

1920.

## THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

No. 34.

## VOTES AND PROCEEDINGS

OF THE

## HOUSE OF REPRESENTATIVES.

TUESDAY, 18TH MAY, 1920.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker took the Chair, and read Prayers.

2. PRESENTATION OF ADDRESS IN REPLY.—Mr. Speaker informed the House that the Address in Reply would be presented to His Excellency the Governor-General forthwith at Government House, and said that he would be glad if the Mover and Seconder, together with other honorable Members, would accompany him to present the Address.

Thereupon Mr. Speaker, with Members of the House, went to attend His Excellency the Governor-General, at Government House, and having returned, Mr. Speaker reported that he had presented the Address in Reply to His Excellency's Speech on the Opening of Parliament, agreed to by the House on the 18th March last, and that His Excellency had made the following reply:—

Mr. Speaker and Gentlemen—

I receive with much pleasure the Address which has been adopted by the House of Representatives in reply to the Speech delivered by me on the occasion of the Opening of the First Session of the Eighth Commonwealth Parliament; and desire to thank you for your expression of loyalty to His Majesty the King.

3. PAPERS.—The following Papers were presented, by command of His Excellency the Governor-General—  
Papers presented to the British Parliament—

Income Tax—Royal Commission [Imperial]—Report.

Peace—Treaty of Peace between the Allied and Associated Powers and Bulgaria, and Protocol, signed at Neuilly-sur-Seine, 27th November, 1919, with Map.

Profiteering Act—Findings by a Committee appointed to investigate the cost of Production and Distribution of Wool, Tops and Yarns at all stages, and the Profits arising therefrom.

Severally ordered to lie on the Table.

The following Papers were presented, pursuant to Statute—

Defence Act—Regulations Amended—Statutory Rules 1920, Nos. 67, 69.

4. OIL AGREEMENT BILL.—The Order of the Day having been read for the resumption of the debate on the motion which Mr. Tudor rose to move on Friday last (*see page 165 ante*)—Mr. Tudor continued his speech and moved, That the Bill be referred to a Select Committee.

Debate ensued.

Question—put.

The House divided—

Ayes, 20.

Mr. Blakeley	Mr. McWilliams
Mr. Considine	Mr. Parker Moloney
Mr. Robert Cook	Mr. Nicholls
Mr. Cunningham	Mr. Riley
Mr. Fenton	Mr. Stewart
Mr. Gabb	Mr. Tudor
Mr. Gregory	Mr. West
Mr. Hill	
Mr. Lazzarini	<i>Tellers:</i>
Mr. Mahony	Mr. J. H. Catts
Mr. W. Maloney	Mr. James Page

Noes, 31.

Mr. Atkinson	Mr. Lamond
Mr. Bayley	Mr. Lister
Mr. Bell	Mr. Mackay
Mr. Blundell	Mr. Marr
Mr. Bowden	Mr. Maxwell
Mr. Bruce	Mr. Poynton
Mr. Donald Cameron	Mr. Prowse
Mr. Austin Chapman	Mr. Rodgers
Sir Joseph Cook	Sir Granville Ryrie
Mr. Corser	Mr. Laird Smith
Mr. Fleming	Mr. Wienholt
Mr. R. W. Foster	Mr. Wise
Mr. Francis	
Mr. Gibson	
Mr. Hughes	<i>Tellers:</i>
Mr. Jackson	Mr. Burchell
Mr. Jowett	Mr. Story

And so it was negatived.

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Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

Clause 1 agreed to.

Clause 2 agreed to.

New Clause :—

Mr. McWilliams moved, That the following New Clause be added to the Bill, to follow Clause 2 :—

“ 3. Nothing contained in this Act shall be deemed to prevent any person or persons either individually or collectively from prospecting for, developing, manufacturing refining and marketing any well oil, shale, or other oil, in any part of the Territories or areas mentioned in this Act.”

Prospecting &c.  
not to be  
prevented.

Debate ensued.

Question—put.

The Committee divided—

Ayes, 15		Noes, 34.	
Mr. Robert Cook	Mr. Stewart	Mr. Bayley	Mr. Lazzarini
Mr. Cunningham	Mr. Tudor	Mr. Bell	Mr. Lister
Mr. Fenton	Mr. West	Mr. Blakeley	Mr. Mackay
Mr. Gabb	Mr. Wienholt	Mr. Blundell	Mr. Marr
Mr. Hill		Mr. Bowden	Mr. Maxwell
Mr. Mahony		Mr. Bruce	Mr. Parker Moloney
Mr. W. Maloney		Mr. Donald Cameron	Mr. Nicholis
Mr. McWilliams	Mr. J. H. Catts	Mr. Considine	Mr. Poynton
Mr. Earle Page	Mr. James Page	Sir Joseph Cook	Mr. Prowse
		Mr. Corser	Mr. Riley
		Mr. Fleming	Mr. Rodgers
		Mr. R. W. Foster	Sir Granville Ryrie
		Mr. Francis	Mr. Laird Smith
		Mr. Gibson	Mr. Wise
		Mr. Hughes	
		Mr. Jackson	
		Mr. Jowett	
		Mr. Lamond	

Tellers :

Tellers :

And so it was negatived.

The Schedule—

Mr. Hughes moved, That the Schedule be omitted, with a view to the insertion of a New Schedule.

Debate ensued.

Question—put and passed.

Mr. Hughes moved, That the following New Schedule be inserted in the Bill :—

THE SCHEDULE.

AGREEMENT made this fourteenth day of May One thousand nine hundred and twenty between THE COMMONWEALTH OF AUSTRALIA (hereinafter called the “ Commonwealth ”) of the one part and THE ANGLO-PERSIAN OIL COMPANY LIMITED of London England (hereinafter called “ the Oil Company ”) of the other part WHEREBY IT IS AGREED as follows :—

1 This Agreement shall have no force or effect and shall not be binding on either party unless and until it is approved by the Parliament of the Commonwealth of Australia.

2. This Agreement shall commence and come into full force and effect upon the date upon which it is so approved by the Parliament of the Commonwealth of Australia.

3. The Oil Company shall take all necessary steps to form and register a Refinery Company with limited liability and subject to the following conditions :—

(a) The Refinery Company shall have a capital of Five hundred thousand pounds (£500,000) in shares of One pound (£1) each ;

(b) The Commonwealth shall subscribe for and be allotted Two hundred and fifty thousand and one (250,001) shares ; the Oil Company shall subscribe for and be allotted Two hundred and forty-nine thousand nine hundred and ninety-six (249,996) shares ; and nominees of the Oil Company shall subscribe for and be allotted Three (3) shares in the Refinery Company ;

(c) The Refinery Company shall be incorporated and registered in the State of Victoria within ninety (90) days after the date of commencement of this Agreement ;

(d) The Memorandum and Articles of Association of the Refinery Company and any alteration thereof shall be subject to the approval of the Commonwealth and shall provide (*inter alia*) :—

(i) the manner in which and the times when capital may be called up ;

(ii) that on any increase of capital the Commonwealth shall be entitled to subscribe so much capital and be allotted so many shares that at all times the Commonwealth will hold a majority in number and value of the shares in the Refinery Company ;

(iii) that of the total number of Directors of the Refinery Company (including the managing Director if he has a vote) three-sevenths in number shall be nominated by and represent the Commonwealth and four-sevenths shall be nominated by and represent the Oil Company ;

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THE SCHEDULE—*continued.*

- (iv) that no action or question or decision relating to or affecting—
- (1) the policy of the Commonwealth in connexion with Naval or Military or External affairs; or
  - (2) any proposed sale or disposition of the Refinery Company's business or any part thereof; or
  - (3) any proposed change in the status powers business or constitution of the Refinery Company; or
  - (4) any proposed sale of refined products to aliens or for export from the Commonwealth; or
  - (5) any proposed sale of refined products on long contracts or under circumstances which might endanger the ability of the Refinery Company to meet requirements for consumption within Australia; shall be taken determined or made without the consent of the Commonwealth as expressed through its representatives on the Board of Directors;
- (v) that the Refinery Company shall not enter into or be in any way concerned in or a party to or act in concert with any commercial Trust or Combine but shall always be and remain an independent British business;
- (vi) that other things being equal the Refinery Company shall give preference to goods manufactured in the Commonwealth when purchasing machinery plant and supplies; and
- (vii) any other matters and things necessary or expedient to protect the interests of the Commonwealth under this Agreement.

## 4. The objects of the Refinery Company shall be—

- (a) the creation and development in Australia of the industry of refining mineral oil;
- (b) the erection equipment and operation of a modern refinery or refineries in Australia for refining mineral oil;
- (c) the sale and disposal of the products of refining mineral oil; and
- (d) such other objects necessary or incidental to or expedient for the aforesaid objects as shall be approved by the Commonwealth and the Oil Company and set forth in the Articles of Association.

5. The technical and commercial management of the Refinery Company shall be left entirely in the hands of the Refinery Company.

6. The Refinery Company shall forthwith after registration erect equip and operate in Australia a modern refinery.

The Oil Company will, until the Refinery is in operation, use its best endeavours to secure adequate supplies of oil products to Australia at reasonable prices.

7. For the purposes of this Agreement the term "indigenous oil" shall mean crude mineral oil obtained in the Commonwealth of Australia or in any Territory of or under the authority of the Commonwealth or in any place over which the Commonwealth has a mandate.

8. The Company shall supply to the Refinery Company indigenous oil for refining up to Two hundred thousand (200,000) tons per annum as it becomes available to the Commonwealth.

9. Until indigenous oil is available to the Commonwealth the Oil Company shall supply the Refinery Company with such quantity of crude mineral oil as it requires for refining but not exceeding Two hundred thousand (200,000) tons in any one year.

10. After indigenous oil is available to the Commonwealth if the supply thereof is less than Two hundred thousand (200,000) tons per annum the Oil Company shall supply the Refinery Company with such quantity of crude mineral oil as it requires for refining to make up a total of Two hundred thousand (200,000) tons for refining per annum.

11. The price payable by the Refinery Company to the Commonwealth and to the Oil Company respectively for indigenous oil and for crude mineral oil shall from time to time be fixed by agreement between the Commonwealth and the Oil Company and shall be based upon the contents of the oil.

12. The price payable by the Refinery Company for crude mineral oil shall be a price f.o.b. at the port of shipment and the price paid to the Oil Company for crude mineral oil shall not exceed the price f.o.b. paid by the British Government to the Oil Company for crude mineral oil. The Oil Company shall make all arrangements for freight at current rates to the port of discharge in Australia in respect of crude oil supplied by the Oil Company, provided that the Commonwealth shall have the option of making the freight arrangements if it can do so at a lower rate, and the Commonwealth shall make all arrangements for freight at current rates in respect of indigenous oil.

13. (a) The price payable by the Refinery Company for crude mineral oil shall whenever fixed as aforesaid continue at that fixed rate for a period of two years.

(b) The price for the first period of two years shall be fixed at least three months before the estimated date of completion of the first refinery.

(c) The price for each subsequent period of two years shall be fixed at least three months before the expiration of the then current period of two years.

13A. The Refinery Company shall sell its oil products at such prices as are fair and reasonable.

14. In order to insure the full success and development of the oil-refining industry in Australia the Commonwealth will so long as the prices charged by the Refinery Company for products of refining are considered by the Commonwealth fair and reasonable but not further or otherwise—

- (a) exercise or cause to be exercised such statutory and administrative powers as it deems advisable to prevent dumping and unfair competition by importers of refined oil from other countries;

THE SCHEDULE—*continued.*

- (b) refund to the Refinery Company any Customs duty paid by the Refinery Company upon the importation into Australia of crude mineral oil purchased from the Oil Company and refined in Australia by the Refinery Company ; and
- (c) cause to be introduced into the Parliament of the Commonwealth and supported as a Government measure a Bill providing for the imposition of Customs duties on crude mineral oil whenever in its opinion such action is necessary or advisable to prevent unfair competition with the products of crude oil refined in Australia by the Refinery Company.

15.—(a) Neither the Commonwealth nor the Oil Company shall sell or pledge or in any manner whatsoever dispose of or traffic in its interest or holding in the Refinery Company or any part thereof without the previous consent in writing of the other nor shall either the Commonwealth or the Oil Company sell or dispose of any portion of its interest or holding in the Refinery Company without first giving to the other full particulars in writing of the interest or holding affected and the full terms of the proposed transaction.

(b) If the proposed transaction is a sale for cash, the Oil Company or the Commonwealth, as the case may be, shall have the option of purchasing from the other at the proposed sale price the interest or holding proposed to be sold.

(c) If the proposed transaction is a disposition other than a sale for cash, the Oil Company or the Commonwealth, as the case may be, shall have the option of purchasing from the other at a valuation made in accordance with clause (16.) (c) of these presents, the interest or holding proposed to be disposed of.

(d) The option given by this clause must be exercised within one calendar month from the date upon which particulars of the proposed transaction are given as provided in paragraph (a) of this clause.

16.—(a) The Commonwealth shall have the option of purchasing the whole of the Oil Company's interest or holding in the Refinery Company at the expiration of fifteen (15) years from the completion of the first refinery. Two years' previous notice in writing of intention to exercise this option shall be given by the Commonwealth to the Oil Company.

(b) If any steps are taken to liquidate or wind up or reconstruct the Oil Company notice of such steps shall be given forthwith by the Oil Company to the Commonwealth and the Commonwealth shall have the option of purchasing the whole of the Oil Company's interest or holding in the Refinery Company within one calendar month from the date upon which such notice is given.

(c) The purchase price for the Oil Company's interest or holding under this clause shall be determined by a valuation made by two independent valuers one appointed by the Commonwealth and the other by the Oil Company and such valuers shall have power in case of disagreement to appoint an umpire approved by the Commonwealth and the Oil Company and the umpire's decision shall be final and conclusive.

(d) The obligations of the Oil Company under clauses (9.) and (10.) of these presents to supply crude oil to the Refinery Company shall cease and determine as from the date upon which the Commonwealth pursuant to this clause purchases and becomes the owner of the whole of the Oil Company's interests and holding in the Refinery Company but without prejudice to any then existing right of either party.

(e) Should the Commonwealth not exercise the option conferred upon it by sub-clause (a) of this clause the Oil Company may at any time after the expiration of fifteen years from the completion of the first refinery give to the Commonwealth two years' notice in writing of its desire to be relieved from the obligations imposed upon it by clauses (9.) and (10.) of these presents and upon the expiration of the two years specified in the notice the obligations of the Oil Company under the said clauses (9.) and (10.) to supply crude oil to the Refinery Company shall cease and determine.

17. The Oil Company shall be appointed, and shall (so long as the Oil Company retains its full interest in the Refinery Company) act as marketing agent of the Refinery Company for the sale outside the Commonwealth and its territories of products of the Refinery Company and shall be paid by the Refinery Company a commission of ten per centum (10 %) on the gross sales.

18. The Oil Company shall—

- (a) forthwith register itself as a company doing business in Australia ; and
- (b) at all times have and maintain a registered office and a representative in Australia to receive service on behalf of the Oil Company of legal process and of notices and other communications under these presents ; and
- (c) from time to time notify the Commonwealth in writing of the address of its registered office and of the name of its representative and of any change of its address or representative.

19. Any notice communication opinion agreement approval or other matter or thing to be given made expressed or done by the Commonwealth under these presents shall be deemed to have been duly given made expressed or done if given made expressed or done in writing signed on behalf of the Commonwealth by or on behalf of the Prime Minister of the Commonwealth and delivered to or posted by prepaid post addressed to the Oil Company at the address of its registered office in Australia.

20. Any notice communication agreement approval or other matter or thing to be given made expressed or done by the Oil Company under these presents shall be deemed to have been duly given made expressed or done if given made expressed or done in writing signed on behalf of the Oil Company by its representative in Australia and delivered to or posted by prepaid post addressed to the Prime Minister at his official address at the Seat of Government of the Commonwealth

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THE SCHEDULE—*continued.*

21. Any delay or disability in the carrying out of this Agreement arising directly from the act of God, war, restraints of Princes, strikes or locks-out of workmen, or other industrial disturbances, shall not entitle any party to damages or to a cancellation of this Agreement, but this Agreement shall, to the extent of such delay or disability, be deemed to be suspended and shall forthwith come into full force and effect when such delay or disability shall have ceased.

22. In the event of any disagreement between the Commonwealth and the Oil Company as to the meaning of any clause hereof or touching any matter arising out of the same or connected therewith (other than the purchase price to be paid by the Commonwealth for any interest or holding of the Oil Company in the Refinery Company) the matter in dispute shall be referred to one arbitrator mutually selected or failing mutual selection shall be determined by arbitration under the *Arbitration Act 1915* of the State of Victoria or any amendment thereof for the time being in force.

In witness whereof the parties hereto have executed these presents the day and year first above-mentioned.

Signed sealed and delivered by William  
Morris Hughes the Prime Minister  
of the Commonwealth of Australia  
for and on behalf of the said Com-  
wealth in the presence of—

W. M. HUGHES (L.S.)

R. R. GARRAN.

Signed sealed and delivered by Major  
Walter Loraine Wilberforce Bird  
the Attorney under Power of the  
Anglo - Persian Oil Company  
Limited for and on behalf of the  
said Company in the presence of—

W. L. W. BIRD (L.S.)

T. J. GREENWAY.

Mr. Tudor moved, as an amendment, That sub-paragraphs (b) and (c) of paragraph 14 be omitted from the Schedule.

Debate ensued.

Amendment negatived.

New Schedule agreed to.

Title agreed to.

Bill to be reported with an amendment.

The House resumed ; Mr. Atkinson reported accordingly.

Mr. Hughes moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.

Question—put and passed.

On the motion of Mr. Hughes, the House adopted the Report, and the Bill was read a third time.

5. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Hughes moved, That the House, at its rising, adjourn until half-past two o'clock p.m. to-morrow.

Question—put and passed.

6. ADJOURNMENT.—Mr. Hughes moved, That the House do now adjourn.

Question—put and passed.

And then the House, at one minute past eleven o'clock p.m., adjourned until to-morrow at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Anstey, Mr. Chanter\*, Mr. Charlton, Mr. Greene, Mr. Groom, Mr. Hay, Mr. Livingston, Mr. Makin, Mr. Marks, Mr. Ryan, Mr. Watkins, and Mr. Watt\*.

\* On leave.

WALTER A. GALE,  
*Clerk of the House of Representatives.*