NEWSPRINTING PAPER BOUNTY.

**No. 64 of 1938.**

An Act to provide for the Payment of a Bounty on the Production of Newsprinting Paper.

[Assented to 10th December, 1938.]

**Preamble.**

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:—

**Short title.**

**1.** This Act may be cited as the *Newsprinting Paper Bounty Act* 1938.

**Commencement of Act.**

**2.** This Act shall come into operation on a date to be fixed by Proclamation.

**Definitions.**

**3.** In this Act, unless the contrary intention appears—

“authorized person” means any person authorized in writing by the Minister in respect of the matter in relation to which the expression is used;

“British Preferential Tariff” means the rate of duty of Customs from time to time chargeable on paper the produce or manufacture of the United Kingdom;

“Collector” means the Collector of Customs for a State;

“duty of Customs” means a duty of Customs chargeable in pursuance of any Customs Tariff or of any Customs Tariff proposal introduced into the House of Representatives;

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

“imported cost”, in respect of any month in which paper is manufactured, means the lowest cost, as determined by the Minister, of importations into Australia (which in the opinion of the Minister are representative importations), during the last preceding period of three months in which such importations were made, of paper admissible under the British Preferential Tariff;

“lowest cost” means the lowest cost free on board at port of export, together with insurance, external freight, exchange at telegraphic transfer rate and primage duty under the *Customs Tariff* (*Primage Duties*) 1934;

“paper” means newsprinting paper, not glazed, mill-glazed or coated, in rolls not less than ten inches in width, of thirty pounds to thirty-eight pounds substance (both inclusive) for five hundred sheets each twenty-four inches by thirty-six inches, which is suitable for the production of a newspaper on high-speed machines;

“Tariff Board” means the Tariff Board appointed under the *Tariff Board Act* 1921–1934.

**Appropriation.**

**4.** There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the bounty specified in this Act.

**Limit of annual bounty.**

**5.** The total amount of bounty paid under this Act during any one financial year shall not exceed the sum of One hundred and eight thousand pounds, nor, during that part of the financial year preceding the first complete financial year of the period during which this Act is in operation or succeeding the last complete financial year of that period, exceed a sum which bears the same proportion to One hundred and eight thousand pounds as that part of a complete financial year bears to a complete financial year:

Provided that, when the maximum amount of bounty which may be paid in any financial year or part thereof has not been paid in that year or part, the unpaid balance, or any portion thereof, may be paid in any subsequent financial year or part thereof in addition to the maximum amount for that subsequent year or part.

**To whom bounty payable.**

**6.** The bounty shall, subject to this Act, be payable to the manufacturer of the paper.

**Specification of bounty.**

**7.** The bounty under this Act shall be payable in respect of paper which, during a period of four years from the date of the commencement of this Act, has been manufactured, in accordance with the prescribed conditions, in a factory, from pulp produced from timber.

**Rate of bounty.**

**8.** The rate of bounty payable under this Act shall be determined in accordance with the following provisions:—

(*a*)No bounty shall be payable in respect of paper manufactured in any month if, in respect of that month, the imported cost per ton is Eighteen pounds eleven shillings and threepence or is in excess of that sum;

(*b*) Where, in respect of any month in which paper is manufactured in a factory, the imported cost per ton is less than the sum of Eighteen pounds eleven shillings and threepence, bounty shall be payable, in respect of paper manufactured in that month, at a rate per ton equal to three-fourths of the amount by which the imported cost per ton is less than that sum:

Provided that—

(*a*) if a duty of Customs (other than primage duty) is charged on imported paper admissible under the British Preferential Tariff, the rate of bounty payable in accordance with this section shall be reduced forthwith by an amount equivalent to the rate of duty of Customs; and

(*b*) the rate of bounty shall not in any circumstances exceed Four pounds per ton.

**Restriction on payment of bounty.**

**9.** No bounty shall be authorized to be paid under this Act unless evidence is furnished to the satisfaction of the Minister that not less than sixty per centum by weight of the pulp used in the manufacture of the paper was produced in Australia from timber grown in Australia, and that not less than forty per centum by weight of the pulp so used is mechanical pulp so produced:

Provided that, where the Tariff Board reports, and the Minister is satisfied, that the use of less than sixty per centum of pulp produced from timber grown in Australia is warranted, the Minister may authorize the use of such lesser percentage as he specifies of pulp so produced.

**Paper to be of good quality**

**10.** Bounty shall not be paid on the production of any paper unless, in the opinion of the Comptroller-General of Customs, it is of good and merchantable quality.

**Factories to be appointed by Minister.**

**11.**—(1.) Where, in the opinion of the Minister, paper is, or is proposed to be, manufactured at premises under such conditions as are from time to time prescribed, he shall appoint those premises as a factory for the purposes of this Act.

(2.) The Minister may require any person applying for the appointment of his premises as a factory under this section to furnish information as to the nature of the business or proposed business, the marketing possibilities for the goods, and such other matters as the Minister thinks fit.

**Conditions as to sale of paper.**

**12.** The Minister may withhold the whole or any portion of the bounty unless he is satisfied—

(*a*) that the manufacturer has published an offer (containing a provision in accordance with paragraph (*b*), and subject to conditions designed to give effect to paragraph (*c*), of this section) to sell the paper manufactured or to be manufactured by him within four years from the commencement of this Act to all newspaper proprietors carrying on business in Australia at the time the offer is made and he has used reasonable endeavours to ensure that the offer is communicated to each such newspaper proprietor and to ensure that each such newspaper proprietor is given a reasonable opportunity to accept the offer:

(*b*)that the offer provides for each grade and class of paper being sold at a uniform price, inclusive of freight and insurance, for the ports of all the capital cities of the States and subject to uniform conditions as to delivery, discount, payment and other matters relating to the sale;

(*c*) that, in the event of the quantity of paper covered by all the acceptances of the offer exceeding the manufacturers’ anticipated production, the manufacturer has apportioned the anticipated production equitably and without discrimination; and

(*d*) that no paper in respect of which bounty is claimed has been sold at a price and on conditions which are more advantageous to the purchaser than the price and conditions contained in such offer.

**Reduction of bounty where profile exceed ten per centum per annum.**

**13.**—(1.) Where the net profit of a manufacturer from the manufacture and sale of paper during any financial year or part thereof, together with the bounty paid or payable thereon, in respect of the production of paper during that financial year or part thereof respectively, exceeds the rate of ten per centum per annum on the capital employed by the manufacturer in such manufacture and sale, the Minister may—

(*a*) require the manufacturer to refund the portion of the bounty paid to him which has resulted in the net profit on such capital having exceeded the rate of ten per centum per

annum, and that portion shall thereupon become a debt due and payable by the manufacturer to the Commonwealth; or

(*b*) withhold from that manufacturer payment of such further bounty as would result in the net profit on such capital exceeding ten per centum per annum:

Provided that, where the Minister finds that a manufacturer has made a net profit which, together with the bounty paid or payable to him under this Act, has exceeded the rate of ten per centum per annum on the capital employed in the manufacture and sale of paper, the Minister may, before taking action under this sub-section, take into account any profit of less than ten per centum per annum, or any loss, which the manufacturer may have made during any previous financial year or part thereof of the period during which this Act is in operation.

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

(*a*) determine what amount of capital is from time to time employed by any manufacturer in the manufacture and sale of paper and what amount of net profit is derived by that manufacturer from the manufacture and sale of that paper; and

(*b*) take into account the capital and the net profit of any intermediate person, whether subsidiary to or affiliated with the manufacturer or not, who distributes or sells the paper to users thereof.

(3.) In the determination under the last preceding sub-section of the amount of net profit derived by a manufacturer from the manufacture and sale of paper, income tax assessed under any Act or State Act shall not be deducted from the profit so derived by that manufacturer.

**Separate accounts, &c.**

**14.**—(1.) A manufacturer shall keep, to the satisfaction of the Minister, separate accounts, books and documents showing, from time to time, in relation to paper subject to bounty, the capital employed in, and the costs of, the manufacture and sale of the paper, the selling prices and revenue from sales thereof, and the profits derived from the manufacture and sale.

(2.) A manufacturer shall, in respect of each half-year ending on the thirty-first day of December and each financial year ending on the thirtieth day of June respectively, furnish to the Comptroller-General of Customs a balance-sheet, profit and loss account, manufacturing account and trading account, and such other information in relation to the manufacture and sale of paper subject to bounty, as the Minister requires.

(3.) The accounts and information so furnished, together with the stocks of paper recorded therein as having been held at the end of each such period, shall be certified by the manufacturer and his auditor to be true and correct in every particular.

**Stock-taking, and inspection of manufacture and accounts.**

**15.**—(1.) Any authorized person may, at all reasonable times, enter upon any factory or premises where paper, in respect of which bounty has been paid or claimed, is manufactured or stored, and may—

(*a*) inspect or take stock of the paper therein;

(*b*) inspect the process of manufacture of the paper;

(*c*) take samples of the paper; and

(*d*)inspect the accounts, books and documents relating to the manufacture and sale of the paper.

(2.) Any such person shall be provided by the manufacturer or the owner or occupier of the premises with all reasonable facilities and assistance to enable him to give effect to any or all of the matters specified in sub-section (1.) of this section.

**Power to require persona to answer questions and produce documents.**

**16.**—(1.) The Comptroller-General of Customs, a Collector or any authorized person may, by notice in writing, require any person whom he believes capable of giving any information in relation to the manufacture and sale of paper subject to bounty to attend before him at the time and place named 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 as the Comptroller-General, Collector or authorized person thinks necessary.

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

(3.) No person shall be excused from answering any 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 criminate him or make him liable to a penalty; but his answer shall not be admissible in evidence against him in any civil or criminal proceeding other than a proceeding 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 answered the question or furnished the required accounts, books or documents.

**Power to examine upon oath.**

**17.** The Comptroller-General of Customs, a Collector or any authorized person may administer an oath to any person required to attend before him in pursuance of the last preceding section and may examine such person upon oath.

**Affirmation in lieu of oath.**

**18.**—(1.) Where any person required to attend before the Comptroller-General of Customs, a Collector or authorized person in pursuance of section fifteen of this Act 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 that may be asked him.

(2.) 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.**

**19.** Any person who refuses or fails—

(*a*) to attend before the Comptroller-General of Customs, a Collector or an authorized person;

(*b*) to be sworn or to make an affirmation; or

(*c*) to answer questions or produce documents,

when so required in pursuance of this Act, shall be guilty of an offence

Penalty: Fifty pounds.

**Security for compliance with Act.**

**20.** The Minister may require any manufacturer to give security by bond, guarantee or cash deposit, or by all or any of these methods, for due compliance by him with the provisions of this Act and the regulations or for the performance of any undertaking given by him in pursuance of this Act or the regulations.

**Bounty not payable unless Act complied with.**

**21.** No bounty shall be authorized to be paid on the production of any paper unless the manufacturer furnishes proof to the satisfaction of the Minister that the requirements of this Act and the regulations have been substantially complied with.

**Offences.**

**22.**—(1.) Any person who—

(*a*) obtains any bounty which is not payable;

(*b*) obtains payment of any bounty by means of any false or misleading statement; or

(*c*) presents to any officer or other person doing duty in relation to this Act or the regulations any document, or makes to any such officer or person any statement, which is false in any particular,

shall be guilty of an offence.

Penalty: Five hundred pounds or imprisonment for twelve months.

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

**Return for Parliament.**

**23.**—(1.) A return shall be prepared, not later than the thirty-first day of August of each year, and shall be laid before both Houses of the Parliament within thirty days after its preparation if the Parliament is then sitting, and, if not, then within thirty days after the next meeting thereof.

(2.) The return shall set forth in respect of the preceding financial year—

(*a*) the name and address of each manufacturer to whom bounty was paid;

(*b*)the total amount of bounty paid to each manufacturer and the quantity of paper on which bounty was paid;

(*c*) the percentage by weight of pulp produced in Australia from timber grown in Australia to the total weight of pulp used by each manufacturer in the production of the paper on which bounty was paid; and

(*d*) such other particulars as are prescribed.

**Regulations.**

**24.** 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—

(*a*) the form in which applications for bounty shall be made;

(*b*) the conditions to be observed by manufacturers in respect of giving notice of their intention to claim bounty and the time or times within which applications for bounty shall be lodged with the Collector;

(*c*) the conditions of manufacture of paper at factories; and

(*d*) penalties not exceeding Fifty pounds for any breach of the regulations.