



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



# Senate Official Hansard

No. 39, 1925  
Wednesday, 23 September 1925

NINTH PARLIAMENT  
THIRD SESSION

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

# PARLIAMENT OF THE COMMONWEALTH.

## GOVERNOR-GENERAL.

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

## BRUCE-PAGE GOVERNMENT.

(From 9th February, 1923.)

Prime Minister and Minister for External Affairs ...	The Right Honorable Stanley Melbourne Bruce, P.C., M.C.
Treasurer ... ... ...	... The Honorable Earle Christmas Grafton Page.
Minister for Home and Territories ...	... Senator the Right Honorable George Foster Pearce, P.C.
Attorney-General ... ... ...	... The Honorable Sir Littleton Ernest Groom, K.C.M.G., K.C.
Postmaster-General ... ... ...	... The Honorable William Gerrard Gibson.
Minister for Trade and Customs ...	... The Honorable Sir Austin Chapman, K.C.M.G., <i>succeeded by</i> The Honorable Herbert Edward Pratten (13th June, 1924).
Minister for Works and Railways ...	... The Honorable Percy Gerald Stewart, <i>succeeded by</i> The Honorable William Caldwell Hill (26th September 1924).
Minister for Defence ... ...	... The Honorable Eric Kendall Bowden, <i>succeeded by</i> The Honorable Sir Neville Reginald Howse, V.C., K.C.B., K.C.M.G. (16th January, 1925).
Minister for Health ... ...	... The Honorable Sir Austin Chapman, K.C.M.G., <i>succeeded by</i> The Honorable Herbert Edward Pratten (13th June 1924), <i>succeeded by</i> The Honorable Sir Neville Reginald Howse, V.C., K.G.B., K.C.M.G. (16th January, 1925).
Minister for Markets and Migration ...	... Senator the Honorable Reginald Victor Wilson (16th January, 1925).
Vice-President of the Executive Council ...	... The Honorable Llewelyn Atkinson.
Honorary Minister ... ... ...	... Senator the Honorable Reginald Victor Wilson, <i>succeeded by</i> The Honorable Charles William Clanan Marr, D.S.O., M.C., V.D. (16th January, 1925).
Honorary Minister ... ... ...	... Senator the Honorable Thomas William Crawford.

# MEMBERS OF THE SENATE.

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## NINTH PARLIAMENT—THIRD SESSION.

*President*—Senator the Honorable Thomas Givens.

*Chairman of Committees*—Senator John Newland, C.B.E.

<sup>2</sup> Bakhar, Thomas Jerome Kingston	...	...	Tasmania.
<sup>6</sup> Barker, Stephen	...	...	Victoria.
Barnes, John	...	...	Victoria.
Benny, Benjamin	...	...	South Australia.
Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D.	...	...	New South Wales.
Crawford, Hon. Thomas William	...	...	Queensland.
Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O.	...	...	Western Australia.
Duncan, Walter Leslie	...	...	New South Wales.
Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M.	...	...	Victoria.
Findley, Edward	...	...	Victoria.
Foll, Hattil Spencer	...	...	Queensland.
<sup>11</sup> Foster, George Matthew	...	...	Tasmania.
Gardiner, Albert	...	...	New South Wales.
<sup>10</sup> Gibbs, William Albion	...	...	New South Wales.
Givens, Hon. Thomas	...	...	Queensland.
<sup>1</sup> Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O., V.D.	...	...	Queensland.
Graham, Charles Montague	...	...	Western Australia.
<sup>15</sup> Grant, Charles William	...	...	Tasmania.
Grant, John	...	...	New South Wales.
<sup>14</sup> Greene, Walter Massy	...	...	New South Wales.
Guthrie, James Francis	...	...	Victoria.
Hannan, Joseph Francis	...	...	Victoria.
<sup>4</sup> Hayes, John Blyth, C.M.G.	...	...	Tasmania.
Hays, Hon. Herbert	...	...	Tasmania.
Hoare, Albert Alfred	...	...	South Australia.
Kingsmill, Walter	...	...	Western Australia.
Lynch, Patrick Joseph	...	...	Western Australia.
<sup>8</sup> Mc Dougall, Allan	...	...	New South Wales.
McHugh, Charles Stephen	...	...	South Australia.
<sup>5</sup> Milne, Hon. Edward Davis	...	...	New South Wales.
Millen, John Dunlop	...	...	Tasmania.
Needham, Edward	...	...	Western Australia.
Newland, John, C.B.E.	...	...	South Australia.
<sup>1</sup> Ogden, James Ernest	...	...	Tasmania.
O'Loeglin, Hon. James Vincent, V.D.	...	...	South Australia.
Payne, Hon. Herbert James Mockford	...	...	Tasmania.
Pearce, Right Hon. George Foster, P.C.	...	...	Western Australia.
<sup>14</sup> Plain, William	...	...	Victoria.
<sup>9</sup> Power, Hon. John Maurice	...	...	New South Wales.
Reid, Hon. Matthew	...	...	Queensland.
<sup>12</sup> Russell, Edward John	...	...	Victoria.
Thompson, William George	...	...	Queensland.
Wilson, Hon. Reginald Victor	...	...	South Australia.

1. Temporary Chairman of Committees. 2. Death reported 21st August, 1923. 3. Chosen by State Parliament, 7th October, 1923. Sworn, 26th March, 1924. 4. Chosen by State Parliament, 12th September, 1923. Sworn, 26th March, 1924. 5. Death reported 26th March, 1924. 6. Death reported, 25th June, 1924. 7. Chosen by State Parliament, 22nd July, 1924. 8. Death reported, 10th June, 1925. 9. Chosen by State Parliament, 20th November, 1924; death reported, 10th June, 1925. 10. Chosen by State Parliament, 1st April, 1925; sworn, 10th June, 1925. 11. Resignation reported, 2nd July, 1925. 12. Death reported 12th August, 1925. 13. Chosen by State Parliament, 29th July, 1925. Sworn, 14th August, 1925. 14. Chosen by State Parliament, 25th August, 1925. Sworn, 20th August, 1925.

# MEMBERS OF THE HOUSE OF REPRESENTATIVES.

## NINTH PARLIAMENT—THIRD SESSION.

*Speaker*—The Right Honorable William Alexander Watt, P.C.

*Chairman of Committees*—The Honorable Frederick William Bamford.

Anstey, Frank	...	...	...	Bourke.	(V.)
Atkinson, Hon. Llewelyn	...	...	...	Wilmot.	(T.)
Bamford, Hon. Frederick William	...	...	...	Herbert.	(Q.)
<sup>1</sup> Bayley, James Garfield	...	...	...	Oxley.	(Q.)
Blakeley, Arthur	...	...	...	Darling.	(N.S.W.)
Bowden, Hon. Eric Kendall	...	...	...	Parramatta.	(N.S.W.)
Brennan, Frank	...	...	...	Batman.	(V.)
Bruce, Right Hon. Stanley Melbourne, P.C., M.C.	...	...	...	Flinders.	(V.)
Cameron, Donald Charles, C.M.G., D.S.O., V.D.	...	...	...	Brisbane.	(Q.)
Cameron, Malcolm Duncan	...	...	...	Barker.	(S.A.)
Chapman, Hon. Sir Austin, K.C.M.G.	...	...	...	Eden-Monaro.	(N.S.W.)
Charlton, Matthew	...	...	...	Hunter.	(N.S.W.)
Coleman, Percy Edmund	...	...	...	Reid.	(N.S.W.)
<sup>1</sup> Cook, Robert	...	...	...	Indi.	(V.)
Corser, Edward Bernard Cresset	...	...	...	Wide Bay.	(Q.)
Cunningham, Lucien Lawrence	...	...	...	Gwydir.	(N.S.W.)
Duncan-Hughes, John Grant, M.V.O., M.C.	...	...	...	Boothby.	(S.A.)
Fenton, James Edward	...	...	...	Maribyrnong.	(V.)
Forde, Francis Michael	...	...	...	Capricornia.	(Q.)
Foster, Hon. Richard Witty	...	...	...	Wakefield.	(S.A.)
Francis, Frederick Henry	...	...	...	Henty.	(V.)
Francis, Josiah	...	...	...	Moreton.	(Q.)
Gabb, Joel Moses	...	...	...	Angas.	(S.A.)
Gardner, Sydney Lane	...	...	...	Robertson.	(N.S.W.)
Gibson, Hon. William Gerrard	...	...	...	Corangamite	(V.)
Green, Albert Ernest	...	...	...	Kalgoorlie.	(W.A.)
Green, Roland Frederick Herbert	...	...	...	Richmond.	(N.S.W.)
Gregory, Hon. Henry	...	...	...	Swan.	(W.A.)
Groom, Hon. Sir Littleton Ernest, K.C.M.G., K.C.	...	...	...	Darling Downs.	(Q.)
Hill, Hon. William Caldwell	...	...	...	Echuca.	(V.)
Howse, Hon. Sir Neville Reginald, V.C., K.C.B., K.C.M.G.	...	...	...	Culare.	(N.S.W.)
Hughes, Right Hon. William Morris, P.C., K.C.	...	...	...	North Sydney.	(N.S.W.)
Hunter, James Aitchison Johnston	...	...	...	Maranoa.	(Q.)
Hurry, Geoffrey, D.S.O., V.D.	...	...	...	Bendigo.	(V.)
Jackson, David Sydney	...	...	...	Bass.	(T.)
Johnson, Hon. Sir Elliot, K.C.M.G.	...	...	...	Lang.	(N.S.W.)
Killen, William Wilson	...	...	...	Riverina.	(N.S.W.)
Lacey, Andrew William	...	...	...	Grey.	(S.A.)
Lambert, William Henry	...	...	...	West Sydney.	(N.S.W.)
Latham, John Greig, C.M.G., K.C.	...	...	...	Kooyong.	(V.)
Lazzarini, Hubert Peter	...	...	...	Werriwa.	(N.S.W.)
Lister, John Henry	...	...	...	Corio.	(V.)
Mackay, George Hugh	...	...	...	Lilley.	(Q.)
Mahony, William George	...	...	...	Dalley.	(N.S.W.)
<sup>1</sup> Makin, Norman John Oswald	...	...	...	Hindmarsh.	(S.A.)
Maloney, William	...	...	...	Melbourne.	(V.)
Mann, Edward Alexander	...	...	...	Perth.	(W.A.)
Manning, Arthur Gibson	...	...	...	Macquarie.	(N.S.W.)
Marks, Walter Moffit	...	...	...	Wentworth.	(N.S.W.)
Marr, Hon. Charles William Clunie, D.S.O., M.C.	...	...	...	Parkes.	(N.S.W.)
Mathews, James	...	...	...	Melbourne Ports.	(V.)
Maxwell, George Arnot	...	...	...	Fawkner.	(V.)
McDonald, Hon. Charles	...	...	...	Kennedy.	(Q.)
McDonald, Frederick Albert	...	...	...	Barton.	(N.S.W.)
McGrath, David Charles	...	...	...	Ballarat.	(V.)
McNeill, John	...	...	...	Wannon.	(V.)
Moloney, Parker John	...	...	...	Hume.	(N.S.W.)
Nelson, Harold George	...	...	...	Northern Territory.	
O'Keefe, Hon. David John	...	...	...	Denison.	(T.)
Page, Hon. Earle Christmas Grafton	...	...	...	Cowper.	(N.S.W.)

NINTH PARLIAMENT—*continued.*

Paterson, Thomas	...	...	...	Gippsland. (V.)
Pratten, Hon. Herbert Edward	...	...	...	Martin. (N.S.W.)
Prowse, John Henry	...	...	...	Forrest. (W.A.)
Riley, Edward	...	...	...	South Sydney. (N.S.W.)
Riley, Edward Charles	...	...	...	Cook. (N.S.W.)
Ryrie, Hon. Sir Granville de Laune, K.C.M.G., G.B., V.D.	...	...	...	Warrington. (N.S.W.)
Scullin, James Henry	...	...	...	Yarra. (V.)
Seabrook, Alfred Charles	...	...	...	Franklin. (T.)
Stewart, Hon. Percy Gerald	...	...	...	Wimmera. (V.)
Thompson, Victor Charles	...	...	...	New England. (N.S.W.)
Watkins, Hon. David	...	...	...	Newcastle. (N.S.W.)
Watson, William	...	...	...	Fremantle. (W.A.)
Watt, Right Hon. William Alexander, P.C.	...	...	...	Balaclava. (V.)
West, John Edward	...	...	...	East Sydney. (N.S.W.)
Whitsitt, Joshua Thomas Hoskins	...	...	...	Darwin. (T.)
Yates, George Edwin	...	...	...	Adelaide. (S.A.)

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1. Temporary Chairman of Committees.

## COMMITTEES OF THE SESSION.

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### SENATE.

**DISPUTED RETURNS AND QUALIFICATIONS.**—Senator Gardiner, Senator Grant, Senator Greene, Senator Guthrie, Senator Needham, Senator O'Loghlin, and Senator Payne.

**STANDING ORDERS.**—The President, the Chairman of Committees, Senator Duncan, Senator Findley, Senator Foll, Senator Gardiner, Senator H. Hays, Senator Kingsmill, and Senator O'Loghlin.

**LIBRARY.**—The President, Senator Gardiner, Senator Sir Thomas Glasgow, Senator Graham, Senator Kingsmill, Senator J. D. Millen, and Senator Ogden.

**HOUSE.**—The President, the Chairman of Committees, Senator Cox, Senator Drake-Brockman, Senator Guthrie, Senator Hoare, and Senator Gibbs.

**PRINTING.**—Senator Elliott, Senator Findley, Senator J. B. Hayes, Senator Grant, Senator McHugh, Senator Payne, Senator Russell, and Senator Thompson.

**PUBLIC WORKS (STANDING).**—Senator Barnes, Senator Lynch, and Senator Reid.

**PUBLIC ACCOUNTS (JOINT).**—Senator Foll, Senator Kingsmill, and Senator Needham.

### HOUSE OF REPRESENTATIVES.

**STANDING ORDERS.**—Mr. Speaker, the Prime Minister, the Chairman of Committees, Mr. Charlton, Sir Elliot Johnson, Mr. Charles McDonald, and Dr. Earle Page.

**LIBRARY.**—Mr. Speaker, Mr. Anstey, Mr. Brennan, Mr. Duncan-Hughes, Mr. Hughes, Sir Elliot Johnson, Mr. Latham, Mr. Maxwell, and Mr. Charles McDonald.

**HOUSE.**—Mr. Speaker, Mr. Cunningham, Mr. Fenton, Mr. R. W. Foster, Mr. Gregory, Mr. Marr, Mr. Prowse, and Mr. Watkins.

**PRINTING.**—Mr. Corser, Mr. Fenton, Mr. R. Green, Mr. Lister, Mr. Edward Riley, Mr. Scullin, and Mr. Thompson.

**PUBLIC WORKS (STANDING).**—Mr. Blakeley, Mr. Robert Cook, Mr. Gregory, Mr. Jackson, Mr. Mackay, and Mr. Mathews.

**PUBLIC ACCOUNTS (JOINT).**—Mr. Bayley, Mr. Fenton, Mr. Makin, Mr. Marks, Mr. Thomas Paterson, Mr. Prowse, and Mr. West.

# ACTS OF THE SESSION.

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APPROPRIATION (WORKS AND BUILDINGS) ACT 1925-26 (No. 9 OF 1925)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June One thousand nine hundred and twenty-six for the purposes of Additions, New Works, Buildings, &c., and to appropriate such sum.

AUSTRALIAN WAR MEMORIAL ACT (No. 18 OF 1925)—

An Act to provide for the Establishment of the Australian War Memorial and for other purposes.

COMMONWEALTH BANK (RURAL CREDITS) ACT (No. 16 OF 1925)—

An Act to amend the *Commonwealth Bank Act 1911-1924* by the provision of a Rural Credits Department.

COMMONWEALTH ELECTORAL ACT (No. 20 OF 1925)—

An Act to amend the *Commonwealth Electoral Act 1918-1924*.

COMMONWEALTH RAILWAYS ACT (No. 11 OF 1925)—

An Act to amend Section fourteen of the *Commonwealth Railways Act 1917*.

CUSTOMS ACT (No. 22 OF 1925)—

An Act to amend the *Customs Act 1901-1923*.

CUSTOMS TARIFF VALIDATION ACT (No. 31 OF 1925)—

An Act to provide for the Validation of Collections of Duties of Customs under Tariff Proposals.

DISTILLATION ACT (No. 13 OF 1925)—

An Act to amend section forty of the *Distillation Act 1901-1923*.

ENTERTAINMENTS TAX ACT (No. 23 OF 1925)—

An Act to amend the *Entertainments Tax Act 1916-1922*.

EXCISE TARIFF VALIDATION ACT (No. 30 OF 1925)—

An Act to provide for the Validation of Collections of Duties of Excise under Tariff Proposals.

EXPORT GUARANTEE ACT (No. 4 OF 1925)—

An Act to amend Section Five of the *Export Guarantee Act 1924*.

HIGH COURT PROCEDURE ACT (No. 5 OF 1925)—

An Act to amend the *High Court Procedure Act 1903-1921*.

IMMIGRATION ACT (No. 7 OF 1925)—

An Act to amend the *Immigration Act 1901-1924*.

INCOME TAX ACT (No. 29 OF 1925)—

An Act to impose Taxes upon Incomes.

INCOME TAX ASSESSMENT ACT (No. 28 OF 1925)—

An Act to amend the *Income Tax Assessment Act 1922-1924*.

INVALID AND OLD-AGE PENSIONS ACT (No. 27 OF 1925)—

An Act to amend Section twenty-four, thirty-one, forty-five, and forty-seven of the *Invalid and Old-age Pensions Act 1908-1923*.

LOAN ACT (No. 1) (ACT NO. 2 OF 1925)—

An Act to authorize the Raising and Expending of certain Sums of Money.

LOAN ACT (No. 2) (ACT NO. 15 OF 1925)—

An Act to authorize the Raising and Expending of certain Sums of Money.

MAIN ROADS DEVELOPMENT ACT (No. 17 OF 1925)—

An Act relating to Main Roads Development.

NATIONALITY ACT (No. 10 OF 1925)—

An Act to amend the *Nationality Act 1920-1922*.

**ACTS OF THE SESSION—*continued.*****NATIONAL DEBT SINKING FUND ACT (No. 3 of 1925)—**

An Act to amend the *National Debt Sinking Fund Act 1923–1924.*

**NAVAL CONSTRUCTION ACT (ACT NO. 24 OF 1925)—**

An Act to grant and apply out of the Consolidated Revenue Fund a sum for Naval Construction.

**NAVAL PROPERTIES TRANSFER ACT (No. 19 of 1925)—**

An Act to ratify an Agreement entered into between Prime Minister of the Commonwealth and the Premier of the State of New South Wales respecting the surrender to the State of certain Land and for other purposes.

**NAVIGATION ACT (No. 8 of 1925)—**

An Act to amend the *Navigation Act 1912–1920.*

**NORTHERN TERRITORY REPRESENTATION ACT (No. 21 of 1925)—**

An Act to amend the *Northern Territory Representation Act 1922.*

**PEACE OFFICERS ACT (No. 12 of 1925)—**

An Act to provide for the Appointment of Peace Officers and for other purposes.

**STATES LOAN ACT (No. 6 of 1925)—**

An Act to authorize the Raising of Moneys to be Loaned to the States and for other purposes.

**SUPPLY ACT (No. 1) 1925–26 (No. 1 of 1925)—**

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June One thousand nine hundred and twenty-six.

**SUPPLY ACT (No. 2) 1925–26 (No. 14 of 1925)—**

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirteenth day of June One thousand nine hundred and twenty-six.

**SUPPLY ACT (No. 3) 1925–26 (No. 32 of 1925)—**

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June One thousand nine hundred and twenty-six.

**WAR PENSIONS APPROPRIATION ACT (No. 25 of 1925)—**

An Act to grant and apply out of the Consolidated Revenue Fund a sum for War Pensions.

**WAR SERVICE HOMES ACT (No. 26 or 1925)—**

An Act to amend paragraph (a) of sub-section (1) of section twelve of the *War Service Homes Act 1918–1923.*

## BILLS OF THE SESSION.

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\*ADVANCES TO SETTLERS BILL.

ALIENS REGISTRATION ACT SUSPENSION BILL.

AUSTRALIAN SOLDIERS REPATRIATION BILL.

\*DRIED FRUITS ADVANCES BILL.

ESTATE DUTY ASSESSMENT BILL.

\*INCOME TAX ASSESSMENT (BONUS SHARES) BILL.

\*LAND TAX ASSESSMENT BILL.

LANDS ACQUISITION BILL.

NORTHERN AUSTRALIA BILL.

NORTHERN TERRITORY (ADMINISTRATION) BILL.

\*PATENTS BILL.

POST AND TELEGRAPH BILL.

POWER ALCOHOL BOUNTY BILL.

REFERENDUM (CONSTITUTION ALTERATION) BILL.

\*WAR-TIME PROFITS TAX ASSESSMENT BILL.

\* Leave to bring in granted; but Bill not presented.

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# P A R L I A M E N T C O N V E N E D.

NINTH PARLIAMENT—THIRD SESSION.

(*Gazette No. 43, 1925.*)

Parliament was convened by the following Proclamation:—

## PROCLAMATION

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

By His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor-General and Commander-in-Chief of the Commonwealth of Australia:—

WHEREAS by the Constitution of the Commonwealth of Australia it is amongst other things enacted that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit, and also from time to time by Proclamation or otherwise prorogue the Parliament:

And whereas on the thirtieth day of April, One thousand nine hundred and twenty-five, the Parliament was prorogued until Wednesday, the tenth day of June, One thousand nine hundred and twenty-five.

Now therefore I, Henry William, Baron Forster, the Governor-General aforesaid, in exercise of the power conferred by the said Constitution, do by this my Proclamation appoint the said Wednesday, the tenth day of June, One thousand nine hundred and twenty-five, as the day for the said Parliament to assemble and be holden for the despatch of business. And all Senators and Members of the House of Representatives are hereby required to give their attendance accordingly, in the building known as the Houses of Parliament, situate in Spring-street, in the City of Melbourne, at Three (3) o'clock p.m., on the said Wednesday, the tenth day of June, One thousand nine hundred and twenty-five.

Given under my Hand and the Seal of the Commonwealth of Australia  
(L.S.) aforesaid this twenty-third day of May, in the year of our Lord  
One thousand nine hundred and twenty-five, and in the sixteenth  
year of His Majesty's reign.

By His Excellency's Command,

S. M. BRUCE,

Prime Minister.

GOD SAVE THE KING!

## CONTENTS

**WEDNESDAY, 23 SEPTEMBER 1925**

### **CHAMBER**

Question	
POLITICAL LEADERS .....	2581
Question	
DISSOLUTION .....	2582
Question	
ANTI-POLICE PLACARD .....	2582
Papers.....	2582
Question	
GOLD BOUNTY .....	2582
Question	
OLD-AGE PENSION INCREASE .....	2583
Public Works Committee	
National Library - Boys' Naval Training Establishment.....	2583
Assent To Bills.....	2583
Death Of Senator E. J. Russell .....	2583
Question	
DEPORTATION BOARD .....	2583
Navigation Act	
Exemption From Coastal Provisions .....	2583
Australian War Memorial Bill.....	2584
Naval Properties Transfer, Bill.....	2584
Customs Bill	
Second Reading.....	2590
Entertainments Tax Bill	
Second Reading.....	2597
Naval Construction Bill	
Second Reading.....	2598
War Pensions Appropriation Bill .....	2598
War. Service Homes Bill	
Second Reading.....	2601
Invalid And Old-age Pensions Bill-	
Second Reading,.....	2601
Commonwealth Electoral Bill .....	2603
Northern Territory Representation Bill .....	2604
Income Tax Assessment Bill	
Second Reading.....	2604
Income Tax Bill	
Second Reading.....	2609
Third Reading .....	2615
Customs Bill .....	2615
Customs Tariff Validation Bill	
Second Reading.....	2615
Excise. Tariff Validation Bill	
Second Reading.....	2616
Special Adjournment.....	2616
Adjournment	
Spring Cruise of H.M.A. Fleet .....	2616

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**Senate.**

*Wednesday, 23 September, 1925.*

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The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

**POLITICAL LEADERS.**

Senator GARDINER.—Some weeks ago I received from the Ministers of State for the Commonwealth an invitation requesting my presence at a dinner at Federal Parliament House to-morrow night in honour of the Governor-General. This week the two leaders of the National Government, Mr. Bruce and Dr. Earle Page, have referred to certain political leaders

as criminals. I ask the Leader of the Government in the Senate whether Ministers wish to force the Governor-General to sit with criminals at the same dinner table?

Senator PEARCE.—Do I understand Senator Gardiner to say that the Prime Minister has referred to him as a criminal?

Senator GARDINER.—I do. Dr. Earle Page also made the same reference.

Senator PEARCE.—Knowing the Prime Minister as I do, I am quite sure the honorable senator has misunderstood him.

#### DISSOLUTION.

Senator HANNAN.—What object has the Government in obtaining a dissolution of the House of Representatives? What additional power does it hope to gain by an appeal to the people, seeing that it now has a majority in both Houses?

Senator PEARCE.—The reasons prompting the Government in advising the Governor-General to grant a dissolution, and the powers the Government hope to obtain from the people, will be fully explained when the Prime Minister makes his policy speech.

#### ANTI-POLICE PLACARD.

Senator GUTHRIE.—Is the Government aware that, during the last 24 hours, the following notice has been posted on public buildings and in the streets of Melbourne:—

Corrupt Police Force; comprised of scabs, blackmailers, and bloodsuckers. Unionists, are you aware that they are taking what other men have fought for?

This placard bears no signature.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator is not in order in making any statement of fact, except in so far as it is necessary to explain his question.

#### PAPERS.

The following papers were presented:—  
Arbitration (Public Service) Act—Determinations by the Arbitrator, &c.—

No. 21 of 1925—Amalgamated Postal Linemen, Sorters, and Letter Carriers' Union of Australia.

No. 22 of 1925—Line Inspectors' Association, Commonwealth of Australia.

No. 23 of 1925—Commonwealth Storemen and Packers' Union.

Australian Imperial Force Canteens Funds Act—Report by Auditor-General on the audit of the books and accounts of the Trustees of the Fund for the year 1924-25.

Commonwealth Bank Act—Aggregate balance-sheet of the Commonwealth Bank of Australia at 30th June, 1925, together with Statement of Liabilities and Assets of the Note Issue Department; and Auditor-General's Reports thereon.

Inscribed Stock Act—Deals and transactions for year ended 30th June, 1925.

Navigation Act—Particulars of Permits issued under section 286 of the Act during the past three years.

Northern Territory—Ordinance No. 2 of 1925—Licensing (No. 2).

Public Service Ordinance—Regulations.

Papuan Oilfields—Report for month of July, 1925, by Commonwealth Representative.

Public Service Act—Appointments—Department of Works and Railways—

A. Beech, C. C. Boyle, L. S. Bradshaw, G. L. Cockrell, J. N. Deeble, G. Franklin, W. T. Haslam, W. S. Hocking, W. G. Lawrie, A. MacLachlan, J. D. O'Brien, A. L. Richmond, E. W. H. Solly, L. R. Weidner, H. T. Wisdom, J. P. Whyte, S. J. Young.

Public Service Act—Regulations amended—Statutory Rules 1925, Nos. 152, 155, 156, 157, 158, 159, 161, 162.

Tariff Board's Reports and Recommendations on—

Olives imported in bulk for bottling; cherries in brine; towels and towelling; textile articles (näpery); antimony; eyelets; mining machinery parts; cash registers; incandescent mantles; marble; bleached shellac; imitation oil paintings; fellmongery; hats, fur felt and wool felt; bolts and nuts, black; copper rivets and washers; alternating current house service meters; wrought iron and malleable case iron pipe fittings; putty; glass, plate and sheet; carbonate of copper; bentwood chairs; carillions and bells in peals; white-spirit; glass bottles up to 1 oz; glazed ceramic tiles; petroleum pitch or asphalt; special machinery for primary and secondary industries; flexible shafting for sheep shearing machines; steel wire winding ropes; shovels; iron and steel tubes or pipes; timber; cork-board; vessels (ships, &c.); x-ray apparatus.

Western Australian Finances, as affected by Federation—Report of Royal Commission, together with appendices.

#### GOLD BOUNTY.

Senator GRAHAM.—Is it the intention of the Government to make a definite announcement in reference to the payment of a bounty to gold-mining companies?

Senator PEARCE.—The honorable senator knows that it is not the practice to reply to questions of policy.

## OLD-AGE PENSION INCREASE.

**Senator GRAHAM.**—Has the Government definitely decided to increase the old-age pension? If so, when will the increase be payable?

**Senator PEARCE.**—The honorable senator will obtain the information he requires at a later stage of the sitting, when the Invalid and Old-age Pensions Bill will be under consideration.

## PUBLIC WORKS COMMITTEE.

### NATIONAL LIBRARY—BOYS' NAVAL TRAINING ESTABLISHMENT.

**Senator REID** brought up the reports of the Joint Standing Committee on Public Works, together with minutes of evidence, relating to the proposed erection of a building at Canberra to accommodate the National Library and for other purposes, and to the proposed erection of a boys' naval training establishment at Geelong, Victoria.

## ASSENT TO BILLS

Assent to the following Bills reported:—

Supply Bill No. 2 (1925-26)

Loan Bill No. 2.

Commonwealth Bank (Rural Credits) Bill.

Main Roads Development Bill.

## DEATH OF SENATOR E. J. RUSSELL.

**The PRESIDENT (Senator the Hon. T. Givens).**—I have to inform the Senate that I have received a letter from Mrs. Russell, widow of the late Senator E. J. Russell, thanking the Senate for its resolution of sympathy in connexion with the death of the late senator.

## DEPORTATION BOARD.

**Senator GARDINER.**—Has the Leader of the Government in the Senate (Senator Pearce) noticed that the shipping interests have refused to produce their books before the Deportation Board? Is it the intention of the Government to pass through Parliament a bill to give the Deportation Board power to order the production of these documents, if it has not already power to do so?

**Senator PEARCE.**—It is the opinion of the Government that the board constituted under the Immigration Restriction Act has all the powers necessary for its inquiry.

**Senator GARDINER.**—If the Deportation Board has power to summon people to produce books, it also has power to summon witnesses. In these circum-

stances, is it the intention of Senator Pearce to appear before the board, and has he been notified of the desire that has been expressed that he should do so?

**Senator PEARCE.**—It is not my intention to discuss the proceedings of the Deportation Board.

**Senator HANNAN.**—In view of the statement of the Minister that the Deportation Board has all the powers necessary for its requirements, will the right honorable senator say what he considers are the board's requirements?

*Question not answered.*

## NAVIGATION ACT.

### EXEMPTION FROM COASTAL PROVISIONS.

**Senator C. W. GRANT** (through Senator PAYNE) asked the Minister representing the Minister for Trade and Customs, upon notice—

1. Will the Minister state the number of permits issued respectively to steamers trading along the Australian coast, and also to territories under Commonwealth jurisdiction for the past three years.

2. Between what ports were they issued.

3. How many of the ships that had been granted permits carried coloured crews.

4. Is it not a fact that the Government has granted a general exemption from the operations of the coastal clauses of the Navigation Act to vessels trading to Papua and New Guinea from 1st September last.

5. How does the Minister reconcile his statement that Tasmania cannot be constitutionally granted an exemption from the operation of the coastal clauses of the Navigation Act with that section in the Act which gives the Minister power to exempt.

**Senator WILLSON.**—The answers are—

1 and 2. The following nine continuing permits have been issued under Section 286 of the Navigation Act during the past three years to unlicensed British ships to engage in the coasting trade within the limits mentioned:—

### VESSELS AND PORTS FOR WHICH ISSUED.

*Gorgon, Minderoo, Gascoyne and Centaur.*

Between Fremantle, Geraldton, Denham, Carnarvon, Onslow Roads, Point Sampson, Port Hedland, Broome, Derby and Wyndham, subject to the condition that as regards trade between Fremantle and Geraldton the permit covers the carriage of passengers only.

*Tanda*—Between Thursday Island and other Commonwealth ports. This permit was issued in substitution for a similar permit issued to the s.s *Eastern*.

*Veimauri and Ballengarra*—Between ports and places on the coast of the Territory of Papua.

*Papuan Chief*—Between Thursday Island and/or ports and places on the coast of the Territory of Papua.

*Poonbar*—Between ports and places on the coast of the Territory of New Guinea.

3. It is understood that all these vessels carry coloured crews.

4. Yes.

5. Section 7 of the Navigation Act provides that the Governor-General may by Order declare that the carrying of passengers or cargo between ports in any Territory under the authority of the Commonwealth and any Australian ports shall not be deemed engaging in the coasting trade. But no such power exists in regard to trade between ports in the States of the Commonwealth.

In this matter Tasmania cannot be treated on a basis in any degree more favourably than any other State, Section 99 of the Constitution distinctly prohibiting the granting to any one State or part thereof, by any law or regulation of trade or commerce, of any preference as compared with any other State or part of a State.

#### AUSTRALIAN WAR MEMORIAL BILL.

Bill returned from the House of Representatives without amendment.

#### NAVAL PROPERTIES TRANSFER BILL.

Bill returned from the House of Representatives without amendment.

#### CUSTOMS BILL.

Bill received from the House of Representatives.

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [3.17].—In view of the fact that it is desired to conclude the business of Parliament as early as possible, so that the members of both branches of the Legislature may go to the country, I move—

That so much of the Standing and Sessional Orders be suspended as would prevent the bill being passed through all its stages without delay.

**Senator GARDINER** (New South Wales) [3.18].—I am as anxious as anybody that the business of the country should not be delayed, but I see no necessity to suspend the Standing Orders to hurry matters. So far as I am aware—and I have not yet had a copy of this bill—the measure is one demanding very grave consideration, particularly by the Senate. Since a dissolution is imminent, it is indecent on the part of the Government to attempt to pass legislation of this character. I admit that I am in the dark to some extent as to what the contents of the bill are.

**Senator PEARCE**.—It has been circulated amongst all honorable senators. It was placed amongst the honorable sena-

tor's papers several days ago. It relates to the percentage of British material and labour in goods to which the British preference rates may be extended.

**Senator GARDINER**.—Then the fault is my own, since I arrived in Melbourne only to-day. The Government is going to the country, and I venture to say that we are all heartily glad of it. It does not affect the financial position of retiring honorable senators whether the election takes place in October, November or December, or even next January, since their term of office does not expire until the 30th June, 1926; but, surely, if the position of the Government is so serious that it feels the necessity for a further expression of opinion by the people, it will see that it is indecent to pass any legislation at all prior to the election. There was a time when the mere fact that a censure motion, that it was feared might affect the fate of the Government, had been submitted in the other branch of the legislature, was regarded as sufficient to warrant the Senate's adjournment. In the present case, however, the fate of the Government definitely hangs in the balance, and still it proposes to pass legislation before appealing to the people. Such a procedure is unheard of. Talk about constitutional government! What could be more unconstitutional than for a ministry that has relinquished the reins of government to attempt to pass legislation on the eve of an election? Only one measure should be submitted—a bill to grant Supply to carry on the necessary services of the country.

**Senator REID**.—What about the Old-Age Pensions Bill?

**Senator GARDINER**.—Even that measure, important as it is, should be at once laid on the table or put into the waste-paper basket. When a ministry has asked for and obtained the promise of a dissolution, it is indecent for it to attempt to pass any legislation until the verdict of the people has been obtained.

**Senator BARNES**.—What about the Government's majority? It has a majority and can do anything it likes.

**Senator NEWLAND**.—It will have a bigger majority by and by.

**Senator GARDINER**.—On the eve of the election this Government proposes to add half a crown a week to the income of a very desirable section of the community. That of itself is an indication

of the extent to which the Ministry is prepared to go on the eve of an election. It might be possible, although I hardly think so, for Australia to be cursed with a more inept government than we have at present.

Senator PAYNE.—It would not be very difficult to get a worse one.

Senator GARDINER.—That is purely a matter of opinion. If any ten men in the community were casually selected I do not think it would be possible for them to have less ability than the present Ministry has shown. I suppose that the Prime Minister (Mr. Bruce), judging by his statement in another place, has approached the Governor-General. I can imagine his saying to His Excellency, "I cannot carry on. I desire your consent to dissolve both houses of Parliament, and I wish to be permitted to make an announcement to that effect to the country." It is easy to imagine such a conversation as that. I can also imagine His Excellency replying, "Why? You have a majority in both Houses. In the Senate you have 24 supporters as against twelve senators in opposition. In the House of Representatives there are 46 anti-Labor members and only 29 Labour members. Surely, if there is any danger threatening the country, there is no occasion for a dissolution now."

The PRESIDENT (Senator the Hon. T. Givens).—Order! The question under discussion is the suspension of the Standing Orders, and not that of a dissolution.

Senator GARDINER.—I do not suppose I shall be here longer than Friday next, but if I cannot discuss this question I do not desire to remain after this evening, because the question of expediency is urgent. But let me proceed. I am endeavouring to imagine the conversation that took place between His Excellency the Governor-General and Mr. Bruce, which furnished the reason for this motion for the suspension of the Standing Orders of the Senate to-day. His Excellency, I have no doubt, asked Mr. Bruce for his reasons for asking for a dissolution, and I can imagine Mr. Bruce replying—"I wish for a dissolution because there is in this country a dangerous element that must be driven out of it." Following this statement, I can imagine His Excellency asking—"Why have you not dealt with this dangerous communistic element

in view of the fact that for the last two years you have been in command of a majority in both Houses? Why have not they been brought before the courts, and adequately punished? Why do you wish for more power?"

Senator PAYNE.—Does not the honorable senator believe in the referendum?

Senator GARDINER.—I shall go over to Tasmania, and argue that question with the honorable senator during the next month or two. Mr. Bruce, I imagine, told His Excellency that there were two parties in this country, one of which was controlled by criminal political leaders. This, we know, has been alleged by both the Prime Minister and Dr. Earle Page. And this has been advanced as one reason why the Government should obtain further power. This, I imagine, was the story told to His Excellency by Mr. Bruce, and now "Loyalty to the King" is in the forefront of the Nationalist platform. This, Mr. Bruce declares, is one reason why there should be a dissolution. Could anything be more disloyal than for any political party to make loyalty to the Throne an issue of a heated election campaign?

Senator ELLIOTT.—Does not the honorable senator think that it is better than a demand for the abolition of the oath of allegiance?

Senator GARDINER.—I do not care what the honorable senator's view may be of that. I say that the man who makes a party cry of loyalty to the King is not fit for a position in the public life of this country.

Senator ELLIOTT.—What about the cry, "To hell with the Empire"?

Senator GARDINER.—"The Empire" is a most excellent cry. I can imagine His Excellency the Governor-General demanding to be informed of the identity of this "criminal" section of the community, and saying to Mr. Bruce—"Who are these criminal political leaders? Is Mr. Charlton, the Leader of the Opposition in the House of Representatives, one of them?" But even Mr. Bruce would not dare to utter a slander against Mr. Charlton by suggesting that he was one of these "criminal" political leaders, for Mr. Charlton's character is above reproach. Then I can imagine His Excellency saying to Mr. Bruce—"If you believe there is in this country an element threatening law and order, why do you propose to go to the people, and leave the

country to the mercy of a lawless section of the community? According to Sir John Monash, you have not even a Mills bomb to throw at the mob if an attempt is made to raid Melbourne." And, of course, Mr. Bruce, to avoid further embarrassment, would declare to His Excellency that the position had become so serious that his advice to the Governor-General was to grant a dissolution. Then, having been informed definitely that, in the opinion of the Government, the reason was adequate, I can imagine His Excellency saying, "If, as Leader of the Government, you tender certain advice, you may have your dissolution, but the responsibility is with you."

Senator DUNCAN.—The honorable senator is really condemning his own leader, because Mr. Charlton specially asked for a dissolution.

Senator GARDINER.—My leader's challenge was responsible for this move by the Government to dissolve Parliament. The pressure of public opinion became so great that the Prime Minister was obliged to accept the challenge. When this chamber adjourned a week or two ago, we were informed that we should not be recalled for three or four weeks. We are now back after an adjournment of only one week. It is possible that when he interviewed the Governor-General, Mr. Bruce said he was determined to fight the communists, who polled only 800 votes against Labour candidates at the last New South Wales elections. That is about the only party that the Government candidates will be able to beat in the forthcoming contest. I wonder if the Prime Minister informed His Excellency of the real reason for a dissolution. I wonder if he told the Governor-General, in confidence, that the Coalition Government, in which one party was pulling one way and the other in another direction, had proved a failure, and that he wished to appeal to the people to return a Government capable of governing? All this talk about the communistic danger is merely for the purpose of covering up the ineptitude of the present Government. I see no reason, however, why the Senate should not conduct its business in a dignified manner. If the Leader of the Senate proceeds along those lines, he will receive no obstruction from me. On the contrary, I shall render all the assistance possible

to pass the necessary legislation so that we can get to the country as quickly as possible, because I believe the appeal to the people will not be a day too soon. The need for a strong government is very urgent. I believe that this appeal to the people will result in the return of a government prepared to govern Australia according to British principles. I believe we shall have a government that will insist upon every man being equal in the eyes of the law, with the right of trial by a jury of his countrymen for any offence against the laws of the Commonwealth. And because I believe that the only party which will bring about this state of affairs is the Labour party, led by Mr. Charlton, I offer no objection to the course now being taken by the Government. I shall not even call for a division on this motion; but I protest against the Government attempting to pass any legislation except the Supply Bill after the announcement of the dissolution. I question if a precedent can be found for the introduction and passage of any other measures in similar circumstances. I believe in constitutional procedure. What is now being attempted is only in keeping with the actions of the party opposite which has been masquerading as a government for the last two years.

Senator HANNAN (Victoria) [3.30].—I desire to say a few words in support of the protest made by my leader, Senator Gardiner. I wish also to take advantage of this opportunity to protest against the slanders which are being heaped upon Australia and its people by the Government and its supporters. In every paper published throughout the civilized world to-day there are appearing reports that would lead the people of those countries to believe that Australia was in a state of lawlessness. An attempt is being made to create the impression that a reign of terror exists in Australia, and that bolsheviks, communists, and the representatives of all revolutionary elements throughout the world have taken control of the country. Extracts from the principal British newspapers are appearing in our newspapers in which comment is made upon current Australian events. As an Australian citizen and a representative of the people in one of the

branches of our national Legislature, I desire to tell those persons responsible for such paragraphs that no such conditions as are reported exist in Australia.

The PRESIDENT (Senator the Hon. T. Givens).—The matter the honorable senator is discussing has nothing whatever to do with the motion for the suspension of the Standing Orders, nor has it any relation to the bill in connexion with which it is proposed to suspend them. A general discussion on statements appearing in British or Australian newspapers has nothing whatever to do with the question before the Chair.

Senator HANNAN.—The motion has been submitted to assist the Government to complete its business and enable an appeal to be made to the electors in an endeavour to crush what is termed the communistic and bolshevik element operating in Australia to-day. As an Australian, and a representative of the people, I give the lie direct to those making the libellous and slanderous statements that are appearing in the press. The Government is going to the country in an endeavour to crush the British seamen, who have conducted themselves in a most exemplary way. Instead of the police being compelled to use force in arresting the seamen, the men have marched in a body to jail.

Senator GUTHRIE.—Nobody has said anything about British seamen. The poor fellows have been misled in consequence of statements made by agitators in the Commonwealth.

Senator HANNAN.—An appeal is being made by the Prime Minister with the object of crushing the British seamen. What are they asking for? Merely that their monthly wage of £10 shall not be reduced. The whole power of the Government is to be used to prevent them from receiving a living wage on which to maintain themselves, their wives, and their children. I wish to repeat the statement made by Mr. Lloyd George after the termination of the war, when he said, "Victory is ours, and England will be a land in which heroes will be able to live." Who made it possible for the Allies to achieve victory? The members of the British mercantile marine assisted in that direction, and they are the men who are to-day fighting for their rights—

Senator PEARCE.—I rise to order. The motion I have submitted is for the suspension of the Standing Orders to enable the Senate to deal with a measure which relates to an amendment of the Customs Act. I should like your ruling, Mr. President, as to whether it is in order for honorable senators to engage in a general discussion on the seamen's strike, and on matters arising out of it?

The PRESIDENT (Senator the Hon. T. Givens).—I allowed the Leader of the Opposition (Senator Gardiner) considerable latitude in the hope that he would connect his remarks with the motion under discussion.

Senator GARDINER.—Which he did.

The PRESIDENT.—I have also allowed Senator Hannan to digress somewhat, but I reminded the honorable senator that his remarks were not relevant to the motion. Any further discussion must be directly relevant to the subject-matter of the motion moved by the Minister for Home and Territories (Senator Pearce).

Senator HANNAN.—I shall endeavour to obey your ruling, sir, but in view of the decision of the Government to go to the country, I think my remarks are justified. I can only repeat that the objective of the Government is to crush the British seamen.

The PRESIDENT.—Order! The honorable senator is not in order in referring to the strike of British seamen. That is a matter which can be discussed on the motion for the first reading of the Supply Bill. To debate it at this juncture is irrelevant.

Senator DUNCAN.—It is irrelevant, and the statements made by Senator Hannan are incorrect.

Senator HANNAN.—The Government has all the power it requires, and the appeal to the country will not provide it with any greater power than it now has. The Government is rushing business through in a state of hysteria, merely for the purpose of crushing British seamen.

Senator PEARCE.—Question.

The PRESIDENT.—Order!

Senator HANNAN.—The Government in going to the country is raising the cry of communism in an endeavour to divert public attention from its own political misdeeds.

**Senator J. GRANT** (New South Wales) [3.38].—I can well imagine circumstances in which it would be highly desirable to support a motion for the suspension of the Standing Orders, so that the proposal before the chamber might be considered without going through the usual procedure. On this occasion, however, we are asked to suspend the Standing Orders to enable a most contentious measure to be discussed. The bill, which it is proposed to introduce, relates to the imposition of Customs duties.

**Senator KINGSMILL**.—It has nothing whatever to do with that.

**Senator J. GRANT**.—It has everything to do with it, and the honorable senator knows it. The proposal is to amend a most important act upon our statute-book, and one which affects our glorious policy of protection. The bill relates to the policy of those who are alleged to be ardent supporters of the policy of protection which is responsible for creating vast armies of unemployed, and under which the Government receives large sums in revenue through the Customs House. We are informed year after year by these gentlemen that Customs duties are imposed for the purpose of excluding goods manufactured in low-wage foreign protectionist countries, in order that Australian workmen may have an opportunity to produce similar goods in the Commonwealth. Those who have given the matter any consideration are well aware that the sole reason for the existence of the Customs Department and the introduction of this measure is to protect, not the Australian workmen or the Australian manufacturer, but the Australian land-owner from taxation. That principle has been followed from time immemorial, and the most illustrious exponent of it in the Commonwealth Parliament to-day is the Minister for Trade and Customs (Mr. Pratten). He knows that so long as the Treasury is well supplied with revenue by his department it is improbable that taxation will be levied by any other means. That is the object behind this measure, and no doubt there will be further proposals having the same end in view. The following figures show the Customs receipts during the last few years—

1921-22	...	...	...	£17,328,210
1922-23	...	...	...	22,597,306
1923-24	...	...	...	25,177,882

**The PRESIDENT**.—Order! The honorable senator is dealing with matters with which it is permissible to deal only when the bill itself is being considered. They are not relevant to the motion for the suspension of the Standing Orders.

**Senator J. GRANT**.—As details are unpalatable, I shall not give them. Year by year the Customs taxation is increasing, and despite what may be said to the contrary, it will continue to show an upward tendency.

**The PRESIDENT**.—That matter may be relevant when the Senate has the bill before it. The honorable senator may now merely give reasons for objecting to the suspension of the Standing Orders.

**Senator J. GRANT**.—I am using it as a reason for declining to suspend the Standing Orders. If they are suspended honorable senators will not have an opportunity to discuss the bill as closely as they would like.

**The PRESIDENT**.—The honorable senator is curtailing his opportunity now by entering upon an irrelevant discussion, which I cannot permit.

**Senator J. GRANT**.—What is the nature of this bill with which the Government is asking honorable senators to deal so hurriedly? It proposes to amend the principal act, by inserting the following provision—

"151A.—(1) Where in or under any Customs Tariff, whether passed before or after the commencement of this section, duties of Customs are imposed upon goods the produce or manufacture of the United Kingdom, the following goods shall, subject to this section, be deemed to be the produce or manufacture of that country:—

(a) Goods which are wholly produced or wholly manufactured in the United Kingdom:

Provided that goods shall not be deemed to be wholly manufactured in the United Kingdom if, in the raw material used, or in the finished goods, any manufacturing process has been performed in any country outside the United Kingdom (other than Australia) which is being commercially performed in the United Kingdom;

**The PRESIDENT**.—The honorable senator is entirely out of order.

**Senator J. GRANT**.—It appeared to me that honorable senators were not fully acquainted with the contents of the bill, and I was merely endeavouring to place before them some of its salient features. If there were any particular urgency for

the passage of the measure I should not object to the suspension of the Standing Orders. The week before last, at the instigation of the Government, the Senate suspended its sittings. Why could not this bill have been brought forward then, so that we should have an opportunity to discuss it fully? This is typical of the action that we may expect will be taken in the next few days. I should not be surprised if we are frequently asked to suspend the Standing Orders in order that important measures, including another Customs Bill that is now being considered by another place, may be guillotined through this chamber. Unless no other course is open to it, the Senate should not agree to suspend its Standing Orders. Many persons hold the belief that Parliament is a place in which work is done. It is not; it is a place in which to talk. The Senate has a very comprehensive list of Standing Orders that have been framed for the express purpose of conferring upon honorable senators the right to discuss fully any matter that is brought before them. Measures that are hurriedly passed are as hurriedly repealed. We do not desire to see such legislation placed on the statute-book. We should jealously guard our rights. I am entirely opposed to the suspension of our Standing Orders, particularly in connexion with such an exceedingly contentious measure, that has been shrewdly conceived and should, therefore, receive from us the most earnest consideration that we can give to it. The bill was placed in my hands only a few minutes ago, and I have not yet had time to study it properly. For that reason, and others I have given, I must oppose the motion.

**Senator Barnes (Victoria) [3.50].**—I also protest against suspending the Standing Orders for the reason put forward by the Government. I agree with what my Leader (Senator Gardiner) has said. The Government has already a mandate from the people. No other Government in the Commonwealth has enjoyed such an overwhelming majority as it has in either House. It can do whatever it likes. Yet it proposes to go to the people and ask for a fresh mandate, not because of something which has been brought about by Australians, but because something has happened in another part of the world. Some of our kith and kin have come to Australia, saying, "We were not notified of this happening

before we left our country, and we send out an S.O.S. to you Australians to ask you to help us."

**The PRESIDENT.**—That matter has already been sufficiently discussed.

**Senator Barnes.**—The only legitimate excuse the Government has in calling the Senate together a month before it originally intended to do so is to pass Supply to enable it to carry on the functions of government during the holding of an election. Yet now it asks us to suspend the Standing Orders to validate a schedule of Customs duties. I am a protectionist. I would impose a prohibitive tariff to enable Australia to build up its industries, and equip itself in every possible way to do every thing a nation requires to do for its own welfare and self-protection. But I know that this schedule imposes duties on some articles which cannot be made in Australia, and I am asked to suspend the Standing Orders to enable that stupid thing to be done. I repeat that the Government is not warranted in asking the Senate to do anything except grant Supply. The Leader of my party in another place told the Government long ago that, although it had a majority, it was so supine, helpless, and weak, and its party was so disintegrated, that the position was unsatisfactory to the people of Australia.

**Senator Pearce.**—Is Senator Barnes in order in discussing on this motion the alleged delinquencies of the Government?

**The PRESIDENT.**—Honorable senators are entitled only to give reasons why the Standing Orders should or should not be suspended.

**Senator Barnes.**—I thought that I was on sound ground in putting forward reasons why they should not be suspended, and why the Government should not dream of asking for their suspension, for the reason the Minister has advanced.

**Senator Ogden.**—The honorable senator does not think that an election should be held?

**Senator Barnes.**—I am not concerned about that. I welcome an election. I echo what has been said by another honorable senator. I should welcome a double dissolution.

**The PRESIDENT.**—That is beside the question.

**Senator Barnes.**—Following the suspension of the Standing Orders, this bill will be put through, and for a period covering the elections certain Customs duties will be collected.

**The PRESIDENT.**—The honorable senator's remarks might be in order if this were a Customs Duty Validation Bill, which the Senate may not amend, but the bill to which the motion relates is one which the Senate may amend in any way it pleases, and it does not impose duties.

**Senator BARNES.**—This bill will have a vital effect upon the collection of Customs duties.

**The PRESIDENT.**—It imposes no duties.

**Senator BARNES.**—I thank you, Mr. President, for your guidance; but the bill makes provision for the collection of Customs duties according to a schedule which has been submitted in another place, and which will remain in force until after the elections. In the meantime, the merchant will increase the prices of his goods. For instance, the whisky merchant will increase the price of whisky by 1d. a nobbler, and will charge me the increased price. If the duty is not validated later on, he will claim a rebate from the Customs Department, but I shall get nothing back.

**Senator PEARCE.**—This bill does not deal with whisky.

**Senator BARNES.**—I do not wish to delay the Senate, but I emphatically protest that the Government should have asked for one thing only, and that is, Supply, to carry it over the elections. Ministers declare that they want to go to the country as quickly as possible. Very well, let them ask for Supply only, and they will not hear one word from me in objection. Let us get to the people of Australia, and let them say whether they will stand for the crucifying or jailing of English seamen.

**The PRESIDENT.**—Order!

**Senator BARNES.**—I have finished. Question put. The Senate divided.

Ayes .. ..	14
Noes .. ..	8
<hr/>	
Majority .. ..	6

**AYES.**

Cox, C. F.	Payne, H. J. M.
Foll, H. S.	Pearce, G. F.
Glasgow, Sir Thomas	Plain, W.
Guthrie, J. F.	Reid, M.
Hayes, J. B.	Wilson, R. V.
Hays, H.	
Kingsmill, W.	
Newland, J.	

*Teller:*  
Duncan, W. L.

#### NOES.

Barnes, J.	Hannan, J. F.
Findley, E.	Hoare, A. A.
Gardiner, A.	
Graham, C. M.	
Grant, J.	

<i>Teller:</i>	
McHugh, C. S.	

#### PAIRS.

Benny, B.	O'Loghlin, J. V.
Drake-Brockman, E. A.	Needham, E.
Greene, W. M.	Gibbs, W. A.

Question so resolved in the affirmative.  
Standing and Sessional Orders suspended.

Bill read a first time.

#### SECOND READING.

**Senator WILSON** (South Australia—Minister for Markets and Migration) [4.3].—I move—

That the bill be now read a second time.

This afternoon it has been said that the Government should do nothing but seek Supply. I remind honorable senators that the Government has a duty to perform, and that is to see that the affairs of the Country are carried on. The Customs Tariff Act provides that the British preferential tariff shall apply to goods the produce or manufacture of the United Kingdom. The description "goods the produce or manufacture of the United Kingdom" requires definition; otherwise there would be continual friction and confusion. The first portion of clause 2 of the bill defines the preference conditions. When preference was introduced in 1907, the Minister of the day provided a definition which stipulated that goods containing not less than 25 per cent. of United Kingdom labour or material should be entitled to receive the preference. This arrangement continued in operation until the 1st April last, when new conditions were brought into effect, and these are set out in paragraphs *a*, *b*, and *c* of the first sub-section of the proposed new section 151A, as set out in clause 2 of the present bill, which is introduced with a view to securing the approval of Parliament. It was found by experience that under the 25 per cent. condition, preference was having an effect quite inconsistent with that in view when the policy was introduced. Owing to the lower labour conditions on the continent, combined with the substantially increased preferences of the 1921 tariff,

large quantities of semi-manufactured goods were imported into Great Britain from the continent, veneered there with a mere 25 per cent. of British labour or materials, and exported to Australia with the benefit of the preference. The result was not only to injure Australian industries by subjecting them to the competition through Britain of the cheap products of foreign countries, but also to discourage the use of British materials in Britain. During the Prime Minister's visit to England in 1923 the question was investigated. Leading British manufacturers fully admitted the abuse which was being made of the preference concession. British manufacturers, who would willingly have used British materials, were forced by the competition of those manufacturers using cheap semi-manufactured continental materials to adopt the same practices to preserve their business. The Australian Association of British Manufacturers sought the views of British manufacturers. A circular was sent to 506 British firms, and 272 replies were received. Of this number 226 considered that the percentage to entitle to preference should be 50 per cent. or over. Of the 226, 179 favoured 50 per cent., 38 favoured 75 per cent., and seven thought it should be 100 per cent. The result of this inquiry throws a very vivid light on the total inadequacy of the 25 per cent. condition. It is, however, only to be expected that objections will be raised by those British manufacturers who were largely using the cheap continental materials. Briefly put, the new conditions are as follows:—A British manufacturer may import raw materials of any origin, and, provided those raw materials are not subjected abroad to any process which is being commercially performed in the United Kingdom, and provided all the additional processes necessary to convert the materials into the finished article are performed in the United Kingdom, the finished articles will get preference irrespective of the proportion of British labour and materials. If any process which is a process commercially performed in the United Kingdom is applied abroad either to the materials or in the manufacture of goods therefrom, then British labour and material will have to form 75 per cent. of the factory cost of the finished article to entitle the goods to preference.

For example, a British manufacturer may import wool. If all the processes of converting the wool into yarn or cloth are performed in the United Kingdom, the yarn or cloth will be entitled to preference, irrespective of the proportion of British labour or materials. If, however, the British manufacturer imported, say, from France, wool tops for making yarn, or yarn for making cloth, the finished yarn or cloth would have to contain 75 per cent. of British value to get preference.

Senator GARDINER.—What would happen if the wool were sent to France and made into wool tops there before being manufactured into woollen goods in Great Britain?

Senator WILSON.—They would be regarded as French goods. The whole object of this measure is to keep the labour within the Empire. A distinction is made in regard to Australian materials. A British manufacturer may import Australian material at any stage of manufacture and, provided he does all the rest of the work in the United Kingdom, the goods will get the preference. A further exception is also made. Where the goods are of a class or kind not manufactured in Australia, 25 per cent. of British labour or material will suffice to entitle them to the preference.

Senator GARDINER (New South Wales) [4.10].—I hope that the Minister (Senator Wilson) will consent to the adjournment of this debate. To my mind, this is one of the most important measures that the Senate has been called upon to discuss. Any bill that attempts to interfere with the trade of Great Britain should receive our serious consideration; but, following the brief explanation given by the Minister, it is impossible for one to discuss fully the details of this measure. Since the Minister is evidently not prepared to adjourn the debate, I shall have a few words to say. The Minister, in reply to an interjection, indicated that wool manufactured into wool tops in France would be regarded as of French origin on entering Great Britain. Do we really want to trade with the Old Country? Personally, I do. I want Australia to trade with Great Britain, irrespective of any handicap placed upon her products. Remembering the conditions existing in Great Britain

to-day, it is hardly fitting for anybody in Australia to prate about the Empire, and at the same time place further restrictions on British trade. I do not imagine for a moment that any member of the Commonwealth Government can solve the difficulties with which British manufacturers have to contend in holding their position in the markets of the world, and particularly those of Australia. A regulation was made some time ago requiring 25 per cent. of British manufacture in goods to which the preference was to be extended. That margin has not proved sufficient to prevent British goods partly manufactured in other countries from coming to Australia. For instance, the pulp from which paper is made in Great Britain is manufactured in Norway or Sweden; but we now say that 75 per cent. of the labour and material used in the manufacture of paper must be British if the preferential rate is to be secured. We are not producing paper to any extent in Australia.

Senator J. B. HAYES.—But we soon shall be.

Senator GARDINER.—Why put a handicap on Great Britain now in the hope that later on we shall be producing paper here? If ever there was a government that appeared to have an undying hostility to the Mother Country it is the present Ministry, which, by legislation, has treated Great Britain, not as the mother of the Empire, but as a country that is not entitled to an advantage of more than 5 per cent. or 10 per cent. over countries for which we have no respect. Whereas our products enter Great Britain practically free of duty, British goods are penalized to the extent of 10, 20, 30, and even over 50 per cent. on coming to this country, which has developed under Britain's policy of free harbours and free trade. Why should we impose any handicap at all on British goods coming here? If it is found that one country can undertake a certain stage of the manufacture of a particular article, and another can complete the process more economically and successfully than any other, thus giving the public a cheaper and better article than could be otherwise obtained, why should the purchasers of that commodity say, "Although it is the most effective method of manufacturing, we shall not let you land it here"?

Senator ELLIOTT.—It is because we want to pay high wages.

Senator GARDINER.—Some honorable senators believe that high tariffs mean high wages, but I do not subscribe to that doctrine. Every time the tariff is raised unemployment increases. We see Western Australia and Tasmania withering like leaves under our destructive fiscal policy. If there is one criminal act for which this Government is to be held responsible—and I am now employing the phraseology used by the Prime Minister (Mr. Bruce) outside Parliament—it is this blow that the Government is striking at Great Britain and her trade, by taxing the industries of Great Britain.

Senator GUTHRIE.—By the shipping strike?

The PRESIDENT (Senator the Hon. T. Givens).—Order! That has nothing to do with the question before the Chair.

Senator GARDINER.—I do not intend to jump at a bait of that nature. Freetrade Britain has perfected her manufactures to a surprising degree, and she leads the world in that respect.

Senator ELLIOTT.—How many unemployed has she to-day?

Senator GARDINER.—Many thousands of them, just as the United States of America, Germany, France, and Italy have under their policy of protection. Freetrade Great Britain has not solved the problem of unemployment, and every increase in the tariff in Australia has been followed by increased unemployment. The New South Wales Labour Government tells us that it has reduced unemployment in that State by 4,000 since it has been in office. But there are still 8,000 men in New South Wales willing to work and unable to obtain it. We have a tariff mountain high preventing us from exchanging our goods with Great Britain, and we are now asked to agree to a bill to increase it. We are asked to subscribe to a policy of ordering British manufacturers to bow to conditions fixed by a legislature in Australia. The vanity of governments and parliaments that adopt such an attitude! Let us be frank and say that we do not want Dominion or British goods, or outside goods at all, and that we want Australians to have nothing but Australian-made goods. That would be honest, but where would it lead us? It would leave the primary producers of Australia without an oversea

market for their produce for the simple reason that trade between countries resolves itself into an exchange of commodities. If we increase the tariff on British goods by 50 per cent. we place that burden upon all our wool, butter, wheat, hides, tallow and other primary products. The Minister for Trade and Customs (Mr. Pratten) cannot prevent trade with Britain under the existing provision, so now he says that there must be 75 per cent. of Empire labour or material in all imports from Britain, if the goods are to receive the benefit of the preferential tariff. He is determined to hamper the manufacturing trade of Great Britain in every way. I suppose the bill will be carried. It is what one might expect from this Government. I expect also that during the next month or six weeks, candidates supporting the Government policy, will commence their election meetings with the National Anthem, and close with three cheers for the British Empire. It seems that they are prepared to fight, and send other people's sons to die for the Empire, but they are not disposed to trade with the rest of the Empire. On the contrary, they support proposals that will have the effect of imposing a fine on every British manufacturer who attempts to trade with Australia. They declare that the British manufacturer must conduct his business on lines approved by the Commonwealth Government. Let us consider the position of a steel manufacturer in the Mother Country. Possibly his raw material comes from Spain in the form of pig iron, because that is the easiest manner in which it can be transported. If, however, his raw material comes from a foreign country the British manufacturer of steel products will not get the benefit of preferential treatment in the Australian market unless there is 75 per cent. of British labour in the finished product. Some people really believe that this kind of legislation helps production in Australia. I wish I could believe it.

Senator DUNCAN.—Does the honorable senator believe that if the Labour party were returned to power, it would be in favour of freetrade with Great Britain?

Senator GARDINER.—Speaking for myself, yes.

Senator DUNCAN.—But I should like to know if the Labour party would support freetrade with the British Empire.

Senator GARDINER.—I cannot speak for my party, but the honorable senator will agree that members of my party have never been reticent in regard to their own views.

Senator DUNCAN.—They are not in agreement with the honorable senator on this issue.

Senator GARDINER.—Sometimes I find myself in step with Senator J. Grant. Whether or not the Australian Labour party is whole-heartedly protectionist, I am satisfied that no Labour Government will ever follow the lead set by this Government, and attempt to cripple British trade with Australia. The sole aim of tariff legislation passed by this Government during the last two years has been to interfere with the commercial relationship of Great Britain and Australia. This measure is another iniquity—another attempt to make more difficult the interchange of commodities between the Mother Country and Australia. I believe that the honest protectionist is quite convinced that protection means more work, but I have always been honest enough to say in public what I practice in private life. In private life I always endeavour to get much money for little work; not to do much work for little money. That section which wants a great deal of work done for a small wage—

Senator KINGSMILL.—Men get enough in the way of wages to see them through very many strikes.

Senator GARDINER.—They get enough to keep them strong enough to do the next day's work, and no more. I was in Great Britain on one occasion when there was an important strike in progress. When I learned the wages being paid to the men I said I was surprised, not that they had struck, but that they had ever worked for that wage.

Senator OGDEN.—The honorable senator had that "fellow feeling." He does not like work.

Senator GARDINER.—Certainly. Only conscientious public men like the honorable senator are fond of much work. I prefer the greatest return for the least exertion; but, if after the coming election my voice is not heard in these halls, no honorable senator will be able to say that whilst I was here I shirked my work.

**Senator KINGSMILL.**—Perhaps the honorable senator entertains the belief that he is giving too great a return for his salary.

**Senator GARDINER.**—I have never been appreciated at my true worth. But let me return to the bill. I repeat that this tariff amendment is merely another attempt to strike a blow at British trade, and that it will adversely affect workmen in Great Britain. A few days ago, evidence given in connexion with the prosecution of British seamen who are on strike in Australia, disclosed that one young man, aged 20 years, was being paid £4 5s. a month, and another, aged 24 years, was getting £6 10s. a month. Counsel for the seamen elicited from a witness who was giving evidence for the ship-owners that, in his opinion, the wages were fair "in accordance with the conditions and customs of the trade." No one can seriously argue that the wage mentioned is sufficient to enable a man to maintain a wife and family. I hold that wages should always be sufficient to permit a man to marry, and bring up children, according to a reasonable standard of comfort. It might be urged that all this is nothing to do with the bill. I say it has, because the measure is designed to strike a blow at British trade, and to the extent that British trade is adversely affected, so will wages in Britain be reduced owing to a reduction in output. If there are ten men looking for one job wages are bound to be lower than when there are ten jobs waiting for every man. I protest against the action of the Government in introducing contentious legislation of this nature after the announcement of a dissolution. The Government should allow the bill to stand over until after the elections, or submit it to a referendum of the people. That would not be a costly business, because it would only involve the printing of sufficient referendum papers on which the question could simply be stated, "Are you in favour of freetrade with Great Britain—Yes or No?" If this were done, I am satisfied that the people of Australia, being so loyal to Great Britain, would cast an overwhelming vote in the affirmative. This Government, which preaches loyalty to the Empire, has not the courage to put this question to the electors. I have no desire to delay the bill, but I em-

phatically protest against any attempt to prejudice our friendly commercial relationship with Great Britain. I am not talking merely to delay this measure.

**Senator OGDEN.**—Then the honorable senator does sometimes speak with the intention of delaying the passage of a bill.

**Senator GARDINER.**—I have on many occasions. When a pernicious proposal such as Senator Ogden brought forward recently is submitted, I do all in my power to prevent its passage. Even if I know I cannot prevent the passage of some bills to which I object, I consider it my duty to exercise all the powers I possess in an endeavour to delay their passing. If an honorable senator has any conscience at all—I do not mean a conscience that works overtime on one occasion and not at all on another—he should do his best to prevent the passage of legislation that will detrimentally affect those whom he represents. It is my most earnest desire to use my power to delay the passage of defective legislation such as this, which I have not had time to consider owing to the decision of the Government to go to the country with all its sins thick upon it. I can, however, merely enter my protest against the refusal of the Minister to grant an adjournment of the debate on a measure which aims a deadly blow at the manufacturers of Great Britain.

**Senator KINGSMILL** (Western Australia) [4.37].—In order to satisfy a doubt raised in my mind by the speech of the Leader of the Opposition (Senator Gardiner) I desire to ask the Minister (Senator Wilson) if, when he replies to the debate on the second reading, he will state if it is not a fact that the requirement under this bill that the manufacturers of Great Britain, instead of being asked to use 25 per cent. of British labour or material in the articles on which they claim a preferential tariff, shall use 75 per cent., will not to a large extent benefit the vast body of unemployed alluded to by the honorable senator? I should also like to know whether this is not a friendly, and not an unfriendly, act on the part of the Government towards the unemployed of Great Britain and Great Britain generally.

**Senator J. GRANT** (New South Wales) [4.38].—I do not for a moment imagine that the Government is anxious to extend Australia's trade with Great

Britain. We know it is not. It is only a few weeks ago that Parliament decided to remove the preference afforded to Great Britain in the matter of newsprint, and to place the American manufacturers on the same basis as British manufacturers.

Senator OGDEN.—When was that agreed to?

Senator J. GRANT.—Only a few weeks ago. Under the policy previously in operation, the volume of trade in newsprint from Great Britain steadily increased and that from Canada decreased, and supplies from the United States of America were reduced to a negligible quantity. The trade with Great Britain increased because of the preference given to Great Britain as against Canada. Notwithstanding that, the Government has now decided to reduce the preference previously in operation.

The PRESIDENT (Senator the Hon. T. Givens).—The honorable senator discussed that matter when the motion to which he refers was before the Senate a few weeks ago. He is not entitled to raise it again on the motion for the second reading of this measure.

Senator J. GRANT.—I was merely referring to it in a casual way, and showing that, although the Government pretends to be in favour of increasing the trade with Great Britain, on a recent occasion it did something which had an entirely different effect. I agree very largely with the views expressed by the Leader of the Opposition (Senator Gardiner). It appears to me that we cannot very well debate this question without becoming involved in a fiscal discussion. If I were satisfied that the proposal would have the effect the Government claim I would not oppose it, but I do not think it will. One of the strongest arguments used in support of federation was that under a Federal scheme State Customs barriers would be swept away. That has been achieved. Interstate barriers have now been dispensed with, but the Government, instead of facilitating trade between all portions of the Empire, is restricting it by professing to give a concession to Great Britain. So far as I can see, the preferential proposals of the Government will be of no value to Great Britain, and will be of no more benefit than the alleged concessions given in connexion with Canadian preference. In view of these facts, I intend to oppose the bill.

Senator WILSON (South Australia—Minister for Markets and Migration) [4.42].—I am somewhat surprised at the statements made by the Leader of the Opposition (Senator Gardiner) and Senator J. Grant. In moving the second reading of the bill I stated that of 506 British manufacturers approached concerning the preference to be given, 272 replied. Of that number 226 were in favour of a preference of 50 per cent. and over. Of the 226, 179 supported a 50 per cent. preference; 38, 75 per cent.; and seven, 100 per cent. Under this proposal work will be kept within the Empire, and unscrupulous manufacturers in Great Britain prevented from taking advantage of Australia's preferences. On the old basis that British goods should contain 25 per cent. of British labour or material, it was found that a number of manufacturers were operating unfairly, and an alteration was necessary, not only in our interests, but in order to protect the manufacturers of Great Britain who were "playing the game." After the most careful scrutiny of the proposal under which preference is to be given on articles in which 75 per cent. of British labour or material is used, I do not think any fault can be found with it. What would be the use of giving preference to British manufacturers if we allowed some to secure the preferential rates in respect of products that should be subject to the higher or general tariff. As I am sure that honorable senators will not subscribe to a principle under which some manufacturers derive an unfair advantage, I trust the Senate will support the second reading of the bill.

Question resolved in the affirmative.

Bill read a second time.

In committee:

Clause 1 agreed to.

Clause 2—

(4) For the purposes of the last three preceding sub-sections the Minister may, from time to time, determine—

- (a) what shall be deemed to be raw materials and in any such determination may include materials partially manufactured in Australia;
- (b) the method of determining factory and works cost and the value of labour and material; and

(c) whether any manufacturing process is being commercially performed in the United Kingdom and whether any goods are of a class or kind not commercially manufactured in Australia, and shall be notified in the *Commonwealth Gazette*.

(5) Statutory Rules 1925, No. 20, shall be deemed to have been valid and effectual from the time of their making to the commencement of this section.

**Senator GARDINER** (New South Wales) [4.48].—Those portions of the bill under which such extensive powers are given to the Minister should be deleted. The tariff generally is so objectionable to the whole of the people that we are always confronted with difficulties arising out of it, and those who suffer the most get the Minister or the Tariff Board, which really acts under the direction of the Minister, to relieve them of their difficulties. Those who are able to place their case before the Minister obtain relief, whilst those who suffer and pay do not obtain any consideration. In legislation such as this the powers of the Minister should be fixed, and Parliament should deprive the Minister of the right to discriminate.

**Senator H. HAYS**.—Would the honorable senator deprive the Minister of the right to frame regulations under the bill?

**Senator GARDINER**.—No; because the regulations would come before Parliament.

**Senator H. HAYS**.—Parliament is not always in session.

**Senator GARDINER**.—When Parliament is not in session the regulations must be laid before both Houses within a specified time after Parliament meets. Parliament itself should decide the conditions under which trade shall be conducted between two different countries. Honorable senators must realize how seriously an alteration in the tariff affects importers, and such alterations should not be made by the Minister, but by Parliament. During recess the Minister has power to frame regulations that will be effective for perhaps six months. It may be that the Minister and the members of the Tariff Board listen only to one side of the case, and after having done so, regulations are framed which will be in operation until Parliament meets. In our tariff laws, we should depart from that principle. Parliament should pass the best tariff of which it is

capable, and every one should work under it until it is altered by Parliament. Sub-clause 4 reads:—

For the purposes of the last three preceding sub-sections the Minister may, from time to time, determine—

- (a) what shall be deemed to be raw materials and in any such determination may include materials partially manufactured in Australia;
- (b) the method of determining factory and works cost and the value of labour and material; and
- (c) whether any manufacturing process is being commercially performed in the United Kingdom and whether any goods are of a class or kind not commercially manufactured in Australia, and shall be notified in the *Commonwealth Gazette*.

Why should such power be given to a Minister? He may make a regulation. Some one may show that it is wrong, and he may alter it. Some one else may then come along and show that it is still wrong, and he may alter it again. For the next six or eight years there will be Labour Ministers in power in the Commonwealth, but I would not give even them this power. If a Minister is to be allowed to make these alterations, why should he not also be allowed to alter the tariff, if it suits him to do so? I move:

That the words "For the purposes of the last three preceding sub-sections the Minister may, from time to time, determine," be left out.

If the committee agrees to the deletion of those words I shall move to insert others in their place.

**Senator J. GRANT** (New South Wales) [4.54].—I support the amendment. The measure should clearly lay down what the Minister can do, and be so definite in its terms that there will be no mistaking its meaning. Probably no body of men in Australia has caused more dissatisfaction than the Tariff Board. It is clothed with very extensive powers, and at one time could hold its inquiries behind closed doors. It is now proposed to set up another authority in the form of the Minister. Under this provision he may, without consulting anybody, frame regulations which may set aside the decisions of this Parliament. Instead of clothing the Minister with such power we should insert in the bill a provision so definite that every one will know exactly where he stands. Any one who reads the reports of the Tariff Board cannot avoid

coming to the conclusion that its decisions invariably benefit only a small number of persons. I do not want the Minister to be clothed with such power that those who may be affected by his decisions will not know where they stand. I shall, therefore, vote for the amendment.

Question—That the words proposed to be left out be left out—put. The committee divided.

Ayes .. .. ..	6
Noes .. .. ..	14
Majority .. .. ..	—

AYES.

Gardiner, A.	Hoare, A. A.
Graham, C. M.	
Grant, J.	Teller:
Hannan, J. F.	McHugh, C. S.
	Notes.
Cox, C. F.	Payne, H. J. M.
Foll, H. S.	Pearce, G. F.
Glasgow, Sir Thomas	Plain, W.
Guthrie, J. F.	Reid, M.
Hayes, J. B.	Wilson, R. V.
Hays, H.	Teller:
Kingsmill, W.	Duncan, W. L.
Newland, J.	

PAIRS.

O'Loughlin, J. V.	Benny, B.
Barnes, J.	Crawford, T. W.
Needham, E.	Drake-Brockman, E. A.
Gibbs, W. A.	Green, W. M.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Senator WILSON) agreed to—

That the words "and shall be notified in the *Commonwealth Gazette*," paragraph (c), be left out.

Amendment (by Senator WILSON) proposed—

That after sub-clause 4 the following sub-clause be inserted—"4a. Any determination of the Minister in pursuance of the last preceding sub-section shall be notified in the *Gazette*."

Senator J. GRANT (New South Wales) [5.3].—It is usual for regulations to be laid upon the table of Parliament, in addition to being notified in the *Gazette*.

Senator PEARCE.—Under the Acts Interpretation Act that procedure will apply automatically to every regulation that is made under this act.

Senator J. GRANT.—Will they have to remain on the table for 30 days before becoming effective?

Senator PEARCE.—They will be effective from the time that they are made.

Senator J. GRANT.—Will it be competent for Parliament to disallow them?

Senator PEARCE.—Yes.

Amendment agreed to.

Clause, as amended, agreed to.

Title agreed to.

Bill reported with amendments; report adopted.

Bill read a third time.

### ENTERTAINMENTS TAX BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

### SECOND READING.

Senator WILSON (South Australia—Minister for Markets and Migration) [5.7].—I move —

That the bill be now read a second time.

This bill gives effect to the announcement in the Treasurer's budget speech that the Government intended to increase the general exemption from entertainments tax to all payments for admission to entertainments where the charge is less than 2s. 6d. The present general exemption is 1s. The present rate of tax is 1d. in the first 1s., where the payment for admission to a taxable entertainment is 1s. or over, and  $\frac{1}{2}$ d. for each 6d. or part of 6d. by which the payment for admission exceeds 1s. The present bill adheres to the existing basic rates, and accordingly provides that on the first 2s. 6d. of any payment for admission of 2s. 6d. or over, the tax shall be 2½d., and  $\frac{1}{2}$ d. for each 6d. or part of 6d. by which the payment for admission exceeds 2s. 6d. I think that this measure will meet the wishes of the general public, especially those who can enjoy going to the pictures.

Question resolved in the affirmative.

Bill read a second time.

In committee:

Clauses 1 and 2 agreed to.

Clause 3 (Entertainments tax).

Senator J. GRANT (New South Wales) [5.9].—The proposed reduction in the entertainments tax has been too long delayed. The Senate has not been informed to what extent the reduction will effect the revenue, but that fact does not disturb me. The greater the reduction the more I appreciate it, because the taxation of amusements is most vicious. It is

undoubtedly a direct tax on the poorest section of the community, and it was only introduced in the Commonwealth to assist in defraying the cost of the late war. The exemption of tickets up to 2s. 6d. is a step in the right direction. The bill is not too clear, but I take it that the tax on tickets costing 2s. 6d. will be 2½d., and that if the charge for admission exceeds 2s. 6d. the tax will be 2½d., plus ¼d. for each 6d. or part of 6d. by which the charge for admission exceeds 2s. 6d. I take it also that if the ticket of admission costs 2s. 5d. it will be free from taxation. Quite recently I tried to have widows exempted from the payment of estate duty on estates up to £5,000 in value, but the Government could not see its way to agree to my proposal, mainly on the ground that the revenue would suffer. Yet it can bring forward a proposal to make the revenue suffer considerably by exempting a very large section of the community from the payment of entertainments tax. This type of legislation should never have been placed on our statute-book, and I welcome its repeal, even to the small extent proposed. There are many other sources of revenue at our disposal, and we should retire altogether from the field of taxing the amusements of the people.

**Senator GARDINER** (New South Wales) [5.13].—I wonder if the Minister would consider a proposal that would afford considerable relief to the musical world. I suggest that the exemption should extend to entertainments the charge for admission to which is 2s. 6½d. That would enable persons paying 2s. 6d. for a ticket to escape the payment of the tax.

**Senator WILSON** (South Australia—Minister for Markets and Migration) [5.14].—I could not accept the honorable senator's suggestion. Exhaustive inquiries have been made by the department, and the point raised by the honorable senator has not been overlooked.

**Senator J. GRANT.**—What will be the loss to the revenue?

**Senator WILSON.**—The loss to the revenue by the proposed reduction of the tax is estimated at £360,000 per annum.

Clause agreed to.

Title agreed to.

Bill reported without request; report adopted.

Bill read a third time.

## NAVAL CONSTRUCTION BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

## SECOND READING.

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [5.17].—I move—

That the bill be now read a second time.

This bill appropriates into a trust fund the sum of £1,500,000 for naval construction to meet obligations already entered into in connexion with the construction of cruisers and submarines. It is also intended to commence the construction of a seaplane carrier at Cockatoo Island, and an order for a large quantity of material for the construction of this carrier has already been placed. It is hoped that the building of this very necessary adjunct to our fleet will be commenced at Cockatoo Island at a very early date, and that the work of construction will be completed within two years. The purpose of this bill is simply to pay the sum of £1,500,000 from the Consolidated Revenue into a trust fund.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

## WAR PENSIONS APPROPRIATION BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [5.21].—I move—

That the bill be now read a second time.

This measure provides for the appropriation of a further £10,000,000 for the payment of war pensions. It deals in no way with the rates and conditions of pensions, but merely provides the money to pay pensions which have been or will be granted in accordance with the conditions set out in the war pensions sections of the Australian Soldiers' Repatriation Act. When it is remembered that the war, which necessitated the granting of these pensions, broke out in 1914-15,

and that the pensions of incapacitated soldiers and dependants of deceased soldiers totalled more than £129,000 in the following year, it will be seen that the Commonwealth was prompt to recognize and meet its liability in this regard. The pension bill rose each year in leaps and bounds until, in 1920-21 the maximum payment of £7,389,739 was reached. Very little reduction has been made since then, and the estimated expenditure for the current year is £7,200,000. Included in this amount is a small sum for the payment of pensions granted by the Mother Country, and for dominions, which will be subsequently recovered.

Senator ELLIOTT.—Why is it necessary to appropriate £10,000,000?

Senator PEARCE.—The practice is to appropriate sums from time to time as the money becomes available, and to pay them into the trust fund. The total number of pensions in force on the 11th of this month was 246,152, whilst the annual liability was £7,063,306. A considerable number of new claims is still being received, the majority of which are in respect of new dependants, such as newly-born children and recently married wives of ex-soldiers who are pensioners. Up to the close of last financial year, the total expenditure on war pensions was £50,810,959. The last War Pensions Appropriation Act was passed in August, 1924, the amount of the appropriation being £10,000,000. The balance of this appropriation remaining unexpended at the close of last financial year was £3,689,765. This will barely suffice for six months' payment, and therefore, a further appropriation becomes necessary. It is anticipated that the appropriation now asked for will cover the expenditure for approximately eighteen months, and that is why the amount exceeds the annual requirement.

Senator J. GRANT (New South Wales) [5.25].—It is somewhat pleasing to know that the expenditure on war pensions has reached its peak, and is gradually decreasing.

Senator PEARCE.—There is not much sign of it, judging by the figures I have just given.

Senator J. GRANT.—They show a slight decrease. I desire to bring under the notice of the Government a case in which, in my opinion, justice has not been received by a returned man.

Senator PEARCE.—This bill does not deal with the conditions under which the payments are made.

Senator J. GRANT.—No. I do not intend to take full advantage of the opportunity the bill affords me of discussing the administration of the department, but I think that it should exercise a good deal more sympathy than it has done in some of its administrative acts.

Senator PEARCE.—I rise to a point of order. I do not desire to prevent the honorable senator from stating any case that he may desire to bring under notice, but it would hardly be fair to other honorable senators if he availed himself of this opportunity of entering upon a long discussion on individual cases. I particularly mentioned, Mr. President, that the bill had no bearing upon the conditions under which war pensions were paid. An opportunity to discuss the administration of the department will arise when a Supply Bill comes before us. I should think that it would be out of order for an honorable senator to discuss matters of administration on a bill that merely provides for the appropriation of a sum of money and its payment into a trust fund. It seems to me that the conditions under which the pensions are payable could be discussed more properly on the first reading of a Supply Bill.

The PRESIDENT (Senator the Hon. T. Givens).—The Minister (Senator Pearce) is right in saying that matters of administration could more properly be discussed on a Supply Bill, which would cover, not merely the administration of, but also the details of expenditure on, war pensions. I am not prepared, however, to rule that Senator Grant would be out of order in bringing forward any matter relevant to war pensions on a bill which appropriates money for the payment of those pensions. To so rule would be to unduly restrict the rights of honorable senators.

Senator J. GRANT.—I do not propose for a moment to encroach upon the time of the Senate to any great extent, but a case recently came under my notice in which, in my opinion, a fair deal has not been given by the department. I refer to a returned soldier named Carter, who lives at North Sydney. He went to the front, and had the misfortune to lose both of his legs, only a few inches of which remain. Up to the present time this man has not received the allowance

of £1 a week for an attendant, which, I understand, is payable to some incapacitated returned men. Therefore, I wish to know under what conditions this soldier can obtain that allowance. Is not a returned soldier who has had the misfortune to lose both his legs entitled to it, and why has the payment been delayed? I could bring forward a great many more cases which ought to be further investigated, but I shall content myself on this occasion by asking that the attention of the Minister in charge of Repatriation (Sir Neville Howse) be drawn to this case, and that the payment of £1 a week be made retrospectively. This soldier cannot walk. He has to be wheeled from place to place. The representations made by me some time ago have not induced the department to deal justly with this man. He has a wife and two young children.

Senator PEARCE.—Does he receive the full pension?

Senator J. GRANT.—Yes; with the exception of the allowance of £1 per week for an attendant. He is endeavouring to become the owner of a war service home. He has spent some of his money in obtaining possession of an invalid's motor-car. Whether the war pensions cost the country £10,000,000, £12,000,000, or £20,000,000 a year, cases of this kind should be promptly dealt with.

Senator ELLIOTT.—Has the honorable senator brought it under the notice of the Minister in charge of Repatriation?

Senator J. GRANT.—Yes, some considerable time ago; but so far I have not received any reply.

Senator PEARCE.—How long ago was it?

Senator J. GRANT.—Speaking from memory, it was about a month ago, or possibly a little longer.

Senator PEARCE.—The Minister would have to refer the case to New South Wales.

Senator J. GRANT.—The Commonwealth has plenty of money. In three minutes we have just voted £1,500,000 for cruisers and a seaplane carrier.

Senator PEARCE.—I merely suggest that the element of time has to be considered.

Senator J. GRANT.—The central and Sydney branches of the department are connected by telephone, I take it, and

such cases should be dealt with expeditiously.

Senator GUTHRIE.—Has this soldier applied through the Limbless Soldiers' Association? It handles its affairs very well indeed.

Senator J. GRANT.—I understand that he has exhausted all means at his disposal in endeavouring to obtain the allowance. Whether that is so or not, his case was brought before the Commission, and he received his full pension.

Senator PEARCE.—Every person who receives the full pension is not entitled to the payment for an attendant.

Senator J. GRANT.—That is, no doubt, correct; but surely a man who has been so unfortunate as to lose all except about 2 inches of his legs should receive a special payment. My only reason for now bringing the matter forward is that I have failed to obtain satisfaction from the Minister.

Senator ELLIOTT.—If the man has the use of his eyes and hands, I do not think he is entitled under the regulations to that allowance.

Senator J. GRANT.—That may be. If that is the position, the fault lies with this Parliament. I am sure that no objection could be taken to a lenient interpretation of the regulations in respect to incapacity of this nature. I hope that the matter will again be brought before the Minister.

Senator PEARCE (Western Australia—Minister for Home and Territories) [5.34].—I shall certainly have the case brought under the notice of the Minister. I am inclined to think that there must be some disqualification, because the regulations specifically set out the class of cases entitled to payment for an attendant. I do not think that a matter of his kind is left to the determination of the Minister.

Senator GUTHRIE.—He is administering the act very sympathetically.

Senator PEARCE.—If in a case of this kind the soldier is entitled to the allowance, reference to the Minister should be unnecessary. The fact that it has not been paid suggests that such cases do not come within the provisions of the act, and I presume that the Minister could not do otherwise than refuse. Unquestionably, a man is helpless if he has lost both legs. If what the honorable senator has said is

correct, it may be necessary to amend the act or the regulations. I shall have his remarks brought under the notice of the Minister.

Senator J. GRANT.—That will suit me for the present.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

### WAR SERVICE HOMES BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

#### SECOND READING.

Senator WILSON (South Australia—Minister for Markets and Migration) [5.40].—I move—

That the bill be now read a second time.

This is merely a machinery measure to place the administration of the War Service Homes Act under the Department of Works and Railways. It is necessary that the chairman of the Repatriation Commission should be relieved of the duties of War Service Homes Commissioner, and it is proposed under this bill to appoint the Secretary of the Works and Railways Department to that office.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

### INVALID AND OLD-AGE PENSIONS BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

#### SECOND READING.

Senator PEARCE (Western Australia—Minister for Home and Territories) [5.44].—I move—

That the bill be now read a second time.

The object of the bill is to give effect to the promise contained in the Treasurer's budget speech that the maximum rate of invalid and old-age pensions would be increased to £1 per week. It is proposed that the act shall come into operation on the 8th October, 1925, on which date all

pensions then in force will be increased by 5s. per fortnight. In order that pensioners may still earn 12s. 6d. per week without affecting the amount of their pensions, it is also proposed to raise the statutory limit of income from £78 to £84 10s. per annum. The position will then be as under—

		Present Act	Proposed Act
Single man—			
Earnings	...	£32 10 0	£32 10 0
Pension	...	45 10 0	52 0 0
Total	...	£78 0 0	£84 10 0
Husband and wife—			
Earnings	...	£65	£65
Pension	...	91	104
Total	...	£156	£169

Thus, under the act when amended by this bill, a single man will be able to receive pension and income together amounting to £84 10s. per annum, or 32s. 6d. per week, whilst a married couple receiving pensions will be able to have a total income, including pensions, of £169 per annum, or £3 5s. per week. It is also intended to increase the amount of allowance which is paid to pensioner inmates of benevolent asylums and hospitals from 3s. to 4s. per week. Prior to 1923 a limited class of persons who were inmates of benevolent asylums were eligible to receive special pensions of 2s. per week only. Other inmates of asylums, and all inmates of hospitals, were ineligible to receive any pension. As a result of the 1923 amendment, all inmates of asylums, whether they were previously pensioners or not, were granted pensions of 3s. per week provided they would have been eligible for pensions if resident outside the institutions. Payment of this amount was also authorized in the case of all pensioners who were inmates of hospitals for more than 28 days. As a result of the proposed amendment, these persons will in future receive 4s. per week instead of 3s. The cost of invalid and old-age pensions last year amounted, roughly, to £7,000,000. With the increase in pensions provided for by the bill under consideration the total annual payment will amount to over £8,000,000.

Senator J. GRANT (New South Wales) [5.45].—I wish to take advantage of this opportunity to dispose of the claim made

by honorable senators opposite that the party which they represent was responsible for the introduction of the scheme of old-age and invalid pensions in the Commonwealth. That is not so. This matter was discussed by the executive of the Australian Labour party in New South Wales very many years ago. A deputation waited upon the late Sir William Lyne, who promised that, if he became Premier of New South Wales, a measure for the payment of old-age pensions would be introduced. Some trouble occurred, engineered, I believe, by Mr. Holman, Mr. Hall, and probably the Right Hon. W. M. Hughes, who were then known as the three "H's," with the result that the late Sir George Reid was defeated, and the late Sir William Lyne took his place as Premier of New South Wales. Shortly afterwards a measure for the payment of old-age pensions was placed upon the statute-book, with the unanimous support of the Labour party in New South Wales. The pressure then exerted by the Labour party was entirely responsible for the passage of that legislation.

I do not object to the proposed increase to £1 a week. It could have been paid immediately it was ascertained that the Treasurer had a surplus of about £4,000,000 at the close of the last financial year. We may take it that this bill has been introduced because the Government proposes to have a general election on the 14th November. The first increased payment is to be made on the 8th October. I suppose it would be useless to submit amendments of a general character at this stage, but if that could be done it would be an advantage. Many persons receiving a pension require some one to look after them, but if they leave a home, of which they are the owner, to receive the attention of a member of the family who may be living elsewhere, their pension is reduced or they are deprived of the right to collect a pension. A case came under my notice a few days ago of an old man living in his own home, who removed to the residence of his daughter for attention, but because he owned a property he was not entitled to collect a pension. I do not think it was ever intended that the act should operate in that way. As it is I suppose useless

Senator J. Grant.

to submit amendments, I merely cite this case which is typical of many others, so that when a general amendment of the act is under consideration, cases such as these will receive the attention of the Government.

Question resolved in the affirmative.

Bill read a second time.

In committee:

Clauses 1 to 4 agreed to.

Clause 5—

Section 45 of the principal act is amended by omitting from the proviso thereto the word "three" and inserting in its stead the word "four."

Section proposed to be amended—

*If a pensioner becomes an inmate of an asylum for the insane or a hospital . . .*

*Provided that when a pensioner has remained an inmate of a hospital for a period of twenty-eight days he shall, upon the expiration of that period and so long thereafter as he remains an inmate, be entitled to receive a pension at the rate of three shillings per week.*

Senator GARDINER (New South Wales) [5.54].—I should like the Minister (Senator Pearce) to consider an amendment to clause 4 to leave out the word "four" and to insert in lieu thereof the word "five." As we are granting pensioners an additional 2s. 6d. per week, we should also provide that the pensioner inmates of hospitals should receive 5s. a week for themselves. If such an amendment were adopted the hospitals would receive an additional 6d., and the pensioner inmate would benefit to the extent of an additional 1s. A pensioner has to be in hospital 28 days before the pension is payable, during which time his expenses are going on, and the amount provided is not sufficient to keep him even in tobacco. Those pensioners who have to go to homes and hospitals should receive more than the additional 1s. proposed.

Senator PEARCE (Western Australia—Minister for Home and Territories) [5.55].—I hope the Leader of the Opposition (Senator Gardiner) will not move in the direction he suggests, because the pensioner inmate of a hospital or a home is certainly in a better position than a pensioner living elsewhere. Whilst a pensioner inmate of a hospital or home will receive 4s. to spend, I doubt very much whether a pensioner who has to keep himself will have that amount to spend on incidentals. The pensioner inmates of institutions are provided with a home and with clothing.

Senator GARDINER.—Not with clothing.

Senator PEARCE.—They are in homes. In Western Australia such pensioners are clothed, fed, and sheltered. In such circumstances they are better off than a pensioner who has to clothe and feed himself and find shelter on 20s. a week.

Senator GARDINER.—That is not the case in hospitals.

Senator PEARCE.—Pensioner inmates of hospitals do not require clothing; they are in bed.

Senator GARDINER.—In some cases they wear clothes.

Senator PEARCE.—They would not be in hospital if they were able to walk about. Those at convalescent homes, however, would be wearing clothes. For the reasons given I ask the honorable senator not to move the amendment he suggests.

Clause agreed to.

Clause 6 agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

#### COMMONWEALTH ELECTORAL BILL.

Bill returned from the House of Representatives with amendments.

Motion (by Senator PEARCE) agreed to—

That so much of the Standing and Sessional Orders be suspended as would prevent the message being at once considered and all consequent action taken.

Ordered—

That the message be considered in committee forthwith.

*In committee* (Consideration of House of Representatives' amendments):

Senator PEARCE (Western Australia—Minister for Home and Territories) [6.2].—It would perhaps meet the convenience of the committee if I explained the effect of the amendments made by the House of Representatives. Only three principles are involved. In the bill, which originated in the Senate, we conferred the franchise upon British Indians. To this the House of Representatives has agreed, but it has also extended the franchise to naturalized Asiatics. That may sound somewhat alarming, but there is really no occasion for alarm, since there are relatively few naturalized Asiatics in Australia. They consist mainly of Palesti-

nian Jews, Syrians, and Armenians. Beyond these there are not a great number of naturalized Asiatics in Australia. We have not been naturalizing other than these since the passing of the Nationality Act, and prior to the passing of that act, under our naturalization laws, Asiatics were excluded from naturalization. A certain class of Syrians are still ineligible; the privilege is enjoyed only by Christian Syrians.

Senator GARDINER.—Are naturalized Asiatics entitled to receive the old-age pension?

Senator PEARCE.—I could not answer that question offhand. This will bring our law into conformity with that of most of the States.

The CHAIRMAN (Senator Newland).—I think it would meet the convenience of the committee if the Minister submitted the amendments *en bloc*.

Senator PEARCE.—With the permission of the committee, I intend to do so. I am now explaining the effect of the different amendments so that honorable senators may understand their purport. The next amendment is a rather interesting one, as it deals with the position of members of Parliament who elect to reside in the Federal Territory when the Seat of Government is transferred to Canberra. As it was thought that it might be held that a resident in that Territory would not be eligible to nominate as a candidate for a seat in either House of the Parliament, the House of Representatives has inserted a clause under which any senator living in the Federal Territory may, if he so desires, have his name placed upon, and retained upon, the roll for any subdivision of any division of the State which he represents, and any member of the House of Representatives who lives in the Territory may have his name placed and retained upon the roll for any subdivision of the division which he represents. This will enable a person who lives at the Seat of Government in the Federal Capital Territory to become a candidate for either branch of the Federal legislature. The remainder are merely technical, drafting amendments, consequential upon those that I have explained. I give honorable senators the assurance that those are the only matters that are dealt with in the message. I move—

That the amendments made by the House of Representatives be agreed to.

**Senator J. GRANT** (New South Wales) [6.7].—Am I right in assuming that any person who is resident in the Territory will be eligible to become a candidate for Parliament?

**Senator PEARCE**.—Yes, for either House.

**Senator J. GRANT**.—Without having his name on any roll?

**Senator PEARCE**.—That is right; provided, of course, that he is otherwise qualified.

Motion agreed to.

Resolution reported; report adopted.

#### NORTHERN TERRITORY REPRESENTATION BILL.

Bill returned from the House of Representatives, with amendments.

Motion (by Senator PEARCE) agreed to—

That so much of the Standing and Sessional Orders be suspended as would prevent the message being at once considered and all consequent action taken.

*Ordered*—

That the message be considered in committee forthwith.

*In committee* (Consideration of House of Representatives' amendments):

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [6.12].—The House of Representatives has made only three alterations to the bill that was sent to them by the Senate. Under the law, as it stands at present, any person, to be eligible as a candidate for the Northern Territory, must be an elector who is entitled to vote at the election of a member to represent the Northern Territory; in other words, he must be a resident of the Northern Territory. The amendment of the House of Representatives makes the qualification similar to that of a candidate in any other Federal constituency; that is, he must be an elector entitled to vote at the election of a member of the House of Representatives. In future, therefore, so long as a person is an elector in any part of the Commonwealth he may be a candidate for the Northern Territory.

**Senator FINDLEY**.—The Government must have had a reason for the original provision in the bill. Why does it now desire to alter it?

**Senator PEARCE**.—It has come to the conclusion that the Northern Territory should not be treated differently from any

other constituency. A further amendment of the House of Representatives relates to the time for holding an election in the Northern Territory. Experience has taught us that it is not possible, in the case of the Northern Territory, to fix the same time as is fixed for other constituencies throughout Australia, because of the long distances that have to be travelled and the slow and inefficient means of transport. The amendment provides that the elections shall be held as near as is practicable to the time fixed for other constituencies.

**Senator OGDEN**.—Is it proposed to give the representative of the Northern Territory the right to vote in the House of Representatives?

**Senator PEARCE**.—No. The other alteration is merely a technical one. The officer administering the act has been known as the Registrar of the Supreme Court. His title has been changed to that of Clerk of the Supreme Court, and it has been necessary to alter the phraseology to make it conform to that difference in title. I move—

That the amendments made by the House of Representatives be agreed to.

Motion agreed to.

Resolution reported; report adopted.

#### INCOME TAX ASSESSMENT BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

#### SECOND READING.

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [6.17].—I move—

That the bill be now read a second time.

Although the measure comprises 24 clauses, it is not nearly so formidable as it appears. It contains only one or two important principles, and it is necessary to pass it in order that the revenue of the Commonwealth may be protected. That is the Government's justification for bringing it forward at this juncture. The bill deals with the following subjects:—

(1) It cures the position which was recently created by a judgment of the High Court, which declared the Board of Appeal that had been provided for in the existing act to be invalid, and to have

been unconstitutionally appointed. The cure of this position involves:—(a) The re-creation of the board under new circumstances and under a new name; (b) the validation of the past acts of the Board of Appeal in cases which were dealt with by it; (c) the consequential validation of assessments, decisions and determinations of the Commissioner of Taxation, so as to make complete the validation of the board's decisions; (d) the amendment of certain sections of the principal act containing references to the Board of Appeal, so that the rest of those sections may operate validly; (e) proper provision for the lodging of objections to assessments, decisions and determinations of the Commissioner of Taxation, so that they may be brought either before the new board or before the courts at the option of the taxpayer.

(2) The amendment of the existing law so that co-operative companies may, in future, be assessed only on undistributed income, and not on the total surplus income as at present, before distributions are made to shareholders.

Senator FOLL.—The new board may be declared illegal.

Senator PEARCE.—No. It complies with the judgment of the court. The following subjects are also dealt with by the bill:—

(3) Provision to permit the Commissioner of Taxation to adjust income tax assessments for all years which affect special contracts extending over a period of three years, such as the contract for the North Sydney Bridge, so that the proper amount of income tax shall be paid in each of the years of the contract, instead of as at present, upon estimates of profit or loss which may have no relation whatever to the final result of the contract.

(4) The imposition of a time limit of three years within which amendments of assessments may be made under the Income Tax Assessment Act 1915-1921. At present there is no time limit upon the Commissioner of Taxation under that act. It is considered there should be such a limit similar to that imposed upon the Commissioner under the 1922-1924 act in respect of assessments under that act. Many people have a strong objection to what is known as retrospective legislation; but this bill is not retrospective in the true sense. At any rate, it is not

that type of retrospective legislation about which the taxpayer has any right to complain. Parliament, thinking it desirable that the taxpayer who felt that he had been hardly dealt with by the Commissioner of Taxes, should have a board to which he could appeal from the assessment of the Commissioner, appointed such a board; but it never intended that the taxpayer should, because of a decision of the High Court regarding the constitutionality of that board, be permitted to escape from the payment of taxation justly due by him. Parliament had conferred an advantage on the taxpayer by giving him a second review of the assessment made by the Commissioner, but because the High Court held that the board thus constituted was unconstitutional, owing to the phraseology of the provisions of the act, that does not mean that the High Court also held that the taxation which the taxpayers were called upon to pay should not be paid. No taxpayer is wronged if we now validate what was originally intended to be done; that is, to give him the right to some review of his assessment. To say that large numbers of people should be allowed to avoid paying taxation which is justly due by them because the law was not quite in conformity with the Constitution, and because a board of the kind contemplated could not be appointed in the particular way which was adopted, is a strained interpretation of what is, or is not, retrospective legislation. The Board of Appeal, between the time of its appointment and when it was declared unconstitutional, gave a number of findings, some to the advantage of the taxpayer, and some against the interests of the taxpayer, from his point of view. These findings have now to be validated. By this bill we still retain a review of the Commissioner's findings by a board of review.

Senator FOLL.—I suppose that there are many people waiting for refunds.

Senator PEARCE.—Probably there are; but that fact does not interfere with the principle laid down by the High Court, that this board cannot be regarded as a court of appeal. It is to be no longer a court of appeal; it will be a board of review. That is the only retrospective feature of this bill.

**Senator REID.**—Can a taxpayer appeal to the Commissioner from the finding of the board?

**Senator PEARCE.**—The board will advise the Commissioner. It is felt that the Commissioner cannot go into every case, and that where there is a difference of opinion, opportunity should be given to some one to investigate the matter and report to the Commissioner.

**Senator GARDINER.**—Will the thing work both ways? Will the taxpayer who has been paying too much for the last ten years be able to get a refund?

**Senator PEARCE.**—The limit is three years. There are other features of the bill which are retrospective, but, of course, they all hinge on the declaration by the High Court that the Board of Appeal was unconstitutional.

**Senator J. GRANT** (New South Wales) [6.26].—It would be a great mistake to pass this bill.

**Senator PEARCE.**—If it is not passed, the Commonwealth will lose a few million pounds.

**Senator J. GRANT.**—This is an amendment to the second most obnoxious act that has ever found its way on our statute-book.

**The PRESIDENT.**—The honorable senator must not reflect on an act of this Parliament.

**Senator FOLL.**—What is the most obnoxious act on our statute-book?

**Senator J. GRANT.**—It is practically a tie between the Customs Tariff Act and the Income Tax Act. The taxation of incomes is a direct penalty on the man who renders a service to the community. The man who earns a salary, invests his money in property, or borrows other people's money, and employs it in improving homes or buildings of any description is immediately pounced upon by the Federal Income Tax Commissioner, and, unfortunately, also by the State Income Tax Commissioner. Between them, these gentlemen have succeeded in bringing about in this country such a condition of affairs that it is now clearly realized that the less work one does, or the less service one renders to the community, the less penalty one has to pay. It is a step right back into the dark ages to make even more drastic a measure which has this damaging effect upon the progress of the Commonwealth. If, instead of amending the Income Tax Assessment

Act, the Government brought down a proposal to abolish the tax, it would have my very enthusiastic support. Many people were of the opinion that it was not competent for the Commonwealth to impose either an income or a land tax, but of course they were mistaken, because the Constitution gives this Parliament unlimited powers of taxation. I think that is a good thing. This afternoon we have witnessed a very small evacuation by the Commonwealth Government of the field of direct taxation, inasmuch as it has repealed an important section of the entertainments tax, under which £360,000 per annum was collected.

**Senator REID.**—It does not go far enough, unfortunately.

**Senator J. GRANT.**—That is quite right. But there is no proposal in the bill now before us to increase the income tax exemption. In my opinion the exemption should be substantially increased. I should not care to say how far I would go, but if I had my way I should not leave very much to be taxed.

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

**Senator J. GRANT.**—There are a number of great objections to bills of this nature and to income taxation in general. The mere fact that legislation has been enacted by this Parliament does not make it just. Frequently our legislation requires amendment, and sometimes it is even rescinded.

**The PRESIDENT** (Senator the Hon. T. Givens).—I remind the honorable senator that it has been ruled over and over again that the discussion on an amending bill must relate only to the sections of the principal act which it is proposed to amend. The general question of the imposition of income taxation, or whether a tax on incomes is good or bad, does not really arise in connexion with this measure.

**Senator J. GRANT.**—Then I suppose that I would not be in order in pointing out at this juncture a very much more effective and equitable system of taxation than now obtains. We have been assured by the Minister that the bill is intended to protect the revenue of the Commonwealth; but he did not point out that it is, in reality, a measure to rob taxpayers of rights that they have been held by the High Court to possess. Far from being the harmless and uncontroversial bill that the Minister suggested it

was, I submit that it is of a highly contentious character. It proposes not only to upset decisions given by the High Court, but also to validate wrongful actions on the part of the Commissioner of Taxation. While I do not reflect upon the Commissioner himself, the High Court has held that the impositions sought to be inflicted by him cannot stand. Much has been said with regard to the board of appeal supposed to have been established in the taxpayers' interests; but upon appeal to the High Court it was held that that board had no legal status, and that its decisions were *ultra vires*. Surely, in view of the High Court's ruling, this Parliament should not be asked to enact legislation of a retrospective character that would rob taxpayers of their established rights.

**Senator PEARCE.**—Does the honorable senator think that they ought to "get away with it"?

**Senator J. GRANT.**—I do, indeed.

**Senator PEARCE.**—The appeal board was appointed to protect the interests of the taxpayers.

**Senator J. GRANT.**—But in more than one case the decisions of the board have been held to be *ultra vires*. It does not concern me whether the measure principally affects the British Imperial Oil Company or anybody else. My chief objection to the bill is that it mainly proposes to enable the Government to collect from certain taxpayers money which, under existing legislation, they are not entitled to pay. If it were only intended to make the measure apply to future taxation assessments it would be objectionable enough, but its retrospective nature makes it far more obnoxious than it otherwise would be. I give notice that I intend, at the committee stage, to move a new clause which, although it will not entirely meet the needs of the situation, will go a certain distance in the direction I desire.

Question resolved in the affirmative.

Bill read a second time.

Clauses 1 to 18 agreed to.

**Senator J. GRANT** (New South Wales) [8.18].—I move—

That the following new clause be inserted:—  
18(A) This act shall not apply to or affect the following:

(a) The taxation business of any company upon which a notice purporting to be a determination by the Commissioner has been given, or which

has been served with a notice of demand requiring additional tax to be paid under authority of section 21 of the principal act, in every instance where the validity of such demand has been, and is, disputed; or

- (b) the taxation of any company on behalf of which the Commissioner has been notified or otherwise made aware that his power to impose and demand additional tax under authority of section 21 of the principal act is disputed, and that such claim would be invalid; or
- (c) any application for a refund of additional tax that has been improperly claimed by the Commissioner and paid by or on behalf of a company in obedience to such improper demand by the Commissioner; or
- (d) any demand for additional tax in respect of which a writ out of the High Court or the Supreme Court of a State has been issued by the Crown, determination of which has not yet been finalized; or
- (e) the appeal case of the British Imperial Oil Company Limited; or
- (f) the decision of the High Court in respect of the appeal case of the Australian Tesselated Company Limited.

During the second-reading debate I pointed out how unfair it was to penalize by a validating bill taxpayers who had established their position in an action before the High Court. I am not dealing with the equity of income tax at all, although I think it is most inequitable. The question is whether Parliament should come to the assistance of the Commissioner, and, by an amendment of the act, give him authority to collect certain taxation. Instead of being penalized, these people should be complimented upon their mental alertness in showing that the Commissioner and the legal advisers of the Government, to say nothing of members of Parliament, did not understand the provisions of the measure that had been passed. These taxpayers proved that the demand of the Commissioner was illegal.

**Senator PEARCE.**—They proved nothing of the kind. All they proved was that the Board of Appeal was not properly constituted.

**Senator J. GRANT.**—It is not right for Parliament to pass this retrospective legislation and compel people to pay demands which they successfully contested before the High Court.

**Senator PEARCE** (Western Australia—Minister for Home and Territories) [8.25].—I am sure that the committee will not agree to the amendment. Parliament set up the board of appeal, not in the interests of the Commissioner or the revenue, but in the interests of the taxpayers themselves, and it was not until certain taxpayers had challenged the constitution of the board that the discovery was made that it was *ultra vires*. Can that be advanced as a reason why the litigants should escape taxation? If Senator J. Grant takes that view, then all I can say is that it is extraordinary, and I hope the committee will not agree to the amendment. Senator J. Grant contends that this action by the Government is reprehensible, because it snatches the possible fruits of a legal victory on a technicality from those persons who have been astute enough to take legal advice and lodge with the Commissioner of Taxation special expressions of their dissatisfaction with assessments, determinations, and decisions. By their appeal to the High Court they hoped to escape the tax which Parliament obviously intended to apply to them. Those who did not express their dissatisfaction to the Commissioner would still be liable to pay the tax, notwithstanding that equity would require that they should be placed in the same position as those who hoped to succeed on a technicality. If it had not been for the fact that Parliament made a mistake in the method it adopted in an attempt to give effect to the widely expressed wish of the taxpaying public that a board of appeal should be established to review the decisions of the department of taxation the persons who now seek to escape their just liabilities, would not have had any legal opportunity to appeal to the courts. There is therefore no good reason why they should be specially catered for, as would be the case if Senator Grant's amendment were accepted. If the amendment were carried it would nullify the bill, as it would make it possible for a taxpayer to apply to the High Court for an order against the Commissioner of Taxation to refund the tax paid by that taxpayer and such a taxpayer would probably succeed in his action. That would probably mean that the whole of the income tax collected during the past three years would have to be refunded, or that Parliament to protect the revenue from such

a huge loss would have to re-enact the Income Tax Assessment Act in the form in which this bill places it. That is the effect of the amendment, and I am astonished at an honorable senator submitting such a proposal. Having these facts before it I am sure the Senate will not entertain the proposal for a moment.

**Senator GARDINER** (New South Wales) [8.32].—I have listened to the Minister (Senator Pearce) and Senator J. Grant, and I am of the opinion that the only decent thing the Minister can do is to delete the provision of the bill to which exception is taken. The position is that certain persons acting within their legal rights in resisting the assessments made by the Income Tax Commissioner have had their cases decided in their favour by the High Court. Notwithstanding this, the Government say that although certain taxpayers have proved their case to the satisfaction of a properly constituted court, they will make them pay by passing this measure. The Minister does not appear in favour of granting even moral justice, and says in effect that those who have successfully appealed shall not escape. They are to have no redress. Morally the Government should hand back the amount of tax collected from those who did not appeal. That should be done however costly the procedure is, and irrespective of the amount involved. If certain individuals or companies in resisting what they consider an unfair charge obtained a verdict from the highest court in the country, I shall not be a party to setting aside that verdict by means of retrospective legislation.

**Senator PEARCE**.—The court did not rule that the charge was an unfair one, but that the machinery employed was illegal.

**Senator GARDINER**.—If the machinery employed was illegal the charge was an unfair one. I realize that the intention of Parliament was all right, but how often is the intention of Parliament set aside by the interpretation placed upon our acts by judges of the High Court. So far as I understand the matter, the High Court has given a decision in favour of certain companies, and we are now asked to pass legislation so that these companies cannot avoid making payments which the court says are illegal. The Government has introduced a bill providing that certain individuals or companies shall pay a tax, which the High

Court has ruled cannot be legally imposed. Legislation of this character is not creditable to the Government or to Parliament. It is legislation framed with the intention of making some one pay, and the Government is acting wrongfully in endeavouring to make legal an illegal act. We have heard a good deal lately concerning respect for law and order. Where does law and order come in now?

Senator PEARCE.—The bill does not rob any taxpayers of any benefit derived under the award from the courts.

Senator GARDINER.—I did not say that it robbed them. The Minister has said that the Government intends to set aside the decision of the court.

Senator PEARCE.—We are not doing that.

Senator GARDINER.—We are going in a round-about way to do certain things. The charge would not be legal without this legislation.

Senator PEARCE.—It does not affect those who have appealed, but only those who have expressed dissatisfaction and have not taken their case to the court.

Senator GARDINER.—Those who have obtained judgment will not be affected by this measure, but others in a similar position will be. I do not wish any misunderstanding to occur, but there is likely to be misunderstanding in consequence of the manner in which this legislation is being introduced. I understand from the Minister that those who actually appealed will not be called upon to pay in consequence of the passing of this act.

Senator PEARCE.—They will not be robbed of the fruits of the judgment, whatever it was.

Senator GARDINER.—The Minister's statement seems to be somewhat shifty.

Senator PEARCE.—They may be liable for something in respect of which they have not appealed.

Senator GARDINER.—I understand that those persons who proved that the action of the Commissioner was illegal will be called upon to pay up. Does the Minister deny that?

Senator PEARCE.—There is one company—the Tesselated Tile Company—which has actually had its payments refunded, but there are many others who expressed to the Commissioner their dissatisfaction concerning their assessments, but did not take their case to the court. Without this bill they will escape.

Senator GARDINER.—It now appears to me in a worse light than before, because those who took their case to the court will not have to pay any more, whilst those who expressed dissatisfaction, but did not go to court, will have to pay. Is that the position?

Senator PEARCE.—Yes.

Senator GARDINER.—That is unjust, and because I believe the action of the Government is grossly unfair, I intend to support the amendment moved by Senator J. Grant.

Question—That the proposed new clause (Senator GRANT's amendment) be inserted—put. The committee divided.

Ayes ..	..	..	6
Noes ..	..	..	12
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Majority ..	..	..	6
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AYES.

Findley, E.	Hoare, A. A.
Gardiner, A.	Teller:
Graham, C. M.	McHugh, C. S.
Grant, J.	

NOES.

Cox, C. F.	Pearce, G. F.
Foll, H. S.	Plain, W.
Glasgow, Sir Thomas	Reid, M.
Hays, H.	Wilson R. V.
Kingsmill, W.	
Newland, J.	Teller:
Payne, H. J. M.	Duncan, W. L.

PAIRS.

O'Loghlin, J. V.	Benny, B.
Barnes, J.	Crawford, T. W.
Needham, E.	Drake-Brockman, E. A.
Gibbs, W. A.	Greene, W. M.
Hanann, J. F.	Guthrie, J. F.

Question so resolved in the negative.

Proposed new clause negatived.

Clauses 19 to 24 agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

#### INCOME TAX BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

#### SECOND READING.

Senator PEARCE (Western Australia—Minister for Home and Territories) [8.47].—I move—

That the bill be now read a second time.

This measure, which deals with the rates at which income tax shall be assessed, levied, and collected for the purposes of the financial year 1925-6, is framed in strict accordance with the terms of the Treasurer's announcement in the budget speech, namely, that the Government intended to reduce the rates of tax which applied in the assessment for the financial year 1924-5 by approximately 12½ per cent., making the rates 20 per cent. greater than when the tax was first imposed in 1915-6. It is not proposed to make any alteration in the flat rate of 1s. which is charged upon the profits of companies.

**Senator GARDINER** (New South Wales) [8.48].—I enter an earnest protest against legislation of this character. The Government, having accepted the challenge to go to the country, now comes forward with a bribe in its hands for a certain section of the community. The use that it is making of its newspaper and secret-service organizations is bad enough, but it is infinitely worse to ask a Parliament that, to all intents and purposes, is dead, to sanction action of this sort. The Leader of the Opposition in another place (Mr. Charlton) compelled the Government to appeal to the people, and, in order to honour an undertaking that he entered into, I, this afternoon, allowed measures to go through without saying one word upon them. The Standing Orders have been suspended probably half a dozen times with but one protest from me, when that course was originally proposed. This is the first that I have heard of the Income Tax Bill. The Standing Orders have been suspended, and the Minister proposes to rush it through, in order that persons who have large incomes may be relieved from the payment of a certain amount of their income tax.

**Senator PEARCE**.—The bill applies to all incomes, large and small.

**Senator GARDINER**.—I am gratified at the Minister's acceptance of my assertion that it will give a certain amount of relief to persons with large incomes. I have not had time to read the bill, and therefore I have not been able to ascertain whether it will affect persons with small incomes.

**Senator PEARCE**.—Under the bill, the honorable senator will have 12½ per cent. deducted from his income tax.

**Senator GARDINER**.—That is a good reason for opposing it. I shall still have a greater sum than I would be able to earn if I were engaged in useful work. A man who, under existing legislation, has to pay a tax of £50, will, under this measure, have the amount reduced by £6 5s. I notice that Senator Wilson is waiting somewhat impatiently to introduce a bill, the effect of which will be that those whose incomes do not reach £200 a year will be taxed through the Department of Trade and Customs on every piece of cotton goods that they buy for their wives and children. Is that a fair thing? We are increasing the load that is placed on the shoulders of those who are least able to bear it, whilst at the same time we are removing a portion of the load that is carried by those who are well able to bear it.

**Senator PEARCE**.—The Government is proposing to remit Customs taxation to the extent of £750,000.

**Senator GARDINER**.—When that bill comes before us I shall probably find that it will reduce the burden of those who buy largely, and increase it on those who purchase cotton goods. This measure is in reality a bribe held out on the eve of an election to the big income tax payers. The next measure that is to come before us will be found to have been framed in such a way that it will enable the Government to obtain from the poorer section of the community the revenue that it proposes to forego under this measure. I have been studying the figures relating to employees in secondary industries, and I find that the average wage is not greater than £3 12s. a week. Income tax is not paid by those who earn less than £300 a year.

**Senator PAYNE**.—Does the honorable senator not think that those persons should be exempt from the payment of income tax?

**Senator GARDINER**.—I do. Does not Senator Payne, on the other hand, agree that the working man should be exempt from Customs taxation, some of which is imposed, not for the purpose of building up Australian industries, but purely with the object of raising revenue by taxing the working classes? Clause 4 of the bill reads—

(1) The rate of the income tax in respect of income from personal exertion shall be as set out in the first schedule to this act.

(2) The rate of the income tax in respect of income derived from property shall be as set out in the second schedule to this act.

(3) The rates of the income tax in respect of a total taxable income derived partly from personal exertion and partly from property shall be as set out in the third schedule of this act.

(4) Notwithstanding anything contained in the last three preceding sub-sections, where a person would, apart from this sub-section, be liable to pay income tax of an amount less than £1, the tax payable by that person shall be £1.

(5) The rates of the income tax payable by a company shall be as set out in the fourth schedule to this act.

What is the meaning of sub-clause 4? With one hand it is proposed to take 12½ per cent. off the tax that is paid by the big man, whilst with the other hand it is intended to increase to £1 the tax that is paid by those who would not otherwise pay £1.

Senator KINGSMILL.—That argument is the height of ingenuity.

Senator GARDINER.—If sub-clause 4 does not mean that a man whose tax at present is 10s. will have to pay £1, I fail to understand English.

Senator KINGSMILL.—It is a minimum.

Senator GARDINER.—The minimum of the small taxpayer is to be increased, whilst the big taxpayer will have his tax reduced.

Senator PEARCE.—Under the existing law, if the tax comes to less than £1 the taxpayer has to pay £1. That has always been the law.

Senator GARDINER.—I admit that the men on the lower rungs of the ladder always have the boot put into them. What would be said if the act were amended to provide that those who now paid just under £100 should in future pay £100?

Senator PEARCE.—Under the 12½ per cent. reduction many of those who are now taxpayers will escape payment in future.

Senator GARDINER.—I realize that. Is there any reason why they should not? Earners of small incomes have been taxed at an extraordinary rate for the last ten years. Revenue had to be obtained from somewhere. The Government, however, has in all its legislation and administration considered the interests only of those who have plenty of money. The load of debt is so enormous, the interest payments so substantial, that the Government should refrain from lightening the burden of those who can well afford to pay, especially as it proposes to tax more heavily the harder working and poorer section of the community.

Senator J. GRANT (New South Wales) [9.0].—I do not intend to allow this bill to pass without offering most strenuous opposition to the continuation of the schedules upon which the income tax is collected. I have a distinct recollection, not perhaps to the credit of members of this Parliament, of the occasion on which this idea of having a graduated scale—it was imported, I believe, from Germany—was first discussed here. I think the then Commonwealth Statistician sent this confounded thing up to us, and we all looked very wise, but I do not think one of us understood it although we all agreed that it was just "it." Unfortunately a few days afterwards one of the Sydney University professors expressed some doubt as to the accuracy of the scale, and Mr. Knibbs reviewed his formula and sent along a fresh one. When that came before us we were no better informed than on the first occasion. We all again looked exceptionally wise, and we agreed to apply the schedules as submitted, but I venture to say that the number of members of the Commonwealth Parliament with mixed incomes who can calculate exactly the amount of tax they will be charged by the Income Tax Commissioner is negligible. We simply pay what we are asked to pay, looking as pleasant as we can. The schedules are such that we ought to abandon them. I do not think any State in the Commonwealth has been foolish enough to adopt them.

Senator DUNCAN.—The Labour Government of Tasmania has adopted them.

Senator J. GRANT.—It is not to its credit if it has done so. Taxation ought to be imposed in such a simple way that any citizen can tell exactly what he has to pay. There are very few, if any, taxpayers who can calculate the amount of Federal income tax they are required to pay. People have either to rely on the assistance of expert agents or to pay what the Commissioner asks. I think I am correct in saying that the staff of the Taxation Office has been seriously depleted because officers, realizing the weaknesses of the act, have set up in business on their own account, and have made very excellent incomes by piloting their clients through the various loopholes that exist in the act. It is quite common in Sydney

and Melbourne and elsewhere to see on signboards the words, "Taxation Experts." A man who is paying taxation through the Customs House knows exactly what he has to pay on every item. Under our famous progressive land tax the land-holders, although they do not always pay too promptly, know what they have to pay. Municipal taxation is simplicity itself. It does not matter what is the value of any property in any portion of New South Wales, it is valued by the Valuer-General at so many hundred pounds and a flat rate of so many pence per pound is applied. The payer at once knows how much he has to pay. But under the Commonwealth income tax method of graduated curves it is most difficult to calculate what any person has to pay. I should like to see the Government abandon this method and impose a rate of so much per pound, rising with easy breaks, say, at every £50. In that way one would be in a position to calculate the amount of tax to be paid. It should not be necessary for experts to secure lucrative employment in attending to details of assessments, and in helping taxpayers in the direction I have indicated. I shall not attempt to move tonight to have these schedules altered, because I would not succeed if I attempted to do so; but I am making these remarks in the hope that later on Parliament will insist on the adoption of a scale of tax so that he who runs may read. Another objectionable feature of the original act which I think ought to be repealed is that section which gradually but surely eliminates the £300 exemption after a person's income reaches a certain amount.

Senator PEARCE.—That is dealt with in the Income Tax Assessment Bill.

Senator J. GRANT.—My view is that the £300 exemption should hold right through every taxable income. However, it is not dealt with in this bill. I regret that the Government has not proposed a greater reduction in the income tax. I should hail with satisfaction the complete evacuation by the Federal Government of the whole field of income taxation. It should not retire from the field of land taxation, but it certainly should from the field of income taxation, because the revenue from our Customs and Excise duties, which have recently been increased,

is more than sufficient to meet the legitimate expenditure of the Commonwealth. It was never contemplated by those who supported federation that the Commonwealth expenditure would approach anything like its present enormous proportions. My opinion is that the Commonwealth should retire at the earliest possible moment from the field of income taxation and discontinue the *per capita* payments to the States. If the States like to insist on this foolish system of taxation, let them do so.

The DEPUTY PRESIDENT (Senator Newland).—The honorable senator is not in order in discussing those matters under this bill.

Senator J. GRANT.—There is nothing in this bill except the proposed reduction of the tax, and, although I may differ in some respects from my leader in this regard, I welcome a reduction in the income tax. It is surprising, however, that all the bills before us, which are directly or indirectly taxation measures, are, when closely analysed, so drafted as to place the burden of the taxation proposed to be raised on the shoulders of those who are least able to bear it. I shall not oppose this bill, but I should like the Government later to consider the desirability of altering the schedules so that every citizen may clearly understand what income tax he has to pay.

Senator PAYNE (Tasmania) [9.14].—After being in this chamber for the last five and a half years, I need hardly express surprise at the attitude adopted by the Leader of the Opposition (Senator Gardiner) towards this bill. Yet I am surprised that any honorable senator should have the temerity to oppose a measure whose object is to reduce the burden of taxation on the people of Australia.

Senator GARDINER.—The rich people of Australia.

Senator PAYNE.—No, the people of Australia. The reduction proposed will apply to all payers of income tax. Senator Gardiner has evidently overlooked the fact that for the last three years there has been a consistently regular reduction in the income tax levied on the people by the Commonwealth. I do not intend to allow Senator Gardiner's remarks to pass unnoticed. He had the audacity to state that the Commonwealth Government was offering a bribe to the people on the eve

of an election in order to secure their votes. I have always understood that a gentleman occupying the high and honorable position of Leader of the Opposition should keep himself acquainted with current events in the political arena, but I am forced to the conclusion that even Senator Gardiner has failed to read the budget speech delivered by the Treasurer (Dr. Earle Page) early in August last.

Senator FINDLEY.—Deal with the bill. We are not now considering the budget.

Senator PAYNE.—I intend to refer to it. The Treasurer in his budget speech in August last indicated clearly that a bill was to be introduced to provide for a  $12\frac{1}{2}$  per cent. reduction in income taxation. Senator Gardiner should not now suggest that the measure has been brought down as a bribe.

Senator GARDINER.—So it has, and for no other purpose.

Senator GRAHAM.—For nothing else.

Senator PAYNE.—Anybody who says that is trying to deceive the people. Honorable senators who support that view are angry because the affairs of the Commonwealth have been managed in such a way as to make this reduction possible. Last year the Government not only effected a reduction of 10 per cent. in income taxation, but it also raised the exemption so that persons with incomes under £300 a year were not required to pay any tax.

Senator GARDINER.—Persons with incomes under £300 are not included among those who I say have been bribed.

Senator PAYNE.—The honorable senator is jealous of the fact that the Government is able to grant this relief.

Senator HOARE.—Relief to whom?

Senator PAYNE.—To the people of Australia.

Senator PEARCE.—Senator Hoare will be one of them.

Senator PAYNE.—Senator J. Grant stated emphatically that the income tax levied on individuals was passed on by them to the community. Assuming that his argument is correct, does not every section of the community benefit by a reduction in income taxation, since there must be less tax to be passed on? Senator Gardiner therefore should welcome the reduction. I hope that when the party on this side of the chamber returns next year from the election considerably strengthened, it will be

able to grant even more relief to the taxpayers than is now proposed. A statement that I made some time ago will bear repetition. I pointed out that it was only because we have heavy war obligations to meet that the continuance of the income tax is necessary. The amount of tax levied to-day is not nearly sufficient to meet the interest and sinking fund payments required annually in connexion with our war loan indebtedness, and therefore there must be some other method of raising the money required to meet our obligations. Personally, I should like to do without taxation, but as long as the need exists we must meet it like men. I hope that this will be the last time that Senator Gardiner will charge the Government with offering a bribe to the people when he knows that the Ministry is actuated by a desire to reduce their burden whenever it is possible to do so.

Senator HOARE (South Australia) [9.22].—Senator Payne congratulated the Government on its proposal to reduce income taxation by  $12\frac{1}{2}$  per cent., and said that it would mean much to the people of Australia. The Minister (Senator Pearce) remarked that I, for one, would benefit by this reduction. Quite so, but I do not think that I should thus be benefited. A man in receipt of £1,000 a year is in a position to pay the present income tax.

Senator PEARCE.—The honorable senator may make a further contribution to the revenue if he so desires.

Senator HOARE.—Any reduction that can be made should be extended to those who are least able to bear the burden of taxation.

Senator ELLIOTT.—What income tax do the men with small incomes pay?

Senator HOARE.—Although they may pay no income tax, they contribute very heavily to the cost of government through the Customs.

Senator ELLIOTT.—Does the honorable senator want the Customs duties reduced?

Senator KINGSMILL.—No; that is part of his protectionist policy.

Senator HOARE.—Of course I am a protectionist; but it should be possible to relieve the people on the bottom rungs of the financial ladder instead of helping those who have already climbed to a considerable height. I realize that the desire of Ministers is to help the big man. That is why they are on the Treasury

bench. I do not go so far as Senator Gardiner, and say that the proposed reduction of 12½ per cent. is a bribe to the electors. I believe that the Government, when it foreshadowed this reduction, had no expectation of an immediate election. I give it the credit, therefore, of at least being honest in that direction, but I think that it was an error of judgment to make no attempt to reduce the taxation of the small man. If Senator Payne had said that a certain wealthy section of the community would be benefited by the reduction he would have been nearer the mark than he was. Why should we reduce taxation on one hand, and borrow millions of pounds abroad? The fact that we are constantly borrowing shows that the revenue is insufficient for our purposes. It seems unnecessary and undesirable, therefore, to reduce the present income taxation.

**Senator DUNCAN.**—The electors will be interested to learn of Labour's opposition to a reduction of the income tax.

**Senator HOARE.**—I shall point out to the electors that this measure will benefit the rich man, while the poor man will have to carry the same burden of taxation as he does at the present time.

**Senator ELLIOTT** (Victoria) [9.28].—I congratulate the Government on its start to evacuate the field of direct taxation; which it entered on account of war obligations. Senator Hoare surely does not imagine that the people who will benefit directly by the reduction will put the money thus saved into a stocking. It will be used in industries, and will directly provide employment for the section whom the honorable senator claims to represent. We are suffering to-day through a shortage of capital for investment in industries. If one tries to borrow, even on the best security, he must pay 6½ or 7 per cent. interest. It is well known that nothing checks the expansion of industry and the provision of employment more than financial stringency. Although there may not be any individual instances of great reductions of taxation, the Government's proposal will mean a large sum in the aggregate. The money saved will not be hoarded up, but will be used at once to nourish industries, and provide work. Australia's most pressing need is a reduction of taxation, and the cessation of strikes, which, together, are responsible for the unem-

ployment trouble. I trust that in the next Parliament it will be possible for the Federal Government to evacuate the field of direct taxation altogether, and leave it to the States.

**Senator McHUGH** (South Australia) [9.29].—Following the argument of Senator Elliott to its logical conclusion, rich men should not be taxed at all. I quite understand the honorable senator's attitude, because he represents the wealthy section. Although he opposes direct taxation, he does not object to the indirect taxation of the poor. He does not mind what they pay for their cotton shirts and overalls, and he does not protest against the heavy payments they are called upon to make through the Customs. He has no sympathy for the worker who may feel the need of a pint of beer at the close of a heavy day's work, and has to pay increased taxation on his refreshment.

**Senator ELLIOTT.**—Every man has to pay taxation on his liquor.

**Senator McHUGH.**—But the worker pays 90 per cent. of the indirect taxation, and cannot pass it on. He is in a worse position to-day than he was three years ago. The cost of living has gone up, and there is an attempt to cut wages down. It is not fair that one section of the community should be heavily taxed, whilst the wealthier classes escape their fair share of the burden. This is what the Government is attempting to do. Senator Elliott said, without reservation, a moment ago that the wealthy should not be taxed.

**Senator DUNCAN.**—He said nothing of the sort.

**Senator McHUGH.**—That is the only meaning that can be read into the honorable senator's remarks. He urged that the wealthy people should not be taxed, so that the money thus saved could be put into industry, to earn greater profits and help them to further exploit the workers. I can assure the honorable senator that the working classes will not forget this on the 14th November. We never hear Senator Elliott asking why Sir Sidney Kidman failed to furnish income tax returns for seven years. We may be quite sure, however, that if any member of the working classes failed to do so

Senator Elliott would be very ready to conduct a prosecution on behalf of the Government. As a supporter of this Government, he stands for the exploitation of the workers, and for a policy that seeks to make the rich richer and the poor poorer.

Question resolved in the affirmative.

Bill read a second time, and reported from committee without request or debate.

Report adopted.

### THIRD READING.

Motion (by Senator PEARCE) proposed—

That the bill be now read a third time.

**Senator GARDINER** (New South Wales) [9.37].—I take this opportunity to reply to a statement made by Senator Payne, who, during the second-reading debate, took exception to an interjection which I made that, in introducing this bill after the announcement of the dissolution of Parliament, the Government is really offering a bribe to the rich taxpayers of Australia.

Senator PAYNE.—I still resent that remark.

**Senator GARDINER.**—The honorable senator, in his speech, made it perfectly clear that no person in receipt of £300 a year would be required to pay income taxation under this measure. If the Government had passed this bill in the ordinary course of business, I would not have said that its action was suggestive of a bribe; but, in view of the fact that the head of the Ministry in another place has announced the intention of the Government to appeal to the people, and in view also of the assurance of the Leader of the Opposition that he is prepared to grant Supply so that an appeal to the country may at once be made, it is most improper to introduce a measure which, in my opinion, is a flagrant bribe, to insure the support of the wealthier section of our community. The bill will not come into operation until July next, so there was no need for its introduction at this stage. In the circumstances, I can employ no other language. The bill is a flagrant and an open bribe to the rich people of this country.

Question resolved in the affirmative.

Bill read a third time.

### CUSTOMS BILL.

Message received from the House of Representatives intimating that it had agreed to the amendments made by the Senate in this bill.

### CUSTOMS TARIFF VALIDATION BILL.

Bill received from the House of Representatives.

Standing and Sessional Orders suspended.

Bill read a first time.

### SECOND READING.

**Senator WILSON** (South Australia—Minister for Markets and Migration) [9.43].—I move—

That the bill be now read a second time.

On the 2nd day of this month a resolution was tabled in another place amending the schedule of the Customs Tariff, 1921-24, and bringing the new schedule of duties into operation as from the 3rd September, 1925. The Customs duties are now being collected under the authority of the Customs Tariff, 1921-24, and of that resolution. As it will not be possible for Parliament to discuss the proposed amendments before the impending dissolution, it will be necessary to validate the collection of those duties by an act till such time as the new Parliament can proceed with the consideration of the proposed amendments. The object of this bill is to validate such collection. If the bill is not passed, the proposals will lapse upon the dissolution of Parliament. This would have a very serious effect upon industry, as the additional protection which has been granted to many industries by the proposals would thereby be lost; and, moreover, it would be necessary to refund the duties collected under the resolution. It is the intention of the Government to afford honorable senators an opportunity to discuss the tariff proposals after the new Parliament has been elected, and with that object in view the duration of the act has been limited to twelve months. Parliament may, however, deal with the Tariff schedule at any time. Honorable senators who have had an opportunity to peruse the schedule, will, I am sure, admit that an honest attempt has been made to rectify anomalies that

have been found as a result of experience, and that the Government has tried to place the tariff on a scientific basis.

Debate (on motion by Senator GARDINER) adjourned.

### EXCISE TARIFF VALIDATION BILL.

Bill received from the House of Representatives.

Motion (by Senator PEARCE) proposed—

That so much of the Standing and Sessional Orders be suspended as would prevent the bill being passed through all its stages without delay.

Senator GARDINER (New South Wales) [9.47].—I merely wish to inform the Minister (Senator Pearce) that I heard only a few moments ago that it was intended to introduce this measure. Excise and Customs duties play an important part in connexion with whisky, and for that reason, if the Government wish to benefit—

Senator PEARCE.—There is to be no increase in the excise duty on whisky.

Senator GARDINER.—If, under the Customs Validation Bill, consumers of imported whisky who have been accustomed to pay 9d. will now have to pay 1s. per noggler—that is the effect of the increased duty—the Government might assist the local producers by reducing the excise instead of increasing the Customs duty. I do not drink whisky, but I would make a good deal of noise if I had to pay taxation on every cup of tea that I drink. Therefore, those who consume other beverages have as much right as I have to consideration in the matter of taxation on beverages. I thought that the Government, instead of increasing the Customs duty on whisky, might want to reduce the excise duty to give the local manufacturer some advantage. If that is not the intention, I have nothing further to say on the matter.

Question resolved in the affirmative.

Bill read a first time.

### SECOND READING.

Senator WILSON (South Australia—Minister for Markets and Migration) [9.50].—I move—

That the bill be now read a second time. The object of this measure is similar to the Customs Tariff Validation Bill just introduced, and therefore does not require any detailed explanation. It does not deal with the excise duty on whisky, but

the measure to which I have just referred provides for an increase of Customs duty on imported spirits.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without request or debate.

### SPECIAL ADJOURNMENT.

Senator PEARCE (Western Australia—Minister for Home and Territories) [9.52].

I move—

That the Senate, at its rising, adjourn until 11 a.m. to-morrow.

An effort will be made to conclude the business of the Senate to-morrow. Honorable senators are aware that a farewell dinner is to be given to His Excellency the Governor-General to-morrow evening, and it is hoped to dispose of the remaining business in time to enable honorable senators who may so desire to attend that function. The measures to be dealt with to-morrow are the Customs Tariff Validation Bill, and also a Supply Bill.

Senator GARDINER (New South Wales) [9.53].—I am very glad that the Senate is to meet to-morrow morning, as we shall then have an opportunity to debate the measures which the Minister (Senator Pearce) has mentioned. If we cannot comfortably dispose of the business to-morrow we may as well meet again on Friday, as Melbourne is a rather unbearable city in which to spend one's time when the Senate is not meeting. Although I shall endeavour to assist in expediting the business of the Senate, I shall certainly speak on the Customs Tariff Validation Bill and the Supply Bill.

### ADJOURNMENT.

SPRING CRUISE OF H.M.A. FLEET.

Question (by Senator PEARCE) proposed—

That the Senate do now adjourn.

Senator J. GRANT (New South Wales) [9.55].—I desire to direct the attention of the Minister representing the Minister for Defence to an interesting and important matter. In common with other honorable senators I have received a communication from the secretary of the Department of Defence which reads—

I am directed to forward herewith for your information copy of the programme of the forthcoming spring cruise of H.M.A. Fleet. I am to state that this programme is provisional only, and that while every endeavour

will be made to adhere to it as closely as possible, it is liable to alteration according to circumstances which may arise.

Attached to the communication is a programme of the spring cruise of the fleet which shows amongst other things that the *Sydney*, *Anzac*, *Stalwart* and *Tasmania*, are to arrive in Melbourne on Monday, the 2nd November.

Senator REID.—Has the visit anything to do with Cup Day?

Senator J. GRANT.—It is most important that those vessels should be here on that date. These vessels are to leave Jervis Bay, and are to be in company with the *Adelaide*, until they are off Port Phillip Heads. What happens after that? The *Adelaide* for reasons best known to the authorities, is to leave the others and is due to reach Port Adelaide on the 4th November. In the interests of the defence of Australia, I consider that the *Adelaide* should not go to South Australia on the date mentioned, but should come up to Melbourne to see what is doing here. I absolutely object to that vessel being detailed for duty in South Australia, as there are no "reds" or communists there. We require the *Adelaide* in Melbourne not later than the 3rd November. I am glad, however, that there is a clause in the communication, which I hope will be put into effect. It reads—

The programme is liable to alteration according to circumstances which may arise. I trust the Minister representing the Minister for Defence will take the necessary steps to see that the proposed trip of the *Adelaide* to South Australia is cancelled, and that that vessel will come to Melbourne in company with the other vessels of the fleet.

Question resolved in the affirmative.

Senate adjourned at 9.58 p.m.