

FLAX CANVAS BOUNTY.

No. 54 of 1950.

An Act to provide for the Payment of a Bounty on the Production of Flax Canvas.

[Assented to 14th December, 1950.]

[Date of commencement, 11th January, 1951.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, for the purpose of appropriating the grant originated in the House of Representatives, as follows :—

1. This Act may be cited as the *Flax Canvas Bounty Act* 1950.

Short title.

2. In this Act, unless the contrary intention appears—

Definitions.

“authorized person” means a person appointed by the Minister in pursuance of section twelve of this Act ;

“bounty” means bounty under this Act ;

“Collector” means Collector of Customs for a State ;

“Customs Tariff” means the *Customs Tariff* 1933–1950, and includes that Act as amended from time to time and any Act in substitution for that Act or for that Act as so amended, and any Act referred to in this definition as proposed to be amended by any Tariff Proposal introduced into the House of Representatives ;

“duty of Customs” means the rate of duty specified in the column headed “British Preferential Tariff” in the Schedule to the Customs Tariff ;

“factory” means any premises registered by the Minister as a factory for the purposes of this Act ;

“flax canvas” means woven flax canvas piece goods and woven flax canvas fire hose manufactured in Australia from scutched flax fibre produced from flax grown and processed in Australia ;

“the Comptroller-General” means the Comptroller-General of Customs.

Appropriation.

3. The bounty specified in this Act is payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly.

Specification of bounty.

4.—(1.) The bounty is payable in respect of flax canvas manufactured during the period of two years which commenced on the seventeenth day of July, One thousand nine hundred and fifty, for sale for use in the Commonwealth.

(2.) Bounty shall not be payable in respect of flax canvas unless it has been manufactured in a factory, or in premises which have become a factory, and in accordance with the prescribed conditions, if any, applicable at the time of manufacture.

To whom bounty payable.

5. The bounty is, subject to this Act, payable to the manufacturer of the flax canvas.

Rate of bounty.

6.—(1.) The rate of the bounty is, subject to this Act, the amount per ton of flax canvas which is equivalent to an amount of Sixty pounds per ton of the weight (calculated in accordance with the prescribed formula) of the scutched flax fibre used in the manufacture of the flax canvas.

(2.) The prescribed formula may make allowance for losses which occur in hackling, spinning, preparing, boiling or weaving operations directly connected with the manufacture of flax canvas.

(3.) During any period during which the duty of Customs on flax canvas is higher than the duty of Customs on flax canvas at the date of commencement of this Act, the rate of bounty shall be the amount per ton of flax canvas specified in sub-section (1.) of this section, reduced by the amount per ton by which the first-mentioned duty of Customs exceeds the second-mentioned duty of Customs.

(4.) The rate of bounty payable in respect of flax canvas of which the manufacture is completed after the date of commencement of this Act is the rate of bounty in force at the date on which the manufacture of the flax canvas is completed.

Limit of annual bounty.

7.—(1.) Subject to this section, the total amount available for payment of bounty in respect of flax canvas manufactured in each year of the period of two years specified in section four of this Act is Thirty thousand pounds.

(2.) If the amount available for the purpose of payment of bounty in respect of flax canvas manufactured in the first year of the period of two years specified in section four of this Act is not used for that purpose, the amount not so used shall be added to the amount available for the purpose of payment of bounty in respect of flax canvas manufactured in the second year of that period.

(3.) Where the total amount available in pursuance of this Act for the payment of valid claims for bounty on the manufacture of flax canvas in a year is insufficient for the payment in full of all such claims, the bounty otherwise payable in respect of each of those claims shall be reduced to an amount which bears the same proportion to the amount of the claim as the total amount so available bears to the total amount of all such claims.

(4.) If the Minister is of the opinion that the total amount of bounty available in pursuance of this Act for the payment of valid claims for bounty on the manufacture of flax canvas in a year will be insufficient for the payment in full of all such claims, he may withhold payment of the whole or any part of the bounty otherwise payable upon any such claims until he has ascertained the total amount of all such claims.

8.—(1.) Where the net profit of a manufacturer from the manufacture and sale of flax canvas during either of the years in the period of two years specified in section four of this Act, after taking into account bounty paid or payable in respect of that flax canvas, exceeds or would exceed one-tenth of the capital used by the manufacturer in that manufacture and sale, the Minister may—

Reduction of
bounty where
profits exceed
ten per centum
per annum.

- (a) if the whole or part of that bounty has been paid to the manufacturer, by notice in writing require the manufacturer to refund to the Commonwealth, within the time specified in the notice, so much of the bounty so paid as does not exceed the amount by which the net profit, after taking the bounty so paid into account, is greater than one-tenth of that capital; and
- (b) withhold from the manufacturer payment of any amount of bounty where, if the payment were made, the net profit, after taking bounty paid into account, would exceed one-tenth of that capital.

(2.) For the purposes of the application of the last preceding sub-section in relation to the manufacture of flax canvas during the second year of the period of two years specified in section four of this Act, where the Minister is satisfied that the manufacture and sale of flax canvas by a manufacturer during the first year of that period resulted (after taking bounty into account) in a profit of less than one-tenth of the capital used in that manufacture and sale, or in a loss, he may make such allowance by reason of that fact as he, in his absolute discretion, thinks fit.

(3.) For the purposes of this section, the Minister may—

- (a) determine the amount of any capital or net profit required to be taken into account for those purposes;
- (b) in making a determination under the last preceding paragraph, treat as capital and net profit of a manufacturer of flax canvas the amount, as determined by him, of any capital

- used, and net profit derived, by another person (whether or not subsidiary to, or affiliated with, the manufacturer) in or from the distribution or sale of the flax canvas; and
- (c) where a manufacturer of flax canvas uses the flax canvas for the production of other goods, treat the flax canvas so used as having been sold by the manufacturer, at such prices as the Minister determines.

(4.) In making a determination under the last preceding sub-section of an amount of net profit, the Minister shall not regard any tax upon income as a deduction.

(5.) Where a manufacturer fails to refund an amount as required under sub-section (1.) of this section, that amount may be recovered as a debt due to Commonwealth by action in any court of competent jurisdiction.

(6.) For the purposes of any proceedings under the last preceding sub-section, the Minister may, by writing under his hand, certify the determinations or allowances made by him under this section and any such certificate shall be *prima facie* evidence of those determinations.

Good quality essential.

9. Bounty shall not be paid on the production of any flax canvas unless the Comptroller-General is satisfied that it is of good and merchantable quality.

Registration of factories.

10.—(1.) A person may apply to the Minister for the registration as a factory of premises at which he carries on, or proposes to carry on, the business of the manufacture of flax canvas.

(2.) The Minister may require a person who makes an application under this section to furnish information relating to the nature of the business or the proposed business, the marketing prospects of the flax canvas and such other matters as the Minister considers necessary for the purposes of this Act, and may refuse to register the premises until the information is furnished to his satisfaction.

(3.) Subject to the last preceding sub-section, if, in the opinion of the Minister, flax canvas is, or is proposed to be, manufactured in accordance with the prescribed conditions at the premises in respect of which the application is made, he shall register those premises as a factory.

(4.) Where the Minister is satisfied that flax canvas is not being manufactured at a factory in accordance with the prescribed conditions, he may, by notice in writing to the occupier of the factory, cancel the registration of the factory.

Accounts.

11.—(1.) A person who manufactures flax canvas at a factory shall keep, to the satisfaction of the Minister, accounts, books and documents showing, from time to time, the capital used in, and the costs of, the manufacture and sale of flax canvas, the selling prices and receipts from sales of flax canvas, and the profits derived from the manufacture and sale of flax canvas.

(2.) A person who manufactures flax canvas at a factory shall, in respect of each year of the period of two years specified in section four of this Act, furnish to the Comptroller-General a balance-sheet, profit and loss account, manufacturing account and trading account, and such other information in relation to the manufacture and sale of flax canvas as is prescribed or as the Minister requires.

(3.) The manufacturer shall furnish with the documents referred to in the last preceding sub-section a certificate signed by him that they are true and correct in every particular and a certificate, signed by an auditor, that they are true and correct to the best of the auditor's knowledge and belief.

12. The Minister may, by writing under his hand, appoint a person to be an authorized person for the purpose of this Act.

Appointment of authorized persons.

13.—(1.) An authorized person may, at all reasonable times, enter a factory or premises where flax canvas, in respect of which bounty has been paid or claimed, is manufactured or stored, and may—

Stocktaking and inspection of manufacture and accounts.

- (a) inspect or take stock of the flax canvas ;
- (b) inspect the processes of manufacture of the flax canvas ;
- (c) take samples of the flax canvas ; and
- (d) inspect the accounts, books and documents relating to the manufacture and sale of the flax canvas.

(2.) The manufacturer and the owner or occupier of the factory or premises shall provide the authorized person with all reasonable facilities and assistance for the effective exercise of his powers under this section.

Penalty : Fifty pounds.

14.—(1.) The Comptroller-General, a Collector or an authorized person may, by notice in writing, require a person whom he believes to be capable of giving information, relevant to the operation of this Act, in relation to the manufacture or sale of flax canvas to attend before him at the time and place specified in the notice and then and there to answer questions and to produce to him such accounts, books and documents in relation to the manufacture or sale of flax canvas as are referred to in the notice.

Power to require persons to answer questions and produce documents.

(2.) The Comptroller-General, the Collector or the authorized person to whom any accounts, books or documents are produced in pursuance of this section may make and retain copies of, or extracts from, those accounts, books or documents.

(3.) A person shall not be excused from answering a question or producing any accounts, books or documents when required so to do under this section, on the ground that the answer to the question or the production of the accounts, books or documents might tend to incriminate him or make him liable to a penalty, but his answer

to any such question shall not be admissible in evidence against him in any proceedings other than proceedings for an offence against this Act.

(4.) Where a manufacturer has failed to attend or to answer any question, or to produce any accounts, books or documents, when required so to do under this section, the Minister may, if he thinks fit, withhold payment of any bounty payable to the manufacturer until he has attended, answered the question or furnished the required accounts, books or documents, as the case may be.

Power to examine on oath.

15.—(1.) The Comptroller-General, a Collector or an authorized person may administer an oath to a person required to attend before him in pursuance of the last preceding section and may examine that person upon oath.

(2.) Where any such person conscientiously objects to take an oath, he may make an affirmation that he conscientiously objects to take an oath and that he will state the truth, the whole truth and nothing but the truth to all questions asked him.

(3.) An affirmation so made shall be of the same force and effect, and shall entail the same penalties, as an oath.

Penalty for refusing to answer questions, &c.

16. A person shall not refuse or fail—

- (a) to attend before the Comptroller-General, a Collector or an authorized person ;
- (b) to be sworn or to make an affirmation ; or
- (c) to answer questions or produce accounts, books or documents, when so required in pursuance of this Act.

Penalty : Fifty pounds.

Security for compliance with Act.

17. The Minister may require a manufacturer to give security by bond, guarantee or cash deposit, or by all or any of those methods, for compliance by him with the provisions of this Act and the regulations or for the performance of any undertaking given by him for the purposes of this Act or the regulations.

Bounty not payable unless Act complied with.

18. Bounty is not payable to a manufacturer unless he satisfies the Minister that the requirements of this Act and the regulations have been substantially complied with.

Offences.

19.—(1.) A person shall not—

- (a) obtain bounty which is not payable ;
- (b) obtain payment of bounty by means of a false or misleading statement ; or

- (c) present to an officer or other person doing duty in relation to this Act or the regulations an account, book or document, or make to such an officer or person a statement, which is false or misleading in any particular.

Penalty: Five hundred pounds or imprisonment for twelve months.

(2.) Where a person is convicted under the last preceding sub-section, the court may, in addition to imposing a penalty under that sub-section, order the person to refund to the Commonwealth the amount of any bounty wrongfully obtained.

(3.) Where a court has made an order under the last preceding sub-section, a certificate under the hand of the clerk or other appropriate officer of the court, specifying the amount ordered to be refunded and the person by whom the amount is payable, may be filed in a court having civil jurisdiction to the extent of that amount, and shall thereupon be enforceable in all respects as a final judgment of that court.

20.—(1.) The Comptroller-General shall, as soon as practicable after the end of each year of the period of two years specified in section four of this Act, prepare a return setting forth, in respect of that year—

**Return for
Parliament.**

- (a) the name and address of each manufacturer to whom bounty was paid ;
- (b) the amount of bounty paid to each manufacturer and the quantity of the flax canvas on which bounty was paid ; and
- (c) such other particulars (if any) as are prescribed.

(2.) The Comptroller-General shall cause a copy of the return to be tabled in each House of the Parliament within fifteen sitting days of that House after the thirty-first day of August next following the end of the year to which the return relates.

21. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act, and in particular for prescribing—

Regulations.

- (a) the form and manner in which, and the time within which, applications for bounty shall be made ;
- (b) the notice to be given by manufacturers of their intention to claim bounty ;
- (c) the conditions of manufacture of flax canvas at factories ; and
- (d) penalties not exceeding Fifty pounds for any breach of the regulations.