



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate
Official Hansard

**No. 9, 1932
Wednesday, 2 March 1932**

THIRTEENTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PARLIAMENT OF THE COMMONWEALTH.

THIRTEENTH PARLIAMENT—FIRST SESSION : FIRST PERIOD.

GOVERNOR-GENERAL.

His Excellency the Right Honorable Sir Isaac Alfred Isaacs, a Member of His Majesty's Most Honorable Privy Council, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia.

LYONS GOVERNMENT.

(FROM 6TH JANUARY, 1932.)

Prime Minister and Treasurer ..	The Honorable Joseph Aloysius Lyons.
Attorney-General, Minister for External Affairs and Minister for Industry	The Honorable John Greig Latham, C.M.G., K.C. (Senator the Honorable Alexander John McLachlan, Acting Attorney-General and Minister for Industry; the Right Honorable Stanley Melbourne Bruce, C.H., P.C., M.C., Acting Minister for External Affairs—from 1st March, 1932.)
Assistant Minister ..	The Right Honorable Stanley Melbourne Bruce, C.H., P.C., M.C.
Minister for Defence ..	Senator the Right Honorable Sir George Foster Pearce, P.C., K.C.V.O.
Postmaster-General ..	The Honorable James Edward Fenton.
Minister for Trade and Customs	The Honorable Henry Somer Gullett.
Vice-President of the Executive Council	Senator the Honorable Alexander John McLachlan.
Minister for Home Affairs and Minister for Transport	The Honorable Robert Archdale Parkhill.
Minister for Markets and Minister for Repatriation	The Honorable Charles Allan Seymour Hawker.
Minister for Health and Minister for Works and Railways	The Honorable Charles William Clanan Marr, D.S.O., M.C., V.D.
Assistant Minister ..	Senator the Honorable Walter Massy Greene.
Assistant Minister ..	The Honorable Josiah Francis.
Assistant Minister ..	The Honorable John Arthur Perkins.

THE MEMBERS OF THE SENATE.

THIRTEENTH PARLIAMENT—FIRST SESSION: FIRST PERIOD.

President—Senator the Honorable Walter Kingsmill.

Chairman of Committees—Senator William Plain.

Temporary Chairmen of Committees—Senators William Carroll, Micheal Rapheal O'Halloran, the Honorable Herbert James Mockford Payne, Matthew Reid and, Burford Sampson.

Leader of the Opposition—Senator the Honorable John Barnes.

Deputy Leader of the Opposition—Senator the Honorable John Braidwood Dooley.

Barnes, Hon. John	Victoria
Brennan, Thomas Cornelius, K.C.	Victoria
Carroll, William	Western Australia
Colebatch, Hon. Sir Hal Pateshall, K.B., C.M.G.	Western Australia
Cooper, Walter Jackson, M.B.E.	Queensland
Cox, Charles Frederick, C.B., C.M.G., D.S.O., V.D.	New South Wales
Crawford, Hon. Thomas William	Queensland
Daly, Hon. John Joseph	South Australia
Dooley, Hon. John Braidwood	New South Wales
¹ Duncan, Walter Leslie.	New South Wales
² Duncan-Hughes, John Grant, M.V.O., M.C.	South Australia
Dunn, James Patrick Digger	New South Wales
Elliott, Robert Charles Dunlop	Victoria
Foll, Hattil Spence	Queensland
Glasgow, Hon. Sir Thomas William, K.C.B., C.M.G., D.S.O., V.D.	Queensland
³ Grant, Charles William	Tasmania
Greene, Hon. Walter Massy	New South Wales
Guthrie, James Francis	Victoria
Hayes, John Blyth, C.M.G.	Tasmania
Hays, Hon. Herbert	Tasmania
Hoare, Albert Alfred	South Australia
Johnston, Edward Bertram	Western Australia
Kingsmill, Hon. Walter	Western Australia
Lawson, Hon. Harry Sutherland Wightman	Victoria
Lynch, Hon. Patrick Joseph	Western Australia
McLachlan, Hon. Alexander John	South Australia
Millen, John Dunlop	Tasmania
⁴ Mooney, Patrick Frederick	New South Wales
Newlands, Sir John, K.C.M.G., C.B.E.	South Australia
⁵ Ogden, Hon. James Ernest	Tasmania
O'Halloran, Micheal Rapheal	South Australia
Payne, Hon. Herbert James Mockford	Tasmania
Pearce, Right Hon. Sir George Foster, P.C., K.C.V.O.	Western Australia
Plain, William	Victoria
Rae, Arthur	New South Wales
Reid, Matthew	Queensland
Sampson, Burford, D.S.O., V.D.	Tasmania
Thompson, William George, V.D.	Queensland

1. Resignation reported 17th February, 1932.

2. Elected 19th December, 1931, to fill casual vacancy; sworn 17th February, 1932.

3. Death reported 17th February, 1932.

4. Chosen by State Parliament vice Senator Duncan, resigned; sworn 17th February, 1932.

5. Chosen by State Parliament vice Senator Ogden, deceased; sworn 8th March, 1932.

THE MEMBERS OF THE HOUSE OF REPRESENTATIVES.

THIRTEENTH PARLIAMENT—FIRST SESSION : FIRST PERIOD.

Speaker—The Honorable George Hugh Mackay.

Chairman of Committees—George John Bell, C.M.G., D.S.O., V.D.

Leader of the Opposition—The Right Honorable James Henry Scullin, P.C.

Deputy Leader of the Opposition—The Honorable Francis Michael Forde.

Leader of the Country Party—The Right Honorable Earle Christmas Grafton Page, P.C.

Deputy Leader of the Country Party—The Honorable Thomas Paterson.

Leader of the Australian Labour Party, New South Wales—The Honorable John Albert Beasley.

Abbott, Hon. Charles Lydiard Aubrey	Gwydir (N.S.W.)
Anstey, Hon. Frank	Bourke (V.)
Baker, Francis Matthew John	Oxley (Q.)
Beasley, Hon. John Albert	West Sydney (N.S.W.)
Bell, George John, C.M.G., D.S.O., V.D.	Darwin (T.)
Blacklow, Archibald Clifford, D.S.O.	Franklin (T.)
Blakeley, Hon. Arthur	Darling (N.S.W.)
Bruce, Right Hon. Stanley Melbourne, C.H., P.C., M.C.	Flinders (V.)
Cameron, Malcolm Duncan	Barker (S.A.)
Casey, Richard Gardiner, D.S.O., M.C.	Corio (V.)
Clasby, John Joseph	East Sydney (N.S.W.)
Collins, Thomas Joseph	Hume (N.S.W.)
Corser, Bernard Henry	Wide Bay (Q.)
Dein, Adam Kembell	Lang (N.S.W.)
Dennis, Samuel	Batman (V.)
Fenton, Hon. James Edward	Mariaburnong (V.)
Forde, Hon. Francis Michael	Capricornia (Q.)
Francis, Hon. Josiah	Moreton (Q.)
Gabb, Joel Moses	Angas (S.A.)
Gander, Joseph Herbert	Reid (N.S.W.)
Gardner, Sydney Lane	Robertson (N.S.W.)
Gibson, Hon. William Gerrand	Corangamite (V.)
Green, Hon. 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.)
Gullott, Hon. Henry Somer	Henty (V.)
Guy, James Allan	Bass (T.)
Harrison, Eric Fairweather	Bendigo (V.)
Harrison, Eric John	Wentworth (N.S.W.)
Hawker, Hon. Charles Allan Seymour	Wakefield (S.A.)
Hill, Hon. William Caldwell	Echuca (V.)
Holloway, Hon. Edward James	Melbourne Ports (V.)
Holman, Hon. William Arthur, K.C.	Martin (N.S.W.)
Hughes, Right Hon. William Morris, P.C., K.C.	North Sydney (N.S.W.)
Hunter, James Aitchison Johnston	Maranoa (Q.)
Hutchin, Arthur William, D.S.O.	Denison (T.)
Hutchinson, William Joseph	Indi (V.)
James, Rowland	Hunter (N.S.W.)
Jennings, John Thomas	South Sydney (N.S.W.)
Lane, Albert	Barton (N.S.W.)
Latham, Hon. John Greig, C.M.G., K.C.	Kooyong (V.)
Lawson, George	Brisbane (Q.)
Lawson, John Norman	Macquarie (N.S.W.)
Lyons, Hon. Joseph Aloysius	Wilmot (T.)
Mackay, Hon. George Hugh	Lilley (Q.)
Makin, Norman John Oswald	Hindmarsh (S.A.)
Maloney, William	Melbourne (V.)
Marr, Hon. Charles William Clanan, D.S.O., M.C., V.D.	Parkes (N.S.W.)
Martens, George William	Herbert (Q.)
Maxwell, George Arnot, K.C.	Fawkner (V.)
McBride, Philip Albert Martin	Grey (S.A.)
McClelland, Hugh	Wimmera (V.)
McGrath, David Charles	Ballarat (V.)
McNicoll, Walter Ramsay, C.B., C.M.G., D.S.O., V.D.	Werriwa (N.S.W.)
Nairn, Walter Maxwell	Perth (W.A.)
² Nelson, Harold George	Northern Territory

MEMBERS OF THE HOUSE OF REPRESENTATIVES—*continued.*THIRTEENTH PARLIAMENT—*continued.*

Nock, Horace Keyworth	Riverina (N.S.W.)
Page, Right Hon. Earle Christmas Grafton, P.C.	Cowper (N.S.W.)
Parkhill, Hon. Robert Archdale	Warringah (N.S.W.)
Paterson, Hon. Thomas	Gippsland (V.)
Perkins, Hon. John Arthur	Eden-Monaro (N.S.W.)
Price, John Lloyd	Boothby (S.A.)
Prowse, John Henry	Forrest (W.A.)
Riley, Edward Charles	Cook (N.S.W.)
Riordan, David	Kennedy (Q.)
Rosevear, John Solomon	Dalley (N.S.W.)
Scholfield, Thomas Hallett, M.C., M.M.	Wannon (V.)
Scullin, Right Hon. James Henry, P.C.	Yarra (V.)
Stacey, Fred Hurte	Adelaide (S.A.)
Stewart, Frederick Harold	Parramatta (N.S.W.)
Thompson, Victor Charles	New England (N.S.W.)
Thorby, Hon. Harold Victor Campbell	Calare (N.S.W.)
Ward, Edward John	East Sydney (N.S.W.)
Watkins, Hon. David	Newcastle (N.S.W.)
Watson, William	Fremantle (W.A.)
White, Thomas Walter, D.F.C., V.D.	Balaclava (V.)

¹ Elected 6th February, 1932, *vise* Mr. J. J. Clasby, deceased.

THE COMMITTEES OF THE SESSION. (FIRST PERIOD.)

JOINT.

HOUSE.—The President (Chairman), Mr. Speaker, the Chairman of Committees in the House of Representatives, Senator Brennan, Senator Carroll, Senator Daly, Senator Dunn, Senator O'Halloran, Senator Thompson, Mr. Gardner, Mr. Hunter, Mr. James, Mr. Martens, and Mr. Price.

LIBRARY.—Mr. Speaker (Chairman), the President, Senator Sir Hal Colebatch, Senator Daly, Senator Dooley, Senator Elliott, Senator Millen, Senator Sampson, Mr. Abbott, Mr. Hughes, Dr. Maloney, Mr. Nairn, Mr. Rosevear, and Mr. White.

PRINTING.—Senator Cooper, Senator J. B. Hayes, Senator Herbert Hays, Senator Hoare, Senator Lynch, Senator Rae, Senator Thompson, Mr. Gander, Mr. A. Green, Mr. E. F. Harrison, Mr. McBride, Mr. McNicoll, Mr. Stewart, and Mr. Thompson.

SELECT COMMITTEE ON PUBLIC ACCOUNTS.—Senator J. B. Hayes (Chairman), Senator Hoare, Senator O'Halloran, Mr. Gardner, Mr. R. Green, and Mr. Guy. Appointed 11th March, 1932.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Dooley, Senator Elliott, Senator Guthrie, Senator Hoare, Senator O'Halloran, Senator Payne, and Senator Thompson.

REGULATIONS AND ORDINANCES COMMITTEE.—Senator Barnes, Senator Brennan, Senator Sir Hal Colebatch, Senator Dooley, Senator Duncan-Hughes, Senator Elliott, and Senator Rae.

STANDING ORDERS.—The President (Chairman), the Chairman of Committees, Senator Cooper, Senator Crawford, Senator Dooley, Senator Herbert Hays, Senator McLachlan, Senator O'Halloran, and Senator Rae.

HOUSE OF REPRESENTATIVES.

STANDING ORDERS.—Mr. Speaker (Chairman), the Prime Minister, the Chairman of Committees, the Leader of the Opposition, Sir Littleton Groom, Mr. Makin, and Dr. Earle Page.

THE ACTS OF THE SESSION. (FIRST PERIOD.)

FINANCIAL AGREEMENTS (COMMONWEALTH LIABILITY) ACT (No. 2 OF 1932)—

An Act to resolve doubts which have arisen as to the liability of the Commonwealth to bondholders in certain debts of the States taken over by the Commonwealth, and for other purposes.

FINANCIAL AGREEMENTS ENFORCEMENT ACT (No. 3 OF 1932)—

An Act to provide for the carrying out of the Financial Agreements between the Commonwealth and the States by the parties thereto, and for other purposes.

INSURANCE ACT (No. 4 OF 1932)—

An Act relating to Insurance.

LANDS ACQUISITION ACT (No. 5 OF 1932)—

An Act to amend section sixty-two A of the *Lands Acquisition Act 1906–1916*.

WAR SERVICE HOMES ACT (No. 6 OF 1932)—

An Act to amend sections thirty-one, thirty-six and forty-three of the *War Service Homes Act 1918–1929*.

BILLS OF THE SESSION.

(FIRST PERIOD.)

AUSTRALIAN BROADCASTING COMMISSION BILL.

BANKRUPTCY BILL.

THE PARLIAMENT CONVENED.

THIRTEENTH PARLIAMENT—FIRST SESSION.

(*Gazette* No. 5, 1932.)

The Parliament was convened by the following Proclamation:—

PROCLAMATION.

By His Excellency the Right Honorable Sir Isaac Alfred Isaacs, a Member of His Majesty's Most Honorable Privy Council, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia.

WHEREAS by the Commonwealth of Australia Constitution Act it is amongst other things enacted that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit:

NOW THEREFORE I, Sir Isaac Alfred Isaacs, the Governor-General aforesaid, in exercise of the power conferred by the said Act, do by this my Proclamation appoint Wednesday, the seventeenth day of February, One thousand nine hundred and thirty-two, as the day for the said Parliament to assemble and be holden for the dispatch of divers urgent and important affairs: 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, Canberra, at the hour of 10.30 o'clock a.m., on the said seventeenth day of February, One thousand nine hundred and thirty-two.

Given under my Hand and the Seal of the Commonwealth of Australia aforesaid, at Canberra, this fourteenth day of January, in the year
(L.S.) of our Lord One thousand nine hundred and thirty-two, and in the twenty-second year of His Majesty's reign.

By His Excellency's Command,
J. A. LYONS, Prime Minister.

GOD SAVE THE KING !

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Senate.*Wednesday, 2 March, 1932.*

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

PAPERS.

The following papers were presented:—

Defence Act—Regulations amended—Statutory Rules 1932, No. 22.

New Guinea Act—

Ordinances of 1931—

No. 33—Loun.

No. 34—Supply (No. 4) 1931-1932.

Ordinances of 1932—

No. 1—Superannuation.

No. 2—Supply (No. 5) 1931-1932.

Northern Territory Acceptance Act and Northern Territory (Administration) Act—

Ordinances of 1932—

No. 1—Dentists' Registration.

No. 2—Administration and Probate.

No. 3—Dingo Destruction.

No. 4—Early Closing.

No. 5—Northern Territory Government.

No. 6—Stock Diseases.

No. 7—Land Tax.

No. 8—Scaffolding Inspection.

No. 9—Marriage.

Northern Territory Representation Act and Commonwealth Electoral Act—Regulations amended—Statutory Rules 1932, No. 21.

Tariff Board—Reports and Recommendations—

Arsenic Pentoxide.

Blacking; Dressings and Polishes for Boots, Shoes and other articles of attire; Dressings, Inks, Stains, Pastes and Polishes for Leather; Furniture Oils, Pastes and Polishes; Floor Polishes; Bronzing and Metal Liquids; Knife, Metal and Stove Polishes.

Broom Stocks and Brushmakers' Woodware and Turnery.

Chain and Chains.

Confectionery.

Electric Heating and Cooking Appliances.

Eyelets.

Gas Filled Tubes for luminous signs and other luminous displays.

Glass, viz.:—Figured, Rolled, Cathedral, Milled Rolled, Rough Cast, Wired Cast, Opalescent and Opal Sheet.

Hat Linings.

Household Clothes Wringers.

Locomotives and power-driven Road Rollers including Scarifier attachments.

Material for the manufacture of Records for Gramophones, Phonographs and other Talking Machines; and Stamping Matrices.

Piece Goods—Waterproofed Cloth prepared with rubber, oil, celluloid or nitro-cellulose.

Printers' Type including Spaces and Quads, Lino and other Slugs, Metal Furniture and Quotations.

Printing and Stencilling Inks.

Spray Pumps, Garden Syringes and Lawn Sprinklers.

Tobacco.

Toilet Combs.

Trochus and Pearl Buttons.

Wheels and Axles for Railways and Tramways.

Superannuation Act—Ninth Annual Report of the Superannuation Board, year ended 30th June, 1931.

Commonwealth Public Service Act—Regulations amended—Statutory Rules 1932, No. 23.

EMPIRE DAY.

Senator Sir GEORGE PEARCE.—On the 26th February, Senator E. B. Johnston asked the following questions, *upon notice*:—

1. Is it a fact that Empire Day is honoured at the capital cities of Australia with the firing of royal salutes of 21 guns by the Commonwealth Defence Forces?

2. Is it recorded that Empire Day is similarly honoured throughout the Empire?

3. Has the Prime Minister received from the Patriotic Life-saving Mission of Western Australia copies of the following documents:—

(a) The Patriotic Address-Petition (printed) addressed by Australian citizens to their Majesties the King and Queen in connexion with their Coronation in 1911.

(b) Her Majesty's Royal Mandate (19th June, 1911), returning, through Mr. F. Lyon Wise, Her Majesty's thunka to British subjects resident in Australia for the stated Address-Petition.

(c) His Majesty's Royal Mandate (5th July, 1911), recording similarly his cordial thanks to Australians for the stated Address-Petition, and for "The Empire Orison" (composed by Mr. F. Lyon Wise).

(d) The People's Patriotic Memorial (printed) welcoming Their Royal Highnesses the Duke and Duchess of York to Australia; quoting the stated Coronation Address-Petitions; and asking their Highnesses to bring the Peoples' Patriotic Memorial before His Majesty.

(e) The message from the Duke and Duchess of York (London, 8th October, 1927), expressing their sincere thanks and appreciation for the Peoples' Patriotic Memorial, conveyed to them from Australians through the Commissioner of the Patriotic Life-saving Mission?

4. Do the *Journals of the Senate* and *Hansard*, of the 24th August, 1923, 22nd November, 1929, and the 13th December, 1929, record affirmative evidences concerning the matters referred to in the above questions?

5. Has the Prime Minister received also the duly sworn and witnessed statutory declaration of Mr. F. L. Wise, that resolutions, memorials, petitions, &c., have been signed by many thousands of citizens with patriotic, loyal objects, similar to those referred to?

6. Has the Prime Minister received a copy of the printed 1898 memorandum of the Empire Day Patriotic League (The Empire Patriotic League) evidencing the Australian origination and first propagation of Empire Day, 1887-1897; also bearing the printer's 1898 imprint, signature, &c.?

7. Will the Minister kindly lay on the table of the Senate all those documents, &c., which the Prime Minister has received from the herein stated Patriotic Life-saving Mission, further evidencing the non-political and non-sectarian influences of Empire Day?

I am now in a position to furnish the following reply:—

1. Yes.
2. No.

3. On the 27th October, 1931, the acting honorary secretary, the Patriotic Life and Health Saving Mission, Perth, transmitted to the late Prime Minister documents corresponding with those mentioned in the honorable senator's questions. These and other documents received from the same source were returned to the organization on the 18th November, 1931, at its request.

4. The records of Parliament quoted contain references to documents presented to the Senate on behalf of the organization.

5-7. See answer to No. 3.

PUBLIC SERVICE DISMISSALS.

Senator Sir GEORGE PEARCE.—On the 26th February, Senator Dunn asked the Minister representing the Prime Minister the following question upon notice:—

How many employees, both male and female, were dismissed from the Federal Public Service during the term of the Scullin Government, and what are the totals in each State?

The answer to the honorable senator's question is as follows:—

The Public Service Board has the figures for the periods ending the 30th June in each year only. To get the information asked for by Senator Dunn it would be necessary to communicate with all Commonwealth departments, and the information would have to be furnished by departments in each State. In view of the expense involved, the Government feels that the expenditure is not justified.

NEWNES SHALE OIL-FIELD.

Senator DUNN.—I desire to bring under the notice of the Vice-President of the Executive Council, who is Minister in charge of Development, the following article which appeared in the *Sydney Sun* of the 29th February:—

The Federal Government is anxious to relinquish interest in the Newnes shale oil-field, at present controlled by the Shale Oil Committee, and allow the industry to be developed by private enterprise.

The Minister for Development (Senator McLachlan) said to-day that this was the policy of the Government.

In the meantime the Shale Oil Committee, of which the chairman is Mr. Hamilton Knight, M.L.A., is trying to induce the Federal Government to release more money, so as to keep in employment the men now working at Newnes.

At present the committee has an option from the Broken Hill Proprietary for the purchase of the machinery at Newnes, estimated to run into about £40,000.

The Scullin Government made available roughly £93,000 for the development of the industry, and this money is handled by trustees representing the Government and the committee.

So far about £30,000 has been spent, and a halt has been called by the Government.

The difficulty is to find a company or group of persons with sufficient capital to take over the works, and with the cash to carry on.

Shale oil is at present being extracted from the Wolgan Valley only, where the seam is 12 to 24 inches thick.

The recovery in retorting gives approximately 100 gallons to the ton.

I should like to know if the statement is true.

The PRESIDENT (Senator the Hon. W. Kingsmill).—The honorable senator should have submitted his question in the following form: “Is the statement concerning the Newnes shale oil-field appearing in the *Sydney Sun* on the 29th February true? Will the Minister make a statement concerning it?”

Senator DUNN.—I desire to ask the Minister whether the statement is true or not?

Senator McLACHLAN.—I have seen the article, but I should like to peruse it a little more closely. I shall make a statement concerning it on the adjournment.

BANKRUPTCY BILL.

Bill brought up by Senator McLACHLAN, and read a first time.

CANBERRA LEASES AND RENTALS.

Senator E. B. JOHNSTON asked the Minister representing the Minister for Home Affairs, *upon notice*—

1. What premises are leased by the Commonwealth within the Federal Capital Territory, from whom are they leased, at what rentals, and when do the leases expire?

2. Why does the Commonwealth not occupy its large empty and unoccupied hotels for offices, instead of renting office accommodation?

SCHEDULE OF ACCOMMODATION IN CANBERRA SUB-LEASED FROM PRIVATE INDIVIDUALS OR FIRMS FOR COMMONWEALTH PURPOSES.

Premises Leased.	Department or Branch.	Sub-lessor.	Annual Total Rental, including Rates Paid by Commonwealth.	Date Lease Expires.
Sydney Buildings— Part Block 1, First Floor Block 25, First Floor .. Block 14, First Floor ..	Department of Defence .. Electoral Branch, Department of Home Affairs ..	Lady Calder .. Fink & Plotte ..	£ ' s. d. 382 14 6 229 0 1	31.8.32 31.8.32
Block 15, First Floor .. Melbourne Buildings— Block 4, Ground Floor ..	" " " "	Oakley & Parkes ..		
Block 4, First Floor .. Block 5, Ground Floor .. Block 5, First Floor .. Block 6, First Floor .. Block 7, First Floor .. Block 8, First Floor*	Public Service Board .. Prime Minister's Department .. " " " " " " " " " " " " " " " "	Canberra Buildings and Investment Company .. Oakley & Parkes .. Commonwealth Savings Bank .. Cornelius O'Keefe .. H. McCulloch ..	509 14 0 283 1 0 565 12 0 130 0 0 8 6 8†	31.8.32 31.8.32 31.8.32 31.8.32 31.8.32
Sydney Buildings— Block 9, First Floor .. Block 10, First Floor .. Block 11, First Floor .. Block 12, First Floor .. Block 13, First Floor ..	Superannuation Board, Department of the Treasury .. Pensions Branch, Department of the Treasury ..	Laristan Building Company .. Fink & Plotte ..	1,496 13 8 537 6 10 258 8 4	
Block 20, First Floor .. Blocks 2 and 26, Basement Floor .. Blocks 2 and 26, Ground Floor .. Blocks 2 and 26, First Floor .. Block 9, Ground Floor ..	Department of Health .. " " " .. " " " .. " " " .. Postmaster-General's Department, Canberra City Post Office ..	Canberra Shops Ltd. .. " " " .. " " " .. Laristan Building Company ..	1,717 6 8 200 16 10	31.8.32 31.8.32
Shop, Block 3, Section 21, Eastlake	Canberra East Post Office ..	Arthur Henry Collett ..	208 0 0	31.5.33

* Sub-leased to O'Keefe at £103 7s. 6d. per annum, being the amount under the sub-lease to the Commonwealth.
† Rates only.

NORTHERN TERRITORY.

DISALLOWANCE OF ORDINANCE No. 12.

Motion (by Senator Sir GEORGE PEARCE) agreed to by an absolute majority of the members of the Senate—

That so much of Standing Order No. 14 be suspended as would prevent Notice of Motion No. 1, in the name of Senator Sir Hal Colebatch, being taken into consideration before the debate on the Address-in-Reply is proceeded with.

Senator Sir GEORGE PEARCE.—The Minister for Home Affairs has supplied the following answers to the honorable senator's questions:—

1. The information desired by the honorable senator is set out in the schedule hereunder.

2. At the time these leases were entered into, all the hotels were occupied. In view of the early expiration of the leases of accommodation for departments at Civic Centre, the question of the transfer of the various staffs to vacant space now available in Commonwealth-owned buildings at Canberra is under consideration.

Senator Sir HAL COLEBATCH (Western Australia) [3.15].—I move—

That Ordinance No. 12 of 1931, made under the Northern Territory Acceptance Act, 1910-19, and the Northern Territory (Administration) Act, 1910-31, be disallowed.

My purpose is not merely to secure the disallowance of the particular ordinance mentioned, but also to draw the attention of the Government to the extremely un-

satisfactory and, I venture to say, unfair position that has arisen under these Northern Territory regulations generally. I should like the Government to take into consideration the fact that these very onerous regulations are pressing heavily upon a most important industry that is being carried on in the face of extreme difficulties. It is necessary to go back some years to indicate what has happened. An ordinance passed in 1918, nearly fourteen years ago, gave wide powers to the Administrator of the Northern Territory. It gave him authority to make regulations which, provided they were approved by the Minister, could not be reviewed by Parliament. For some extraordinary reason that ordinance was not laid on the table of either House of the Parliament until 1931, after a lapse of thirteen years. I then moved that it be disallowed for the purpose of taking from the Administrator the power to make regulations which Parliament could not review, but at the suggestion of the then Leader of the Senate, I withdrew my motion, on a promise from him that a further ordinance would be tabled to limit the power of the Administrator, and also that the regulations to which objection had been taken, and which Parliament had had no opportunity to review, would be held in suspense. The Minister kept his word, so I have no complaint to make in that regard. A further ordinance was tabled, taking from the Administrator this power to promulgate ordinances without reference to Parliament, but the objectionable regulations framed under the old ordinance, which had been suspended, were brought into force again without being re-gazetted, with the result that the power of this chamber to disallow them was not restored. Some of these regulations were made not by the Administrator, but by the Chief Protector of Aborigines under a power which I have never been able to discover. One such regulation provided for the payment of a minimum wage of £3 a week to aborigines when engaged in droving cattle. Although that regulation has never been repealed or altered, the rate of pay has been altered by instruction from the Chief Protector of Aborigines to his assistants, the police.

Senator BARNES.—What is the rate of pay now to aborigine drovers?

Senator Sir HAL COLEBATCH.—They are being paid 30s. a week. The regulation objected to was promulgated by the Chief Protector without, I venture to say, the least power to do so, and £3 a week was paid, but whether by authority of the Government or not, he has since instructed his assistants, the police, to reduce the pay to 30s. a week, which rate is now being paid, contrary to the regulations. A little later the Senate disallowed regulations of an onerous nature dealing with workmen's compensation. Fresh regulations, practically identical with those which had been disallowed, were gazetted on the 30th July, and came into force on the 10th August; but they were not tabled in the Senate until the 21st October—more than two months after they had come into operation. Probably the opportunity to disallow those regulations has passed. I emphasize that those regulations were gazetted after they had been disallowed by the Senate; the new regulations were in practically the same terms as those which they displaced. The whole subject of regulations as affecting the Northern Territory should be gone into carefully without further delay. The industry affected by these regulations is struggling against great disadvantages.

Senator RAE.—We cannot accomplish anything by carrying this motion.

Senator Sir HAL COLEBATCH.—This motion, if agreed to, will remove one set of objectionable regulations—those relating to accommodation, which I admit are not nearly so bad as the others. Had they stood alone, I should probably not have troubled to bring forward this motion. I urge the Government to table regulations in future immediately they are made, and to be slow to alter regulations once made. At least, they should not be altered until the parties interested have been consulted. If that were done, I feel sure that more satisfactory conditions would prevail than has been the case in the past. The frequent alteration of regulations has been a source of annoyance to those engaged in this industry.

Senator Sir GEORGE PEARCE (Western Australia—Minister for Defence)

[3.23].—I agree with Senator Colebatch that there is need for a more regular system of dealing with ordinances and regulations. Honorable senators are aware that a motion for the alteration of our Standing Orders to enable a standing orders committee to be set up to deal with regulations has been restored to the notice-paper. I hope that shortly we shall have an opportunity to adopt new standing orders to that effect, in which case we shall have a committee of the Senate to which regulations will automatically be referred, and thus the Senate will be kept acquainted with what is being done in the way of law-making by means of regulations.

The ordinance now under consideration was drafted by the late Government. It has been laid on the table of the Senate by the present Government in order to comply with the law. Senator Colebatch made representations to me with regard to this ordinance, and after consultation with the Minister for Home Affairs (Mr. Parkhill), it was agreed that the best course to pursue would be for a motion of disallowance to be moved, thus making the way clear for the present Minister to draft a new ordinance if he thought fit. The Minister proposes to go into the various matters raised by Senator Colebatch to-day. With the honorable senator's permission I propose to supply a copy of his speech to the Minister, who desires to deal with regulations and ordinances under a regular system. In the circumstances, the Government has no opposition to offer to the motion for the disallowance of the ordinance.

Senator Barnes (Victoria) [3.26].—If the motion is agreed to, and the ordinance to which it refers is disallowed, the Government will have nothing to guide it in the interval which will elapse before a new ordinance or regulation can be framed. We shall have a state of chaos in our midst. Whether or not the ordinance is satisfactory may be open to question; but while it remains we have something to guide us. I am concerned about what will happen if it is disallowed.

Senator Sir George Pearce.—The existing accommodation will not be pulled down in the meantime.

Senator Sir Hal Colebatch.—Under this comparatively unimportant ordinance nothing is likely to happen.

Senator Barnes.—According to the honorable senator, one important thing has already happened. He told us that, although the ordinance required employers to pay aboriginal drovers £3 a week, the rate had been cut down to 30s. a week without any proper authority having been given. I am concerned that that should be the case. The regulations make it obligatory on employers to pay to aborigines the same wages that are paid to white men, the object being to prevent unscrupulous employers from employing aborigines at low rates of wages to the exclusion of white men.

Senator E. B. Johnston.—Would the honorable senator have them all brought under the basic wage?

Senator Barnes.—An Australian aborigine is entitled to fair remuneration for his services. No unscrupulous employer should be able to pay him lower wages than he is obliged to pay to a white man who would not tolerate the living conditions of the blacks. In the absence of this ordinance there will be nothing to guide us, excepting the opinion of the Minister or of his officers. A great deal of mischief might be done before Parliament became aware of it. Before the ordinance is disallowed we should know what is proposed to take its place. We should then know how to vote on this motion. I can imagine a Minister in charge of affairs in the Northern Territory making his own laws, which would have to be observed by these simple people. We have had numerous illustrations of the danger of allowing such a policy to be adopted by any individual. For that reason, I propose to vote against the disallowance of the ordinance. This chamber should not be asked to disallow the regulation until another to take its place has been promulgated.

The President (Senator the Hon. W. Kingsmill).—Having now had an opportunity to carefully peruse the ordinance, I cannot see that any honorable senator is justified in discussing the rate of wages paid to aborigines.

Senator Barnes.—I was merely replying to the statement made by Senator Colebatch.

The President.—Discussion on that phase of the subject cannot be per-

mitted. Honorable senators are entitled to discuss only the terms of the ordinance to be disallowed.

Senator RAE (New South Wales) [3.31].—I am very much surprised that this motion has been submitted. I quite agree with the criticism of the Leader of the Opposition (Senator Barnes). The Leader of the Government in the Senate (Senator Pearce) and Senator Colebatch, who introduced the motion, justified it on the grounds that the present method of applying these ordinances requires regulating. Under the existing system the Senate has an opportunity to know what is being done. It seems to me that while it may not be so intended, a most irregular method is being adopted in trying to remedy an irregularity. Surely it is within the power of the Government, instigated, if necessary, by an honorable senator, to alter a method which has proved ineffective, in connexion with Northern Territory regulations. This should be done in a proper way instead of making scapegoats of certain individuals in the meantime. Why not submit a definite proposition for promulgating or enforcing ordinances instead of adopting this method of trying to secure the abolition of one or two regulations? This course is being followed, not because the regulation is in itself objectionable, but because the method by which it has been brought into effect, is considered objectionable. Surely it is an unreasonable and illogical way of dealing with the subject. The honorable senator who submitted the motion says that there is nothing particularly objectionable in the regulation, but that he objects to the method by which it was promulgated. I am still at a loss to understand why the Government cannot introduce some method of dealing with ordinances and the regulations issued under them without skirting these particular regulations which, admittedly, are not objectionable. As mentioned by the Leader of the Opposition, nothing has been done to fill the blank to be caused, and consequently in the meantime no provision can be made for the proper housing or treatment of employees. I protest against this method of effecting a change. If a change is needed why not introduce by proper and regular

methods the necessary amending regulations, and in the meantime allow the present regulation to remain in force? What is there objectionable in a regulation which provides that certain accommodation shall be made available for white employees, particularly when exemptions can be granted, and accommodation that already exists, and does not comply with these regulations, may be allowed as sufficient for the time being. The land-owner is treated very considerably under these proposals, to which I have been able to give only brief and imperfect consideration. It seems to me that its chief object is to provide satisfactory housing conditions for supposedly civilized people. It would appear that the action of the honorable senator who submitted the motion is supported by the Government because the method employed does not give sufficient publicity to members of this chamber. I protest against the method employed to regulate the issue of regulations, and shall certainly vote against the motion.

Senator Sir HAL COLEBATCH (Western Australia) [3.38].—I remind the Senate that these regulations have already been disallowed once, and that at the time of their disallowance, several of their objectionable features were pointed out. The Government of the day did not take any notice of the decision of the Senate, and merely re-enacted the regulations as they then stood. You, sir, properly directed the attention of the Senate to the fact that this ordinance does not deal with the wages of aborigines; but they are linked with others, and in those framed by the Chief Protector of Aborigines, with respect to the employment of half-castes and aborigines, provision is made that the accommodation regulation shall also apply to them. This is really the only means at our disposal to direct attention to the matter, and to correct the irregularity.

Question—That the motion be agreed to—put. The Senate divided.

(THE PRESIDENT—HON. W. KINGSMILL.)

Ayes	19
Noes	5
Majority	14
	—

AYES.

Brennan, T. C.	Kingsmill, W.
Carroll, W.	Lynch, P. J.
Colebatch, Sir Hal	McLachlan, A. J.
Cox, C. F.	Pearce, Sir George
Duncan-Hughes, J. G.	Plain, W.
Elliott, R. C. D.	Reid, M.
Glasgow, Sir William	Sampson, B.
Greene, W. M.	Thompson, W. G.
Hayes, J. B.	Teller:
Johnston, E. B.	Foll, H. S.

NOES.

Barnes, J.	Rae, A.
Dunn, J. P. D.	Teller:
Mooney, P. F.	Dooley, J. B.

PAIRS.

Guthrie, J. F.	Hoare, A. A.
Lawson, H. S. W.	Daly, J. J.
Crawford, T. W.	O'Halloran, M. R.

Question so resolved in the affirmative.

GOVERNOR-GENERAL'S SPEECH.

ADDRESS-IN-REPLY.

Debate resumed from the 26th February (*vide* page 410), on motion by Senator DUNCAN-HUGHES—

That the following Address-in-Reply to His Excellency the Governor-General be agreed to:—

*To His Excellency the Governor-General—
MAY IT PLEASE YOUR EXCELLENCE:*

We, the Senate of the Commonwealth of Australia, in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign, and to thank Your Excellency for the Speech which you have been pleased to address to Parliament.

Senator DUNN (New South Wales) [3.43].—When I was given leave to continue my remarks last Friday, I was referring to a Mr. Reading. So far as the matter can be checked up, Mr. Reading, for a number of years, was a director of the Commonwealth Bank Board. When his term expired, the late Government did not fill the vacancy, but the present Government, on coming into power, re-appointed Mr. Reading for a further term. I believe that this gentleman is the managing director of the British-Australasian Tobacco Company. We all know that the ramifications of that trust extend over a wider field than that of any other company in the world to-day. Its turnover and profits are computed not in hundreds of thousands, but in millions of pounds. Although the present Government has been in office for only three months, it has been responsible for throwing overboard one of Australia's most promising industries. I feel sure

that when the latest tariff schedule is being considered by another place, and also when it makes its appearance in this chamber, every member of the Country party, in both Houses, will see that the Government does the right thing towards the tobacco-growers of Australia. We are told in the Governor-General's Speech that there must be rehabilitation of the affairs of this country. I have heard it said on numerous occasions in this chamber, and also from the hustings, that the primary producers of not only Australia, but also every other civilized nation in the world, are the backbone of the country. I have already pointed out that a great manufacturing firm in Tasmania has done everything possible to establish the tobacco-growing industry in that State, with a view to utilizing the many acres of land that had gone out of hop cultivation. I should like to know whether it is the intention of Senator Sampson, who topped the poll at the recent Senate elections in Tasmania, Senators Millen, J. B. Hayes, Herbert Hays, and Payne, to support action that will further enrich an already rich and powerful combine, which can purchase the surplus tobacco grown by black labour in the southern States of the United States of America—Kentucky, Alabama and Virginia.

Senator SAMPSON.—How many acres are under tobacco in Tasmania?

Senator DUNN.—I am not very much concerned about that. It is only a few weeks since I had the opportunity of accompanying many eminent business men, and Mr. Beasley, M.H.R., through the Derwent Valley in Tasmania, where this industry had been started.

Senator Sir GEORGE PEARCE.—I rise to a point of order. Is the honorable senator in order in discussing the duties on tobacco, in view of the fact that a schedule of those duties has been laid upon the table of another place and will shortly come before this Senate for consideration?

The PRESIDENT (Senator the Hon. W. Kingsmill).—The point is covered by Standing Order 419, which says—

No senator shall digress from the subject-matter of any question under discussion; nor anticipate the discussion of any subject which appears on the notice-paper.

Provided that this standing-order shall not prevent discussion on the Address-in-Reply of any matter; and provided further that if a period of four weeks shall have elapsed since any notice of motion or order of the day was first placed on the notice-paper, and no debate thereon shall have been initiated, the rule as to anticipating discussion shall have no effect in relation to such motion or order.

It would appear that this standing order does not prevent the discussion of any matter on the Address-in-Reply.

Senator DUNN.—I thank you, Mr. President, for my victory. The Governor-General's Speech contains the following:—

My Ministers recognize the special importance of the tariff at the present time, and its intimate relation to the welfare of both primary and secondary industries. It is considered that, with industry generally in its present depressed condition, changes in duties should be made with caution and only after full inquiry and consideration.

With all his experience the Leader of the Government in the Senate (Senator Pearce) knows that the Government will have to give way with regard to these tobacco duties or suffer a defeat.

Senator DUNCAN-HUGHES.—I should like to know if Standing Order 416 does not prevent Senator Dunn from discussing the tariff. It says—

No senator shall allude to any debate of the current session in the House of Representatives, or to any measure impending therein.

The PRESIDENT.—I do not think that that standing order applies. The power given in Standing Order 419 is very sweeping. It does not prevent the discussion of any matter on the Address-in-Reply.

Senator DUNN.—That is another notch on my gun. Senator Sampson asked by interjection if I knew how many acres were under tobacco cultivation in Tasmania. I have in my locker the figures relating to the acreage in Tasmania changed from hop-growing to tobacco-growing. The Tasmanian tobacco-growers have attempted to rehabilitate the tobacco-growing industry in the belief that they would be guaranteed a certain amount of protection, and at the recent election they returned to this Parliament supporters of the policy of the United Australia party. A few days hence the Tasmanian members will be tested. The columns of the press are filled with articles condemning

the new tobacco duties proposed by the Government, and I believe that within the next 24 hours a rapid change will come over the Government so far as these duties are concerned. On the 27th February, the following appeared in the *Melbourne Age*:—

The astonishing decision of the Federal Government in regard to the duties and excise on tobacco was the subject of strong comment yesterday by the Minister for Transport in the Moore (Nationalist) Government in Queensland, Mr. Godfrey Morgan, who is on a visit to Melbourne.

Mr. Morgan said the tobacco combine operating in Australia must possess enormous influence over the Federal Government, when it succeeded in securing a reduction of the import duty on tobacco leaf from 5s. 2d. a lb. to 3s. a lb., and an increase of the excise on Australian manufactured tobacco to 4s. 6d. a lb. This alteration in duty and excise would enable the combine to smash one of the most important and promising agricultural industries in Australia. Tobacco in quality equal to anything produced in any part of the world was being grown extensively in Queensland, especially in the north, and there was not the slightest reason why one ounce of imported tobacco should eventually find its way into Australia. The area under tobacco during the past twelve months had increased from a few hundred acres to many thousands, and with proper protection from the foreign-grown leaf all Australia's requirements would be produced in the Commonwealth within the next two years.

In 1920-21, continued Mr. Morgan, imported tobacco cost Australia £3,840,208, whilst for the first six months of 1930-31 only £380,047 was spent for principally foreign importation. The enormous alteration in duty and excise in favour of the foreign-grown leaf would enable the wealthy tobacco combine operating in Australia to smash, as they had succeeded in doing on several previous occasions, the Australian growers. He felt sure the Federal Country party would not fail in its duty to the primary producers, and would fight to the bitter end any attempt that was made to sacrifice a growing and valuable primary industry in the interest of foreign importation.

Mr. Morgan is a prominent member of the Moore Nationalist Government of Queensland, and in his opening remarks he mentioned the influence that has been at work. Is it the influence of a Mr. Reading?

Senator E. B. JOHNSTON.—No. It is the Tariff Board's report.

Senator DUNN.—I am not very much concerned with the Tariff Board's reports, because the board would give a report to one government, and probably a different one to another.

Senator SAMPSON.—Is the honorable senator sure of that?

Senator DUNN.—Arguments have frequently arisen about the value of the recommendations of the Tariff Board, but I have no wish to be led off the track. Mr. Reading, who has just been appointed by this Government to the Board of Directors of the Commonwealth Bank, is managing director of the British-Australasian Tobacco Combine, the financial operations of which amount to £5,000,000 a year. The question which is uppermost in my mind is whether honorable senators are prepared to support the Government and the importation of tobacco grown by black labour in Mesopotamia, Egypt and the southern States of America.

During the recent elections there were many advertisements in the daily press. There was, for instance, a full-page advertisement in the *Sydney Truth* in the following terms:—

Protect your wages and your savings. Vote for the United Australia party candidates in all electorates. For the Senate, vote for Cox, Greene and Hardy.

Primary producers in all States who were encouraged by the Scullin tariff to invest their capital in the tobacco-growing industry are now threatened with grave difficulties because of the new tobacco duties brought down by this Government. The group to which I belong in this Parliament has received a number of telegrams from tobacco-growers in New South Wales and Queensland asking it to protest against these new duties. The telegrams have been addressed to Mr. Beasley, the leader of my party in another place, and are in the following terms:—

We urge you to support previous tobacco tariff as change will be disastrous to Australian tobacco-growers.

M. SCHNEIDER, Secretary,
Stanthorpe Tobacco-Growers Association.

At a large meeting of citizens and tobacco-growers of Texas district, it was unanimously decided to ask your support in Commonwealth Parliament. When proposed tobacco duty and excise alterations are brought forward our existence as primary producers is dependent on old rates being maintained. In this district alone over 1,000 men are being employed who otherwise would be on the unemployed labour market. We are paying good wages and maintaining high standard of living and we cannot

compete with cheap American tobacco that will be dumped into this country if duty is reduced.—

By that is meant the American tobacco leaf grown in the southern States—

We trust your party will endeavour in every way to defeat the proposal.

TEXAS TOBACCO ASSOCIATION:

Please protest behalf Inverell Labour League against tariff cuts on imported tobacco leaf.

O'CONNOR, Secretary.

What action do members of the Country party propose to take in this matter? Another telegram is from the Ashford branch of the Australian Labour Party as follows:—

The Honorable J. Beasley, M.H.R.,
Parliament House,
Canberra,

Sir,

I have been instructed by the Ashford branch of the Australian Labour Party to place the following facts before you before the matter of ratifying alteration in tariff on tobacco is discussed in the House.

Early this year unemployment was extremely serious in Ashford and a representative of the Ashford Shire Council addressed this league on the subject of reviving tobacco-growing within the district as a means of relieving unemployment. Members unanimously supported the idea and the Council appointed a committee to investigate the proposal. The committee found that excellent leaf had been and still could be grown on large areas within the Shire, and that the best method of obtaining finance would be to form a local company. The company was formed and landholders throughout the district were encouraged to grow tobacco.

The company, of which the majority of workers of the district are shareholders, is run on a partly co-operative basis, and directors are all local public-spirited men who do not receive any fees for their services. There are 30 growers on shares and 60 carpenters, engine-drivers, wood-cutters, and labourers employed erecting irrigation systems, curing flues and storage barns, growing seedlings and assisting in harvesting. Only Australians are employed and all are paid full award rates, thus setting a standard for the district and the industry. Formerly, practically only Chinese and Italians were employed, and rates of pay were as might be expected.

Private landholders have followed the company's lead and there are over 300 growers and their families growing tobacco within the shire and perhaps another 300 depending on the industry. Carriers, brickmakers, plumbers, and such like find ample work. There were three timber mills idle, but they are all working full time now, one mill alone sending out £800 worth of timber in the last few months. Business in Ashford and district is very bright and all business houses have increased their staff. Local unemployed who want work have been absorbed long ago and the continual stream that is coming from other districts is being absorbed. Before the news of the tariff

reduction arrangements were already being made to employ at least twice the number already employed, but there is every reason to believe that if growers were assured of adequate protection there would be at least 2,000 men and their dependants employed in the district by the end of this year, for experts have a very high opinion of the quality of the leaf produced.

The industry was crushed in the past by the Tobacco Trust refusing to buy the leaf from certain growers, and by big graziers buying up small holdings for grazing purposes, which do not provide much employment for the worker. Values of tobacco land are rising rapidly and graziers are being forced to submit to share farmers or to sell. As one hundred acres of tobacco will provide employment for an average of 50 men year in and year out, it can be readily understood that the industry offers one of the best opportunities for fostering closer settlement, a necessity if the unemployed are to be absorbed on the land. Not only is there employment growing tobacco and providing everything for the production of a crop, but such a compact population will give the market gardener, dairy farmer and poultry farmer, and such like, a chance to make a living.

As you know, this country pays £3,000,000 a year to American growers. Surely this money can be kept in Australia to provide a living for our own growers. We are quite confident that at least 10,000 men and their families can be placed in employment if we grow our own tobacco; surely this must outweigh any other consideration. The present proposals are brutal in the extreme. A Labour Government invited growers to produce all the good tobacco they could. Hundreds have toiled for months and got into debt on their prospects, and have produced splendid crops of fine tobacco. Buyers are just beginning to inspect crops, and the Tory Government chooses that moment to remove the effective tariff which they promised to retain. There are only two genuine big buyers and they can easily force growers to sell at ridiculous prices.

A bad feature of the proposal is that it leaves the price of expensive tobacco unaltered, but raises the price of the workers' smoke, thus the extra £1,000,000 to be raised is to come from the pockets of the general worker, whilst the tobacco-grower and all depending on him are to be wiped out and thrown on the dole. The district is thoroughly roused in this matter and we ask you to use every weapon in your power to have the original duties retained. Wishing you every success in your endeavour,

R. HOOPER, Secretary.

How can this Government reconcile its tariff policy with the flamboyant promises made in the columns of the Sydney daily press during the recent election campaign? And how is it possible for primary producers who are engaged in the tobacco-growing industry, and their employees to protect their wages or savings if the Government continues with its tariff policy along these lines?

The new tobacco duties are causing a great deal of concern in Queensland. Mr. Moore, the Premier of that State, is reported in the Sydney press as saying:—

The Premier (Mr. Moore) to-day claimed that the tariff amendments would cause the extinction of the tobacco industry. He said that he had sent a telegram to the Prime Minister to that effect, adding that he wished to enter an emphatic protest against the proposals.

There also appeared in the press the following telegram from Canberra, giving the views of the members of the Country party on this subject:—

A special meeting of the Australian Country party was held this afternoon to discuss the position of tobacco-growers under the new tariff schedule. Dr. Page was authorized to make the following statement on behalf of the party:—

"The Country party cannot understand the attack made on the tobacco-growing industry, which is a land industry, growing rapidly in Victoria, New South Wales, Queensland, and, South Australia, and elsewhere, and which is replacing a luxury import from the United States, with which our trade balance is very much adverse, while under the Government's proposals the public is receiving no advantage."

Senator E. B. JOHNSTON.—There was no special meeting of the Country party on Friday last.

Senator DUNN.—I cannot say what transpired at meetings of the Country party last week, but I have not seen a denial of the statement from the leader of the party (Dr. Earle Page). The report goes on to state—

The Country party is determined to encourage local production to the utmost extent, and will employ all means in its power to that end, including the fixing of an annual quota, that will ensure the complete absorption of the Australian-grown crop.

I feel sure that members of the Country party in another place will fight the Government on this issue, and if they go to the extent even of attempting to hurl the Government from office, they will have the heartiest co-operation of the group to which I belong.

Senator E. B. JOHNSTON.—Do not be too sure about that.

Senator DUNN.—We are quite prepared to do everything in our power to send the Government back to the people, because of its betrayal of the primary producers. Senator Johnston, a representative of the Country party, has distinctly stated that the party of which he is a

member is not prepared to challenge the Government in relation to its tobacco duties. I feel sure that in the near future we shall hear more of the honorable senator's interjection, which can only mean that the Country party agrees with the Government in reducing the duties on tobacco, soaps, glue, peanut butter, onions, canary seed, meat preserved in tins, eggs, in shell or otherwise, biscuits, and other things. In its new tariff schedule, the Government has made a direct attack on a number of Australian primary industries. I ask Senator Johnston what is wrong with biscuits being made in Australia from flour grown in Western Australia?

Senator E. B. JOHNSTON.—Nothing at all.

Senator DUNN.—Yet the honorable senator would not embarrass the Government.

Senator E. B. JOHNSTON.—Would the honorable senator throw out the Government because of its attitude towards imported canary seed?

Senator DUNN.—I would put the Government out of office because of its treatment of the Australian tobacco-growing industry. Mr. H. W. Lloyd, managing director of Australian Soaps Limited, has protested against any alteration of the duties. This gentleman is identical with Bertie Lloyd, a general of the fifth division of the Australian Imperial Force, under whom I served at the front. He was one of the founders, and a principal executive officer, of a fascist organization known as the New Guard, or the "Boo" Guard, which has raised its head in New South Wales. He was, moreover, the chosen candidate of the Nationalist party to contest the Parramatta seat at a by-election. He was prominent in the formation of the All for Australia League, an organization which has been swallowed by the United Australia party. Mr. Lloyd is reported to have said—

When the prohibition was placed on luxury lines of soaps, some of the overseas companies placed that line of manufacturing in Australia. That was done, either by the establishment of their own works or by having that class of goods manufactured by existing Australian companies. The effect of the removal of the prohibition is to render the capital expendi-

ture wasted, and to cause exactly the same reduction in employment as will be measured from the influx of soap from abroad.

I ask honorable senators to compare that statement with the propaganda issued during the election campaign, informing the electors that if they voted for the United Australia party candidates, everything would be all right. Like the previous Government, the Government now in office is prepared to throw men out of employment; although it can be said of the Scullin Government, that its fiscal policy was such as to make for employment.

I wish now to refer to some remarks made recently by another gentleman who is known, either personally or by repute, to every member of this Parliament. I refer to Mr. H. Gordon Bennett, president of the Chamber of Manufactures of New South Wales. This gentleman, I understand, was also a general in the Australian Imperial Force, and more recently, was actively connected with both the New Guard and the All for Australia League. He is, moreover, an active worker in connexion with the Millions Club and the Constitutional Club of Sydney, at which political speeches are frequently delivered in an atmosphere of black coffee and stale meat pies. At these gatherings the distinguished guests frequently refer to social conditions in Australia, and elsewhere, and make special reference to Jack Lang, the bull, repudiation, and other matters of passing interest. Almost unanimously they condemn the Lang plan, notwithstanding that the principle underlying it has been endorsed by practically every nation in the world. During the recent election campaign Mr. Gordon Bennett gave an interview to a number of pressmen, and afterwards his remarks were published as propaganda by the United Australia party. In that interview, he stated that he was in full accord with the policy speech delivered by Mr. Lyons. His statement as published in the *Sydney Morning Herald*, an allegedly truthful journal, reads—

The Government's action has opened the door for the import of goods, which, in the present state of world markets, oversea manufacturers are willing to dump at any cost in order to get rid of surplus stocks, and at the same time kill local competition. The Government's action must engender grave doubts

and uncertainty among manufacturers as to their future tariff policy, which will undoubtedly prevent further investment of local capital in new factories and the extension of existing plant, and deter oversea manufacturers from commencing operations in this country, thus retarding the absorption of the unemployed in secondary industries. It appears as if the object of the Government is to raise additional revenue by duties which will come from an increase of imports. The way is now prepared for a further adverse balance of trade. Since any increase of imports at the present time must displace local manufacturers on the market, the Government's action can only result in increased unemployment at a time when it is essential that every possible man should be kept in a job.

[*Extension of time granted.*]

Similar views were expressed by Mr. Heine, the president of the Metal Trades Manufacturers of New South Wales, and Mr. Hoskins, junior, of Port Kembla and Lithgow. I propose to send to Mr. Bennett a copy of the *Hansard* report of my speech and to suggest to him that if the Constitutional Club or the Millions Club of Sydney contemplates offering its hospitality to any of the members of the present Government in return for an address, I also shall be pleased to accept an invitation on the strict understanding that I shall be given the opportunity to say a few words.

Senator Sir HAL COLEBATCH.—And that you get fresh pies.

Senator DUNN.—Exactly. I would welcome the opportunity to attend one of those gatherings, and to put the case for the class which I represent. Mr. Gordon Bennett, Mr. Hoskin, and Mr. Heine, the representative of the metal trades manufacturers, are now complaining; but we should recall their utterances in the first flush of victory a few months ago. Mr. Poole, the general manager of James Stedman Hendersons Sweets Limited, when commenting upon the removal of the prohibition on imported confectionery and a reduction of 10 per cent. in the ad valorem duties, said—

The confectionery industry had not asked for the prohibition, and was not, therefore, seriously perturbed at its removal. He regarded the reduction of duties with some misgivings, because the world's parity of refined sugar was well under £10 a ton, and overseas prices of other raw materials, labour, &c., were so low as to make the competition of imported lines dangerous to industry. It remains to be seen whether the additional disadvantage to importers caused by the pre-

vailing high rate of exchange, will be sufficient to prevent a considerable increase in the importation of confectionery in the near future, to the detriment of the local industry.

Mr. Poole, who is the general manager of one of the largest confectionery concerns in the British Empire, knows all the ramifications of the business. By grit and determination he has risen from one of the lowest positions in the business to his present post, where he enjoys the confidence of the directors and of the shareholders. What is in the mind of Mr. Poole? I should like to ask Senator Glasgow and Senator Foll if Mr. Poole does not think that the lifting of the embargo on imported confectionery, imposed by the previous Government, will interfere, not only with the Australian industry, but will result in the Australian market being deluged with confectionery manufactured from black-grown sugar. The action of the Government in this respect will seriously jeopardize the sugar-growing industry in Queensland, and will be detrimental to our White Australia policy, which has the solid support of every political party in Australia. The lifting of the embargo will result in heavy importations of confectionery manufactured from sugar produced in the West Indies, Madagascar, Natal and Fiji, where practically the whole of the work is undertaken by cheap black labour. Moreover, a good deal of the imported confectionery will be manufactured from Java sugar, a product concerning which we heard a good deal in this chamber a few months ago. At that time Senator Colebatch led us to believe that the people of Western Australia would be prepared to obtain their supplies of sugar from Java.

Senator Sir HAL COLEBATCH.—Quite right.

Senator DUNN.—I am pleased to have that candid admission.

Senator Sir HAL COLEBATCH.—Until we can get the Queensland product at a reasonable price.

Senator DUNN.—It would appear from the interjection of the honorable senator that the people of Western Australia are prepared to use sugar produced by cheap black labour.

Senator Sir HAL COLEBATCH.—Unless we can obtain the Queensland product at a reasonable price.

Senator DUNN.—The honorable senator previously said "quite right", without any qualification. I can say without fear of truthful contradiction, that the people of Western Australia, South Australia, Victoria, New South Wales and Tasmania believe in the present policy of subsidizing the Queensland sugar industry, as by so doing they are strengthening our White Australia policy. In consequence of the generosity displayed by millions of the Australian people, a great industry has been established in Queensland; but Senator Colebatch believes in the use of sugar produced by black labour.

Senator LYNCH.—In what way would the members of the Pan-Pacific Conference view the utterances of the honorable senator with respect to black labour?

Senator DUNN.—I know what is in the mind of Senator Lynch. Only a few months ago there appeared in the *Sydney Morning Herald* a picture of the representatives who attended the Pan-Pacific Conference on behalf of those countries whose shores are washed by the Pacific. That gathering was attended by representatives not of the working class, but of commercial interests. I have nothing to say against the colour of the representatives; they attended that conference for the purpose of discussing trade relations.

Senator LYNCH.—Oh!

Senator DUNN.—Why should not the persons who attended that conference discuss trade relations? The object of the Pan-Pacific Conference was to improve trade relations, and also the conditions of the workers in the countries represented. Such a policy was advocated by Senator Lynch when he was a member of the Labour party, at a time when I was in my political swaddling clothes. Mr. Poole is anxious to know whether under the fiscal policy of this Government large quantities of confectionery manufactured from black-grown sugar are to be imported into this country to the detriment of the confectionery business in Australia. Honorable senators are aware that those engaged in the production of foreign-grown sugar are paid very low rates of wages, and do not enjoy the conditions which are available to trade unionists in this country. Owing

to the doubt which existed in the minds of the electors concerning the policy of the United Australia party on the sugar question, the Labour vote in Queensland during the recent election was considerably increased. Labour's representation in this chamber was consequently strengthened. Honorable senators remember the attack which was made upon the Queensland sugar industry by Senator Colebatch, when submitting a motion on the subject. The honorable senator's speech was reprinted in leaflet form and distributed throughout Queensland. The Queensland people immediately realized that there was a strong possibility of the sugar industry being prejudiced as a result of the action of the party which Senator Colebatch supports.

A further paragraph in the Governor-General's Speech reads—

My Ministers are deeply conscious of a fact that transcending in importance all other matters of public business at the present time is the necessity for maintaining the soundness of national finance.

Senator Rae, Senator Mooney and I, firmly believe that there is no possibility of relieving unemployment in Australia to-day until a majority of the people give a government a mandate to provide for the nationalization of our monetary system. About twelve months ago the Premier of New South Wales, Mr. Lang, was asked by the then Prime Minister (Mr. Scullin), and the then Treasurer (Mr. Theodore) if he could submit a plan to assist the Governments in providing employment. He said that he could and placed before the conference what is known as the Lang plan.

The Minister for Trade and Customs (Mr. Gullett) is shortly to proceed to Ottawa to discuss proposals to be submitted, with the object of providing financial and economic relief to the countries represented at that gathering. I suggest to the Leader of the Government in the Senate (Senator Pearce) that he place before the next meeting of Cabinet for its adoption, the view of the party that I represent in this chamber. We affirm that the only palliative for the unemployment position in Australia, short of the nationalization of the monetary system, is the following:—

1. That the Governments of Australia decide to pay no further interest to British bond-

holders until Britain has dealt with the Australian oversea debts in the same manner as she settled her own foreign debt with America.

2. That in Australia interest on all government borrowings be reduced to 3 per cent.

3. That immediate steps be taken by the Commonwealth Government to abandon the gold standard of currency, and set up in its place a currency based upon the wealth of Australia, to be termed "the goods standard."

At the present time there are 7,000 miners "on grass" in the coal-field areas of New South Wales. That is a term which is applied in this industry to men who are out of work. The brothers Lyon, of Newcastle, who are not only eminent engineers, but also experts in industrial chemistry, and as fine a type of citizens as any honorable senator could wish to meet, have spent thousands of pounds in research work connected with the extraction of oil from coal. They are now approaching the Commonwealth Government for assistance to the extent of £10,000 or £20,000, to enable them to prosecute those researches.

Senator THOMPSON.—Why do they not obtain the money privately, if they have such a good thing?

Senator DUNN.—It is not a question of obtaining the money privately. The Government proposes to send three responsible Ministers abroad. The Attorney-General (Mr. Latham) is to represent it at the Disarmament Conference—a duty that could be ably discharged by the High Commissioner, Sir Granville Ryrie; the Assistant Treasurer (Mr. Bruce) is to proceed to London, where he will, no doubt, represent the Government in the sphere of international finance; and the Minister for Trade and Customs (Mr. Gullett) is to take a jaunt to Ottawa. Each of those Ministers will be accompanied by a large staff, and I venture to affirm that the cost thus entailed will far exceed the sum of £20,000 which the Lyon brothers are seeking. The miners of Australia have an unchallengeable right, as taxpayers, and as units of a section of the industrial life of the Commonwealth, to approach the Government of the day with the object of securing the restoration of their livelihood. We hear a lot about the rehabilitation of the banking system, which is operated by private enterprise. Lyon brothers are only asking to be given the

opportunity to rehabilitate the northern coal-fields of New South Wales, so that the miners who are now unemployed may be able to obtain work. The following is a newspaper article dealing with the subject:—

WEALTH OF OUR COAL.

WAITING TO BE EXTRACTED.

Australia Rich in Supplies.

EVENT OF WAR.

Newcastle, Monday.

"In the event of a war in the Pacific cutting off Australia's oil supplies, within six months there would be an Act of Parliament passed to prevent any of the higher grade coals being burned until the oil had been extracted from them," declared Mr. A. G. Lyon to a large meeting of miners and citizens of West Wallsend to-night.

After dealing with the history of by-products in Australia, he emphasized that coal was the source of national welfare. Oil was replacing man power throughout the world, and as far as Australia was concerned, was impoverishing the nation probably more quickly than any other cause. Oil imports had to be paid for by exports of such products as wheat, and wool, neither of which was required by oil-producing countries, and therefore, Australia's commodities had to be sold to other nations and converted into gold to pay for our oil supplies.

If the Governments were anxious to balance their budgets, leakage of revenue and national wealth should be one of the first channels to which action should be directed.

Kerosene Shale.

Referring to kerosene shale, Mr. Lyon said the industry should be encouraged, but the outlook was restricted compared with oil from coal. The kerosene shales of New South Wales, while rich in oil yields, occurred mostly in seams of from 18 inches to 2 ft. 6 in. thick, and only in isolated places.

If the whole of the kerosene shales in this State were treated by present methods, they would not supply Australia's requirements for motor fuel for more than two years.

Many of the coal leases of the northern fields contained more oil than the whole of the shale resources of the State. Up to the present, oil from coal had been nobody's business and had been entirely neglected, but in these times of stress this potential industry, which in the next 50 years might grow as quickly as the steel industry had done, must be given serious consideration.

It would be asked where was the money coming from to foster the project, but as the Commonwealth Government received £5,000,000 a year from duty and excise on motor spirit, it might be worth while considering if it would not be better to spend some of that money on producing our own oil.

Spent on Roads.

Revenue from imported petrol was being spent on building roads at an unwarranted cost of £10,000 a mile. Those roads were being

used, in many cases, for the transport of goods by oil-driven vehicles to the detriment of the national railways.

Concluding, Mr. Lyon said that every effort should be made to enable Australia to stand on her own and be independent of other countries in the matter of oil supplies.

It is well known that the French Government, realizing how that country is surrounded by hostile nations during the present European struggle for existence, and having no natural oil wells, or colonies that export oil to France, is giving every possible assistance to industrial engineers or chemists to further research work that may lead to the procuring of oil supplies. Yet in Australia the Lyon brothers can obtain no assistance, despite the fact that the wives and families of 7,000 miners are dependent upon the employment of their breadwinners in that particular industry. Senator McLachlan was good enough to give me a definite assurance in regard to the attitude of the Government towards the shale oil-fields at Newnes. I ask that he repeat it when he is replying to me.

The PRESIDENT.—The honorable senator has exhausted his time.

Debate (on motion by Senator Sir HAL COLEBATCH) adjourned.

INSURANCE BILL.

Ordered—

That the bill be recommitted for the purpose of further considering clauses 6, 7, 7A, 10, 12 and 17.

In committee (Recommittal):

Clause 6—

(2.) If several persons act in association in the Commonwealth, in respect of the granting of cover, or in the doing of any of the acts specified in the last preceding sub-section exclusively through a person outside the Commonwealth on account of one insurer or society of insurers, the business carried on in the Commonwealth by the persons so acting shall, for the purposes of this act, if the Treasurer so directs, be regarded as business carried on by one person, and the amount of any deposit required to be made under this act, shall be calculated accordingly.

Senator Sir HAL COLEBATCH (Western Australia) [5.6].—It seems to me that the sub-clause in its amended form has gone a little further than the committee intended. I think the intention was that it should cover only insurers like Lloyds, but in its present form it is

possible for all overseas companies to combine in one society, which I am sure was not the intention.

Senator McLACHLAN.—It is the persons here who have to combine.

Senator Sir HAL COLEBATCH.—The sub-clause applies to people outside the Commonwealth, and I suggest that it should be amended to remove any possibility of its being used for a purpose for which it was not intended. I move—

That after the word "insurers", sub-clause 2, the words "undertaking a corporate liability" be inserted.

Senator McLACHLAN (South Australia) [5.8].—I doubt very much if the amendment meets the point which I think the honorable senator has in mind. Undoubtedly the sub-clause is designed to help Lloyds. There are many groups of individual brokers acting for Lloyds, and some of them act in association. There is one very well-known firm of brokers, which has its separate incorporated companies in several of the States acting in association with one another. There are individual firms of brokers and individual brokers, who in opposition to this well-known company, secure business and transmit it to Lloyds in London. I understand that Lloyds' liability is a joint and several liability. Of course its prestige is so great that there is never any question of enforcing that liability. Nevertheless, I understand that action has to be taken against individual insurers. I had considerable difficulty with this provision. Lloyds, of course, are looking for one which will enable them to become a single corporate entity for transacting the business done outside Australia. Certain firms inside Australia are looking forward to forming a group representing Lloyds, or anybody else doing business of a similar character to Lloyds. I have endeavoured to meet their wishes. So far as Lloyds' business is concerned, I should be willing to accept one deposit which would mean that the people operating in Australia would all be brought into one group. But that would necessitate the policing of this legislation by the creation of additional staff in the Treasury. This we do not desire in respect of a bill which is simply designed to protect policy-holders. We have, there-

fore, provided that if these individual firms act in association, and can show the Treasurer that they are working together in the various States, only one deposit is required of them. I do not desire to limit the business that can be done by one company or one concern. This legislation provides that if the brokers cannot join with the big concern which is now controlling the greatest proportion of Lloyds' business sent overseas, they can form among themselves a separate association to relieve themselves of the individual responsibility of putting up a deposit. Yesterday I was informed that they have come to a mutual arrangement with the larger firm. If they fall into line with that firm, these individual brokers will have to put up only one deposit; if they do not, we shall be obliged to extract deposits from the group—which has really been doing the work all along, and that which will require to be formed. It is quite reasonable for the older firm to want to keep its business to itself and not be associated with others. In any case, the deposit must be extracted from some one in this country and that is where the honorable senator's amendment misfires. The sub-clause provides that if several persons act in association to do certain things, through a person on account of one insurer or society of insurers, the business carried on in the Commonwealth shall be regarded as business carried on by one person. It is that one person's business, and it is to him that the insurer in this country looks to recover his money. We want to ensure that in respect of that particular broker or combination of brokers, the deposit will be available as an element of security to policy-holders. I do not think it would improve the sub-clause to insert the words "undertaking a corporate liability". At any rate it would not help Lloyds. The honorable senator suggests that the sub-clause, as now printed, might cause companies to leave Australia, but as this is merely an instrument relating to cover, they would be no worse or no better off by so doing, because they must act on account of one insurer or society. Each would be a different insurer. It could not prevent the brokers from forming themselves into a society. If the

insurers in Australia chose to form a large amalgamation, or to form one group for taking cover, we should still be faced with the same difficulty. I hope that Senator Colebatch will see that if we open the gate too wide, we shall have to police the measure, and that if we leave the sub-clause as it stands, the brokers must satisfy the Treasurer that they are acting in association on behalf of one group of insurers overseas. I think that should cover the ground we desire to cover as completely as we can. Other suggestions have been made which would give a vested interest to those who are here as against those who might come here, but it is not the Government's desire to shut out any reputable firm that wishes to do business with Australia in the same way as Lloyds do.

Senator RAE.—It would be a good thing to shut them all out; there are too many of them.

Senator McLACHLAN.—It is better for the people of Australia that they are here. People are anxious to insure with Lloyds because the rates are considerably cut. Lloyds' huge turnover enables them to bring their premiums right down, and people are not concerned with the difficulty of recovering. It is our concern in this bill to see that those who are getting cover here are protected. We do not wish to exclude anybody from coming in, but unless firms are associated with one another in giving cover, we ask them to put up a certain deposit. It is for these people themselves to deal with that side of the matter.

Senator THOMPSON (Queensland) [5.17].—Since the committee was discussing this matter last week, the opinion of a committee of Lloyds in London has been obtained and an amendment has been suggested which is quite acceptable to that committee. I think that it should meet the requirements of the Minister. At any rate I do not think that it would involve any policing. I agree with Senator McLachlan that we want Lloyds operating here to keep the rates within bounds, because Lloyds' rates have a salutary effect on those charged by insurance companies in Australia. The Lloyds' brokers in Australia have been at variance on this sub-clause, but through the committee of Lloyds have come into line, and

will be pleased if the suggestion put forward by that committee is adopted. The suggested amendment is—

If several persons grant cover or do any of the acts specified in the last preceding sub-section for one insurer or for a group or groups of insurers, the business deemed to be carried on by them under this section shall, for the purposes of this act, if the Treasurer so directs, be regarded as business carried on by one person, and the amount of any deposit required to be made under this act shall be calculated accordingly; but such deposit shall only be applicable to the business transacted by the several persons by or on behalf of whom the deposit has been provided.

I ask the Minister to accept that amendment. It will satisfy the brokers, the insuring public and the committee of Lloyds in London. There would be no necessity for policing it because it is quite possible the deposit would be arranged by one body.

Senator McLACHLAN.—I suggest that, if the committee wishes to consider Senator Thompson's proposal, the amendment moved by Senator Colebatch be withdrawn temporarily.

Senator Sir HAL COLEBATCH.—I am agreeable to that course.

Amendment—by leave—withdrawn.

Amendment (by Senator THOMPSON) proposed—

That sub-clause 2 be left out with a view to insert in lieu thereof the following:—

“(2.) If several persons grant cover or do any of the acts specified in the last preceding sub-section for one insurer or for a group or groups of insurers, the business deemed to be carried on by them under this section shall, for the purposes of this act, if the Treasurer so directs, be regarded as business carried on by one person, and the amount of any deposit required to be made under this act shall be calculated accordingly, but such deposit shall only be applicable to the business transacted by the several persons by or on behalf of whom the deposit has been provided.”

Senator McLACHLAN (South Australia)—Vice-President of the Executive Council) [5.22].—I find difficulty in accepting the amendment, because I do not know exactly what is meant by the words, “if several persons grant cover or do any of the acts specified in the last preceding sub-section”. I am aware that it originated with the committee of Lloyds, but I am afraid that, in its present form, it leaves us very much in the air, and I fail to see how, or to whom, the Treasurer will be able to give a direction.

Senator THOMPSON.—To Lloyds' brokers, of course.

Senator McLACHLAN.—But the Treasurer will have no knowledge of them. If they specifically declared that they were representing Lloyds, and were acting in association, all might be well. I am afraid the honorable senator's amendment would cause much embarrassment. The term “acting in association” is most elastic. It does not necessarily mean that particular persons must be actively associated with a particular business. An “association of Lloyds' brokers in Australia” would meet the position, and I understand that when the proposed legislation was under discussion in the New South Wales Parliament it was suggested that Lloyds' brokers should form an association so as to meet any position that might arise. I fear that if we accept this amendment we shall open the door to difficulties in administration. The association of these brokers can easily be determined by the Treasurer, because if they are acting in association there must be some evidence of it, and I should think that they would assist in administration by seeing that others, who had not contributed to the pool or fund to make up the required deposit, did not come into the business. If we do not provide for the exercise of the Treasurer's discretion, half a dozen insurance companies might do their businesses through an association of brokers, and be responsible for only one deposit. I hope that Senator Thompson will not press his amendment, because it does not fulfil the intention we had in mind when drafting this legislation.

Senator Sir HAL COLEBATCH.—It might apply to local as well as overseas companies.

Senator McLACHLAN.—Yes. I know this was not the intention of the Lloyds' committee, but with all respect to the distinguished pundits in London who framed the amendment, it seems to me that it will not meet the position. Apparently they were under the impression that this clause dealt with brokers in Australia, whereas it deals with persons or associations of persons outside the Commonwealth. The difficulty in drafting a suitable provision arose from the rivalry be-

tween brokers, but that has since disappeared. If Senator Thompson is not satisfied with the Government's proposal I am prepared to have it further considered in another place. His amendment is, I believe, too wide and, in my view, just a little dangerous.

Senator THOMPSON (Queensland) [5.29].—When similar legislation was being considered in the Legislative Council of New South Wales last year, almost the same words were employed in the clause of a bill dealing with this matter. It provided—

If several brokers act in respect of the granting of such cover or in the doing of any of the acts aforesaid for one insurer or group or groups of insurers the business deemed to be carried on by them under this section shall be regarded as a single insurance business and the amount of any deposit required to be made under this act shall be calculated accordingly.

No trouble with regard to policing the act was apprehended in New South Wales. I should like the amendment to be accepted if only for the sake of ensuring uniformity between the committee of Lloyds in London and the brokers doing business in Australia. I believe also that it will improve the bill and make for the more harmonious working of the measure.

Senator LYNCH.—How long has that law been in operation in New South Wales?

Senator THOMPSON.—It is not in operation. The bill passed the Legislative Council but failed to pass the Legislative Assembly.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [5.31].—I appreciate the force of the honorable senator's argument, and I regret that I cannot accept his amendment. Since I resumed my seat it has been pointed out to me that the concluding sentences of his amendment will increase the difficulties of administration. The Treasurer will have to ascertain on whose behalf insurance business is written and whether the persons writing it have contributed to the deposit. I may add that we are not legislating fully on the subject of insurance and will not create any special department to police the act. The States have that machinery. This legislation, as honorable senators are aware, provides for one control as regards

deposits and that, I suggest, is very necessary at the present time. We shall throw upon Lloyds' brokers themselves the obligation of associating themselves so as to come within the provisions of this clause. I am anxious to have the bill sent to another place, where further consideration may be given to the proposal made by Senator Thompson. The difficulties of draftsmanship have been considerable but I think everything has been provided for. I had a conference with Senator Thompson with regard to another matter, and the suggestion which he made will, I believe, enable the bill to function more freely and in the interests of independent brokers.

Senator THOMPSON (Queensland) [5.34].—The Minister need be under no misapprehension as to the deposit; it will most likely be arranged in one amount. The volume of business done by Lloyds' brokers in Australia is so extensive that the deposit lodged is sure to be the maximum amount provided by the bill. Negotiations are in hand, already, and there will be no difficulty in regard to the deposit.

Amendment negatived.

Senator Sir HAL COLEBATCH (Western Australia) [5.39].—Would the inclusion of the words "undertaking a corporate liability" nullify what we desire to do? For instance, would it exclude Lloyds on the ground that Lloyds do not undertake a corporate liability?

Senator McLACHLAN.—That is what I fear.

Senator Sir HAL COLEBATCH.—Something should be done to tighten up these provisions so that they shall not extend to persons to whom we do not want them to extend. There is, of course, this safeguard, that a discretion rests with the Treasurer; he is not bound to give a direction. If the inclusion of those words would exclude Lloyds, I would not persist with my amendment.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [5.40].—I have conferred with the Parliamentary Draftsman, who fears that the inclusion of the words referred to would exclude Lloyds. The liability of Lloyds is peculiar; it is certainly not of a corporate nature. The words "on account of one insurer or society of

"insurers" includes Lloyds. Under Lloyds policies, an individual is sometimes responsible for the insurance, whereas in other cases a society of insurers is sometimes responsible. It is thought that the word "insurer" is sufficiently wide to cover all classes of insurance, but, in order to make the position quite clear in respect of Lloyds, the word "society" has been placed in the clause. Great care has been taken in the framing of the clause. I feel that it would be dangerous to limit its provisions to a corporate liability, for by so doing we might exclude Lloyds. Lloyds have been so long associated with insurance matters, that they have come to be regarded as a corporate body, whereas their responsibility is not corporate. I have seen one of Lloyds policies bearing on the back of it, the names of perhaps 100 persons, any one of whom, or the whole of whom, could be sued.

Senator Sir HAL COLEBATCH (Western Australia) [5.42].—I am not satisfied with the clause as it stands, but at this stage I am not prepared to move an amendment to it. I prefer to rely on the discretion of the Treasurer. I take it that a discretion rests with him; that he is not bound to issue a certificate.

Senator McLACHLAN.—That is so.

Clause agreed to.

Clause 7—

(1.) After the commencement of this act, no State act, whether passed before or after the commencement of this act, to the extent to which it requires a person carrying on or proposing to carry on insurance business to make any deposit or to make any payment by way of license fee or to make, as a condition upon which that person may carry on insurance business, any other payment, shall, subject to this act, have any force or effect.

(2.) Where, at the commencement of this act, any amount or security is, in pursuance of any enactment which upon such commencement ceases to have effect, held by a State or by any authority of a State by way of deposit on account of any person carrying on insurance business, the State or authority shall, when so required by the Treasurer, return the amount or security to the person by whom the deposit was lodged.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [5.43].—I move—

That after sub-clause 1, the following proviso be inserted:—

Provided that this sub-section shall not affect the operation of any State act, in force

on the first day of February, one thousand nine hundred and thirty-two, in so far as the State act imposes stamp duty upon licences issued to persons engaged in insurance business.

There has been some apprehension in relation to this sub-clause, it being thought in some quarters that it encroaches on the legitimate stamp levies of the States. The Government has no desire, and I feel sure the Senate has no desire, to do that in these times. The proviso will entitle the States to retain the levies which have been imposed under their various stamp acts, and I confidently commend it to the Senate.

Senator THOMPSON (Queensland) [5.45].—Am I right in assuming that all the State rights and conditions stand with the exception that deposits will not now have to be made to the States?

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [5.46].—The proviso is directed only towards existing levies in the form of stamp duties which the States may make upon insurance companies for revenue purposes. Generally, these levies are based on the amount of income derived by the companies. A stamp is not affixed to every policy, but at the end of a given period the company is charged an amount based on its income. The Government does not wish to interfere with the rights of the States in that respect as they existed on the 1st February of this year.

Senator THOMPSON.—Their right to levy any deposit as a condition to carrying on business disappears?

Senator McLACHLAN.—Yes.

Amendment agreed to.

Senator E. B. JOHNSTON (Western Australia) [5.47].—I move—

That sub-clause 2 be left out.

When this clause, in an amended form, passed the Senate previously, I understood that the Government had arranged to meet the wishes of the Governments of Western Australia, Queensland and Tasmania in connexion with the retention by those States of the sums of money that they had already received from the insurance companies; but I find that the Government has only postponed the return of those amounts by the States to the companies, and the collection of the same amounts by the Commonwealth

from the companies, during the pleasure of the Federal Treasurer. The present Federal Treasurer may decide not to call up these amounts, but in the event of there being a change of Government, or even a change of policy on the part of the present Government, the Treasurer, at his will, could call on the States for the whole of the money which they have legitimately received and are holding as security under State laws. The Government of Western Australia is alarmed at the introduction of this legislation, and the possibility of having to return £567,899 which it at present holds. I hope that the Vice-President of the Executive Council (Senator McLachlan) will approve of an amendment which I propose to submit to the next clause providing that the whole of the amounts at present held by the State Governments shall be retained by them permanently, and that the Federal Treasurer or other Minister shall have no right to call upon such funds. In the *West Australian*, of the 23rd of February, the Premier of Western Australia, who, at the time, had received only telegraphic advice concerning the bill, said—

I have not yet seen the bill which is being introduced in the Commonwealth Parliament to provide that insurance companies must deposit sums with the Federal Treasury, but it may easily be a very serious matter for us. Under two acts—the Insurance Act 1918, and the Life Assurance Companies Act, we have £567,899 deposited with the State Treasury, £323,120 of which has been deposited under the former act, and £244,779 under the latter.

Senator THOMPSON.—Is that all in cash?

Senator E. B. JOHNSTON.—No, some of it is in cash, but most of it is in bonds. But, in any case, it would be most serious if State governments had to return moneys which they have held for as long as fourteen years, and which are at present properly protected. The Premier of Western Australia further states—

Under our Insurance Act the companies are allowed to deposit either cash or securities, but nearly all this money has been invested by the Treasury in Commonwealth stock. Precisely, £435,500 has been invested in Commonwealth stock, £23,249 in debentures, £17,600 in mortgages, &c., £10,500 in Western Australia Government stock in London, and £80,000 in deeds for property. I repeat that I have not seen the Common-

wealth bill, but the danger is apparent if it overrides our acts. It would be utterly impossible, at present, to realize on these securities at short notice. I am sure that if the Commonwealth law does pass, the Commonwealth would take over these investments at their face value. Another aspect of the thing is that it is absolutely wrong that we (the States) should pay more for this money than is being paid to the companies. It appears that we are suffering for the sins of another, but, in any event, I protest against the passage by the Commonwealth of any such legislation. I thought that it was the intention of the Government to leave permanently with the State governments the whole of the deposits which they have received. Instead of that, this sub-clause in the bill provides that these moneys are to be left in the hands of the State governments until the Treasurer sees fit to call for them. I cannot see any reason for this.

It appears to me that we have no right to interfere with the present position of the States with respect to the moneys which they have received in good faith as security for the policy-holders in the different insurance companies. The Federal Government, after the manner of an overlord, is always reaching out and showing a desire to exercise its dominion—to take away from State governments money which they are legitimately holding as security for residents of the States. I hope that the Senate will make it abundantly clear that the moneys already collected, and now held by the States, are to remain permanently in their hands. Unless the Minister accepts my amendment and the consequential amendment to clause 7A, which I propose to move, it is my intention to oppose the third reading of the bill. It seems to me that governments are going mad over Lang. I admit that he should be drastically dealt with, but in order to deal with him, I am not going to assist to place on the statute-book legislation which will permanently injure State governments or State authorities, and place them under the suzerainty of the Commonwealth. A turn of the political wheel may place Lang in the position of Treasurer of the Commonwealth. This clause, as it stands, would give that gentleman, in such an event, the right to call up this money from the States at his own sweet will. This is a matter of great importance to the people of Australia. As soon as this legislation was introduced, I raised this

objection, and I trust that the Vice-President of the Executive Council (Senator McLachlan) will accept the amendment I have moved.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [5.55].—I am afraid that Senator Johnston has not accurately stated the position with respect to the deposits lodged under various State acts. If the honorable senator will refer to sub-clause 2 of clause 7, he will see that that clause provides that—

Where at the commencement of this act, any amount or security is in pursuance of any enactment which upon such commencement ceases to have effect, held by a State or by any authority of a State by way of deposit on account of any person carrying on insurance business, the State or authority shall, when so required by the Treasurer, return the amount or security to the person by whom the deposit was lodged.

Taking that sub-clause, without the soothing syrup added to it by clause 7A, I would put to the honorable senator what I contend is the law. I believe that mortgages are accepted by the Government of Western Australia as securities for the due observance by the insurance companies of their liability to their policy-holders. These mortgages are of no value to the State itself—they are in the same category as title deeds—and are held in the custody of the public trustee or some other authority. The interest on the mortgages goes, not to the State, but to the company concerned, so that in respect of that class of security the State could not be interfered with in any shape or form if the Treasurer exercised this power. In the matter of cash deposits, there appears to be a considerable misapprehension. To-day these are all Commonwealth securities, and the fact that they are removed from a State strong-room in, say, Melbourne, Perth, or Adelaide, to a strong-room somewhere else, is of no concern to any one. The liability is a liability of the Commonwealth. The interest on these securities has to be paid to the insurance companies concerned. The honorable senator is also anxious with respect to another angle from which this provision may be viewed—one which at first troubled me a little. I have, however, given the matter close attention, and have also obtained the

opinion of the Solicitor-General with regard to it. Where a company has deposited cash and the State, or its responsible officer, in order that it may earn interest, has invested it in some form of security which has depreciated, the State cannot be held answerable. If the honorable senator will read the provision carefully, he will see—and the Solicitor-General confirms my view—that the security into which the cash deposit has been put can be returned by the State to the company, which, in turn, will pass it to the Federal Treasurer. In what way then is a State affected? They are all trust moneys. They are not moneys which the State is using in its tills. An official of the State is acting in the capacity of a trustee for the policy-holders, whom this bill is framed to protect—

Senator E. B. JOHNSTON.—Why not leave this money with the State Governments?

Senator McLACHLAN.—That would destroy the whole symmetry of the bill. The idea is ultimately to pass comprehensive insurance legislation, but we cannot at present set up an extensive department. What we are doing under this provision meets the representations made by Western Australia. We have provided *locus poenitentiae*, as it were, under clause 7A, although I do not think it is actually needed. We are not encroaching upon the rights of the States in any shape or form. We are merely providing that the responsible officer in South Australia, Tasmania, or any other State, who has been acting as trustee for the policy-holders shall give way to the Commonwealth Treasurer as trustee for the policy-holders all over Australia. Having regard to the fact that, under the Financial Agreement and the Financial Emergency measures passed last session, all these securities are now Commonwealth securities, the States cannot be detrimentally affected by this provision. On a casual examination of the bill, it might appear that the Commonwealth was dipping into the exchequers of the States and taking something from them. But, actually, all that is happening is a change of trusteeship. This is the only way in which we can get a workable measure. I am anxious to avoid setting up a lot of unnecessary

machinery. We know that these securities are in the hands of the States, and *pro tanto*, they will be taken as part of the security.

Senator Sir HAL COLEBATCH.—Why not leave them where they are.

Senator McLACHLAN.—Why have six or seven trustees, as would be the case if this matter were left to the States, when one is sufficient? In Queensland, Victoria, South Australia, Tasmania and Western Australia, separate officers are required to deal with these securities. I am not particularly concerned as to the procedure to be adopted; but I think there should be uniformity. Under this measure no injury will be done to a State, and the Commonwealth will not derive any benefit. The Commonwealth is merely to be the custodian of the securities, and the method proposed is the only one by which we can get the whole thing into line. This is not detrimental to the States.

Senator E. B. JOHNSTON.—They are objecting.

Senator McLACHLAN.—They do not understand the position. I have already telegraphed to a distinguished gentleman in South Australia pointing out that I believe that in the case of that State there has been a misapprehension. A later telegram indicates that in South Australia the position is now regarded as being satisfactory. This measure does not affect the position of a State. No State Treasurer would be guilty of a misapplication of trust funds. The difficulty arises in this way: The State representatives have not taken into consideration the Financial Agreement between the Commonwealth and the States and the Financial Emergency legislation passed last year. Where State bonds were issued they are being replaced by Commonwealth securities of one kind or another. I ask the honorable senator not to press this amendment in view of the fact that no injustice is being done to the States.

Senator E. B. JOHNSTON.—There is an injustice where cash has been deposited.

Senator McLACHLAN.—In what respect?

Senator E. B. JOHNSTON.—Because the Treasurer can call on the State Treasurers to repay the cash.

Senator McLACHLAN.—That is not so. I received an opinion from the Solicitor-General that all a State will have to do is to hand back the particular security that represents the cash lodged. It is for the Federal Treasurer where that security has depreciated—

Senator Sir HAL COLEBATCH.—Must the company accept the depreciated security?

Senator McLACHLAN.—That is a matter between the company and the State concerned. If the companies have deposited money and the security has depreciated, that is their responsibility. Why should a State be responsible for any loss when it has acted bona fide in the interests of the policy-holders and, after all, is giving the insurance companies a status which they otherwise might not possess. There is no liability on the State in regard to any depreciation of the security. It is an investment that was made in good faith. If the security happens to be in cash, no investment having been made, we have to take over the money. But the bulk of the deposits are in the form of securities. The insurance companies merely receive them back from the States and hand them over.

Senator BRENNAN.—What happens if cash has been deposited?

Senator McLACHLAN.—That is a question between the company and the State. This bill provides for the depositing of a certain amount. Should the face value of the security not be equal to the amount required, the company, not the State, under a later clause, will have to make good the deficiency.

Senator LYNCH.—What is the number of that clause?

Senator McLACHLAN.—Clause 18. I believe that in most of the States the value of the securities held is more than sufficient for the purpose contemplated, because the States have displayed activity in keeping the insurance companies up to the collar.

Senator THOMPSON.—Is Queensland satisfied with the proposed arrangement?

Senator McLACHLAN.—Representations on the matter were received from Queensland. We communicated with that State, and apparently the position is now regarded as satisfactory. They took

the view which is held by Senator Johnston, that because they had Commonwealth stocks, in which they had invested a huge sum of money, they would have to find the actual cash; whereas all they have to do is to hand back the security to the company concerned, which in turn passes it on to us.

Senator Sir HAL COLEBATCH (Western Australia) [6.8].—I consider that the Minister has furnished unanswerable arguments in favour of the amendment moved by Senator Johnston. He has told us that it is not the intention of the Commonwealth Treasurer to exercise the power to demand that this money shall be returned by the States. Why, then, have this provision in the bill? The deposits are quite safe with the States; why not leave them there? At all events, why not leave things as they are, until a comprehensive bill has been passed, and then deal with the whole business!

There is a further point. Senator McLachlan has said—and quite rightly, I think—that in the matter of the deposits the question is one between the State and the persons who have made them. Let us assume that actual cash has been put up, and that the State has invested it in securities, which have depreciated in value. Are we to understand that the State may hand over these depreciated securities, in which they may have invested without the consent of the insurer, instead of the good cash; and that the Commonwealth will accept them, not at their face value, but at their depreciated value, and compel the person whose property they are to make an additional deposit?

Senator FOLL.—It is not suggested, is it, that they shall receive back less than they put up?

Senator Sir HAL COLEBATCH.—That is what the Minister suggests. A company may have deposited £5,000. The State, without its consent, may have invested it in securities. It is a hundred to one that they have depreciated; all securities have. The Commonwealth Treasurer comes along and says to the State Government, "You must hand back that security". What is the State to do? Is it to hand back £5,000 in cash, or these depreciated securities? If it hands back the depreciated securities, what has

the person to say who has put up the money? Can he not say, "Why should I take them? I gave you my good money. I did not authorize you to put it in this form." Surely all sorts of complications will arise! It seems that the Minister is deliberately running away from a simple position, and that he proposes to set up a complicated one. I apprehend a good deal of trouble in the case of insurance companies which have put up cash and are to be asked to take depreciated securities in exchange. Let sleeping dogs lie; allow the deposits to remain where they are, and there will be no trouble.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [6.11].—The honorable senator appears to suggest that these investments were made without the privity of the insurance companies concerned. The State Governments are in the position of a trustee who has made an investment with money that has been placed in his hands; and good faith having been observed, there can be no possible suggestion of responsibility on the part of those Governments. I cannot follow the honorable senator's line of reasoning.

Senator Sir HAL COLEBATCH.—Supposing a company went out of business, would it not be entitled to the return of its money?

Senator McLACHLAN.—Let us suppose that the honorable senator is a trustee under a will or a settlement, that he has £100,000 given to him to invest, and that he invests it. His position would be identical with that of the Government of a State which accepted money for the purpose of protecting policy-holders.

Senator Sir HAL COLEBATCH.—Is that so?

Senator McLACHLAN.—It is merely a trustee for the policy-holders. Providing there has been no breach of faith, it is in no better and no worse position than a trustee. If the principle sought to be established is accepted, the whole symmetry of the bill will be destroyed. There will be no repercussions from this legislation. So far from being complex, I regard the position as simplicity itself. If it were likely that injury would be done to the States, I should adopt some

other course; although, as a matter of policy, I cannot see what other course could be adopted except to provide for one place of deposit, and that the Federal Treasury.

Senator FOLL.—May not a State act provide the form in which the deposit shall be returned?

Senator McLACHLAN.—If a State act provides that the deposit shall be returned in the form in which it was made, it will have to be returned in that form.

Senator BRENNAN.—This measure provides that after it commences to operate all State acts shall cease to have effect.

Senator McLACHLAN.—That is a point to which I was coming. I wished first to persuade Senator Johnston to withdraw this amendment. There is no danger to the States. Under this law they will have to hand back the securities. If there are State acts which provide for the handing back of cash, that is another matter. I know of no such acts.

Sitting suspended from 6.15 to 8 p.m.

Senator E. B. JOHNSTON (Western Australia) [8.0].—It seems to me that the Minister has already forgotten the lesson of the last two years. Casting our minds back over that period, we ought to be very slow to give power which, after a change of ministry, may be exercised in a manner altogether different from that contemplated by the Government that provided for it. Everything that Senator McLachlan has said in reply to me has strengthened rather than weakened the need for meeting the wishes of the Governments of Queensland, Western Australia and Tasmania. The strong protest made by Sir James Mitchell, the Premier of Western Australia, which I have already read, should in itself be sufficient to justify the adoption of my amendment. But I have also a statement made by the Premier of Queensland. It was published in the metropolitan papers of Australia on the 25th February. I quote from the *West Australian* of that date, as follows:—

Brisbane, 24th February.

"The inference that the State should have kept idle in its vaults all the money held by it on deposit from insurance companies since 1916, and on which the Government has to pay interest is absurd," declared the Premier

(Mr. Moore) to-day, when discussing comments reported to have been made by the Federal Attorney-General (Mr. Latham) when dealing with the new Insurance Bill. The Treasurer (Mr. Barnes) said that he could not conceive that the statements had been accurately attributed to Mr. Latham. If they had been correctly reported it would seem to indicate that Mr. Latham knew very little about finance.

Mr. Moore said it was distinctly set out in the Queensland Act that money deposited by the insurance companies must be invested in government securities. The suggestion that the Government had wrongfully used the money was not correct. The Queensland Act had been in force sixteen years, and the money had been used as ordinary government loan expenditure. To be called upon to find all the money deposited would, at a time like this, when fresh money could not be borrowed, make the situation very embarrassing and difficult. However, the State could pay it, but it would have to go to the Commonwealth Bank or the Loan Council for assistance—a position which was never contemplated.

The Treasurer (Mr. Barnes), in a further comment, said that it would seem to him almost that the Federal Attorney-General was advocating unification. If he was, it would be disastrous for Queensland, and would seriously affect certain other States.

In addition to the statements by the Treasurers of Western Australia and Queensland, I recall reading in the press very similar criticism from Mr. McPhee, the Treasurer of Tasmania. The amendment introduced by the Minister, and to which I am objecting, in no way meets the complaints that have been made by these three Treasurers. It seems to me a perfectly simple and proper thing to leave the amounts now held by the smaller States in the hands of the States, and I hope that the Vice-President of the Executive Council (Senator McLachlan) will accept the principle of my amendment, and also amend the succeeding clause to meet the position. Senator McLachlan has suggested that it is not the intention of the Commonwealth Treasurer to call up this money from the States. But why give any succeeding Treasurer the power to apply the clause in a manner possibly not contemplated by the present Government? I quite agree with Mr. Barnes, the Treasurer of Queensland, that this bill, like most of the legislation that has been brought forward by any Commonwealth Government during the short period I have been in the Senate, is in the direction

of unification and an extension of the federal powers at the expense of the States.

Senator THOMPSON.—How can the honorable senator say that when the Commonwealth has power under the Constitution to deal with insurance?

Senator E. B. JOHNSTON.—But why take away the money from the sovereign States, which are clothed with similar powers? The honorable senator had better fight this matter out with Mr. Moore, whose opinion I have already expressed.

Senator Sir WILLIAM GLASGOW.—That opinion was given before the bill was amended.

Senator E. B. JOHNSTON.—Mr. Moore's objections are not met by the amendment.

Senator THOMPSON.—Queensland is satisfied with this arrangement.

Senator E. B. JOHNSTON.—I should like a little more authoritative statement than that.

Senator REID.—Mr. Moore has said nothing since the amendment was passed.

Senator E. B. JOHNSTON.—I am perfectly satisfied that the objections so fully set out by Sir James Mitchell and Mr. Moore have not been met.

Senator Sir GEORGE PEARCE.—Of what use are the securities to the State?

Senator E. B. JOHNSTON.—Some deposits may be in cash. Mr. Moore has pointed out that a good deal of the deposits are cash. There is no doubt that if money is received by a State Government it will have to be returned. If £50,000 is received in cash from an insurance company and invested in bonds at par, could a State Government repay the company in the same bonds when they are worth only £90? There is nothing in the bill to suggest that it could be done. On the contrary, Senator McLachlan has said quite clearly that it is a matter which concerns the companies and the States. If that is so, the States are going to lose.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [8.7].—The honorable senator has evidently misapprehended the effect of what I said. He has repeated, in reply to Senator Thompson, the suggestion that the States would be called upon to pay over some money. The States have not

been slow to see that if they took over the investment of moneys deposited by insurance companies, and did not have the companies parties to the investment of the money, it would queer their position in the event of there being any depreciation in the value of the securities. In the majority of the States, therefore, the companies are consulted concerning the investment, and have opportunity to indicate where the money should be invested. The statement originally made by the Premier of Queensland was uttered under a misapprehension as to the provisions of this bill. The amendment to allow the States to keep the securities in their custody is simply for the purpose of convenience of administration and as a gesture to the States, so that they may understand the position in which the Commonwealth is desirous of placing the policy-holders of insurance companies within the Commonwealth. It really carries the position no further than if the securities were in the strong-rooms of the Commonwealth. No money is given away unless money actually happens to be on deposit. I have given the opinion of the Commonwealth Solicitor-General. All that we ask the States to give back to the companies, or make them the vehicle for transmission to us, are securities upon which any of these deposits are invested.

Senator J. B. HAYES.—If the States receive money, they have to give it back to the companies.

Senator McLACHLAN.—They do not receive money. Section 12 of the Queensland act says—

1. Any amount deposited with the Treasurer by the insurer shall be invested and re-invested from time to time, as occasion requires, in debentures of the Government of Queensland having a currency not exceeding five years, and bearing interest at 4½ per centum per annum free of income tax, in the name of the Treasurer in trust for the insurer.

2. The interest on all such securities shall be paid to the insurer.

3. The investment and redemption shall be at par.

4. The deposit shall be charged with the payment and satisfaction of all final judgments given against the insurer in respect of marine or general insurance policies issued in Queensland which are not otherwise satisfied.

Then, there is sub-section 5 referred to by Senator Foll, which reads—

In the event of the insurer ceasing to carry on marine or general insurance business in

Queensland, such insurer (on satisfying the Treasurer that all liabilities arising under marine or general insurance policies issued in Queensland have been discharged) shall be entitled, at the expiration of three months after the date of so satisfying the Treasurer, to have transferred to such insurer any securities for the time being held by the Treasurer on such insurer's account under this act.

The companies do not get back their cash. They get back their investments. There is no responsibility on the Queensland Government in regard to them; but, if there were, their securities are in Commonwealth stock. I have received a telegram from Mr. Moore, the Premier of Queensland, to that effect. In any case, they must be Commonwealth securities in the present financial position of the Commonwealth, and they cannot be taken at anything but their face value.

Senator E. B. JOHNSTON.—Why take them at all?

Senator McLACHLAN.—Why pass the bill? The reasons for the passing of the bill are obvious, and I need not restate them. Is it not better, however, that all this business should be done on the same plan and in the same symmetrical way than to have half a dozen statutes applying to deposits of insurance companies all over the States? The bill inflicts no financial disability on any State. If Mr. Moore had seen the bill as originally drafted, he would have seen at once that his Government would experience no difficulty; but, in order to ease the minds of State Treasurers, the amendment, in the next succeeding clause to which Senator Johnston has referred, was effected. During the dinner adjournment, I had an opportunity to read the words of Sir James Mitchell, as recorded in the *West Australian* of the 23rd February last. The newspaper paragraph is as follows:—

"I have not yet seen the bill which is being introduced in the Commonwealth Parliament to provide that insurance companies must deposit sums with the Federal Treasury, but it may easily be a very serious matter for us," said the Premier (Sir James Mitchell) last night. "Under our two Acts—the Insurance Act 1918, and the Life Assurance Companies Act, we have £567,899 deposited with the State Treasury, £323,120 of which has been deposited under the former act, and £244,779 under the latter. Under our Insurance Act, the companies are allowed to deposit either cash or securities, but nearly all this money has been invested by the Treasury in Commonwealth stock."

What possible injury can accrue to the States from that?

Precisely £435,500 has been invested in Commonwealth stock, £23,249 in debentures, £17,600 in mortgages, &c., £10,000 in Western Australia Government stock in London, and £80,000 in deeds for property.

Sir James Mitchell has not set out the position with complete accuracy, because mortgages are taken by the companies concerned from persons who borrow money from them, and the State Government merely accepts mortgages as securities, if the amount advanced does not exceed two-thirds the improved value of freehold lands. The deeds mentioned by Sir James Mitchell are the property of the companies which lodge them with the State. I have had occasion to attend to these matters, and I know the value of such securities is assessed by, I think, the public trustee.

Senator Sir GEORGE PEARCE.—Will the State Government be required to pay anything in the form of cash under this bill?

Senator McLACHLAN.—This possibility was mentioned by the Premier of Tasmania. I have looked into the position, and can assure the committee that no State will be required to provide cash.

Senator E. B. JOHNSTON.—Will the Minister reply to the other objections raised by Sir James Mitchell?

Senator McLACHLAN.—Certainly. Sir James Mitchell is reported to have said further—

I repeat that I have not seen the Commonwealth bill, but the danger is apparent if it overrides our acts.

As I have already pointed out, no danger need be apprehended, because all that we are asking is that the States shall return to the companies securities lodged by them under and in conformity with the State law, and the companies, in their turn, will lodge such securities with the Commonwealth. Sir James Mitchell added—

It would be utterly impossible, at present, to realize on these securities at short notice. I am sure that if the Commonwealth law does pass, the Commonwealth will take over these investments at their face value.

The State Governments will not be required to realize on the securities; the Commonwealth will take them over at

their face value. Sir James Mitchell stated further—

Another aspect of the thing is that it is absolutely wrong that we (the States) should pay more for this money than is being paid to the companies. It appears that we are suffering for the sins of another, but in any event I protest against the passage by the Commonwealth of any such legislation.

Under the Financial Agreement, State obligations were taken over by the Commonwealth, and in this case the companies will get whatever the State or the Commonwealth is paying in respect of such securities.

Senator Sir GEORGE PEARCE.—The State will not be required to make up anything?

Senator McLACHLAN.—No. If Sir James Mitchell had had the text of this proposed legislation before him he would have realized that it is not an attempt to take money from the States. Their position is absolutely secured. I promised Senator Johnston that I would examine the provisions in similar legislation passed by the Parliament of Western Australia on this subject. I find that the act of 1918 provides among other things—

Interest on the sum so deposited at the rate of 4½ per cent. per annum shall be payable by the Colonial Treasurer to the insurance company making the deposit, by equal half-yearly instalments, and it is hereby charged on the consolidated revenue fund.

The Colonial Treasurer shall issue treasury-bills for the sum so deposited, bearing interest at the rate aforesaid, with a currency of five years, and renewable from time to time; and such treasury-bills shall be deposited with, and held by the Commonwealth Bank on behalf of the Colonial Treasurer.

From this it would appear that the Commonwealth Bank has been constituted custodian of these bills.

Senator Sir GEORGE PEARCE.—They would be converted into Commonwealth stock under the Financial Emergency Act.

Senator McLACHLAN.—That is so. I have been dealing with the position as if the Commonwealth Parliament had not passed the financial emergency legislation which, as honorable senators must know, covers the whole position. The Western Australian legislation provides further—

On any insurance company ceasing to carry on business in Western Australia, the treasury-bills issued for the deposit made by such company, shall be delivered to such company.

The CHAIRMAN (Senator Plain).—The honorable senator's time has expired.

Senator LYNCH (Western Australia) [8.25].—The Minister (Senator McLachlan) has assured us that no injury whatever will accrue to any of the States as a result of the passage of this bill. That may or may not be the case; but we have to give heed to statements to the contrary made by the Premier of Western Australia.

Senator Sir GEORGE PEARCE.—He had not seen the bill at that time.

Senator LYNCH.—But he had a fairly accurate knowledge of its contents, as outlined in the newspaper summary of the proposal. We should remember, too, that Sir James Mitchell is not animated by any anti-federal bias. Not long ago, much to the annoyance of a solid body of public opinion in Western Australia, he made an agreement for the amalgamation of the State Savings Bank with the Commonwealth Bank, so we may assume that he looks with an impartial eye on Commonwealth dealings with the States. Nevertheless, he is apparently uneasy about possible happenings under this legislation, and it is desirable that we should clear up any doubts as to the handing over of securities which may have depreciated since the date of issue.

Senator Cox.—They will be accepted at full face value, at the date of maturity.

Senator LYNCH.—Exactly. But what will be the position of a State Government acting as trustee for companies lodging securities the market value of which may have depreciated? Under this legislation these securities are to be returned to the companies which lodged them, and the insurers will be required to lodge with the Commonwealth deposits in varying proportions, according to the amount of business transacted. Suppose for example an insurance company lodged sterling with a State Government and, as a result of the investment of that money by the State in Commonwealth bonds, the value of the security has depreciated by 20 per cent. What will be the position of a State Government acting as trustee for such companies?

Senator McLACHLAN.—I have been endeavouring to answer that inquiry by reference to the Queensland law which

states that such securities are returned to the companies.

Senator LYNCH.—This bill, we are informed, is merely a measure to supersede the present State insurance law. The States were in the insurance business long before the Commonwealth entered the field. Now that the Commonwealth has seen fit to step in, I am anxious that the States shall not be involved in any loss. The position is set out clearly in clause 7; but it would appear that the Government had a second thought and introduced clause 7A, which provides that the deposits need not be handed over at all. I should like to know why the Government speaks with two minds in this bill. An important decision given in New South Wales some years ago made it clear that where two sections in an act of Parliament were found to be contradictory, the first prevailed over the second. If that decision still stands, clause 7 will hold, in which case the provisions of clause 7A will be worthless. I am not offering any facetious opposition to this measure; but I want to ensure that the relations of the States and the Commonwealth shall be clearly defined, so that no trouble will arise in the future.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [8.35].—I regret that I appear to have been other than lucid in my explanation of the point raised by Senator Lynch. The bill asks only for security; and that is all that the States hand over. All that companies are entitled to under the Queensland Act is a return of the securities—not of any cash—when they cease to carry on business. After all, there is no loss on account of depreciation. In insurance business, where the deposits are practically for all the time that the company is carrying on its business, a period must arise when the securities have to be met by either the State or the Commonwealth. Under the law as it exists they have to be met by the Commonwealth. The insurance company gets back 20s. for every £1 to which it is entitled. All the statutes to which I have referred provide for the re-investing of the money; it has to be left where it is by virtue of the laws of the States. The position will be the same under this measure. Senator Lynch

said that by virtue of a decision given in New South Wales some years ago clause 7 overrides clause 7A. I have already said that there is no necessity for the easing-down provisions of clause 7A; but as some of the States feared that they might be embarrassed, in which case they would like time to discuss the position with the Commonwealth authorities, the clause was embodied in the measure. The provisions of that clause simply maintain the *status quo* until matters can be adjusted. The Government knows of nothing at the moment which is likely to cause friction or loss; but in order to re-assure Mr. Moore and Mr. Barnes, of Queensland, Sir James Mitchell, of Western Australia, and others, it introduced clause 7A under which the Treasurer can leave the State act in operation, and not call up the securities at all, while matters are adjusted. I hope that I have made it clear that no State can suffer any injustice or embarrassment under this measure. Should any temporary embarrassment arise, the position can easily be met. In the light of this explanation I trust that the amendment will be withdrawn.

Amendment negatived.

Clause, as further amended, agreed to.

Clause 7A agreed to.

Clause 10—

A person carrying on insurance business (other than life insurance business) at the commencement of this act shall, within six months after such commencement, deposit with the Treasurer money or approved securities to the value of one thousand pounds in respect of each two thousand pounds of his annual premium income, but so that the deposit required under this section shall not exceed in any case forty thousand pounds.

Amendment (by Senator McLACHLAN) agreed to—

That the words “within six months after such commencement” be left out with a view to insert in lieu thereof the words “from time to time as prescribed”.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [8.44].—I move—

That the word “two” be left out with a view to insert in lieu thereof the word “five”. Representations have been made to the Government that the provisions of this clause, as drafted, will operate somewhat harshly in the case of small

companies. The amendment will require them to deposit with the Treasurer security to the value of £1,000 for every £5,000 of annual premium income instead of each £2,000 of annual premium income. In this class of insurance the contract is generally renewed annually.

Amendment agreed to.

Clause, as further amended, agreed to.

Clause 12—

(2.) The person shall thereafter deposit annually with the Treasurer money or approved securities or both to the value of Five thousand pounds, until the deposit in respect of life insurance business carried on by him reaches the value of Fifty thousand pounds and in respect of other insurance business carried on by him reaches the value of Forty thousand pounds:

Amendments (by Senator McLACHLAN) agreed to—

That after the word "person", sub-clause 2, the words "in respect of life insurance business carried on by him" be inserted.

That the words "life insurance business carried on by him", sub-clause 2, be left out with a view to insert in lieu thereof the words "that business".

That the words "and in respect of other insurance business carried on by him reaches the value of £40,000", sub-clause 2, be left out.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [8.48].—I move—

That the following new sub-clause be added at the end of the clause—

3. Any person who has made a deposit in accordance with sub-section 1 of this section in respect of insurance business (other than life insurance business) carried on by him shall thereafter from time to time as prescribed deposit with the Treasurer money or approved securities to the value of £1,000 for every £5,000 by which his annual premium income exceeds £25,000, until the deposit in respect of that business reaches the value of £40,000.

That sub-clause harmonizes with the amendment in clause 10, to which the committee has already agreed, and makes the clause complete in respect of both classes of life insurance business.

Amendment agreed to.

Clause, as further amended, agreed to.

Clause 17—

Every person who makes any deposit with the Treasurer, in pursuance of this act, shall be entitled to obtain from the Secretary to

the Treasury, or other proper officer, a certificate in writing of the deposit made and a receipt therefor.

Senator Sir HAL COLEBATCH (Western Australia) [8.51].—This clause provides that a person making a deposit shall obtain a receipt. There are several clauses in the measure prohibiting persons from carrying on insurance business unless they do certain things. The circumstances justify an addition to the clause making it clear that having done these things these persons shall be able to carry on in business in spite of any legislation introduced by any authority other than the Commonwealth. I, therefore, move—

That the following sub-clause be added:—

Upon receipt of such certificate, such persons shall be entitled to carry on in any part of the Commonwealth, or its territories, the class of business in relation to which he has made the deposit, and any person shall be entitled to effect insurance with any person who has obtained such certificate.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [8.52].—I realize the importance of such an addition; a similar provision has received the attention of the Crown Law officers, and of various members of the Cabinet. In this measure we endeavoured to avoid such a provision and have simply provided a penalty for any company or person who does not comply with the requirements of the bill. We have not purported to license insurance companies because if we did so we should be responsible for policing the measure. The States have the machinery to do that, and at this stage it is not proposed to do other than pass the necessary legislation with respect to deposits. Under clause 8, we have safeguarded those wishing to do insurance business by providing that a person cannot carry on insurance business unless he has lodged a deposit with the Treasurer. Safeguards are also provided in sub-clause 1 of clause 7. The States are prevented from interfering in any shape or form. We do not undertake the policing of insurance business generally, except insofar as we forbid business being carried on unless deposits are made in accordance with this measure. A provision such as that submitted by Senator Colebatch would be

necessary if we were dealing with insurance business generally. We are simply covering the position with respect to deposits in order to protect policy-holders. All the records are kept by the State authorities, and the Commonwealth Treasury officials will be able to do what the Commonwealth Government requires. The acceptance of the amendment would involve a tremendous amount of investigation, which, pending the introduction of a more comprehensive measure, should be left to the States. This is as far as the Government ought to go at this juncture. Of course, it may be necessary later on to introduce a more comprehensive bill and to grant licences, and when that is done the necessary machinery will have to be set up.

Senator Sir HAL COLEBATCH (Western Australia) [8.56].—Are we to understand that after this measure is passed, there will be nothing to prevent any State Parliament passing legislation to prevent insurance companies from carrying on business unless they do all sorts of additional things? Is that the position we have reached?

Senator Sir GEORGE PEARCE (Western Australia—Minister for Defence) [8.57].—The Government fully realizes the difficulties such as those to which Senator Colebatch has directed attention. The Vice-President of the Executive Council (Senator McLachlan) has said that to do what is required by the honorable senator would necessitate the introduction of a general insurance bill covering the whole field of insurance. It may be that the Government will have to do that; but we do not propose to do so under this bill. I take it that the honorable senator accepts the statement of the Minister that in order to give effect to his wishes, it would be necessary to introduce a comprehensive measure. A position may arise when the Government may have to go to the extent which the honorable senator visualizes in his amendment, and, if necessary, it is prepared to do so.

Senator BRENNAN.—That may be necessary if the States introduce fresh legislation.

Senator Sir GEORGE PEARCE.—Yes. It would be futile to accept such a

sub-clause without providing the necessary policing provisions such as would be found in a general insurance bill. An insurance bill was piloted through this chamber by the Minister in charge of this measure, and there would not be much delay in introducing such a bill if that were necessary. I ask the honorable senator to accept the Minister's assurance that such a provision should be inserted only in a comprehensive measure.

Senator Sir HAL COLEBATCH (Western Australia) [8.59].—I realize that a peculiar position has arisen. For over 30 years the Commonwealth has neglected its opportunity to protect the Australian people. Insurance was one of the subjects entrusted to the control of the Commonwealth Parliament by the framers of the Constitution, and if, in the exercise of its powers, the Commonwealth had done what it should have done, a good deal of loss would have been avoided and the establishment of numerous mushroom companies would have been prevented. Now, after the lapse of 30 years, in order to defeat some proposal by a State Government, we have introduced this piecemeal legislation. It appears to me that the beginning and the end of the whole thing is that we are passing legislation compelling insurance companies to put up certain deposits, without giving them any protection or any assurance that they will be able to carry on their business; they will still be subject to any vexatious legislation that a State may care to pass. I do not propose to press the amendment, because no good purpose could be served if the Government refused to accept it. I direct attention, however, to the absurd position into which we have drifted, simply because this Parliament has neglected to avail itself of the opportunities that have presented themselves over a period of 30 years.

Senator FOLL.—The companies themselves have sought this legislation.

Senator Sir HAL COLEBATCH.—Of course they have; they want some sort of protection. This measure will not afford that protection. Having compelled them to put up a large sum of money, we say to them: "We cannot help you. A State government may still pass

legislation making it impossible for you to carry on, or imposing other burdens upon you."

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [9.1].—I do not think that the honorable senator can make such a sweeping condemnation of the Commonwealth Parliament in relation to insurance. A measure dealing with the subject was passed as far back as 1912. Subsequently I piloted to a certain point a life insurance measure, which was to have been followed by another dealing with other branches of insurance. Later, this branch of the legislature was good enough to pass a life insurance bill, which went to another place, but it remained at the bottom of the notice-paper there for two years. I invite the honorable senator to read clause 7, which I think he will find is a little more far-reaching than perhaps some of those distinguished gentlemen who may propose to pass other legislation, apprehend. In any event, if an assault should be made on the policy-holders of this country, who number some thousands, it would be the duty of the Commonwealth Parliament to protect their interests, even though it might be only by a preventive measure of as temporary a character as this one.

Amendment negatived.

Clause agreed to.

Bill reported with further amendments.

Motion (by Senator McLACHLAN) proposed—

That the reports be adopted.

Senator DUNN (New South Wales) [9.5].—I move—

That the bill be recommitted for the consideration of a new clause, to read as follows:—

"24A. All persons working for insurance companies under this act shall be paid the basic wage of the State in which the aforesaid companies operate under this act."

The PRESIDENT (Senator the Hon. W. Kingsmill).—The clause, I consider, is irrelevant to the title of the bill, and therefore is out of order.

Question resolved in the affirmative; reports adopted.

Bill read a third time.

ADJOURNMENT.

TUESDAY Sittings — COMMUNISM: SPEECHES IN SYDNEY DOMAIN—NEW GUARD—INSURANCE BILL—CAPTAIN JACKA, V.C.—COAL OIL EXTRACTION: ASSISTANCE TO LYON BROTHERS—NEWNES SHALE OIL-FIELD.

Senator Sir GEORGE PEARCE (Western Australia—Minister for Defence) [9.7].—I move—

That the Senate do now adjourn.

It is the desire of the Government that the Senate shall meet on Tuesday of next week, with a view to finishing the business immediately before Parliament by the 18th inst., so as to enable honorable senators from distant States to reach their homes before the commencement of the Easter holidays.

Senator RAE.—What legislation is to be proceeded with?

Senator Sir GEORGE PEARCE.—The Financial Agreement Enforcement Bill, a measure providing for the constitution of a wireless broadcasting commission, and the Bankruptcy Bill, the second reading of which will be moved to-morrow by the Vice-President of the Executive Council (Senator McLachlan).

Senator FOLL (Queensland) [9.8].—I ask the Leader of the Senate (Senator Pearce) if it is the intention of the Government to introduce prior to the Easter adjournment, its proposed measure to curb the activities of the Communists in Australia. I direct his attention to the fact that the activities of this organization have developed to such an extent that last Sunday, in the Sydney Domain, two children, about sixteen years of age, made anti-religious communistic speeches to a crowd of people. This clearly shows that the state of affairs which last session I brought under the notice of the Government, still exists. It will be remembered that I then stated that a procession, in which children participated, under communistic banners, marched practically unchecked by the police through the streets of the principal capital city of Australia; and apparently, no action was taken by the State Government. This latest demonstration affords a clear indication that the pernicious doctrines of communism are still being preached to the children of that particular State. I

realize that the Government has on hand a good deal of urgent business, the bulk of which, unfortunately, is the result of the actions of the Premier and the Government of New South Wales. I hope, however, that at the earliest opportunity it will issue a declaration under the Crimes Act that the communistic organization in Australia is an unlawful association, so that that organization may be broken up and the doctrines that are being preached by it, not only to adults, but also to children, may find no place in the life of this country.

Senator RAE (New South Wales) [9.10].—I doubt if the honorable senator could accomplish what he is aiming at, by the methods that he suggests; or that the Government could carry such legislation through both Houses of this Parliament in the time available, if it intends to have any Easter recess. I, for one, fail to see the urgency of the matter. It is curious that Senator Foll and other honorable senators should consider that there is some tremendous menace in the existence of a communistic organization in Australia. I call the attention of the honorable senator to the fact that there are members of the Communist party in the Parliament of nearly every European country. In some of those Parliaments it is a very large and influential party, and wields considerable influence in checking or modifying the policy of the Ministry. I fail to see how communism can be any more dangerous in Australia than it is in Europe. France is a conservatively governed country, yet it has a large Communist party in its Parliament. In Germany, I believe, the Communist party is the second largest, numerically, in the Reichstag. Those European countries which are credited with being much less progressive than we are do not seem to be menaced by the doctrines of communism. Neither communism nor any other opinion can be repressed by coercive measures. It may be possible to exterminate Communists by killing them off, but it certainly is not possible to exterminate the opinions to which they give utterance. It would be statesmanlike to consider whether such a body might be much more dangerous if forced to work underground, than it is at present in the open. I believe that every

citizen in any country which professes to be democratic has a right to voice whatever opinions he holds, whether they be communistic or anti-communistic, religious or anti-religious. The very fact that our Constitution lays it down that there shall be religious freedom, and that no question of religion shall find a place in any legislation, must convince us, if we have a scintilla of logic in our composition, that the right to advocate any religion must be accompanied by the complementary right to oppose or to denounce any religion. I say, therefore, that a case cannot be made out against any person who chooses to preach anti-religion. He who preaches one form of religion must be an opponent of all other forms.

Senator FOLL.—But we are a Christian country.

Senator RAE.—Not necessarily; we can please ourselves whether we embrace Christianity, atheism, Mohammedanism, Buddhism, or any other faith. This Parliament, under its Constitution, is expressly denied the power or the right to consider whether any person belongs to this or to that faith. It would be most reactionary and intolerable if, because Senator Foll had heard some one preach irreligion, that person was repressed. I also point out that there are people who have preached against religion in the Sydney Domain and on the street corners of that city who have neither connexion nor sympathy with communism. The two things, therefore, are not necessarily combined under the one heading. I further deny the moral right of any political party, because it has a majority, to suppress a minority with which it disagrees. I recollect that when the Labour party originated in New South Wales it was derided and vilified, not quite perhaps so much as the Communists are to-day, but certainly with a good deal of bigotry, and from that day to this the party has been held largely responsible for every ill that has attacked the country. It comes with very bad grace from those who call themselves democrats to indulge in that bigotry against a body which has a perfect right to preach its principles and utter its opinions wherever it thinks fit. Senator Foll interjected that we are a Christian country. No man can read the New

Testament without seeing that it is strongly tainted with communism, and that the alleged founder of Christianity was an agitator and a Communist for which He was slain by the bigots and reactionaries of his day. To say that by the wave of a magic wand in the shape of a parliamentary majority we can rush a bill through both Houses to suppress communism shows an entire lack of statesmanship. It is an absolute denial of the democratic principles to which honorable senators are so prone to give lip service.

Senator DUNN (New South Wales) [9.18].—I rise to ask the Minister for Defence (Senator Pearce) whether he is aware of the fact that there is a semi-military organization in New South Wales known as the New Guard. I should like to know if the Minister contemplates any action so far as this organization is concerned. It has assumed large proportions in the State. Its leader has been convicted under a State law and the magistrate's decision is subject to appeal, but the organization is drilling in various environments in Sydney. It is, indeed, a very serious state of affairs. I know that the Premier of the State has indicated that his Chief Secretary has sufficient power to suppress any buffoonery that is going on, but the point to which I wish to draw attention is the fact that many of the sectional commanders are military officers. I think that something should be done by the Minister for Defence, even if he goes no further than to promise to have inquiries made.

I have no desire to challenge the ruling given by you, Mr. President, that the new clause which I proposed to have inserted in the Insurance Bill was irrelevant. My proposal was that any person working for insurance companies under this bill should be paid the basic wage. Senator McLachlan, during the course of his remarks, said that many of the agents and canvassers of these companies were working on commission. At this time of depression I think it is only right that the companies who derive any benefits from the Insurance Bill should pay these agents and canvassers if not the basic, at least a living wage.

The Balmain and Rozelle sub-branch of the Returned Sailors and Soldiers

Imperial League of Australia has forwarded the following letter to me:—

Dear Sir,

The members of this sub-branch desire to draw your attention to the enclosed circular which has been forwarded to all sub-branches in New South Wales.

Does it not show our governments in a very poor light as regards treatment of returned sailors and soldiers, when such a time comes to pass, that the returned men themselves (the majority of whom are unemployed), have to be asked to provide for the widow and child of one who was probably our greatest hero, the late Captain Albert Jacka, V.C.?

This man, as did thousands of others, gave his all, even life itself, for Australia, and it is now left to his comrades in misfortune to keep his memory green and save his dependants from want.

We ask you, as the people's representative of this district to give this matter your earnest consideration, and endeavour to have it dealt with in the House at the earliest possible occasion.

On behalf of the Balmain and Rozelle returned sailors and soldiers,

I remain,

Yours faithfully,

A. DAVIS, Honorary Secretary.

The following is a copy of the circular referred to:—

ALBERT JACKA FUND.

Wingello House, 12th February, 1932.

Hon. Secretary,

R.S.S.I.L.A. Sub-branch.

Dear Sir,

At a meeting of the State Executive, held on the 4th February, a communication was received from the Federal President advising that he had inaugurated an appeal to raise funds for the purpose of erecting a simple memorial to the late Captain A. Jacka, V.C., any residue to be used for the benefit of our late comrade's widow and child.

The State Executive decided to co-operate in the appeal and to do everything in its power to make it a success.

No doubt, many of your members will be interested and desirous of contributing to the funds. It is suggested that you make an appeal to them for not more than 1s. per head.

Any funds collected should be forwarded to this office not later than the 25th February, as the Federal President desires to close the appeals on 29th February.

It is also suggested that you arrange for your local paper, if possible, to give publicity in regard to the appeal, particularly if there is not a meeting of your sub-branch prior to the date fixed for receiving subscriptions.

Trusting that your sub-branch will co-operate in making the appeal a success.

Yours faithfully,

R. D. HADFIELD,

Acting State Secretary.

I realize that the Scullin Government had a policy of balancing budgets at the

expense of returned sailors and soldiers and their dependants by cutting right into their pensions and breaking all manner of promises made to them. We should also remember that it was the Bavin Government of New South Wales which deprived sailors and soldiers of the privilege of rail and tram passes when visiting hospitals for medical treatment. This concession, which had been granted by the preceding Lang Government, was immediately restored on the defeat of the Bavin Government, a step which was greatly appreciated by the Returned Sailors and Soldiers League. The previous Lang Administration had also devoted £5,000 to the erection of a cenotaph in Martin Place, Sydney, and Mr. Lang, the Premier of New South Wales, accepted the position of honorary auditor and accountant to the Anzac Memorial Fund. We find that the first Victoria Cross winner devoted his services and private means to the relief of unemployed returned sailors and soldiers. The late Captain Jacka was endowed with the true spirit of good Australians, and was always ready to help the fellow who was down and out. The correspondence which I have read is a reflection upon the Government. I now ask the Leader of the Senate if there is any possibility of a Cabinet grant of £1,000 for the widow and child of the late Albert Jacka?

Senator DUNCAN-HUGHES (South Australia) [9.32].—I desire, briefly, to challenge the accuracy of certain statements just made by Senator Rae, who gave us to understand that communism was very strong in Europe at the present time. His remarks may be true of Russia, but he said nothing about that country; he confined his references to France and Germany. He also said nothing about the position in Great Britain where all Communist candidates were rejected in the election last year, and he omitted to mention that no Communist candidate was successful at the Spanish elections, or at the more recent elections for the Commonwealth Parliament.

Senator Sir. GEORGE PEARCE.—But they contributed largely to the revenue by means of forfeited deposits.

Senator DUNCAN-HUGHES.—I am really surprised that any member of this Parliament should attempt to defend Communists at this particular time.

Senator RAE.—I defend the right to be one.

Senator DUNCAN-HUGHES.—I do not wish to open up the general question. My immediate purpose is to deal specifically with the statement of the honorable senator with regard to the strength of the Communists in France and Germany. He suggested that in France, which, as we all know, is perhaps the most individualistic nation in the world, Communists were, if not in the majority, at all events, to be found in large numbers. *Europa*, vol. 1, states that out of a total membership of 612 in the French Parliament, there are only two Communist Socialists, and fourteen Communists, or a total of 16. The figures for Germany are rather higher. Of a total membership of 577 in the Reichstag, there are 79, or about one in eight, who belong to the German Communist party.

Senator RAE.—The honorable senator cannot deny that their strength in Europe is growing every year.

Senator DUNCAN-HUGHES.—For the moment I am not concerned with that point, nor do I wish to debate it. The honorable senator's interjection may furnish one very good reason why the Government should adopt Senator Foll's suggestion to deal with Communists in Australia without delay.

Senator RAE.—By extermination?

Senator DUNCAN-HUGHES.—The honorable senator led us to believe that the strength of the Communists in the Parliaments of France and Germany was considerable. The official figures which I have quoted, and which may be seen by any honorable senator in the Library, show that in the French Chamber of Deputies the number of Communists is absolutely negligible, and in the German Reichstag about one in eight. The only other point I wish to mention has reference to Senator Rae's suggestion that communism is derived from the Founder of Christianity, although, at the same time, he admitted

that communism was antagonistic to Christianity.

Senator RAE.—I did not say anything of the kind.

Senator DUNCAN-HUGHES.—That, at all events, was the effect of the honorable senator's statement. He cannot have it both ways.

Senator RAE.—The honorable senator is misrepresenting me.

Senator DUNCAN-HUGHES.—I have no desire to do that, and I feel sure that reference to the honorable senator's remarks in *Hansard* will show that what I am saying is correct. Did he not say that the Communists were derived from Christ?

Senator RAE.—No, I said that the Founder of Christianity was Himself a Communist. I did not say that communism was derived from Christianity.

Senator DUNCAN-HUGHES.—Does not that mean the same thing?

Senator RAE.—Not at all.

Senator DUNCAN-HUGHES.—Why then is communism antagonistic to the Founder of Christianity and His followers? The honorable senator cannot blow hot and cold, as he has tried to do this evening.

Senator McLACHLAN (South Australia—Vice-President of the Executive Council) [9.36].—During question time this afternoon, and subsequently, Senator Dunn asked for information relating to certain experiments which are being conducted by Messrs. Lyon Brothers at Wallsend, near Newcastle, in connexion with the production of oil from coal, and the extent to which the Commonwealth Government would be prepared to assist in this connexion, I desire to state that Dr. A. C. D. Rivett, Chief Executive Officer of the Council for Scientific and Industrial Research, an eminent authority on this subject, visited Messrs. Lyon Brothers' works towards the end of last year. Dr. Rivett, who visited Great Britain, the Continent and America at the end of 1930 for the purpose of investigating the results of research into the production of oil from coal in those coun-

tries, traversed the subject at length and concluded his report as follows:—

There are too many unknown and undetermined factors about the Lyon Brothers' low temperature distillation work on Maitland coal to permit the drawing of any definite conclusion in favour of the economic feasibility of the establishment of their process on a large scale.

In connexion with low temperature carbonization, ready markets must be found for coke, gas, and tar, which must yield a total return greater than the price of the original coal added to costs of treatment. Large sums of money have been spent on investigations extending over many years in other parts of the world, but in the words of a leading authority, speaking at last year's meeting of the British Association for the Advancement of Science—

As a self-contained commercial enterprise on the large scale, low temperature carbonization must be regarded as dead; it may yet find in a modified form a useful place in conjunction with existing gas undertakings . . . , but it has ceased to be of outstanding national importance.

In view of all the circumstances and bearing in mind the nature of Dr. Rivett's report, it is not possible to give consideration to the question of affording financial assistance to Messrs. Lyon Brothers. I may add that I have been giving this matter some attention of late, and I am satisfied that low carbonization is condemned by all the most eminent scientists. In the words of this report, it may be regarded, for the time being at all events, as dead. I have indicated the view of the Government in a prepared statement, because I have had a number of representations from persons interested in this project, and I desire to prevent heavy losses on the part of those who may be interested in such undertakings. Investigations are now proceeding along lines which, I venture to hope, will open up some prospect of success.

Senator Dunn also asked a question based on an article which appeared in the Sydney *Sun* newspaper on Monday, the 29th February, with regard to the policy of the Government in relation to the Newnes shale oil-field. The press statement referred to, in so far as it relates to the policy of the Government in connexion with the development of our resources by private enterprise, is sub-

stantially correct. The Government's policy, which has been enunciated on several occasions, is definitely opposed to governmental control of industry, and the competition of governments with private enterprise. It should be emphasized that on the 22nd October, 1931, the late Government limited expenditure at Newnes to £30,000, and stipulated, when this limitation was imposed, that it was imperative that private enterprise be interested in the project before the provision was exhausted, otherwise the Shale Oil Development Committee would have to retire from this field of activity. It was also added that the sum of £93,000, made available for the development of the shale oil industry in New South Wales, was intended to be utilized for subsidizing approved companies on a £1 for £1 basis. The Shale Oil Development Committee Limited is at present giving consideration to suggested conditions under which the Newnes shale oil-field may be handed over to private enterprise. For obvious reasons the development of the Newnes shale oil proposition calls for large-scale enterprise, and since the failure of the first company we have not had associated with it men with sufficient capital and resources to grapple with the problem, which demands the best engineering skill and extensive chemical research to enable it to be conducted properly.

Senator Sir GEORGE PEARCE (Western Australia—Minister for Defence) [9.43].—In reply to Senator Foll, I desire to state that the Government has not lost sight of the necessity to amend legislation to deal with Communists and other undesirable persons and associations. That legislation is now being drafted.

In reply to Senator Dunn, there is no information in the possession of the Government to indicate that the New Guard has broken any Commonwealth law. I also remind the honorable senator that the maintenance of civil order is the duty of a State government. I have no knowledge of any military officers or members of the militia forces having done anything which they are not entitled to do as citizens of New South Wales.

With regard to the honorable senator's reference to the late Captain Jacka,

V.C., I listened carefully, and gave full consideration to all that he had to say, but I found it somewhat difficult to understand precisely what he wishes the Government to do. If the honorable senator was trying to establish the point that the Commonwealth had not dealt justly with returned soldiers, he was entirely wrong, because no other country has such a generous scheme of war pensions or has done so much for its returned soldiers. Like all other soldiers, Captain Jacka was entitled to participate in any benefits conferred by the legislation relating to pensions and compensation for war disabilities; and I have no doubt that he received them if the disabilities which resulted in his death were the result of war injuries. People in Victoria, and in other States as well, are contributing to the fund to which the honorable senator referred, not because they think that the country has failed in its duty to returned soldiers generally, but because they have a profound admiration for the work of the Australian Imperial Force, and desire to raise a memorial to one of its most distinguished members. The honorable senator would experience difficulty in finding among the persons who have contributed to that fund, those who do not think that the Government and the people of Australia have done their duty to the returned soldiers within the limits fixed by the capacity of the taxpayers of the country to pay.

I listened with interest to the effective reply by Senator Duncan-Hughes to the remarks of Senator Rae, regarding communism. The only fault I could find with the reply was that Senator Duncan-Hughes excluded Russia. He mentioned a number of other European countries in which the Communists formed only a small minority, but he omitted to say that what is true concerning them is true also of Russia. Official figures published by the Soviet authorities and accepted by the Red Internationale show that there are only 1,000,000 Communists in the whole of Russia. That minority, by the exercise of a tyranny equal to, if not worse than that of the Czars, holds 140,000,000 people in subjection.

Question resolved in the affirmative.

Senate adjourned at 9.48 p.m.