWLAND.—They are charging the increased price now.

Senator O'KEEFE.—In many places in Australia the prices are the same as they were before the increased taxation. Although hotelkeepers increased their charges for the time, they decided it was better to go back to the old prices than to risk the loss of trade. I believe that this tax will fall upon the proprietors of theatres and picture shows, many of whom, even although this is war time, are making a good deal of money from their places of amusement. I have no objection to this, because it shows that large numbers of people are in a position to afford recreation which is the right of every one. At this time, when we are looking to every reasonable source for the production of increased revenue to carry on the war, it does seem to me that it is not an unfair proposal to tax amusements. I have said that I do not think the proprietors of theatres and picture shows will refuse to pay the tax, and even if they should attempt to pass it on, I believe that their patrons will be found ready to pay their share of this taxation, at all events during the continuation of the war. I was not opposed to this war taxation measure prior to the trouble that arose between the Labour party and the present Government, and I do not intend to oppose it now. I shall support the Bill as it stands.

Senator NEWLAND (South Australia) [5.35].—The proposals made by the Government in this Bill scarcely warrant the amount of discussion they have received this afternoon. A few weeks ago we were nearly all agreed that it is a fair

thing under existing conditions that amusements should bear some taxation, to meet the expenses of the war. We know that in the Old Land taxation is being raised to-day by means which, in ordinary times, the people would not tolerate. Though the people are subjected to a good deal of inconvenience in the collection of this taxation, they are cheerfully putting up with it, because they know that the revenue derived from the taxation is to meet the expenses of the war. I am better satisfied with the proposals of the Government than I was when similar proposals were first submitted to the party by the ex-Treasurer. I did not think it was worth while for the Federal Government to go in for the taxation of threepenny tickets. I am glad that they have agreed to exempt even sixpenny tickets.

Senator GRANT.—Leave the sixpenny tickets to the States.

Senator NEWLAND.—Yes, we may leave the threepenny and sixpenny tickets to the States. I should be opposed generally to the Commonwealth interfering with this source of revenue but for the fact that the taxation is imposed to meet the cost of carrying on the war. Some honorable senators abuse the Government for introducing this Bill, and they ask that there should be an increase in the land tax. They are casting about for a means, not of shifting the incidence of taxation, but of embarrassing the present Government. I ask them whether they consider it is a fair thing that persons patronizing race-courses at the present time should not pay something towards the expenses of the war? At this time, when there is so much real fighting to be done at the war, I ask whether men who are prepared to pay £1, £2, or £3 to see a couple of pugilists knock each other about should not be called upon to pay some taxation to raise revenue for the conduct of the war?

Senator NEEDHAM.—We have to learn the different classes who have to be taxed.

Senator NEWLAND.—The honorable senator knows as well as I do the principle that is behind this taxation. We should all like to see the low-priced ticket exempted, but certain honorable senators have this afternoon urged that all entertainment tickets should be exempt from taxation. I say that persons who

patronise race-courses, football and cricket matches, and especially stadium entertainments, ought not to be allowed to escape some measure of taxation.

Senator McDougall.—Those people do not object to the tax.

Senator NEWLAND.—I agree with the honorable senator. We have had an entertainments tax in South Australia for some months, and I have never heard a man or a woman complain about it. But I believe that if the Federal tax were to be added to the State tax on a threepenny or a sixpenny ticket for a place of amusement the impost would be rather too severe. Some speakers have said that if a difference had not occurred between the two sections of the Labour party this measure of taxation would have been brought forward, and would have been passed. Every honest member of this Parliament will agree that it was the intention of the Labour party to impose this form of taxation, and that only the exemptions were to be matters for consideration by individual members. But wherever an opportunity presents itself to do something which might harass the present Government, it is seized upon by certain honorable senators. The Government have been blamed for watering down the taxation proposals of the previous Government to suit the Opposition. To-day we find the Labour senators who made this charge against the Government proposing that this taxation measure should be watered down, and, professedly, in the interests of people who have not asked for it. I shall not refer to the proposals for land value taxation, but I should like to say to my honorable friends who are so keen upon the adoption of that form of taxation that the last word on the subject from the present Government has not yet been heard. We have people in a much better position to pay this amusements tax than many people are prepared to pay an additional land tax. We have farmers in South Australia by the thousand who have had to go to the State Government for several years for manure, seed, horseflesh, and other things to enable them to carry on their industry.

Senator DE LARGIE.—They have had to be provided with food and clothing in Western Australia.

Senator NEWLAND.—That is so, and it will take many of them, under normal conditions, ten years to pay off the debt they have incurred. We always find

that it is the persons furthest removed from the farming community who are most anxious that the farmer should be taxed. I am quite sure that people who patronize picture shows and sports of different kinds will be quite prepared to pay their share of taxation for the conduct of the war. Had it been possible I should like to have exempted from taxation persons attending picture shows in States where similar taxation has already been imposed. I recognise the difficulty in the way of that. I know that if the Commonwealth does not impose this taxation the State Parliaments will do so at the earliest possible moment, and as the States are not responsible for the expenses of the war it is the duty of the Federal Government to see that no available means of taxation are overlooked. I should like to bring under the notice of the Minister for Works the fact that we exempt from income tax the income of a man who has gone to the front. I know of instances in small country towns in South Australia, and there may be similar instances in other States, where men who ran small picture shows have gone to the front. They have made the best arrangements they could for the conduct of their shows during their absence. Admittedly it is a fair thing that the income of these men should be exempt from taxation, and it is equally fair that their picture shows should be similarly exempted. In many cases these men have had to pay high rates of wages to those who are looking after their interests during their absence, and in these circumstances they are entitled to special consideration in this matter. Many of them own shows in small country towns—shows which are open only one night each week, and out of which they make very little money indeed. I hope that this fact will not be lost sight of by the Minister.

Senator GRANT (New South Wales) [5.48].—Apparently, the taxation proposed to be levied under this Bill is to be limited to the period of the war. It is true that the measure does not say so, nor does it say what entertainments are to be subjected to the tax. If the second reading of the Bill be agreed to, I shall move in Committee that the operation of the tax be limited to the period of the war. Personally, I am opposed to this form of taxation on several grounds. My chief objection is that the tax is one

which will fall to a very large extent on those who are least able to bear it, and that it will yield a fair amount of revenue, thereby obviating the necessity for exploiting more legitimate fields of taxation. The same remarks hold good in regard to other sources from which the Commonwealth at present collects revenue. I should like to see the debate upon the Bill postponed until we have before us the Entertainments Tax Assessment Bill, in order that we may see the class of entertainment which it is proposed to tax. There is nothing in the measure which is now under consideration to prevent the taxation of tickets of admission to social gatherings, and indeed to almost any kind of entertainment. I am altogether opposed to this method of taxation. The mere fact that it may have been agreed to by a political party does not carry weight with me.

Senator DE LARGIE.—It was agreed to by the Labour party in Caucus.

Senator GRANT.—Senator de Largie was not present at that meeting.

Senator DE LARGIE.—Did the honorable senator object to it?

Senator GRANT.—I am not prepared to supply information of that kind. The honorable senator has made a statement which has no justification whatever, and which conclusively proves that none of his allegations is entitled to credence.

Senator DE LARGIE.—The honorable senator cannot deny it.

Senator GRANT.—If the honorable senator desires information as to what transpired in Caucus it is idle for him to apply to me.

Senator NEWLAND.—Why were some of the honorable senator's friends fishing for information from me the other night? It is a wicked thing to ask him for information, but it is all right to ask me.

Senator GRANT.—Whilst I have no objection to Senator Newland or Senator de Largie endeavouring to elicit as much information as possible, if they imagine that they are going to get it from me they are sadly mistaken. No reliance whatever can be placed on the statements of gentlemen who were not present at the Caucus meeting, and who, therefore, have no knowledge of what took place. But the question with which I am chiefly concerned is, "Is this a method of taxation which ought to be countenanced by this Parliament?" I have strongly objected on the floor of this chamber to a proposal

to tax sixpenny tickets of admission to amusements, and there is some little satisfaction in knowing that the Government have now abandoned the idea of taxing tickets of a less value than 1s.

Senator GUY.—Tickets in excess of 6d. are taxable under the Bill.

Senator GRANT.—That, I find, is right. Of course, the proprietors of places of amusement will pass on this tax to their customers. All forms of taxation, with the exception of land value taxation, are passed on.

Senator DE LARGIE.—This tax will not be passed on. It is paid by all who attend amusements in the Old Country.

Senator GRANT.—There is one feature about this tax which, to my mind, is satisfactory. Under the Bill people will know exactly what they are paying to the Commonwealth for taxation purposes. It will be shown on a ticket that its price is 1s., and that the additional charge of 2d. is the amount of the tax.

Senator RUSSELL.—Would it not be a good thing if the same practice were adopted in regard to the purchase of hats and boots?

Senator GRANT.—I endeavoured to achieve that object some little time ago, but, unfortunately, my proposal was defeated. It would be a splendid thing, if, when purchasing a pair of boots, the buyer received an account showing the price of the boots, with the price of the duty added. A good deal of opposition has been manifested here this afternoon to the alternative scheme of taxation which I have suggested, and a strong plea has been made on behalf of the farmers. I looked round Warrnambool yesterday, and found that land-owners there would not permit me to use their land unless I paid them £3 or £4 an acre per annum by way of rental.

The PRESIDENT.—Order! That has nothing to do with this Bill.

Senator GRANT.—I submit that the proper course for the Senate to adopt is to inform the Government that this form of taxation does not meet with its approval; that the value of the lands of this country, according to the Government Statistician, is £446,000,000, and that they should levy a tax upon that value for war purposes. If they chose to impose a tax of 6d. in the £1 on estates in excess of £5,000 unimproved value—and these represent about £186,000,000—they would

derive from this source alone a revenue of £4,000,000 annually. That is the direction to which the attention of the Government should be invited.

Senator WATSON.—What is the estimated revenue which the tax under this Bill will yield?

Senator GRANT.—I understand that it is, approximately, £350,000. I hope this Bill, and all the other taxation proposals of the Government, will stand over, and that the Senate will insist upon their being held up until the Government bring in a measure to place additional taxation on the £186,000,000 worth of land held in estates over the £5,000 exemption.

Senator GUY (Tasmania). [6.1].—I rise more particularly to refute the statement generally made that we on this side of the chamber agreed to support a similar measure to this a month or two ago. I held myself free to oppose it from the first moment it was mentioned. That statement can be verified by various members of this party. I have been opposed to this class of taxation from the time it was first mentioned, and do not want it to go forth that I have changed my opinions because of the condition of parties in the Senate. No one will question that the Commonwealth requires revenue, but there are other and more legitimate sources from which to raise this sum. The Bill fails to comply with the first canon of taxation, that of levying in proportion to the ability of the person to pay. The rich and the poor are taxed exactly alike if they choose to pay the same admission fee to an entertainment. We ought to levy taxation on some defined principle. The rich can even escape the tax altogether. It is the easiest thing possible for them to do so. They can have various forms of entertainment without charges for admission. They can engage private artists in music or elocution, and hold their entertainments in drawing rooms or halls. An ordinary working man cannot have his motor car, or play bowls, or engage in the thousand and one entertainments that the wealthy have, and those amusements cannot be taxed as the Government propose to tax this particular sort of show.

Senator LYNCH.—Do you call elocution entertainment?

Senator GUY.—It is often both entertaining and amusing, and some people would sooner listen to it than anything else. The idea has been advanced that

the tax will be paid by the proprietors of entertainments, but I never thought they would do so.

Senator McDougall.—They are making all the noise about it.

Senator GUY.—Probably because it will reduce their takings. A thousand shows have been shut up in Great Britain since the tax was imposed there.

Senator McDougall.—We are told so, but I did not see many of them shut up when I was there.

Senator GUY.—I have seen the statement in print, and I am giving it for what it is worth.

Senator Millen.—It is quite conceivable that there were too many before, and that people are probably getting the same amount of amusement in fewer places.

Senator GUY.—If that were the case, I do not think the proprietors running the entertainments would complain so bitterly as they are doing at present. The fact is that they see a strong probability of their takings, and therefore, their incomes, being reduced, and are complaining accordingly. I do not think the proprietors will bear the tax. They will pass it on. I do not apprehend the difficulty Senator O'Keefe predicted in collecting the odd pence. The Sydney Ferries Company finds no trouble in collecting the pennies there, and I presume if this tax is imposed people will take change with them and pay the extra pennies with their shillings. If the tax has to be paid by the proprietors, we shall be taxing their takings, and not their profits, and they will have some reason to complain. The whole proposal seems to be on the rule of thumb principle, and seems a miserable thing for a National Parliament to come down to. Senator Stewart referred to it as a "tiddly-winking" tax, which means something that ought to be beneath the National Parliament. While I disagree with the principle altogether, if the tax is going to be imposed at all, I would rather leave it to the States, because we ought not to take from them every source of taxation.

Senator GUTHRIE.—Good old Tasmania, that imposes a tax on Tattersalls!

Senator GUY.—Personally, I am opposed to that tax, and said so more than once in the Tasmanian Parliament. I am not a very frequent attendant at any

of the classes of entertainment mentioned in the Bill.

Senator NEWLAND.—Do you not go to the stadium?

Senator GUY.—I think my honorable friend knows better than to ask that question. If he goes there, he goes to entertainments that I never patronize. A moment ago, when he was talking about what people saw for their money, I was wondering whether he went to the stadium himself to see whether the fight was a good or bad one. I am not of the fighting class, and do not go there at all. In the first instance the proposal was to tax down to 3d. tickets. It was next proposed to tax only down to 6d. To the extent that those small amounts have been eliminated, the Bill has been improved, but the principle of it is still wrong. Some say that the tax may be escaped by refraining from going to this class of amusement. If everybody does that, the Government will get no income from it. People could save themselves the expense of boots by going barefooted. I see a certain amount of education in various forms of amusement. Everyone is not able to travel; and at picture shows I have seen some very fine reproductions of scenes in various countries that I would never be able to visit.

Senator GUTHRIE.—You can get that in the library where it will cost you nothing.

Senator GUY.—The pictures put on the screen are very different.

Senator GUTHRIE.—You may get "fakes."

Senator GUY.—I do not think they are all faked. I saw some that seemed as real as life. There is also the educational effect of good music, vocal, or instrumental, or of a fine piece of elocution. People who escape the tax by remaining away from entertainments lose a good deal in the way of education. The Government ought to exercise a supervisory control over various kinds of amusements, to prevent anything objectionable creeping in. Our amusements ought to be pure, elevating, and educational, and to that extent I should be in hearty accord with any movement for a supervising control by the Government. Three States are now levying the tax, and if the Commonwealth imposes an additional tax, the double banking will become a burden. Senator Newland said they were not complaining in South Australia because the State put

the tax on, but they will object if the Commonwealth puts another tax on top of it.

Senator LYNCH.—What do you think of Lord Roberts' statement that this was no time for games?

Senator GUY.—I would not deny people every kind of amusement. To do that would reduce them to a state of melancholy, and possibly worse.

Senator LYNCH.—If you vote against this Bill, do you mean to say to the people, "Go on with your games, although we are at war"?

Senator GUY.—I am not going to prevent people playing games which are good and healthy. I would not prevent them playing cricket and football now, although I seldom attend the matches. Games of that kind are healthful from a physical point of view. I am glad to notice that the tax will not be levied on tickets of less than 1s., because sixpenny tickets are exempt, and I do not presume that there will be charges of 9d. for admission to such places. During the debate reference was made to the varying charges of admission to the different places. In Sydney or Melbourne a picture show patron will get for 3d. what a patron of a country show will have to pay 1s. for. In that respect the tax will bear rather more heavily on the poorer classes of entertainment in the country than on those in the cities. According to my view, it is beneath the dignity of the Federal Legislature to impose a tax of this kind, because there are other and more suitable means of taxation available to the Commonwealth, as indicated by Senators Grant, Ready, and others. The land is open for still further taxation. And, likewise, incomes may be further drawn upon. There are the big estates and the wealth of the community to be tapped, and there is a solid foundation for that form of taxation, because the principle has been well laid down by Adam Smith that taxation should be levied in proportion to the ability of the person to pay it. Under this Bill that principle is not observed.

Senator LYNCH.—What about the person who pays 10s. for a theatre ticket?

Senior SENIOR.—I am not so sure that Senator Grant will agree with the senator in his quotation of Adam Smith.

Senator GRANT.—Well, this is part of the result of Adam Smith's teaching.

Senator GUY.—We ought to lay down a principle on which to levy our taxation, and not descend to this miserable kind of tax upon the working man, who, perhaps, may, once a week, desire to get a little relaxation from the humdrum course of his every-day life, while in many cases we allow the rich man to escape comparatively lightly. The man in receipt of £1,000 per annum is to-day paying less in the £1 than the man with £100 per year pays in all forms of taxation, and under this Bill it is proposed to allow the wealthy to escape still further. I would like to know if complimentary tickets issued for entertainments are to be taxed or not.

Senator RUSSELL.—If you refer to club membership tickets, yes. Members of the Melbourne Cricket Club, for instance, pay £2 2s. a year, and their tickets will all be taxed.

Senator GUY.—But what about the hundreds of complimentary tickets issued in connexion with various forms of amusement? Will they be taxed?

Senator RUSSELL.—Everybody will have to pay.

Senator GUY.—That is a question that I would like to have settled. The Bill says that the tax is to be levied on the charge for admission. If people pay nothing for admission, how will they be taxed?

Senator RUSSELL.—When the Assessment Bill comes before us the honorable senator may move to include such tickets.

Senator GUY.—Evidently it has not been the intention to include that class of ticket, and it seems to me that the people who get complimentary tickets should pay as much, if not more, than those who purchase tickets. In conclusion, I want to say that I am opposed to this tax, because I believe it has been devised on a rule-of-thumb method, and that it has no general underlying principle. I have been opposed to it from the first time that I heard it mentioned.

Senator McDougall (New South Wales) [6.20].—I intend to vote for the Bill, because I consider that this form of taxation is just and equitable. I have always contended that the men who have gone to the

front have a right to expect those who remain behind to bear the burden of taxation, and this tax will reach some of the people who have not been touched by any other form of taxation; and, moreover, it will reach people who, I believe, will be perfectly willing to pay the tax so long as they know it is being levied for war purposes. I was opposed to the taxation on the lower-priced tickets, but I am now satisfied with the measure. I was thinking of moving an amendment to exempt the shilling tickets, but when I remembered what a large number of people pay 1s. admission to racecourses and other places, I came to the conclusion that they ought to be taxed. For that reason, I intend to vote for the Bill. I do not care very much what the proprietors of the shows have to say, because some of them have been loudest in their condemnation of myself and others on the anti-conscription side of the recent campaign; and that is another reason why I intend to vote for the Bill.

**Senator RUSSELL** (Victoria—Assistant Minister) [6.23].—I do not propose to delay honorable senators for any length of time in my reply to the criticism of the Bill. The principle seems to have been accepted by an overwhelming majority, and when we get the Assessment Bill before us we will be able to determine what class of entertainments shall be included, and what class exempted. I think the suggestion made by Senator Millen, that the Bill should not be taken beyond the report stage but retained here until the Assessment Bill has been dealt with, is one that is generally approved by all honorable senators. We are all anxious that legislators may be able to return to their homes, and be with their families for the Christmas season, and therefore I desire to be as brief as possible. Something has been said about this Bill being class legislation. I want to be candid, and I tell the Senate that in ordinary circumstances I would not be found voting for this measure. We have to remember, however, that these are not normal times; that we have to pay for the war; we have to win the war, and not lose it. There are no two sides to that question, whatever other differences we may have. Although Australia is a great distance away from the seat of conflict, she has, I think, responded better than any other people on the face of the globe would have done. We have been taxed

for the war, but compared with the taxation of other countries it has been light in character, and, moreover, we have not had occasion to appreciate what war really means in our own country. The Bill proposes to tax tickets of 1s. to the extent of 1d., and I believe those who claim we are taxing the poor are not doing justice to the people of Australia. At all events, I am of opinion that every man, woman, and child in Australia genuinely desires to participate in the effort to win this war; and this is one method by which they may do something. I take it that this is not the last we shall hear of taxation to be imposed because of the war—we all wish, of course, that it might be—and we do not want to exhaust all the possibilities of taxation, because nobody knows how long this great world-conflict may last.

**Senator READY.**—But why not start at the top?

**Senator RUSSELL.**—We have adopted what we regard as a reasonable scheme, and I do not think that Senator Ready can claim that I have ever evaded my responsibilities in voting for what may be regarded as adequate taxation proposals for this country. It has been suggested that this is a class measure. I do not think it is. Let me point out that tickets up to 1s. have been exempted from taxation, and that the man who pays 1s. to go to a theatre will pay a tax of only 1d., whereas the frequenters of such places as the Flemington lawn, the other racecourses of the Commonwealth, and the Melbourne or Sydney cricket-grounds, will contribute the bulk of the revenue. At Randwick, for instance, there are usually more people inside the grandstand enclosure at 10s. and 12s. 6d. than may be seen on the flat at 2s. 6d.

**Senator MILLEN.**—I have never seen the honorable senator in the 2s. 6d. enclosure.

**Senator RUSSELL.**—I have been to Randwick on one or two occasions, but generally by invitation. From what I have said as to the incidence of this tax, it will be seen that if it is a class tax, it can only be regarded as such because the wealthy and those who are comfortably placed will contribute more than any other class in the community. I hope the Bill will go through as it stands. We

will be able to deal with the exemptions when considering the Assessment Bill.

Question—That the Bill be now read a second time—put. The Senate divided.

Ayes ..	..	..	16
Noes ..	..	..	11
Majority ..	..	..	5

**AYES.**

Bakhap, T. J. K.	Newland, J.
Buzacott, R.	O'Keefe, D. J.
Givens, T.	Russell, E. J.
Guthrie, R. S.	Senior, W.
Henderson, G.	Shannon, J. W.
Lynch, P. J.	Turley, H.
Maughan, W. J. R.	
McDougall, A.	
Millen, E. D.	

Teller:  
de Largie, H.

**NOES.**

Blakey, A. E. H.	Needham, E.
Ferricks, M. A.	Ready, R. K.
Findley, E.	Stewart, J. C.
Guy, J.	Watson, D.
McKissock, A. N.	
Mullan, J.	

**PAIR.**

Pearce, G. F. | Gardiner, A.

Question so resolved in the affirmative.  
Bill read a second time.

*Sitting suspended from 6.30 to 8 p.m.*

*In Committee:*

Clause 1 agreed to.

Senator GRANT (New South Wales)  
[8.0].—I move—

That the House of Representatives be requested to insert the following new clause:—

"1A. This Act shall continue in force for the duration of the war and a period of six months thereafter, but no longer."

I am of opinion that the majority of honorable senators regard this as a war measure. Therefore, I think it would be well to request the insertion of a clause to make it quite clear and definite that the Bill is introduced for the duration of the war and for war purposes only.

Senator FINDLEY.—I ask, sir, whether the request is in order. No one can say with any degree of certainty what period of time the war will occupy. Suppose that an election were to take place early next year, and a change of Government to follow, the proposed provision would not, and could not, be binding on the next Government if it occupied the Treasury benches during the continuance of the war. For that reason, I ask whether the request is in order.

Senator RUSSELL (Victoria—Assistant Minister) [8.2].—I trust that Senator Grant will not press his proposal. Though we are all anxious to drop this class of taxation the moment the war is concluded, I am afraid that our responsibilities and our needs for revenue will not cease six months after the war is over. I think that we can very well leave this matter to the discretion and judgment of the Parliament which may exist after the war is finished. I trust that the Committee will not accept the request.

Senator FINDLEY.—Is the request in order, sir?

The CHAIRMAN.—So far as I can see, the request is perfectly in order. The next Parliament can either repeal or amend the Act, or do what it likes.

Senator MILLEN (New South Wales) [8.3].—Senator Findley has directed attention to one thing which, if the request is persisted in, requires attention. The term "for the duration of the war" is too vague. For instance, an armistice might precede the signing of peace. The actual fighting would terminate at a fixed period, and peace would not be signed for some time thereafter. I notice that where it is desired to limit the operation of other Acts in this way, the words used are "till the signing of peace." If Senator Grant decides to persist with his proposal, the wording of it should be altered in that direction. As regards the proposition itself, I entirely agree with the spirit of it. I think that this is war legislation. For that reason I have no fault to find with the request, but, in my view, it is only "a chip in porridge." If the proposed new clause were inserted, and a needy Treasurer—and Treasurers will be needy in the future—found that it was necessary to continue to receive the revenue which this tax would yield, he would soon bring in an amendment for that purpose. That has already been done in one or two State Parliaments. In New South Wales, for instance, in the first year of the war the Parliament imposed one or two taxes for a year only. But at the end of the year they renewed the taxes for another year, and in the second year they made them permanent. On the other hand, if this Parliament in future wished to repeal the tax, it would not matter whether this provision was in the Act or not, it would repeal the Act. I do not think that it

makes the slightest difference whether the provision goes in or remains out.

Request negatived.

Clauses 2 and 3 agreed to.

Clause 4—

The rates of the Entertainments Tax shall be as follows, namely:—

*Payment for Admission (excluding the Amount of Tax), Rate of Tax.*

Exceeding sixpence and not exceeding one shilling, 1d.

Exceeding one shilling, 1d. for the first shilling and one halfpenny for every sixpence or part of sixpence by which the payment exceeds one shilling.

Senator MILLEN (New South Wales) [8.5].—In my speech on the second reading of the Bill, I intimated an intention to move a request for the purpose of imposing a tax on the lower-priced tickets, such tax to remain inoperative until a proclamation was issued bringing it into effect, and the proclamation only to be issued in the event of any State Parliament proceeding to impose such a tax. I drafted a request to that effect, but since doing so I have been confronted with this difficulty, that a tax levied by this Parliament must be uniform throughout Australia, and there are certain States which have already imposed this taxation on the lower-priced tickets. If I were to persist with my request, and it were to become law, this Parliament would stand in the position of imposing double taxation, and imposing it too on the lower-priced tickets, which I think are the last tickets which any one wishes to tax. While I still think that where this tax is collected, it ought to be available to the Commonwealth, in the circumstances I do not propose to submit a request.

Senator FINDLEY (Victoria) [8.7].—To me this clause is very ambiguous so far as the taxation proposals of the Government are concerned. Earlier in the day we were told that later we would have the fullest information in regard to the incidence of this taxation. I think it would be just as well if we had a little light on that point just now.

Senator RUSSELL.—I have proposed to hold up this Bill at the report stage to enable honorable senators, after they have dealt with the Assessment Bill, to recommit it should they so desire.

Senator FINDLEY.—I would feel much better satisfied if I could get from

the Government now some idea as to how far they propose to go with this form of taxation. It may be all-embracing; it may include any and every form of entertainment, or as Senator Lynch interjected, there may be some exemptions.

Senator BAKHAP.—I understand that the word "entertainments" is to be defined in the Assessment Bill.

Senator FINDLEY.—If the members of the Committee are satisfied to allow this clause to go until we reach another stage, well and good.

Senator RUSSELL (Assistant Minister) [8.10].—Perhaps, sir, it would facilitate matters if I were to give an indication now as to the scope of this measure.

Senator MILLEN.—Is this in substitution of your promise?

Senator RUSSELL.—No. In the other measure entertainment will be defined to include any exhibition, performance, lecture, amusement, game, or sport for admission to which payment is made. It will exempt all charitable performances which are run for a profit, and all children's entertainments where the admission charge does not exceed 1d. The only reason for bringing this Bill in early was to enable honorable senators to get away; but the Government will throw no obstacle in the way if it is desired by honorable senators to recommit the Bill after the Assessment Bill has been dealt with.

Senator MULLAN (Queensland) [8.11].—The Minister's explanation indicates that the definition of "entertainments" is going to be comprehensive. The very fact that Senator Millen has discovered that some States already impose a tax on the lower-priced tickets is, I think, an additional reason why he should press his proposal. If such tickets are already taxed it will be pretty hard if we put an additional tax on those who are less able to bear it. It is a pettifogging method of raising revenue, seeing that we have any amount of scope in other directions.

Senator DE LARGIE.—Still it got through the Caucus; that is what I am surprised at.

Senator MULLAN.—Never mind the Caucus. Do not be too eager to ridicule the Caucus, which helped to make my honorable friend what he is.

Senator DE LARGIE.—It also helped to make this ridiculous measure.

Senator MULLAN.—I do not wish to indulge in recriminations. I move—

That the House of Representatives be requested to leave out the words and figure "Exceeding sixpence and not exceeding one shilling, Id."

If the request is agreed to, tickets up to the value of 1s. will be exempt. That is the popular price of admission to most entertainments in Australia. If this tax is to be imposed, let the visitors to the dress circle pay it.

Senator BAKHAP.—How much will you get from the dress circle?

Senator MULLAN.—Increase the tax on the tickets for the dress circle if it is not high enough, but let the popular-priced tickets be exempt. I submit this request in order to make the tax equitable, and put the burden on those who are the strongest and best able to bear it.

Senator FINDLEY (Victoria) [8.15].—I voted against the second reading of the Bill because I am opposed to the principle of this taxation. I was unable to knock the Bill out on the second reading, and the best thing for me to do now is to assist to amend it in the direction which will best serve a section of the community that is not well circumstanced, and that will be handicapped by the imposition of this taxation. It is only within the last few years that picture entertainments have been provided for the people. Whilst a great number of men, women, and children attend the various picture theatres in the different States, a considerable number attend other forms of entertainment, for which the modest "bob" is the price of admission. I suppose that the same thing may be seen in all the principal cities of the Commonwealth, but one has only to go to the theatres in this city to see a large number of people waiting at what is called the early door to obtain a decent seat for 1s. When people are prepared to suffer the inconvenience and discomfort of waiting outside these places of entertainment, sometimes for hours, it is because they are not in a position financially to pay for a higher-priced seat in the theatre.

Senator BAKHAP.—The majority of the rich are satisfied with seats at 1s. at picture shows. Very few pay 1s. 6d. The honorable senator wishes to exempt the rich from this taxation.

Senator FINDLEY.—The more well-to-do people of the Commonwealth do not largely patronize picture entertainments. They may take their children to them occasionally, but they prefer to go to the theatres, and usually pay a booking-fee in addition to the price of the ticket in order to engage their seats beforehand. I can see no objection to the carrying of the request, other than that the Government require every penny of revenue that they can obtain.

Senator BAKHAP.—The honorable senator's idea is to penalize the legitimate drama and let the picture theatres go free.

Senator FINDLEY.—If that is the honorable senator's objection to what I am saying, why did he support the proposal to exempt 6d. tickets from taxation?

Senator BAKHAP.—Personally, I would vote for the tax on the 6d. ticket.

Senator FINDLEY.—The honorable senator voted for the second reading of this Bill. In another place it was proposed to impose a tax on all entertainment tickets. For reasons advanced, the Government, with the consent of the Opposition led by Mr. Cook in another place, agreed to exempt 6d. tickets from taxation.

Senator RUSSELL.—With the unanimous consent of the House of Representatives.

Senator FINDLEY.—Senator Bakhap is finding fault with me because I wish to go further, and exempt shilling tickets. I think it would be a good thing to make this exemption.

Senator BAKHAP.—It would be a good thing to have no exemptions at all.

Senator FINDLEY.—It would have been better if the Bill had never been introduced. I have said that I am not in favour of the principle of the Bill, and as the second reading has been carried, I hope that the request submitted by Senator Mullan will be agreed to.

Senator RUSSELL (Victoria—Assistant Minister) [8.24].—It should be stated that the responsibility for financing the war remains with the Government. A majority of the honorable members of the Senate have decided in favour of the principle of the Bill, but it would have been better to have it thrown out on the second reading than to carry the request now moved. The Government have gone a long way, in view

of the fact that revenue is urgently required, in granting concessions in response to appeals on behalf of families who attend picture shows. It is now sought to extend the exemption to shilling tickets. Working class families attending a theatre seldom pay 1s. per head all round, and I believe that a single man going to a theatre would not begrudge paying 1d. in taxation upon a shilling ticket. Forty thousand people often attend a football match, and the Australian "sports" that we hear so much about, would not, I am sure, object to contribute an extra 1d. to secure admission to exhibitions of their favorite pastime, and would, indeed, feel better satisfied, and enjoy the sport offered better, if they felt that, at the same time, they were contributing something to the welfare of the country. The Government have already made a concession involving a loss of revenue under this measure of £100,000. The exception to Senator Mullan's request would involve the loss of at least another £100,000, and that would leave the revenue estimated to be obtained under the Bill at about £200,000. For the purpose for which the measure has been introduced, it would not be worth while to pass it in the amended form suggested. The poorer people would not be called upon to contribute a great deal in taxation under this measure.

Senator STEWART.—What about taxation through the Customs?

Senator RUSSELL.—When the opportunity is afforded to Senator Stewart to vote for a higher Customs Tariff, he will find that I am with him all the way. I trust that honorable senators will permit the Bill to go through without the request moved by Senator Mullan, as money is very badly wanted for war purposes.

Senator McKISSOCK (Victoria) [8.26].—Notwithstanding the superfluous Ministerial statement that we must have funds to carry on the war, it does seem petty that the National Parliament should be asked to consider such a measure as this, in view of the small revenue anticipated from it, and in view, also, of the way in which the Government propose to deal with war profits. The policy of the Government is hands off the wealthy man and hands on the working man. The war taxation affects the working classes at every turn. If they are not paying war taxes directly, they pay them indirectly by the increased prices they are called upon to pay for

everything they consume and wear. The men who are making enhanced profits as a result of the war are to be allowed to go practically scot free. The next thing we shall hear is that fishing-rods and children's scooters are to be taxed. We have come to a pretty pass when we are asked to consent to legislation like this. I trust that the request will be carried. The Assistant Minister said that it would have been better to have knocked out the Bill on the second reading, but he did not vote in accordance with that statement.

Senator STEWART (Queensland) [8.27].—I was rather pleased to listen to the remarks made by Senator Russell, inasmuch as he said he would have preferred that the Bill should be thrown out altogether rather than that it should be emasculated in the way which appears to be intended by the Committee. I counsel the honorable senator to withdraw the Bill. I think that would be a handsome and a proper thing for him to do. It is a reflection on this enlightened Commonwealth that we should look for revenue to the women and children who patronize picture shows. We have heard a great deal about picture shows, and some of what we have heard is probably true. I think there is something very good in picture shows, and something which has helped the Commonwealth materially in several ways. Wherever I go, I find hotelkeepers complaining that the picture shows have killed their trade. That is enough to convince me that picture shows have been doing some good. No doubt they have been doing a little harm, and there is some room, I think, for the censoring of films; but that is another matter. On the whole, I think that picture shows have done a great deal of good. Some of the films are educative in a very high degree, and others are very amusing. I have never enjoyed myself anywhere so well as in a sixpenny seat at a picture show. The Assistant Minister has put forward the plea that we are at war. We know that, and we know that we want to raise, not £200,000, but millions of pounds. Yet he comes along with this tax on picture shows with the expectation of raising a paltry sum of £200,000. I wish to direct attention to the fact that the estimated revenue from land value taxation this year is £1,900,000. Now here is a very ocean, a huge reservoir, a repository of wealth rich beyond the dreams of avarice, which is only waiting to be exploited. Instead

of raising £200,000 a year from picture shows, which are educating the people—

Senator MILLEN.—I rise to a point of order. I desire your ruling, sir, as to whether the honorable senator is in order in making a second-reading speech on the principle involved in the Bill. That, I take it, has already been decided, and I submit that in dealing with alternative methods of taxation the honorable senator is out of order.

The CHAIRMAN.—Senator Stewart is decidedly out of order.

Senator STEWART.—I am very sorry. If I am not permitted to point out to the Government where they may very much more easily get the money they require—

The CHAIRMAN.—Order! I ask the honorable senator to confine himself to the clause under consideration.

Senator STEWART.—When we object to one method of taxation it is surely incumbent upon us to devise some other means of raising the necessary revenue. In any case I intend to support the amendment.

Senator FERRICKS (Queensland) [8.34].—My reason for voting against the second reading of the Bill was that which actuates me now to support the amendment in favour of exempting tickets of admission to amusements up to 1s. in value. To me the whole Bill is based on paltry lines. The Assistant Minister has urged that if the amendment be adopted it will mean a loss in revenue of £100,000 annually. That, however, is an infinitesimal sum when we compare it with the £5,000,000 which my honorable friends opposite propose to sacrifice in respect of four items, namely, the war levy, the exemption of war bonds from State and Federal income tax, the sinking fund, and the war profits. Yet he cavils at an amendment which would deprive the Government of a revenue of £100,000 per annum. Many of the persons who are howling most about their patriotism are doing their best to evade any future taxation which may be levied by the Commonwealth. For the past twenty-five years we have been told that socialistic legislation was driving capital out of the country. But strange to say our opponents have been quite unable to point to one concrete illustration in support of their contention. Since the outbreak of the war, in an endeavour to avoid

taxation, it is known that sums amounting to £1,000,000 have been taken out of Australia and invested in the Argentine.

Senator STEWART.—That must have been done with the consent of the Government.

Senator FERRICKS.—The Prime Minister must be aware of it.

Senator GUTHRIE.—Who did it?

Senator FERRICKS.—A firm representing the pastoral industry of Australia.

Senator BAKHAP.—But the honorable senator has always contended that capital could not be driven out of the country because the land would remain here.

Senator FERRICKS.—Capital has not been driven out of the country during the past twenty-five years, but evidently the Prime Minister has winked at this amount of £1,000,000 being taken out of Australia.

Senator RUSSELL.—What does the honorable senator suggest?

Senator FERRICKS.—The Government could do a lot of things under the War Precautions Act.

Senator BAKHAP.—The honorable senator grumbles at most of them when they are done.

Senator FERRICKS.—The powers of the Government under the War Precautions Act have been exercised only in opposition to the workers. It is quite true that five or six times the amount which will be collected under this Bill could easily be derived from land taxation. Closely associated with this question of raising revenue in time of war is the repatriation scheme. When that scheme was first outlined there was a veritable rush by land-owners, who were consumed with anxiety to sell their estates for division amongst our returned soldiers.

The CHAIRMAN.—Order! I do not mind allowing honorable senators a fair amount of latitude, but I wish them to understand that they must not trespass to the extent that the honorable senator has done. The question which he is discussing has nothing to do with the clause under review.

Senator FERRICKS.—It appears to me that the Government might very well accept the amendment. The Democracy is bearing more than its fair share of the

cost of the war, financial and otherwise. It is contributing £17,000,000 annually in Customs and Excise revenue. The entire Bill is a pettifogging and paltry one, which will operate harshly so far as a big section of the community is concerned. One would think that under a measure of this kind the democratic shilling should be the minimum of taxation. Surely the people of Australia ought not to be penalized for indulging in amusements. Personally I have always held that the workers have had a lack of amusements in Australia. It would have been far better if the first generation of Australians had had more of them, and less of hard work. A surfeit of hard work and insufficient relaxation are not calculated to promote the development of a nation mentally and physically.

Senator MILLEN (New South Wales) [8.40].—This amendment makes it quite clear that what is aimed at is not the improvement, but the destruction of the Bill. Both the author of the amendment and Senator Findley were quite candid in their utterances. I have no hesitation in saying that if we adopt the amendment we shall practically kill the measure.

Senator MULLAN.—The honorable senator knew that when he indicated that he would exempt sixpenny tickets.

Senator MILLEN.—The sixpenny tickets are exempt now. The Senate, having decided in favour of the principle involved in the Bill, we shall be stultifying ourselves if we permit it to become as dead as if we had defeated it on the motion for its second reading.

Senator GRANT (New South Wales) [8.42].—Senator Millen is quite mistaken in the amount which he imagines will be collected from the taxation of shilling tickets of admission to amusements. He says that the amendment will have the effect of practically destroying the Bill. Yet the Assistant Minister told us only a few minutes ago that from the shilling tickets he expects to derive only about £100,000, whereas the total tax will yield £350,000. There is one phase of this question which ought not to be overlooked, namely, that the cost of all commodities has been steadily soaring upwards. Amongst other items of expenditure, the amount spent on amusements has been in the same direction. Quite recently a considerable

number of picture shows charged an admission fee as low as 3d. But, with the exception of continuous picture shows, the charge has now been advanced to 6d. It is quite possible that in the near future the minimum charge will be advanced from 6d. to 1s., and consequently we should provide for the exemption of those tickets from taxation. Taxation of that sort is economically unsound, and opposed to the principles laid down by that world-renowned political economist, Henry George, whose principles of taxation have swept into oblivion and disrepute those of Adam Smith and others. The taxation system of Great Britain is founded on Adam Smith's principles, and to that system the whole Democratic movement of Australia has always been opposed.

The CHAIRMAN.—There is nothing in the Bill about the taxation principles of Henry George or Adam Smith, or the taxation system of Great Britain.

Senator GRANT.—The firms manufacturing and importing films have a complete monopoly, and the companies running the picture shows are at their mercy. The men who own the sites on which the picture shows stand will be able, when their lease expires, to demand higher rents from the occupants. I know cases where that has already been done. I support the elimination of 1s. from the operations of the Federal tax-gatherer.

Senator TURLEY (Queensland) [8.48].—I still say that there is a great deal of humbug and hypocrisy coming out in this discussion. A proposal worse than this was instituted by the Labour party previous to the crisis. Had there been no crisis, the people of Australia would have been compelled by the Labour party, solid as it was then, to pay on every 6d. ticket. If I advocate a thing when sitting on one side of the chamber, I do not believe in going back on it if I happen to cross the floor. The principle of this tax is wrong; but necessity compels us very often to do things temporarily to raise revenue, and that is so in this case. It is argued that other people have been released from taxation. When that legislation comes before this Chamber, no one will be found more solid than myself to put back the terms which I, as a Labour man, agreed to when I sat on

the other side of the chamber. Whatever happens, I shall be consistent in that matter. This Bill, when first introduced in another place, was framed to tax 6d. tickets, and the members of the Labour party there objected. The Government met them, agreeing to exempt 6d. tickets, and to begin taxation at anything over 6d. I am still a member of the same party, and am not going back on my mates in another place, who accepted the compromise from the Government, knowing that it was a great deal better than would have been the case had there been no crisis. I shall vote against the request.

Senator STEWART (Queensland) [8.52].—After Senator Turley's remarks as to certain members going back on a decision of the party with regard to this tax, it is only right that I should say I objected to it from the first moment I heard of it. I have never departed from that attitude since, and do not intend to.

Senator FINDLEY (Victoria) [8.53].—Senator Turley's lecturette ought never to have been delivered. It was not necessary. I admire him for his outspokenness and candour; but he must not run away with the idea that, for consistency and honesty of purpose, he is "the only pebble on the beach." Those who heard me this afternoon know whether I am consistent or otherwise on this matter. So far as I can remember, I have never advocated a tax on any form of amusement; and my opposition to this measure is consistent with my opposition to that form of taxation ever since I have been in the Senate.

Senator MULLAN (Queensland) [8.54].—Senator Turley's statement that the party would have voted for the tax had there been no political crisis is open to considerable argument. Senator Ferricks pointed out this afternoon that the Government, as the price of the support of the Cook party, had modified the financial proposals of the late Government to the extent of £5,000,000. This is the first of the taxation measures that we have had a chance to deal with. Seeing that the Government have relieved makers of war profits, holders of bonds, and owners of wealth, to the extent of several millions, it is our duty, now that we have an opportunity of dealing with the amusements tax, which hits the poorer

classes, to modify it if we can. Even assuming, for the sake of argument, that the party might have agreed, some little time ago, to this Bill, with a tax on 6d. tickets in it, the fact that the Government have modified other measures, and so exempted the rich, would justify us in exempting the poor. I, therefore, do not consider myself in the slightest degree inconsistent in moving the request.

Question—That the House of Representatives be requested to amend the clause (Senator MULLAN's request)—put. The Committee divided.

Ayes .. .. ..	14
Noes, .. .. ..	18
Majority .. .. ..	4

AYES.

Barker, S.	McKissock, A. N.
Barnes, J.	Mullan, J.
Blakey, A. E. H.	Needham, E.
Ferricks, M. A.	Stewart, J. C.
Findley, E.	Watson, D.
Grant, J.	
Guy, J.	Teller:
Maughan, W. J. R.	Ready, R. K.

NOES.

Bakhap, T. J. K.	Newland, J.
Buzacott, R.	O'Keefe, D. J.
Gardiner, A.	Russell, E. J.
Givens, T.	Senior, W.
Guthrie, R. S.	Shannon, J. W.
Henderson, G.	Story, W. H.
Keating, J. H.	Turley, H.
Lynch, P. J.	
McDougall, A.	Teller:
Millen, E. D.	de Largie, H.

Question so resolved in the negative.

Request negatived.

Clause agreed to.

Title agreed to.

Bill reported without request.

#### SPECIAL ADJOURNMENT.

Senator LYNCH (Western Australia—Minister for Works) [9.3].—I move—

That the Senate, at its rising, adjourn until 11 o'clock to-morrow morning.

I am moving this motion because the work in prospect for the Senate is not so well forward as the Government would like it to be.

Senator MILLEN.—Are they practising sabotage in the other House?

Senator LYNCH.—I do not know but the latest reports from the front, if I may refer to the other House in that sense, are that there is heavy firing, and that the scouts are in close contact.

The PRESIDENT.—Does the honorable member think that his remarks are relevant to the motion?

Senator LYNCH.—No, Mr. President, but I was somewhat led astray by the Leader of the Opposition. The Government hope when the Senate meets tomorrow morning at 11 o'clock that there will be ample work for the activities of honorable senators, though I cannot give an absolute guarantee on that point.

Question resolved in the affirmative.

#### ADJOURNMENT.

**UNEMPLOYED MILITARY OFFICERS—  
SENIOR INSTRUCTIONAL OFFICERS—  
PROFITS OF COAL MINING COMPANIES—  
DISTURBANCE OF MEETINGS: PROSECUTIONS—CASE OF D. L. GILCHRIST.**

Question (by Senator LYNCH) put—

That the Senate do now adjourn.

Senator GARDINER (New South Wales) [9.5].—I rise to direct the attention of the Leader of the Government to the question of finding employment for a large number of military officers who, at great expense to the Commonwealth, were trained for active service. This morning's *Age* reports that thirty-five Victorians, who have been put through six months' training, and have gained their commissions in a system which, from my knowledge of it in another capacity, I can claim to be the most democratic in the world, are now out of employment. It is most unfair that these young men should be treated in this way after having devoted six months of their time to training, especially as in many cases they gave up lucrative positions to qualify themselves. It would pay the Commonwealth to send these young men to the front, if only to enable them to gain experience as emergency officers. I am sure that there are dozens of young officers at the front to whom a month's spell would be a great advantage. From conversations which I have had with military men I can say that our military schools compare favorably with the best schools in any part of the British Empire, and in view of the training which these young men have received, it is up to the Government to send them to the front, or if it is not deemed advisable to send them as members of the Australian Forces, they should be given the opportunity of joining the British Forces, and thus get a chance of serving their country in the capacity for which they have been trained.

Senator DE LARGIE.—Even if we had no troops for them to lead?

Senator FERRICKS.—There are 90,000 men on Salisbury Plain.

Senator GARDINER.—I can quite understand the reason for the interjection by Senator de Largie, and in reply I tell him that I want Australian officers to lead Australian soldiers. To-day I received a circular to the effect that one young officer had received only one day's notice that his services were no longer required. I want now to speak a word or two on behalf of a very large number of senior officers—those men who during the war have been engaged in the training of our Forces in Australia, and who for over two years have sacrificed themselves in order that they might carry out this important work. Surely it would pay the Commonwealth Government to give these senior officers a chance of gaining that experience of actual warfare which their whole life's training entitles them to receive. Among these men are to be found majors, lieutenant-colonels, and other men of the higher ranks who have been standing back in order to train Australian soldiers, and because they felt it was their duty to remain here for that purpose.

Senator RUSSELL.—And some of them had to stand a lot of abuse.

Senator GARDINER.—Yes. If I thought that when this conflict was over there would be no more war, I would not make the suggestion, but I do not expect that this will be the last war, and I maintain, therefore, that it would be to the great advantage of Australia that these men who have helped to mould our Forces, whose efficiency at the front is a tribute to their training, should now have an opportunity of gaining actual experience themselves. I know from my connexion with the Defence Department that there are a large number of these patriotic men who would like this chance, and I think it is extremely hard that capable and willing officers are not getting the opportunity of serving their country. If they do not go, it is probable that when the war is over, and our other officers return, these men will be cast aside because they will not then have the privilege of wearing the ribbon indicating that they have seen active service, and have gained actual experience on the battle-field. It will be to the advantage of the Commonwealth to have a large number of highly

trained and efficient officers in Australia after the war is over, and, therefore, the senior officers to whom I refer should have that opportunity.

Senator MILLEN (New South Wales) [9.10].—I find myself in considerable agreement with Senator Gardiner in the matter which he has brought before the Senate. I might say, however, that I confess to a feeling of surprise that the honorable senator, who was for over eighteen months in the position of Assistant Minister for Defence should only now seek to give expression to his views regarding a grievance which has been taking shape during that period. It is reasonable that a number of competent and experienced men should be retained in Australia for the important work of training our Expeditionary Forces, but during the past two years some of the men under training should have been brought on as understudies, so that in time the senior officers could be released for the front. I hope now that Senator Gardiner is freed from the trammels of office he will continue to insist on fair consideration being given to the claims of these men.

Senator GRANT.—The men they have trained have gone.

Senator MILLEN.—The young officers referred to by Senator Gardiner have a legitimate claim upon the consideration of the Government. In the first place, we have to remember that by gaining their commissions they lost their chance, so it now appears, of going to the front as non-commissioned officers, while those who failed in the competition have gone to the front as non-commissioned officers, and thus may obtain their commissions in the field. The other men, however, because they succeeded in securing commissions, are now turned adrift. That sort of treatment does not appeal to anybody. I direct attention to the fact that these men were only given their commissions a few days before their services were dispensed with. The Department ought to have known then what was happening, and ought to have been in a position to say to these men, "Will you take your commission and your discharge, or will you waive your commission and remain in the Forces?" But, having gained their commissions, the men were then told that the Department had no room for them, and, as the regulations stand to-day, I am of opinion it is not possible to reinstate these men in the Australian Imperial Force un-

less they again join as privates. If that view is correct, the hardship inflicted upon the men is all the more severe.

Senator KEATING.—They have been discharged?

Senator MILLEN.—Yes, and, unless I am in error, the regulations provide that the only method by which they may re-enter the Forces is by joining as privates. This is a substantial grievance, and entitles the men to the most favorable consideration at the hands of the Government. It seems to me, however, that perhaps there is a way out of the difficulty. It is quite clear that if we have not the men, there must be a surplusage of officers, but, judging from the communication which came from the Imperial authorities some time ago, there are still ample opportunities for young officers in the British Forces, because some time ago the Imperial authorities offered to give commissions to any young fellow of eighteen years of age who was sent Home with credentials, but not necessarily military knowledge, from the Defence Department of the Commonwealth. All that was required was that the young man should be fully accredited by the Commonwealth Government as to character, physical fitness, and, of course, they had to satisfy the examiners in the Mother Country. It seems to me that as these young men have really demonstrated their fitness for the positions the Government should communicate with the Imperial authorities, and ask them if they are still in need of junior officers. It would not be too much then for the Government to take into consideration the question of providing these young officers with their passages to Great Britain, in order that they may be able to take advantage of the opportunities there afforded. The Government would pay their passages Home if they went as officers of the Australian Forces. If there is no opportunity there now, the Government must still recollect that in paying the same passage money, they would enable these men to go and fight for Australia. Although the men would undoubtedly prefer to be attached to an Australian regiment, I venture to say that they would sooner be attached to a British regiment than to none at all, and as circumstances would permit they could be gradually seconded from the British Army and attached to the

Australian Army. I hope that the Government will see that there is a way out of this difficulty on the lines I have suggested:

Senator O'KEEFE (Tasmania) [9:16].—I rise to ask the Minister for Works whether, in his reply, he will intimate that the Government will endeavour to get certain information he has promised before we adjourn, in a day or so, over the Christmas holidays. I refer to the information sought in the question which I put on the notice-paper, over a week ago, and which, at the Minister's request, I postponed four times, only to receive to-day the reply that an inquiry is being made from the New South Wales Government. My question was—

In view of the possibility that the coal-mine owners of Australia will increase the price of coal to the consumers of Australia, will the Government obtain and lay on the table of the Senate a statement showing the profits, if any, of the coal-mining companies of Australia for the last two years, giving the profit of each company separately?

Senator MILLEN.—Can the coal-mine owners increase the price of coal now without the sanction of Judge Edmunds?

Senator O'KEEFE.—At the time it appeared that Judge Edmunds was going to be asked to allow the coal-mine owners to increase the price, and I put the question in that way, "In view of the probability." It had been freely stated that the coal-mine owners were going to ask for permission to increase the price of coal to meet the situation brought about by the Judge's decision giving the men an eight-hours day from bank to bank. The companies, we know, declared that it would cost them more money to get the coal; and, of course, they would have to receive some increase in the price to make up for the loss.

Senator MILLEN.—That was part of the reference made by the Prime Minister to Judge Edmunds.

Senator O'KEEFE.—Yes. When the Prime Minister referred the case to the Judge for arbitration, I asked—and I thought it was a reasonable thing to ask—that the Government should obtain these particulars from the coal-mining companies for the last two years, because there is a strong feeling in the minds of Australian people that it should not be necessary for the companies to increase the price of coal to the consumer to meet

the increased cost, if any, to be brought about by the Judge's decision. The people would be in a better position to give a fair and impartial judgment on that question if they knew what profits, if any, had been made by the companies during the last two years. It seemed to me rather peculiar that, after having postponed my question four times, I should get the reply that the Government were making inquiries of the Government of New South Wales. It may be that because of the position, which has been created here within the last week or two, the Government have only just discovered that they would have to obtain the information from the State Government.

Senator MILLEN.—To make the statement of any value, would you not also want to know the capital involved in the companies? The mere gross profits will tell you nothing.

Senator O'KEEFE.—There is something in the suggestion of Senator Millen. The question was asked, first, without notice, and when I was asked to give notice I went to the table and drew up a notice hurriedly. I take it that the Government, in answering the question, would be quite at liberty to give the additional particulars. I have been very patient. I have postponed the question, at the Minister's request, from day to day, for over a week, and I do not think that there ought to be much difficulty about getting the information before we rise for the Christmas holidays.

Senator BAKHAP (Tasmania) [9:22].—I wish to address you, sir, very briefly in respect to two matters, one of which has been brought before the Senate by Senator Gardiner. I happen to know a little about the termination of the commissioned officers' term of engagement, because I was one of two parliamentarians, the other being Mr. Massy Greene, who introduced a deputation from the officers to the Assistant Minister for Defence this afternoon. I do not lightly, at any time, attempt to criticise the details of military administration, for I have a chronic dislike to war being conducted by a debating society, such as Parliament, in one sense, is. But I must confess that I am entirely in sympathy with Senators Gardiner and Millen in reference to this matter. It appears that no fewer than

thirty-five officers have qualified at Duntroon Military College, after having inconvenienced themselves greatly by relinquishing businesses in civil life, many of them being of a profitable character, and by throwing up civil careers of great promise. These men went to the Military College, and, at a cost of some thousands of pounds to the Commonwealth, acquitted themselves well at the examinations, and became commissioned officers. I understand that at one day's notice their term of service has been terminated; I believe that that is the correct military term to use, as officers are not discharged. This seems to me to be a singular state of affairs. We know that, owing to circumstances over which the Commonwealth Government has had no control, we are not immediately in possession of sufficient men to send to the front. On the other hand, is it to be assumed that the new recruiting campaign is to be utterly unfruitful? Surely not! Surely, it is unwise at this juncture to practically discharge these officers—using the ordinary phrase—and to send them right back to civil life! Is not this a lavish and spendthrift waste of good military material? I happen to know that these officers are so anxious to proceed to the front that they would enter the British Service, the Italian Service, the Russian Army, the French Foreign Legion—in fact, do anything—to get to the front, and they purpose in the last resort to even go as private soldiers. But is it good policy, good military practice, on the part of our authorities to train men—men of a great deal more than ordinary mental calibre—make officers of them at a cost of thousands of pounds collectively, and then turn them out to enlist as privates in the Expeditionary Forces? Is Australian military organisation so far advanced that we can afford that sort of thing? Surely not! I, of course, recognise that in some respects the officers may be like the officers of King Cole's Army. In that Army there were no privates. That may be the position so far as Australia itself is concerned at the present moment, but I hope that the recruiting campaign—although I dislike the system under which it is to be inaugurated—will prove fruitful enough to enable us to find something to do for these officers on Australian soil in the way of training the raw levies which we are going to hastily send to the front to rein-

force men of our nationality who are fighting on the Western front. As these men have to be hastily levied, surely they want as much instruction as commissioned officers and non-commissioned officers can give them! I ask the military administration to seriously consider whether Australia is in a position to waste, I might say, thirty odd commissioned officers, men who have been given His Majesty's commission, by compelling them to go abroad, at their own expense, to enter into an Ally's Army, or to enlist as privates, and be ordinary food for cannon? I venture to say that proper reflection will assure the Minister for Defence and his expert advisers that that is a very bad kind of policy to pursue. I hope that something will be done to retain to the Commonwealth the services of these gentlemen, who are not only officers, but really strong patriots; men who are anxious to give their services in a military capacity—to, preferably, Australia's Army, and if not to her Army, at least to an Ally's Army. I hope that something will be done in the matter. I am never in the habit of repudiating anything being done in which I believe. After perusing *Hansard*—of course, I was correctly reported—I came to the conclusion that an interjection or two of mine, in reply to some remarks which Senator O'Keefe was making about prosecutions at Launceston consequent on the late referendum poll, might be taken to mean that I disapproved of the prosecutions. I do nothing of the sort. I entirely agree with them, and I applaud the civil and police authorities who instituted them under an Act placed on the statute-book, as I understand, at the instance of the Honorable King O'Malley, when he was a leading and shining Labour light. I simply said that I was personally not responsible for the prosecutions, nor was the Honorable Joseph Cook. What I want to be clearly understood is that I entirely approve of the fact that the Mayor of Launceston, owing to disorder at public meetings, owing to the fact that the Honorable Joseph Cook and Father O'Donnell, and others were not properly heard, because of the clamour at their meetings, took the precaution to placard the town with notices, and put advertisements in the newspapers, to the effect that if disorder ensued at any more public meetings in the city those responsible would be prosecuted under the Act, which was placed on the Commonwealth statute-book at the

instance of the Honorable King O'Malley. Those who addressed the meetings had nothing to do with the prosecutions. If I mistake not, the prosecutions were instituted by Superintendent Hedberg, head of the police at Launceston—a man whose political opinions are not known to anybody, and whose ribs were nearly kicked in at the Honorable Joseph Cook's meeting, because he assisted his subordinate officers to drag some unruly members of the audience out. I believe that he instituted the prosecutions, and more power to him. I approve of them. Some of the persons who were prosecuted had successively disturbed several meetings, and I believe that the reward of the drastic and proper action of the police and municipal authorities will be reaped by public speakers in the future.

Senator TURLEY (Queensland) [9.28].—During the last two or three weeks I have brought before the Senate the matter of the report submitted by the Judge who was appointed as a Commissioner to inquire into the charges laid by Mr. D. L. Gilchrist against officers employed on the construction of the transcontinental railway. When I was speaking on the subject I purposely refrained from reading a considerable portion of the report, because the Minister had informed me that the matter had been referred to the Attorney-General's Department, and that as yet no decision had been come to. I hope that the Minister for Works will, before we meet to-morrow, endeavour to obtain from the Attorney-General's Department, a statement as to the action they propose to recommend the Government to take in this case. I shall repeat my question on the subject when we meet again.

Senator LYNCH (Western Australia—Minister for Works) [9.30].—In regard to the matter referred to by Senator Gardiner, I have to say, at the outset, that I deplore the fact that there should be so many men of military talent in our midst who cannot, at the present time, be satisfactorily placed. Senator Gardiner and Senator Bakhar, who spoke in the same strain, should recall the position at the opening of the war, and they will realize that the situation with which we are now faced is due largely to events which preceded it. In the earlier stages, instead of having soldiers qualified for the higher command, the trouble was to obtain men sufficiently skilled in the military art to teach those who enlisted in our Army.

Much energy was devoted then to induce young men to qualify for leading positions, especially on the Instructional Staff. The result of this, in its turn, was to supply us not only with an Instructional Staff sufficient to meet immediate requirements, but, in the light of our present experience, an over-supply of men qualified for commissions, which gives rise to the complaint made to-day. Speaking frankly, I do not know how this difficulty is to be overcome.

Senator MILLEN.—I offered one suggestion.

Senator LYNCH.—I noticed that Senator Millen said that the Government are responsible for the position in which these men find themselves to-day. I do not think that statement can be substantiated: Recently, in the north of France, where our men are, we had instances of men holding the rank of sergeant-major being suddenly promoted on the field to be lieutenant-colonel, far beyond any dream of sudden promotion they had ever had. Following that development of events on the field of battle, we have in Australia an overplus of men qualified for commissioned rank. Really events have gone the round of the circle with kaleidoscopic swiftness, one event producing another which has been complained of.

Senator MILLEN.—That is to say, dismissal has followed rapidly upon the grant of a commission.

Senator LYNCH.—These men are not dismissed.

Senator MILLEN.—I do not mean to say that they are, but their services have been dispensed with.

Senator LYNCH.—The honorable senator will recognise that while we have officers qualified in every respect to lead men, the trouble is that we have no men for them to lead.

Senator MILLEN.—These officers were not qualified until the Government paid to train and make them so, and now they are going to waste good material.

Senator LYNCH.—It is not the policy of the Government to waste good material. I may, perhaps, be speaking irresponsibly, because I am not connected with the Defence Department, but I can assure honorable senators that it is not, and never will be, the policy of the Government to turn aside, as Senator Millen suggested, these qualified men who are willing to go to the front, even though they should have to go as private soldiers.

Senator MULLAN.—Would it not be wise to utilize them to the best advantage by accepting the offer of the Imperial Government to take all the qualified men we can spare?

Senator LYNCH.—It would. We heard the statement made by Senator Millen, and no doubt it is a fact, that the Imperial Government are asking for qualified young men, or men able to qualify quickly, for commissions. But we have side by side with that statement the complaint made here within the last few days that Australian officers are being turned down at the front in favour of Imperial officers.

Senator MILLEN.—The answer the honorable senator gave in connexion with that matter to-day is that those were staff appointments. The men referred to to-night are junior officers, and would probably be leaders of sections.

Senator LYNCH.—That is so. Broadly speaking, the position seems to be that we have a surplus of brilliant young men who suddenly regarded the army as a profession to which they could devote their energy for the benefit of the country, and when they have qualified themselves as leaders, we discover that we have no soldiers for them to lead. We did expect to get all the men we required by the voluntary system, and since it has failed to supply the men, I find it difficult to say to whom the fault is due for the position in which these men who have qualified as officers find themselves. It is not due to the Government, because we endeavoured to fill the ranks, though our methods may have been disputed.

Senator MILLEN.—Let the honorable senator put the question as to who is in fault aside and say whether he will direct the attention of the Minister for Defence to the suggestion I offered, or to the necessity of finding some other way out of the difficulty.

Senator LYNCH.—I shall, of course, with pleasure direct attention to the suggestion made by Senator Gardiner and supported by Senators Bakhap and Millen, and see what can possibly be done to satisfy the laudable desires of these young men. I can judge what they are from my knowledge of half-a-dozen of them in Western Australia, who have gone so far as to say, "I am thinking of disgracing myself by deserting my regiment in order to get to the front." I want to disabuse the minds of honorable senators who appear to think that the fault for the

position of which they complain rests with the Government. It does not rest with the Government. I promise to bring the matter referred to urgently before the attention of my colleagues in order, if possible, to discover a way to enable these young men to play the manly part which they have, in the most praiseworthy fashion, shown their desire to play. Senator Turley referred to the ever-green Gilchrist case, but I do not know that I can give him any more information than I have already given on the subject.

Senator TURLEY.—I asked the Minister to make further inquiries, as I intend to repeat the question when we meet to-morrow.

Senator LYNCH.—The honorable senator, as an old parliamentarian, will recognise that we are not living in "the piping times of peace."

Senator TURLEY.—I should like to get the information for which I have asked before the adjournment over the Christmas holidays.

Senator LYNCH.—In addition to grappling with the weighty problems arising out of the war, we have, as I mentioned yesterday, to deal with an infinite variety of problems altogether dissociated from the war. I know that Senator Turley is never so unfair as to unduly press a matter in which he is interested, when he knows that questions of far greater importance demand attention. I promise to place the matter to which he has referred before my colleagues with a view to obtaining the latest information as to what the Government propose to do in the Gilchrist case. Senator Bakhap referred to something which was done under an Act for which Mr. King O'Malley was responsible, but he will not expect me to reply to the remarks he made. Senator O'Keefe asked whether the Government would secure the balance-sheets of the coal mining companies of Australia, for the purpose, I suppose, of public information. The honorable senator might discover from the financial journals the dividends declared by the companies, and some idea as to their financial position, but I shall try, in consultation with my colleagues, whether it is possible to secure a more up-to-date statement of the financial standing of these companies in New South Wales and Queensland.

Question resolved in affirmative.

Senate adjourned at 9.40 p.m.