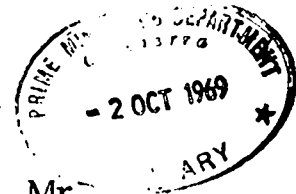


HIGH COURT JUDGMENT ON STAMP DUTY



Extract from speech made by the Prime Minister, Mr
John Gorton, in the Boothby Electorate, South Australia

27 September 1969

(The Prime Minister handed over a cheque for \$200,000 as a Commonwealth contribution to Adelaide's Festival Hall).

"Of course, this is not going to solve by any means the problems that your Premier and all the other State Premiers have just recently run into.

You will recall, all of you, that a short time ago there was a High Court Judgment which cast doubt on the legal validity of the taxes which the States, all of them, were levying in the way of their own taxation field of stamp duty. If this legal judgment - I'm not quite sure whether it will - but if it does cast doubt and possibly make invalid this kind of State taxation, then this is something which is going to affect the Budgets of every State in Australia in greater or lesser degree, certainly the Budgets of this State, and it is going to have a fundamental effect on the taxation capacity of the States to raise the residual revenue they want.

I think your Premier and other Premiers would agree with me that they are now facing, because of this uncertainty, a very grave problem indeed. I would like to say to your Premier, who is going to meet all the other Premiers tomorrow in Melbourne to discuss this matter, that we do not think it just a matter which is a problem for the States. This is a problem for the Commonwealth just as much as it is a problem for the States, because it casts the whole relationship into the melting pot.

I don't know what the Conference of Premiers may decide to do tomorrow. But I do know and I want to make this perfectly clear, that we, as a Federal Government, realise that it is a problem extending beyond the States. If possible and if we are asked, we would be prepared to pass validating legislation to enable the States to continue to do what they have been doing in the way of taxation, if they wish to do it, though we do not know whether that validating legislation itself would in fact be constitutional and would stand up to a challenge. But what we can do in order to support the States in the problem they are now facing, we as a Commonwealth Government will do. And if we cannot pass validating legislation because of the Constitution - this is not clear - then we will certainly confer with all the Premiers in order to ensure that their Budgets are not wrecked and that some other way is found for providing the revenue they may lose as a result of this Judgment in the High Court. This is of great significance to all of us and this, I think, should be known and established. "
