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1901-10-25

House of Representatives

Mr. Speaker took the chair at 10.30 a.m., and Lead prayers.

#### PERSONAL EXPLANATION

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Minister for External Affairs

Mr BARTON

- I wish to make a personal explanation. In my speech, on moving the second reading of the Pacific Island Labourers Bill, I made use of the following expressions, reported at page 5946 of Hansard : -

Honorable members will be familiar with the name of Mr. Morehead, who was long a prominent figure in Queensland politics. In this debate (i.e., in the debate on the 1884 Amendment Bill) he called the traffic what I venture to think it is, in its inherent conditions, and not because of any fault of the Government or Parliament of Queensland - a system of limited slavery.

I have received a letter from Mr Morehead, calling my attention to a fact which I overlooked in my reading of the speech from which I quoted, that Mr. Morehead's phrase "limited slavery," was applied by him, not, as I thought, to the kanaka traffic in general, but to the proposed extension to time-expired islanders, as well as to those newly introduced, of the provisions forbidding their employment otherwise than in the cane-fields. I need hardly assure honorable members that nothing was farther from my intention than to misquote Mr. Morehead, or to misrepresent his attitude towards the kanaka traffic, and I feel that it is due to him that I should thus publicly state that the quotation which I have referred did convey a wrong impression. In justice to myself, however, I must say that the passage in Mr. Morehead's speech which immediately followed the words " limited slavery " to some extent explains my misapprehension of the application which he intended to give it, as honorable members can see for themselves by a reference to volume 41, page 1 46, of the Queensland Debates. In saying this I desire to guard against the supposition that I have in any way altered my own opinion of the kanaka traffic, or that I have any doubt at all about the applicability of the phrase " limited slavery " to it. On the other hand, one result of my more careful examination of the speech of Mr. Morehead has been to enable me more clearly to realize the propriety of the expression. This, however, is no reason for my refusing to do Mr. Morehead the justice of admitting that I am not able, as I thought I was, to claim his authority for describing the traffic as limited slavery.

#### QUESTION

#### POLITICAL TELEGRAMS

Mr JOSEPH COOK

- I desire to ask the Prime Minister or the Minister for Defence a question.

Mr Barton

- We cannot answer questions just now.

Mr JOSEPH COOK

- I desire to ask, as it is a matter of some urgency, whether the long statement in the papers, which the Age declares to have been telegraphed by the Minister for Defence to Western Australia, has been sent at the public expense, or whether it has been paid for out of his private purse? If it has been sent at the public expense, I desire to ask the Prime Minister if he will permit me the free use of the wires to make some reference to that scandalous and abusive letter which has been written to him by my late political opponent?

Mr BARTON

- The letter to which the honorable member refers came to me from Mr. Sandford, with the expression that I was at liberty to publish it. The personal remarks, which convey reflections in which I am in no way concerned, and which it was not my business to indorse, got into the letter which appears in the Age contrary to my authority, and without any fault of my secretary. My instructions, which were that all personal reflections were to be omitted, and only the facts and arguments stated, have, unfortunately, not been carried out, and I say this in justice not only to myself but to the right honorable and learned member at the head of the Opposition. My colleague, the Minister for Defence, will give an answer as to his telegram, if he cares to do so.

#### MOTION OF CENSURE

Debate resumed (from 24th October, vide page6458) on motion by Mr. Reid -

That this House cannot accept the financial and Tariff proposals submitted by the Government -  
Because they would place the finances of the Commonwealth and the States upon an unsound and extravagant basis.

Because they fail to adjust the burdens of taxation and the advantages of the free list in an equitable manner, revealing a marked tendency, which this House regrets to observe, to press upon necessities of life and appliances used in our farming, mining, and pastoral industries more heavily than they do upon many articles of luxury.

And because they would in their operation destroy the stability of the revenue by making imposts for national purposes a source of undue profit to a few individuals, and a few favoured industries, at the expense of the whole community.

That the foregoing resolutions be conveyed, by Address, to His Excellency the Governor-General  
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Mr V L SOLOMON

- When we adjourned last night I was addressing a very thin House on this important subject. It appears that a large number of honorable members, most of whom have their homes in Victoria, could not manage to stop here after a few minutes past ten o'clock, owing to the fact that Victorian representatives were not addressing the House - a sort of courtesy to which, in the Parliament of South Australia, I have not been used. Of course it is recognised that there has been no desire on the part of the Opposition to obtain a count out, but probably such a thing would be welcome to the Government.

Sir William Lyne

- The Government do not want to count out the House.

Mr V L SOLOMON

- It looks very much like it when their supporters desert the House shortly after ten o'clock, and then insist upon keeping the business going till midnight.

Mr Chapman

- The honorable member knows very well that a member on his own side tried to count out the House.

Mr SYDNEY SMITH

- Nothing of the kind.

Mr Chapman

- He admitted it.

Mr V L SOLOMON

- That statement is absolutely contrary to fact.

Sir William Lyne

- I saw the honorable member trying to count it out.

Mr JOSEPH COOK

- I rise to order. Are these honorable members in order, sir, in stating that honorable members on this side have deliberately tried to count out the House ?

Mr SPEAKER

- The remarks were made by way of interjection, and all interjections are, as honorable members well know, disorderly, and should be restrained as far as possible.

Mr JOSEPH COOK

- You know they are not true.

Mr SPEAKER

- That interjection is one of the worst for three reasons. In the first place, as an interjection it is irregular ; in the next place, it is irregular because it is addressed to an honorable member, and not to the Chair ; and in the third place it is irregular, and must be withdrawn, because it is an allegation of untruthfulness on the part of honorable members.

Honorable Members. - Hear, hear. Withdraw.

Mr. JosephCook. - Are these honorable members in order, sir, in conducting themselves in this way when I rise to address you and to obey your instructions ? I desire to withdraw the words if I am permitted to do so by these unruly members who are constantly interjecting.

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Mr V L SOLOMON

- I am sorry that there should be any question of this kind raised. I only preface the continuation of my speech with these remarks, for the purpose of pointing to the most unfair treatment which some honorable members on this side get at the hands of honorable members on the other. It is quite good enough for these honorable members to stop here until after ten o'clock to listen to a speech from any honorable member on the protectionist side, but it is not good enough, although the Government they support force honorable members on this side to speak until nearly midnight, to pay them the common courtesy of staying here in reasonable numbers - those who are not called away on urgent business - and listen to the speeches. I shall say no more on the subject, except that it is a class of procedure which frequently, recoils on those who use it. I dealt last night with the general bearing of this Tariff, and I pointed out that it pressed most heavily and unduly upon the three principal factors in the prosperity of Australia - the farming, pastoral, and mining industries - and also upon the very large section of our Commonwealth workers who are not engaged in protected trades. I referred in this connexion to the statement made by the Minister for Trade and Customs as an excuse for the somewhat absurd duty of 20 per cent. upon blankets, flannelettes, and the necessaries of the poorer classes as compared with the 15 per cent. duty upon silk dress pieces. The Minister made the somewhat lame excuse that whilst blankets were manufactured and completed articles, silk dress pieces were raw material. If that is the best excuse that the Minister has to offer, I leave it to the people of the Commonwealth to judge - and I think they are judging day by day - as to the justice or otherwise of the incidence of the taxation proposed to be levied under this Tariff. I dealt also with the duty upon starch, and I showed that it would be absolutely prohibitive, inasmuch as whilst starch realized a revenue last year of between £15,000 or £16,000, with more than half of it admitted duty free into the Commonwealth, the duty proposed by the Government would bring in only some £3,733 ; so that under this revenue Tariff, we shall absolutely lose many thousands of pounds. The countervailing duty on rice has also been alluded to, but the tremendous duty of 1d. a lb. on rice will fall most heavily on the poorer classes of the community. It is calculated to bring in £140,000, and as a very small proportion of the total importation of rice is consumed by the Chinese, the bulk of the taxation will come out of the pockets of the poorest of the working classes.

Mr Page

- But we must have revenue.

Mr Watkins

- Would the honorable member tax rice or not ?

Mr V L SOLOMON

- That is a question that I should have to consider in the light of the information I should have at my fingers' ends if I had a staff of officers working for six or seven months to compile all the necessary data.

Sir William Lyne

- Which information the honorable member has not got, I suppose ?

Mr V L SOLOMON

- I have not a good deal of the information I should like.

Mr Page

- Give the Government credit for something.

Mr V L SOLOMON

- I shall tell honorable members as I go on how revenue may be obtained, and what duties may be dispensed with. I also touched last evening on the duty upon tanks, amounting to 12s. per 400-gallon tank. Honorable members know that these tanks are absolutely indispensable for the small farmers, prospectors, and others in the back blocks. They are used - thousands of them - for the purpose of supplying the fresh water necessary to sustain the life of the miners in Western Australia. By putting a duty on these tanks and on mining timber, fuse, dynamite, and galvanized iron, the Government are hampering the mining industry, which, as I have pointed out, produced wealth last year amounting to £22,200,000 odd, which is equal to 18 per cent. of the total wealth produced, or 23 per cent., or nearly a quarter of the wealth resulting from primary production in the Commonwealth during the same period. I think that I omitted only one point in arguing as to the necessity for treating the mining industry with liberality, and that was in reference to the present position of the Broken Hill mines. We in South Australia perhaps realize more keenly than the people in the other States how important the Broken Hill mining

industry is to the whole of the Commonwealth, and especially to South Australia in connexion with her railway traffic. We know that owing to the falling off in the price of lead, and the reduction in the silver and lead contents of the ore at Broken Hill, the mining companies there have had a very hard struggle to continue the work of development. Those mines employ many thousands of people, and the reduction in the prices of silver and lead during the last few years, although to some extent counteracted by the increase in the output and by the improvements in concentrating and other machinery, has caused the industry to reach such a point that the additional tax on the timber required in the mines may absolutely bring about the closing down of many of them. The honorable member for the Barrier, who has taken a great deal of interest in this matter, and who realizes to the fullest extent the importance of the industry, will know that it only requires this last straw to break the camel's back, and throw out of employment several thousands of people, most of whom support families. Surely the interests of the Commonwealth demand that this should not be done - that the matter should be more closely looked into. It is all very well for the Minister for Defence to talk about importing from Western Australia mining timber for use at Broken Hill. He should know that the jarrah and karri timber of Western Australia are utterly unsuited for use in the open set system of timbering that is adopted in the Broken Hill mines. The tensile strength and the length of grain of oregon timber make it superior to any other timber obtainable for that purpose, and the experts at Broken Hill will use no other.

Mr F E McLEAN

- The jarrah and karri are also heavier to transport.

Mr V L SOLOMON

-I am not certain that the bulk of the oregon does not make up for that ; but the point is the suitability of the oregon to bear the immense strain of thousands of tons of overhanging rock, giving a little at times, where jarrah, owing to its short grain and brittleness would not.

Mr Page

- How does the honorable member account for the fact that all the timber used in the mines of Queensland is Queensland timber 1

Mr Thomas

- There is absolutely no comparison between the size of the lodes.

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Mr V L SOLOMON

-Having been through most of the leading mines of Australia I can tell the honorable member for Maranoa that the taking out of immense bodies of ore, ranging from 30 to 100 feet in width, under the open cut system, is very different from mining small bodies of ore which are only from 2 to 8 feet wide.

Mr Page

- We have the best timber for carrying weight in the world.

Mr V L SOLOMON

- I am not speaking against the Queensland timbers. I am thoroughly satisfied, however, that if those timbers were suitable for use in the mines of Broken Hill, the Barrier companies would have introduced them long ago. In New South Wales there has been no duty upon timber, and if the Queensland timbers are suitable for use in the mines of Broken Hill how, is it that the companies conducting operations there - and they generally know the side upon which their bread is buttered, and employ skilled men with high salaries to conduct their operations - have not introduced them 1 Unquestionably Oregon has been proved to be the most suitable timber for use in those mines.

Mr Thomas

- The Broken Hill companies have tried every Australian timber.

Mr V L SOLOMON

- I do not intend to touch upon the question of tobacco duties, or the imposts levied upon tea or crockery, more than to say that the figures which I gave last night show conclusively that in the past, owing to the duty upon manufactured tobacco having been ls. per lb. more than the customs and excise duties combined upon the imported leaf which is made up in the States, immense sums of money that ought to have gone into our revenue have been thrown into the hands of two or three large factories. There is one factory in Sydney and another in Victoria whose outputs of tobacco, manufactured from the imported leaf, have been 100,000 lbs. each per month. Upon this quantity, which represents 1,200,000 lbs. per annum,

they have been in a position to make, at the lowest estimate, from 10d. to 1s. per lb. profit. The capital invested in each of these factories is not more than £50,000 or £100,000. It will therefore be seen that they have been making profits of from 75 to 100 per cent, upon the amount of their invested capital. If the Treasurer wants to find lines which will yield an increase in the revenue, not at the expense of the people, but at the expense of monopolies which are making immense sums of money, here is an item which can readily be availed of.

Sir George Turner

- If the honorable member will give me the names of the companies I will try and get their balancesheets.

Mr V L SOLOMON

- I thought that the Treasurer would be better informed upon these matters than I am. I have received numerous letters upon this subject. The names of the firms in question are Cameron and Co., of Victoria, and Dixson and Sons, of Sydney. The Treasurer will find that my figures are approximately correct.

Sir George Turner

- I know that those firms are cutting each other's throats in order to get the trade.

Mr V L SOLOMON

- If the Treasurer will look into the figures he will find that they are approximately correct. I know that in Victoria they are selling tobacco manufactured from imported leaf in bond, for export to Tasmania at 1s. 3d. per lb. That will give some idea as to what the absolute cost of manufacture really is. The honorable member for Hinders and the honorable member for Grampians took what I consider was a very manly and proper course last evening, when they told us in a straightforward manner that they intended to adhere to their hustings pledges, and to vote against this Tariff. I was expecting to see another honorable member come over to the opposition side of the House upon this question. I was of opinion, judging by his utterances when before the electors, that this Tariff would not meet with his approval. I refer to the honorable and learned member for Tasmania, Mr. Piesse.

Mr Piesse

- Then the honorable member did not read what I said when I was before the electors

Mr V L SOLOMON

- I know that the honorable and learned member was selected by the Tasmanian division of the Free-trade and Liberal Association.

Mr Piesse

- But was not supported by the president.

Mr V L SOLOMON

- I know that the advertisements in the public press included his name amongst the free-trade candidates for the House of Representatives.

Mr Piesse

- If the honorable member wishes to do me justice, he will read my own advertisement, and not the advertisements of other people.

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Mr V L SOLOMON

- Does the honorable and learned member disclaim an advertisement in which it is suggested that the free-traders should vote for him, and that there should be no truckling to Victorian protectionists 1 Does he say that the advertisement in the Hobart Mercury of 27th March was not authorized by him, and did not appear with his consent ?

Mr Piesse

- Read the whole of the advertisement.

Mr V L SOLOMON

- I am not in possession of the whole of it ; I have merely an extract. But the words to which I have referred form a portion of the honorable and learned member's advertisement.

Mr Piesse

- If the honorable member will read the whole of the advertisement, I will reply to him.

Mr V L SOLOMON

- I ask whether the honorable and learned member had anything to do with an advertisement which states--

No truckling to Victorian protectionists. Vote for Piesse.

Mr Piesse

- If the honorable member desired to be fair he would read the whole of the advertisement. It is a despicable piece of trickery upon his part.

Mr V L SOLOMON

- If I had the whole of the advertisement I should read it. Certainly the extract which I have read points to the honorable and learned member having been returned as a revenue tariffist or free-trader. In that advertisement it is specially suggested that there should be no truckling to Victorian protectionists, and yet we find the honorable and learned member now sitting beside those who are endeavouring to coddle the industries which have been bolstered up in the past by the Victorian State Tariff.

Mr Piesse

- I think I have a right to appeal to the Chair as to whether this is fair comment upon my speech of last evening. The honorable member for South Australia is misrepresenting my position.

Mr SPEAKER

- That is not a point of order. If the honorable and learned member desires to make a personal explanation, he can do so as soon as the honorable member for South Australia has finished his speech.

Mr V L SOLOMON

- I have no desire to misrepresent the honorable and learned member for Tasmania.

Mr Piesse

- Take my advertisement, and read the whole thing.

Mr V L SOLOMON

- I should like to obtain it. It is published in the Hobart Mercury of 27th March. The extract which was sent to me struck me as being so inconsistent with the honorable and learned member's attitude, that I could not resist the temptation to call attention to it.

Mr Piesse

- The honorable member should look for himself.

Mr V L SOLOMON

- If the honorable and learned member looked at these matters for himself, no doubt he would be upon this side of the House. I alluded last night briefly to the duties on cigarettes, and handed to the Minister for Trade and Customs a memorandum showing the relative cost of imported cigarettes and of those made by hand labour in the State of Victoria. I have ascertained that in one factory in Victoria there are 300 persons employed, and that the wages paid for the year ending June 1901, amounted to £9,204. In addition, the boxes and printing required in the business, and provided locally, cost £2,943, while the excise paid was £5,783, and the duty, £5,562. The firm who handed to me the circular from which I get this information, Messrs. Snider and Abrahams, of Lonsdale-street, Melbourne, are, I believe, the only cigarette manufacturers in the States who do not use machinery, and they point out that under the new Tariff, which places a much heavier excise duty on their manufactured article than they had to pay before, they will absolutely not be able to carry on this branch of their business.

Sir George Turner

- Does the honorable member make a distinction between hand-made cigarettes and machine-made cigarettes?

Mr V L SOLOMON

- I admit that is a very difficult question, but I do not know that it is more difficult than that of the composite duty on cigars. It might be asked why there should be an increased duty put on cigars of a certain value, in contradistinction to locally-made cigars. According to the circular which I have received, the composite duty on cigars results in giving a tremendous advantage to the locally-made article. Ordinary cigars, weighing 12 1/2 lbs. to the 1,000, are sold retail at 3d. each, or five for 1s.

Sir George Turner

- The honorable member is giving the importer's view.

Mr V L SOLOMON

- Yes.

Sir George Turner

- The honorable member should give the view of the other side, too.

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Mr V L SOLOMON

- On such cigars the duty is £3 8s. 9d., to which must be added 9s. 10d., the ad valorem duty on the value of 60s. per 1,000, making a total of £3 18s. 7d., which has to be paid by the importer, as against £1 17s. 6d., which is the cost to the local manufacturer of the duty and excise on the leaf. The importers contend that if this ad valorem duty, in addition to the duty of 5s. 6d. per lb., is persisted in, the result will certainly be to throw a certain amount of money into the hands of the local manufacturer, while the revenue will suffer tremendously.

Mr Kingston

- On the other hand, the manufacturers say that they will suffer.

Mr V L SOLOMON

- No doubt there are two sides to the question, but what I have placed before honorable members is, at any rate, worth consideration. In the light of the information I have received about the tobacco industry, I am inclined to view with belief the statements which have been made to me in respect to the manufacture of cigars. The result of having a duty on imported tobacco lower than the excise on imported leaf, has been a gradual decrease in imported tobaccos, much to the detriment of the revenue, while the profits of the local manufacturer have been increased. In four years, in Victoria and New South Wales, the decrease in the revenue from this cause amounted to the large sum of £360,000 odd, all of which, less the amount paid in wages, has gone into the pockets of the local tobacco manufacturers. I am now alluding to tobacco, not to cigars and cigarettes.

Sir George Turner

- Do not purchasers get their tobacco much cheaper ?

Mr V L SOLOMON

- I certainly think that purchasers do not get locally manufactured tobacco one penny cheaper than imported tobacco, while the revenue is losing an immense sum annually in supporting those manufacturing monopolies. In view of the loss of this £360,000, which would have been paid on imported tobacco if the leaf had not been manufactured locally, it is interesting to inquire how many persons are employed in the tobacco industry. So far as I can glean from a return placed before the House, there are 1,388 males, and 1,047 females, or a total of 2,435 persons employed in the cigar, cigarette, and tobacco manufacturing industry throughout the Commonwealth. No more than half of this number are employed in the tobacco industry itself, so that the employment of 1,200 people has in four years meant a loss of revenue to the amount of £360,000. Some of my friends on the Government side of the House may be ardent protectionists, but figures like those are well calculated to shake their faith.

Mr Kingston

- Are the honorable member's quotations correct?

Mr V L SOLOMON

- The figures have been obtained after most diligent search, and though there may be trivial differences, they will be found approximately correct. The two factories in Melbourne and Sydney are, in consequence of the duties, benefiting to the extent of £50,000 a year each at the expense of the people of the Commonwealth. I challenge the Minister for Trade and Customs and the Treasurer to look closely into the figures I have quoted ; indeed, I am a little surprised the figures have not already been more carefully investigated. I now come to the question of the sugar duties. In 1899 the duties collected on sugar throughout the Commonwealth aggregated £543,959, and amongst the importations, were 8,700 tons which were admitted free into Western Australia. The estimate of the Government in regard to the sugar duties is much the same as the revenue previously obtained. The Treasurer estimates that the revenue from that source this year will be £120,000 in duty, and £410,000 in excise, making a total of £530,000, as against the £543,959 previously collected. In South Australia the sugar duties collected in 1898 amounted to £45,666 under a £3 Tariff, and the estimate for this year is approximately the same, or £47,000. There is a rather important point to which I desire to direct the attention of the Treasurer. In calculating the Inter-State duties that would be lost by the establishment of federation, the Treasurer, after deducting Western Australia's duties, estimated that the other States would lose approximately £1,000,000 which they had previously collected. Now, I should like to know from the Treasurer if I am correct, or incorrect in estimating that when this calculation was made the sugar duties which were then in

force were not included?

Sir George Turner

- Certainly they were ; and one way of making up for them is by putting on an excise which otherwise would not be put upon them.

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Mr V L SOLOMON

- L. SOLOMON. - Precisely ; I anticipated that such was the case. I calculated at the time the Maitland speech was delivered, and mentioned to the electors, that in this £1,000,000 there was £500,000 of sugar duties. If that is the case, what is the use of members of the Government telling the people of these States that, although the taxation under the new Tariff appears to be very high, and a tremendous lot of money is going to be raised, it must not be forgotten they are to be relieved of nearly £1,000,000 in Inter-State duties 1 They are not being relieved of anything of the kind. One-half of the amount is represented by the sugar duties of the various States which are now re-imposed in the shape of excise duties. This may appear to be a mere trifle, but I look upon it as a direct misstatement. The figures given by the Government as to the Inter-State duties strike me as being something very far from the absolutely true position of the case. We have had an explanation from the Minister of Defence as to his attitude on this Tariff. It was not a very clear or satisfactory explanation, and judging from the opinions that have been expressed by the press, the people, and the Parliament of Western Australia, a tariff which imposes such heavy duties upon the workers and upon those engaged in mining, farming, and pastoral industries, is utterly unsatisfactory to the people of Western Australia. We also know that in Queensland, South Australia, and New South Wales there are outcries against the Tariff - not because of the necessity of raising £8,000,000 or £9,000,000, but on account of the mode in which it is to be raised, and because of the class of people who are to be forced to pay. Not that I agree absolutely with the statement of the Treasurer that so large an amount is necessary. I venture to think that upon the figures which have been placed before us, there is no necessity for starting with a Tariff to bring in such an immense sum of money. I will endeavour to show honorable members my reason for that opinion. To commence with, the basis of calculation seems to be somewhat false. In deducting from the general imports of the States the sum of £29,000,000, as representing Inter-State trade, I venture to think that a miscalculation has been made. It has been taken for granted by the Treasurer, who should have better means for ascertaining than I have - though criticism is sometimes of use, even to one so experienced in finance as the right honorable gentleman - that the whole of this £29,000,000 consists of the products and manufactures of the various States.

Sir George Turner

- Not at all. Everything has been taken out in detail. Months have been spent on the task by the best men who could be found to do the work.

Mr V L SOLOMON

- On a careful examination I find that, in round figures, at least £5,000,000 included in that £29,000,000 represents goods of oversea origin, and not products or manufactures of the States.

Sir George Turner

- I should like the honorable member to show me that that is so.

Mr V L SOLOMON

- I have not been able to take out the whole of the figures, but I have had a few statistics culled from some of the interchange returns, showing the exports of the different States under the head, first of all, of domestic and other imports - domestic meaning, as I take it, the products and manufactures of the States themselves, and " other " goods meaning goods of any other origin. Although I could not get the figures for Tasmania and South Australia, I find that in New South Wales, Western Australia, Victoria, and Queensland the Inter-State domestic trade amounted to £18,463,107, as against "other" goods to the amount of £4,693,677. So that, without reckoning Tasmania and South Australia - whose figures I have not been able to glean - I take it that there is included in this £29,000,000 of Inter-State trade about £5,000,000 of trade that will still bear some proportion of taxation.

Sir George Turner

- I assure the honorable member that it is not so. I will get him the figures in a quarter of an hour.

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Mr V L SOLOMON

- I have taken out these figures as carefully as I could from the interchange returns of the different States, and that is the calculation I have been forced to with regard to this Inter-State trade of £29,000,000- that it includes a very large proportion of goods which have been re-exported from State to State, but which were originally of over-sea origin. Another point that I noticed in going through the Treasurer's figures was that in calculating the imports of 1899 at £34,000,000, and for 1900 at £41,000,000, an increase of £7,000,000, the right honorable gentleman said that it was absurd to base his calculations on the figures of 1900, because there was such a tremendous increase in the value of the goods imported into the Commonwealth, approximating something like 141/2 per cent. upon previous values. I am sure the Treasurer will not think that I am casting any reflection upon his figures.

Sir George Turner

- They are taken from the Economist.

Mr V L SOLOMON

- I only desire to criticise the figures as closely as the information at my disposal will allow. No doubt the Treasurer has to depend very often upon his officers, and they are not infallible any more than I am. He accounts very largely for this estimated increase of £7,000,000 in imports by the statement that the value of goods in 1900 increased to the extent of about 141/2 per cent.

Sir George Turner

- I took 10 per cent. as the basis.

Mr V L SOLOMON

- I have the Minister's own words that they were 141/2 per cent. higher in 1900 than in 1899. He certainly did not take the whole of this 141/2 per cent. increase into consideration. But what is the position? The duties of customs and excise in 1900 amounted to £7,762,653, while in 1899 they were £7,437,596, showing an increase of £325,057. If values were 141/2 per cent. higher in 1900 than in 1899, we have to deduct about £5,000,000 in respect of calculating it, not on the £41,000,000, but on £36,000,000.

Sir George Turner

- The honorable member forgets that the increase in value did not affect the revenue from duties on alcohol and other articles at fixed rates. It only affected the revenue from goods subject to ad valorem duties.

Mr V L SOLOMON

- I know that it did not affect spirits and narcotics. There was no rise in regard to them. I follow closely the commercial questions of the day, for I have been interested all my life in commerce, both as a retail and a wholesale merchant. My idea is that the increases were connected principally with iron and the manufactures of metals. There have been no great increases in apparel or groceries, or in oilmen's stores, or slops, or any of those goods.

Mr G B EDWARDS

- There have been decreases.

Mr V L SOLOMON

- One can judge by the prices which he has had to pay in his own household during the last two years, whether there has been any increase. "With the exception of metals and machinery there have been very few increases, and this estimate of 141/2 per cent. on £36,000,000 seems to me to be ridiculously inflated.

Sir George Turner

- The Economist is better informed on the point than we are. It is a leading London financial journal.

Mr V L SOLOMON

- It may be dealing with a class of goods that do not enter largely into the imports of Australia, although they do so in regard to other portions of the world.

Sir George Turner

- It deals with goods home-made for export.

Mr V L SOLOMON

- For export to all parts of the world, only a small proportion of which would go to Australia. But coming to definite details, does not the Treasurer know that there has been no permanent rise in the price of apparel, furniture, and fancy goods during the years 1899 and 1900? The difference in the amount of

duty collected in 1900 as compared with 1899 is only £325,057. If the increase was in respect of goods subject to ad valorem duties of 20 and 25 per cent., such as have prevailed in many instances, the additional revenue should have been fairly large, but this additional revenue of £325,057 calculated on the £5,000,000 difference in value amounts to about 6½ per cent. ad valorem.

Sir George Turner

- But a large proportion of the imports has been free, as the honorable member has mentioned.

Mr V L SOLOMON

- In New South Wales?

Sir George Turner

- Yes ; and in other places.

Mr V L SOLOMON

- Then I take the Treasurer's own words. If such a large portion of the goods upon which this increased value is obtained have come in free, where is the necessity for the deduction of 10 per cent. on £41,000,000, or £4,000,000, from the goods upon which revenue can be earned, now that they are not to come in free ?

Sir George Turner

- It is on the imports.

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Mr V L SOLOMON

- Precisely. The Treasurer deducts £4,000,000 from the imports, and I point out that the additional duty calculated on what he says is inflated value only amounts to about 6½ per cent. If, as he says, the bulk of these goods were then free, why, when they are not free now, deduct this £4,000,000 from the taxable amount which is to give us our revenue for the Commonwealth ? The Treasurer bases his calculations on the imports of £41,000,000 for 1900. He starts by a deduction for the inflation of values, not of 14£ per cent., but of 10 per cent., or £4,000,000. He then takes off another £2,500,000 for loading up; that is to say, it is believed that many of the traders in some of the States have been abnormally increasing their stocks. They have evidently been able to gauge the Tariff proposals in advance much more accurately than some honorable members on this side of the House. We have not got the particulars before us, but I venture to think that a large portion of this loading up has taken place in New South Wales where there was no duty upon the goods in question, and where they knew that any change must be for the worse. In my opinion it is the New South Wales revenue that will be affected during the bookkeeping period, and not the revenue of the other States. I object to the Treasurer's deduction of £4,000,000, because I do not think that there is any ground for the belief that there will be less importation during 1901-2 than in 1900. Having made that deduction, however, as well as the £2,500,000 for loading up, the Treasurer goes on to tell us that one of the virtues of this Tariff will be that it will immediately reduce imports by £5,000,000 - not in the course of a few years, when these industries have become firmly established.

Sir George Turner

- That is exactly what I did not say. The honorable member is reversing my statement. I spoke of a normal year.

Mr V L SOLOMON

- I have no desire to misrepresent the Treasurer. We are asked to believe that in a normal year the increased manufactures of these States, under the protectionist policy of the Barton Government, will lead to a reduction of imports aggregating over £5,000,000. but the Treasurer does not wait for a normal year to come. This calculation is made as if it is going to be this year.

Sir George Turner

- Not at all.

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Mr V L SOLOMON

- This calculation reduces the taxable amount of imports from £41,000,000 to £29,500,000. The Treasurer then proceeds to deduct another £1,000,000 for gold and specie, a further £1,000,000 for Government importations, and a further £6,500,000 for a free list, leaving the taxable amount upon which he bases his calculations of the revenue which is to come into the Commonwealth at £21,000,000. In all these calculations the Government have shown a magnificent readiness to use the pruning knife. They deduct

£4,000,000 for inflation, another £2,500,000 for loading up, and another £5, 000, 000 of taxable imports owing to the effect of the Tariff in the stimulation of manufactures, but we find that no allowance whatever has been made in their calculations for the gradual and steady increase in our general trade. We have only to look at Coghlan' s Seven Colonies to see that in connexion with our aggregate imports and exports trade there has been for the last four or five years, going back even to 1896, a gradual -expansion which leads us to the not unreasonable conclusion that under federation the trade of the States should continue to expand in at least the same ratio, if not in a greater ratio. In 1896 the total trade of Australasia amounted to £129,000,000; in 1897 to £138,000,000; in 1898 to £147,000,000; and in 1899 to £161,000,000. Looking at similar figures which are available to honorable members, we find that even in the six States of the Commonwealth the figures showing the imports for the past three or four years have gradually been increasing at the rate of something over £3,000,000 a year. Taking the revenue realized by the various States under their separate Tariffs, we find that in 1899 it amounted to £7,437,596. In 1900 it had increased by over £330,000 ; and in 1901 it had increased again by nearly £400,000. Under these circumstances, I find it difficult to understand why the Treasurer, in all his calculations, has given no credit whatever for the probable increase in the trade of the Commonwealth, but has, on the other hand, sought to depreciate the trade of the Commonwealth, and reduce the estimate of our probable income. I can form no other conclusion than that the Government, in framing this Tariff, have been desirous of inflating the revenue, in order that they may be in the comfortable position of having large balances to come and go upon. The Treasurer's estimate of revenue for a normal year is £8,942,401. His estimate for the present year is £8,009,000. In explaining the necessity for raising this large sum of money, the Treasurer says it is due to the States that their position should be kept absolutely clear from financial embarrassment, and that they must have back much about the same Customs revenue as they have been accustomed to receive under their separate Tariffs in the past. But there is one point the Treasurer appears to have overlooked in his calculations, and that is, that since the Federal Convention framed an estimate of revenue to be obtained from Customs duties by the different States, and an estimate of the expenditure in the different States upon the departments to be transferred to the Commonwealth three years ago, the revenues of the States from Customs have gone up by leaps and bounds, and the States, of their own free will, have continued in an equal, if not a greater, ratio, to increase their expenditure upon the departments about to be transferred. I ask, is this Parliament responsible for the fact that in such a department, for instance, as that of Defence, the expenditure by the different States, since the calculation was made as to what it was likely to be, has gone up to the tune of over £250,000 ? Are we to be held responsible for the fact that owing to their desire to adjust the Post and Telegraph departments, the Customs departments, and all the transferred departments, before federation was absolutely proclaimed, they increased their expenditure by making an enormous number of increases in the salaries of their staffs ? In view of these facts, I ask is it a fair thing for the States, and I represent one of the smaller ones, to throw the whole brunt of this undue increase in their expenditure from year to year, since the sitting of the Federal Convention, upon the Commonwealth Parliament, and to ask us to make it good in addition to returning to them the same Customs revenue as they obtained previously ?

Sir George Turner

- The Constitution does it.

Mr V L SOLOMON

- I am aware that the Constitution lays down how it shall be done, but the States, with their eyes perfectly open, have increased their expenditure on these various departments, and, therefore, they cannot expect, unless they are prepared to pay an immense sum through the Customs, their revenue to be kept up to what it was previously.

Sir George Turner

- We cannot cut it down ; the Constitution does not allow us.

Mr V L SOLOMON

- The Constitution gives this Parliament the right to cut down the expenditure on the Defence department, and when we come to consider the immense sum which is placed on the Estimates for defences - £884,000 - and to notice that in the Tariff every article of daily food in use amongst the poorer classes is taxed to the utmost to provide for such an expensive department, I venture to think that there will be a

considerable reduction made in the Estimates, that the desire of the Treasurer that we should assist him in this direction will be fully met. But the point of my argument is that as the States have chosen to increase their expenditure in these departments, knowing full well what their revenues were from direct or indirect taxation, some degree of the responsibility in regard to the expenditure may, with considerable justice, be placed on their shoulders. According to the Treasurer, whose figures I do not doubt for a moment, Western Australia will be deficient by £330,000. That State has an opportunity to easily adjust her finances. She has the power, if she chooses, to tax the products and the manufactures of the other States for a period of five years ; and, in addition to that, she has immense resources on which to levy a land tax or an income tax.

Sir George Turner

- They would get very little from a land tax in Western

Mr V L SOLOMON

- Western Australia would get an immense sum from a land tax. As the owner of some small blocks of land in Western Australia, I can assure the Minister that the value of land in mining townships to-day is something enormous. Quarter-acre blocks in some of the mining townships are worth £5,000 a-piece. But the Government of the State, and a lot of those persons who are interested, are rather reticent about a land tax. I would rather pay a land tax or an income tax on my land there, as I would have to do in South Australia, or some of the other States.

Sir George Turner

- I have to pay a land tax in South Australia, and an absentee tax as well.

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Mr V L SOLOMON

- I would far rather pay a tax of that sort in Western Australia than see the value of my property reduced, as it will be by the mining industry receiving a severe and crushing blow from the taxation which is imposed by this Tariff. It would be very much fairer, even looking at it from the narrow stand-point of my own interest, and certainly much fairer, looking at it from the broader and more statesman-like stand-point of my duty to the working classes.

Mr Kingston

- In Western Australia only ?

Mr V L SOLOMON

- I am speaking of Western Australia and her deficiency of £330,000. In South Australia we have a land tax and an income tax. The Minister for Trade and Customs was so long in power there, that I think he strained the various means of taxation to their limit. He taxed the people alive, and he taxed them dead. He imposed a land tax, an income tax, a probate tax, a succession tax, and other taxes, rising in every instance according to the ability of the taxpayer to bear the burden.

Mr Kingston

- I had the honour of preparing the first land tax for any part of the continent, and I am proud of it.

Mr V L SOLOMON

- And it was on the lines, I think, that the richer the man, or the more valuable the land, the higher the tax. It was levied on the progressive system.

Mr Kingston

- Not in the first instance. Afterwards we made the richer man pay more.

Mr V L SOLOMON

- The taxation was put on the shoulders best able to bear it. The man who had a big lump of valuable land had to pay proportionately to its value. If a man had so many more thousands pounds worth of land, or so many more thousands in income, the tax went up proportionately. In the framing of this Tariff, the Minister for Trade and Customs has not placed the burden on the shoulders best able to bear it, as he did in imposing taxation on South Australia. He has placed the bulk of the burden on the shoulders of the poorer classes and the working classes. The fact that luxuries have been let down so much more easily than they should have been, while the duties on necessaries have been increased as high as they could, I think proves that he has lost sight of his old and sound policy of levying taxation proportionately to a man's ability to pay. I am not suggesting that there should be increased land taxation levied in South Australia, but I think that if the Customs taxation which I shall suggest, were taken off the people of that

State there would be very little grumbling if the State Government imposed some slight additional taxation to make up for it, so long as it fell on the shoulders of those who should bear it. Rather than that the increased taxation on mining machinery, which is likely to adversely affect the trade of Broken Hill - a trade on which South Australia relies for the bulk of her railway revenue ; and which absolutely means to its Treasurer the difference between financial difficulties and making both ends meet - rather than that this increased taxation should be levied on mining material, and the mining interests of Broken Hill and of Western Australia, with which State South Australia does an immense trade, should be seriously affected, it would be much better for the people of South Australia to pay a little more direct taxation. Coming to the Treasurer's figures, I find that he has estimated the revenue for the current year at £8,009,000. This includes the whole of the revenue from customs and excise, the details of which we have had an opportunity of scanning pretty closely. We find that the expenditure upon the transferred departments amounts to £3,507,481. The other expenditure which the States will have to contribute to per capita is £269,726, and I do not think that we have much to growl at in that.

Sir George Turner

- £50,000 of that will be for new buildings.

Mr V L SOLOMON

- There is nothing to grumble at in that so long as the amount is kept within the Estimates. Then I come to the item of arrears to the 30th June.

Sir George Turner

- Those are amounts that ought to have been paid during the last financial year, and which I shall either have to pay this year or carry them on for ever.

Mr V L SOLOMON

- I am not complaining, but I desire to point out that this £246,899, the bulk of which, I take it, should have been debited to last year, was paid to the States previous to 30th June - paid to the States over and above the amount they were absolutely entitled to for that year, because there had been corresponding debits to that amount which now come into this year's expenditure.

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Sir George Turner

- We have had to do it under the terms of the Constitution

Mr V L SOLOMON

- So that, added to the expenditure of £3,777,207, we have £246,899 which was overpaid to the States last year, and which should be deducted from their payments this year.

Sir George Turner

- It will be deducted of course.

Mr V L SOLOMON

- It will be, but in a different fashion. In the meantime we are placed in a worse position for the current year. It is taking the money out of one pocket and putting it into another; but the necessities for the current year are being inflated to the extent of roughly £250,000. Deducting the expenditure of the Customs department, and one or two other items, amounting to £269,368 - particulars of which are to be found at page 13 of the papers given to us by the Treasurer - and deducting also the revenue from the Post-office and Defence department, amounting to £2,330,750, we find that the total to be provided out of customs revenue amounts to £1,423,988. Now the customs and excise revenue, after deducting the expenses of collection, will yield £7,749,632. That gives the Treasurer under his Estimates the sum of £1,937,408, representing one-fourth of the net customs and excise revenue, leaving a balance over and above absolute necessities - excluding £246,899 overpaid to the States last year - of £513,420. So that, including that item, we have a balance of £760,319, because the item of £246,899 has not to be returned to the States in the ordinary way, as they have already had the money and spent it. There is an old saying, that many a man who could demolish a castle would not have sufficient constructive ability to build a pigstye, and destructive criticism is, I admit, perhaps easier than the work of framing a Tariff. At the same time, I can see in this Tariff a very large number of items which could be and should be increased. I have shown that, irrespective of £246,899, which was overpaid last year, and which it is rather unfair to put against this year's revenue because it was not paid over last year, we have a balance of £513,420 to come and go on. I think that we can make increases in various lines of the customs duties,

which will yield still further revenue. First of all, take the line of curtains, frillings, trimmings, and mantles upon which a 15 per cent. duty only is to be charged, and which are expected to yield £318,000. These are mostly articles of luxury, though they do not appear to have included amongst them such things as embroideries, ribbons, and so on. An additional 10 per cent. on that item, increasing the duty to 25 per cent., would yield us another £212,000.

Mr G B EDWARDS

- What about furs and feathers ?

Mr V L SOLOMON

- I have not had time to deal with the whole of the articles. Silk piece goods, which are subject to a duty of 15 per cent., are expected to yield a revenue of £100,875. An increase of that duty to 25 per cent. would give us an additional £66,000.

Sir George Turner

- That would be a free-trade Tariff, which would impose as much duty on the raw material as on the manufactured article.

Mr V L SOLOMON

- I know that the Treasurer knows very little about drapery, and I can excuse him for calling silk dress pieces raw material.

Sir George Turner

- Of course they are raw material to those who make up the dresses.

Mr V L SOLOMON

- If they are raw material, why should flannelettes and woollens, and flannels be charged at the rate of 20 per cent. If the piece of silk from which the lady's 20-guinea dress is to be made is raw material, is not the piece of flannelette valued, perhaps, at 21/2d. a yard, out of which the clothes are made for the children of the working man, also to be considered as raw material.

Sir George Turner

- I should shut it out absolutely if I had my way.

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Mr V L SOLOMON

- That is not the question. The point is that the flannel or flannelette which is required by the poor is charged at a higher rate of duty by 5 per cent. than the silk which only the richer classes can afford to use. That is protection run mad, and this is certainly not a revenue Tariff, because in most of the States the duty on silks and luxuries amounts to 25 per cent., and when 10 per cent. is added for cost of freight and insurance it amounts to really 27 1/2 per cent. on the invoice value. Why should we not levy a higher rate of duty upon the silk dresses, and flowers, and furbelows that the rich only can afford to use than upon the flannels and flannelettes and the blankets which are used so largely by the poorer classes?

Sir George Turner

- Does the honorable member want a heavier duty upon imported silk articles ?

Mr V L SOLOMON

- No ; I am not a protectionist. We do not import made up silk dresses, or rather we import very few of them. As a rule, the silk required for dresses which cost from five guineas to twenty or thirty guineas is imported in the piece and is made up locally by fashionable dressmakers.

Sir George Turner

- Does the honorable member say that there is a 25 per cent. duty on silk in any State ?

Mr V L SOLOMON

- I think that in South Australia the duty is about 25 per cent.

Sir George Turner

- It is 15 per cent. in South Australia.

Mr V L SOLOMON

- Upon most fancy goods I know that the duty in South Australia is 25 per cent. Rufflings, pleatings, ruchings, furs, &c, all carry a duty of 25 per cent. in that State. Cushions and curtains are also taxed at the same rate, and in fancy goods generally I know the Treasurer will find that the list is still further extended.

Sir George Turner

- The honorable member was talking about silks.

Mr V L SOLOMON

- I am saying that the duty could properly be increased to 25 per cent. To impose a tax of 15 per cent. upon pieces of silk from which the dresses of wealthy people are made, whilst levying 20 per cent. upon a piece of flannelette is ridiculous. I am surprised that the Treasurer should attempt to justify it. These two lines- - curtains, frillings, &c., and silk piece goods - could properly be increased to the 25 per cent. limit. That would bring in an increased revenue of £278,000. I do not believe for an instant that the effect of the Tariff for some years to come will be a reduction in the value of the imports of taxable commodities by £5,000,000. I am inclined to estimate that reduction at about one-half, and even then I think I am well within the mark. I do not believe that in a normal year the suppressed imports will represent a value of more than £2,500,000.

Sir George Turner

- Then this cannot be such a heavily protective Tariff as the honorable member says it is.

Mr V L SOLOMON

- It is a heavily protective Tariff in regard to a number of the industries of Victoria - the starch industry and the boot industry, for example. Upon tobacco an increase of £50,000 to the revenue could easily be obtained without injuring the manufacturers in the slightest degree, and whilst still allowing them a full opportunity of making reasonable profits. Assuming that the effect of the Tariff will be to reduce imposts by £2,500,000, instead of £5,000,000, a 10 per cent. duty would result in a further contribution to the revenue of £250,000. Now, if we add to the balance shown on the Treasurer's figures - £513,420- the sum of £246,899, which represents the arrears from last year, the increased revenue which I estimate from a higher duty on curtains, frillings, &c, £212,000, on silk pieces £66,000, on tobacco £50,000, 10 per cent. on £2,500,000 of additional imposts £250,000, and a further amount of £300,000 which would be yielded by a 10 per cent. duty upon my estimate of a natural increase in trade of £3,000,000, the total amount will be brought up to £1,638,319. This, with a reduction of at least £100,000 in the proposed expenditure on defence, which is unnecessary, will bring the total of savings and increased revenue to £1,738,319.

Sir George Turner

- If the honorable member brought the duty upon silks up to 35 per cent. he could get more; but he would stop their importation.

Mr V L SOLOMON

- A duty of 25 per cent. on silk dresses and fancy goods has not stopped their importation into the other States, and it will not stop their importation now. My idea is that the operation of this Tariff will result not in a decrease in the value of taxable imports to the tune of £5,000,000 as estimated by the Treasurer, but in a decrease of £2,500,000. A duty of 10 per cent. upon this amount would result in an increased revenue of £250,000. I also calculate upon a natural increase of taxable imports of £3,000,000, which at 10 per cent. would yield a further contribution to the revenue of £300,000. But if we leave out of consideration both of these items, we shall still have nearly £1,200,000 in excess of the amount which I believe it is necessary to raise. If we remitted the duties upon galvanized iron tanks, starch, candles, arrowroot--

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Sir George Turner

-We do not import 1 lb. of arrowroot.

Mr V L SOLOMON

- Then how is it that there is an estimated revenue from it of £13,790?

Sir George Turner

- That is from arrowroot, sago, &c.

Mr V L SOLOMON

- Arrowroot, tapioca, and sago, which are necessities of life to the poorer classes, are estimated to bring in £13,790. If we remove the duty off milk we lose £28,750; off cocoa and chocolate, £32,540 ; and off coffee, £23,463. To reduce by one-half the duty on currants and raisins will take £76,222, while a similar reduction of the duty on rice will give another £71,211 to the taxpayer. There is still ample margin left for the reduction of the duty on kerosene. Without more fully going into detail, I conceive that by striking off the duties on many of the necessities of life, and on mining machinery, timber and agricultural

machinery, which represent the three leading industries of Australia, we can readily reduce the burden on the taxpayer by £1,000,000.

Sir George Turner

- The people would have to pay taxation in some other way.

Mr V L SOLOMON

- I have endeavoured to show, during-

Mr Spence

- Three hours.

Mr V L SOLOMON

- I do not think I have been speaking more than two hours, and I am sure that it cannot be said I have wasted a single moment in dealing with this important subject.

Mr Kingston

- Three-fourths of what the honorable member has said this morning he said last night.

Mr V L SOLOMON

- If that be so, the blame rests with honorable members on the Government side of the House, who did not remain last night, and would not, without explanation, have been able to appreciate the context of my remarks this morning. The blame rests also with the Government for insisting upon proceeding with business last night, when their own supporters went away and left half-a-dozen members of the Opposition to continue the debate.

Sir George Turner

- The Opposition benches are pretty well empty now.

Mr Kingston

- If the honorable member had last night hinted he was going to repeat himself, an adjournment would have been granted.

Mr V L SOLOMON

- I am doing no more than my duty to those who have sent me here, and I have as much right to devote the necessary time to this subject as have the supporters of the Government.

Mr Kingston

- The honorable member is wasting time.

Mr V L SOLOMON

- If there has been any waste of time, it was when the Minister for Trade and Customs presented ' this Tariff to the House, and when for the considerable period, he dealt with every possible subject under the sun except the Tariff. Members of the Opposition have received little consideration, for which they can thank the Government. We have been forced over and over again to address a House of empty benches, because Government supporters, while insisting on the debate being continued, have declined to remain. Members of the Opposition had to sit here until twelve o'clock last night in order to keep a House, and if they are not present in numbers this morning it is because they do not require arguments from me to make them true freetraders.

Mr Kingston

- A speech from the honorable member will clear a crowd like " God save the King " or the Riot Act.

Mr V L SOLOMON

- The delicacy of the right honorable gentleman's humour is better appreciated by those who hear it for the first time than by myself, who recognised his remark as a " chestnut," which times out of number has been played off in the South Australian Legislative Assembly.

Mr Kingston

- The honorable member is successful in occupying time, but not in occupying attention.

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Mr V L SOLOMON

- The right honorable gentleman at no distant date may have extended to him courtesy similar to that he is now extending to me. I have no apology to make for occupying the time of the House at length, and a reference to my speech, as recorded in Hansard, will prove that I have not uttered an unnecessary word. I have endeavoured to deal with the principal questions involved in this Tariff, which is one which presses unfairly on those least able to bear the burden. The estimates of trade and revenue have been



ridiculously inflated, and it will be the duty of the House to make considerable reductions in the rates of duty in many instances. I shall give my vote for the motion submitted by the leader of the Opposition, because I absolutely agree with every word of that motion. I am carrying out the pledges I gave to my constituents in South Australia early in January, within a week of the declaration of the Government policy. I shall endeavour to lessen the burden of taxation, by decreasing duties where I think they unduly press on the producing and working classes, especially where those duties are intended not so much to produce revenue as to bolster up the manufacturing industries of the State of Victoria. Underlying the greater part of the Tariff, I see a distinct attempt to conciliate and obtain the votes and support of honorable members representing that State. The Tariff is more a Victorian than a Commonwealth Tariff. It is more a Victorian Tariff than a Tariff for the improvement and advancement of the industries of the Commonwealth; and its incidence is grossly unfair in many instances.

Sir George Turner

- Would the honorable member support an excise duty on Australian wine?

Mr V L SOLOMON

- When the time comes I shall be found voting for an excise on Australian wine, as I was found voting for an excise on Australian beer. I am not afraid of a few wine-growers in South Australia ; nor should I ever truckle for votes to any section of the community I represent. Fortunately, as South Australia was polled as one constituency, I am a member for the whole State, and not for any little corner or section of it. When the time comes, as it may come, when the revenue from duties on foreign spirits becomes very small, owing to the increased consumption of Australian wine - and the wine industry I believe will grow by leaps and bounds - it may be necessary to impose an excise on our wines to make up for the loss upon imported spirits. I hope that will be the ease, because the consumption of our own wines is better for the people than the consumption of ardent spirits. In that case it will be quite as fair to impose an excise on wine as on the beer of the working classes, and I shall probably be found voting for it. I am entirely in sympathy with' the motion submitted by the leader of the Opposition, and I compliment the right honorable member upon bringing this definite issue not only before this Parliament, but before the public of Australia. The expressions of opinion that are pouring in day by day from the States, and which will continue to pour in, as the unfair incidence of this taxation becomes more apparent to the people, will, I hope, induce many honorable members to follow the example of the honorable member for Flinders and the honorable member for Grampians, and to institute such a critical examination of the Tariff as will induce them to vote for the motion. I hope, at any rate, that many honorable members opposite will be found voting for reductions in the amount of the duties, and certainly for reductions in the Estimates of Expenditure. I thank honorable members, with one or two exceptions of impatience on the Treasury bench, for the hearing they have accorded to me. We know that certain persons are impatient unless they can have things all their own way, which they cannot expect in this Parliament. With those exceptions, I am much obliged to honorable members, and I am sure that the House will not accuse me of wasting time in the discussion of so important a question.

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Mr Piesse

- As a matter of personal explanation, I desire to allude to the attack upon me which has been made by the honorable member who has just resumed his seat. I did not take up much time in speaking yesterday, and I think honorable members will afford me a few minutes for the purpose of making an explanation. The honorable member for South Australia, Mr. V. L. Solomon, charges me with having been supported by the Free-trade and Liberal League of Tasmania, and with having deceived them by declaring my intention of voting with the Government on this occasion. I wish to say that I never accepted the platform of the Free-trade and Liberal League. On the first occasion, when I addressed a meeting in Tasmania, when the platform of the league was discussed, I took exception to certain planks in that platform. The plank to which I took particular exception was No. 5. I did that before I became a candidate, or was known to be a candidate. The fifth plank in that platform was as follows : -  
That the first Federal Tariff should, as far as the exigencies of the several States will permit, embrace a number of duties somewhat similar to those in force in Great Britain with the intention of as soon as possible establishing a free breakfast table, any deficiency in revenue in such latter case to be made up by direct taxation.

I have always repudiated that as in any way possible for the Commonwealth. I also repudiated some resolutions which put the point still more strongly. One such resolution was as follows : -

The free-trade party will endeavour to restrict the Federal Tariff duties upon intoxicants and narcotics, leaving it to each State to provide for tiny deficit in its accounts by such methods of taxation as may recommend themselves to the people of such State.

I repudiated that also. Further, when I was asked by the gentleman who was secretary of the Free-trade League in Launceston to take part in forming a league in Hobart, I said, in a letter to him -

Apart from lacking the time, I have this difficulty to face. One who is in the front of a freetrade society must put free-trade first. Now I am not sure that Tasmanian federalists can do this. Our financial position for the first few years of the Commonwealth will be such a difficult one, that I fear all our energies must be expended in getting the largest possible Customs and Excise revenue.

That was written before my name appeared in connexion with that league -in any shape or form. The president of the league informed me that they had had some difficulty about choosing me as one of their candidates, and on the 18th of March I received a letter containing the following passage : - .

It was resolved that I should write you and ask you a definite question as to your attitude on the fiscal issue. This I regret has been found necessary in consequence of certain platform and press utterances of yours.

The question that I was deputed to put to you is Should you, on the assembly of the Federal Parliament, if you are elected, find that the protectionists range themselves on one side of the House of Representatives and the free-traders on the other, on which side will you sit ?

Mr SPEAKER

- The only right which an honorable member has to speak a second time upon a motion is that conveyed by Standing Order 260, which Says -

A member who has spoken to a question may again be heard to explain himself in regard to some material part of his speech which has been misquoted or misunderstood, but shall not introduce any new matter. I am inclined to think that the honorable member is introducing new matter, and therefore he has no right to speak under that standing order. Probably, however, as the honorable member is complaining of what he takes to be an attack upon him, the House will grant him leave to speak. In that case I point out that the honorable member is not speaking in pursuance of the standing order, but by leave of the House.

Honorable Members. - Hear, hear.

Mr Piesse

- I thank you, sir. I did not wish to be out of order, and I thank you for putting me right, and the House for giving me leave. The honorable member for South Australia, Mr. Solomon, who has attacked me, did not hear my speech last night.

Mr V L SOLOMON

- I heard a great portion of it.

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Mr Piesse

- If he had done so, he could not in justice have made the remarks he has' made. I was quoting a letter from the president of the Tasmanian Free-trade and Liberal Association. The question I was asked to answer I have already quoted. The letter concludes -

If your answer should be "with the free-traders " without qualification, will you cause the question I asked you, and 3'our answer to be published once in every Tasmanian paper issued before the 22nd inst.

That was very short and sharp. My answer to it was a reference to a letter which had appeared in the Launceston Examiner, and a statement that I had no further reply to make. I do not think that the free-traders of Tasmania ever misunderstood my intentions. I wrote to the press, I addressed meetings all over the State, and I never gave the people any reason to doubt what my attitude was. Indeed the president of the league summed it up, for he went to Sheffield and made a most virulent attack upon me. He denounced me as unworthy of the support of free-traders. If the honorable member takes these facts into consideration, he will know what my attitude was. I do not quarrel with free-trade because I have been thus attacked. I am not going to depart from what I believe to be right principles because of that incident. I fully explained my position in the advertisement to which the honorable member has referred,

and I set forth my governing principles as follows -

. Inter-State free-trade.

Revenue Tariff to suit our needs, and stave off heavy burthens of land and income taxes.

No Commonwealth direct taxation.

A fair trial for Mr. Barton as the first Federal Premier, and general acceptance of his platform ; but his fiscal proposals must fit Tasmania's necessities as far as possible.

I have not yet voted upon the Tariff. All that I am going to do is to vote against intrusting to the leader of the Opposition a task which I am sure he would not undertake in such a way so as to fit the necessities of Tasmania. I have yet to see what the Tariff is going to be, and, therefore, it is a little premature for the honorable member who has just resumed his seat to attack me upon my attitude upon it, because I advertised " No truckling to Victorian protectionists." I am sure that the speech which I delivered last night did not please many honorable members on the Government side of the House, and it is open to honorable members to read it for themselves.

Mr SYDNEY SMITH

- Would the honorable member mind reading the whole of his election advertisement ?

Mr PIESSE

- I think I have read the strongest passages in it.

Mr SYDNEY SMITH

- In fairness to the honorable member for South Australia, Mr. Solomon, the honorable member might read the whole of it.

Mr Piesse

- Very well. I have read "the first four paragraphs. The remainder of the advertisement was as follows : -  
5.No truckling to Victorian protectionists.

Equitable transfer of fair proportion of State debts.

Great gains to the people of Tasmania -

Many articles of daily consumption freed from heavy duties that now increase prices.

A free market for Tasmanian products throughout the length and breadth of Australia.

Greatly lessened Customs taxation.

That is the whole advertisement. The only other charge made by the honorable member is that I am false to one of my pledges as set forth in that statement, inasmuch as I am not going to secure a reduction of the duties on the necessities of life. The necessities of life which I had in my mind when I framed the advertisement were butter, cheese, flour, and meat. I did not lead any one in Tasmania to believe that I considered that such necessities of life as tea and sugar could be free from customs taxation. I circulated printed estimates of the revenue to be derived under federal taxation, and included those items in them. I have never led my constituents to believe that kerosene could come free into Tasmania. I do not think I am departing from what I told the people of my State in the advertisement, namely, that certain necessities of life would be cheaper to them under federal conditions than under the conditions then existing, for although one of the articles I named in at - butter - is to be taxed under this Tariff, I know that that tax is not going to be a burden. All the butter that we require will be made in Australia, and will not be taxed at all. Thus, by union, we shall gain freedom of taxation in that respect. The great reduction in customs revenue is the whole trouble with the representatives of Tasmania, because the finances of the State will be upset by it.

Mr V L SOLOMON

- With the indulgence of the House I would like to assure the honorable member for Tasmania, Mr. Piesse, that I was misled in regard to his attitude by the distinct statement in the extract from his advertisement which I had before me that he would countenance "No truckling to Victorian protectionists." I understood by that, that his fiscal policy would be against the protective duties which are inserted in the Tariff. It was in these circumstances that I looked to him to announce his opposition to the Tariff, and to cross the floor of the House just as two other honorable members have done. I had no intention of treating the honorable member unfairly.

Mr Piesse

- The honorable member might have read the whole advertisement.

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Mr SPENCE

- I have listened with some degree of interest, and sometimes with amusement, to this debate on what is supposed to be the question before the Chair. It appears to me that a great many members have wandered away from the motion before us. They have brought up the old familiar arguments which I heard in the days of 1877, when the alleged great principles of protection were introduced in Victoria. The discussion which has taken place reminds me that Mark Twain made a very good hit when he introduced an argument as to free-trade and protection into his book, *The Yankee at the Court of King Arthur*. I am not quite sure that the audience at that celebrated dinner did not display a good deal of wisdom when they chased the modern Yankee, smart as he was, and good old King Arthur away from the place, as men who had escaped from a lunatic asylum. I am inclined to think that the student of social questions in the next century, if he takes the trouble to read the Hansard reports of the first Federal Parliament, will arrive at the determination that there were two sects in this Parliament who entertained peculiar superstitions. He will come to the conclusion that one side considered freetrade to be an absolute panacea for all social ills, while the supporters of protection were strong in the belief that their policy was equally efficacious. He will form the opinion that, as superstitious persons always are, both were equally earnest in their respective beliefs. We have had slabs of more or less unreliable statistics thrown across the Chamber ; we have had the " pink pills " of protection prescribed as a cure for the Opposition, while the Opposition in turn have said that the free- trade " bile beans " should be taken by the other side. It seems to me that from my point of view- the point of view that we should seek to improve social conditions, and do away with the misery which is in the world - neither is of any service to us. I propose, first of all, to state the position that I occupy, not only in relation to this motion, but in regard to the fiscal question generally. I cannot do better than say at the outset that I was one of the very few candidates for election to the Federal Parliament who sank the fiscal issue. My constituents do not know, even at the present moment, what are my views upon it. I know that it is quite hopeless to think of converting honorable members who have got hold of these superstitions. Each side has been trying to do so for a fortnight, with a more or less degree of relevancy to the questions that were before us at the federal election. On that occasion we had before the country three political parties, but mainly only two. They called themselves by certain names, because it is necessary to have a name even for a party. It is a good thing to have a party name, because you can bamboozle the electors with it. It is necessary, too, to have names, just as one man is called Jones and another Smith, that we may distinguish between them, but the names do not in any way express the character of the individuals who bear them. So we had a protectionist party on one side - and by the way I want to be strictly fair, and to say that in New South Wales they denied that they were a protectionist party - they were the "protectionist and progressive" party, and they had a little protection in the name. On the other side were the free-traders. Both these parties, as I pointed out to the electors, knew all the time, and admitted, that the Commonwealth Parliament could not adopt either free-trade or protection. It appears, to me after listening to the arguments, if they can be called arguments, and I do not call them arguments, about free-trade and protection, that honorable members have entirely forgotten where we are. They have forgotten the Constitution, and that we have in it the section popularly or unpopularly known as the "Braddon blot," providing for the bookkeeping system which renders it impossible for us to have that kind of free-trade which the right honorable the leader of the Opposition so eloquently advocated in New South Wales, politics, and which had some principle in it - that of an absolutely free port and direct taxation for revenue. But the right honorable gentleman has departed from that policy, and joined the good old conservative revenue tariffists of Victoria: The policies put before the electors were in many respects misleading, and I think that in the debate we have had here, honorable members have frequently departed from the real question before us, and forgotten that as we have to raise a certain amount of revenue, we cannot have free-trade - the kind of thing worth calling free- trade, a free port, or English free-trade if honorable members, prefer to call it so. We must have a revenue Tariff, because neither side of the House agrees to direct taxation. If they did it would alter the whole situation. I pointed out to my electors that it was impossible for the issue of free-trade or protection to arise until we had some experience of the effects of the abolition of our border duties, and until the abolition of the bookkeeping system provided for by the Braddon blot. It is then only that the fiscal issue can be brought up and debated, and I suggested that it should then be decided by the electors by referendum whether we should have full protection or absolute

freetrade. The time has not come for that decision yet, and hence the only question before us is as to the incidence of the taxation which must be imposed. I shall consequently dismiss the question of the Tariff in a very few words. I recognise that no matter who is in power, if we gave a dozen men instructions to frame a Tariff to raise- £9,000,000- and I do not know whether £9,000,000 are or are not required - they would probably bring in a dozen Tariffs all differing with regard to the various items upon which duties were placed.

There would probably be also a variation in the percentages of duties to be charged, but the ultimate result would be the same in each case. As one who holds that there are only two factors in production, land and labour, and that labour pays the whole lot - I mean labour in the broad sense, not pick and shovel work only, but including all work of hand or brain - I say that the difference between the two parties who have presented policies to the country is only a difference as to the number of articles upon which duties are to be placed, and possibly a variation of percentages. One would place a duty on hats and the other on boots, but the working man pays the tax no matter who fixes it. I expressed my surprise when the Tariff was presented at the duties fixed being so high. I am not expert enough to be able to judge, but it appeared to me on the face of it to be an unlikely Tariff to produce revenue. If there is anything in the claims of the protectionists it should not produce revenue. With respect to a very great portion of it, the result should be that local manufactures will displace imports, and if they cannot do that under the high Tariff proposed here, I am afraid they never will do it under any sort of Tariff. The Government assures us that from the experience of the States this Tariff will produce revenue; still I am one of those who believe that in the case of very many items the duties imposed are unnecessarily high and unjust in their incidence, and I shall join with those who advocate a reduction of them when we get to the committee stage. I do not say that the Tariff satisfies me, but I am one of those who are sinking the fiscal issue. I recognise that the fiscal issue has very little relation to social reform, and there are other issues, which, to my mind, are of far greater importance. I told my electors that I should support the Government that would go furthest in the direction of social reform, apart from fiscalism. I told them that I should stand any amount of fiscalism they might introduce, if their policy in other respects was in the direction of the reforms which I advocate. That is the thing that is going to decide my vote upon this motion of censure, which seems somehow to be forgotten in this debate. It has not been like a censure debate in any way. A motion that involves a change of Government is a very important matter. I am sorry that some members of the House should seem to be so much frightened by letter from their constituents. A change of Government seems to some of them a matter of small concern. It is a big thing, and, while I recognise that a change of Government is important, and I am not prepared to assert that equally good democratic measures would not be brought forward by the present Opposition, I have heard nothing from them to indicate that they are prepared to propose anything better than the present Government. I may therefore say, straight away, to ease the minds of those people who wonder how Spence is going to vote, that I have not heard enough to convince me that there is going to be any gain, from my point of view - the point of view of social reform - from turning this Government out and putting another in. Upon this motion of censure, therefore, my vote shall go with the Government.

Mr Henry Willis

- What measures, does the honorable member want in the way of social reform ?

Mr SPENCE

- The honorable member is not a party leader. I have been rather surprised at some of the contradictions given utterance to by members on both sides of the House. We have heard from the high priest of protection in Victoria - who I understand is now the honorable member for Melbourne Ports -and also from the Attorney-General, and, by way of interjection, from both, that this Tariff is not high enough, and that it will simply ruin some of the Victorian manufacturers.

Mr Deakin

- Not the manufacturers.

Mr Mauger

- Their employees. I do not trouble about the manufacturers.

Mr SPENCE

- The honorable member for Melbourne Ports asserted that the people did not pay these duties, and that protection has the effect of cheapening goods. That may not be a puzzle to the honorable member, but it

is a puzzle to me, and I should like some one to clear up that statement and a few others. How is a duty to be of any advantage to the manufacturer if he does not get the benefit of higher prices? What kind of help can it give him if he sells cheaper than he did before?

Mr Mauger

- He gets the market.

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Mr SPENCE

- What is the good of the market to him if he cannot get a profit out of his business ? If he can sell at as cheap a rate as the imported article, what does he want protection for, and how is he going to be ruined by this Tariff not being high enough ? That is the kind of puzzle suggested to my mind by the remarks of the honorable member. Many claims have been made throughout the debate for protection or for free-trade, but honorable members have agreed that protection does not increase the yield of milk from Victorian cows, and that free-trade does not affect the weather in New South Wales. That is about the only thing that has been admitted. I want to deal briefly with some of the peculiar arguments which have been used in making comparisons. In my study of social science and scientific questions, which has been considerable, I have always understood that there has to be some degree of similarity between two things before a comparison can be instituted. We do not compare a man's actions with a cow's, because there is no great similarity between the two, except perhaps in some few respects. To compare New South Wales with Victoria, and to quote more or less unreliable statistics in support of the comparison appears to me a very great waste of time, to say the least of it. A country may be absolutely without factories, and yet be in a very prosperous condition ; it may not suit her to have factories. The whole idea seems to be - and I know it is principally a Melbourne idea, - that manufactories are everything. I am not so much gone on manufactories. I would rather have the people settled in homes on the land and off the wage market than see anybody put in a position in which he has to go round looking for someone to boss him, and pay the boss handsomely for doing it. I do not think there is anything in making a wage-slave of a man. ' A great deal of reference has been made to England. The honorable member for Gippsland compared England prior to 1840, when he says she was under protection, with America, and among the peculiar illustrations he used, he compared the output of coal in England with the output of coal in that then young country. Could anything be more ridiculous than a comparison of that kind ? What it has to do with the Tariff is a question which is puzzling me, especially as England required immense fields for the supply of coal for her shipping, and America was a virgin forest, and she had not started factories to any extent. I do not know that there was much to boast of in England at that time. That there was big progress made no one can deny. But what honorable members have failed to see, and what I should like the remaining members who hold these views to explain is, what connexion fiscalism had either with the social evils of England or with her success. I, for one, deny, and I challenge any honorable member to prove, any connexion between the two in England, Australia, America, or any other place. That the fiscal question is a factor in social conditions, though a very small factor, I admit ; but there are numerous other factors which, in this debate, seem to have been forgotten. I have only to remind honorable members of the position of the masses in the early part of the century. It was only in 1832 that women were relieved, by the Earl of Shaftesbury's Act, from working in the mines. I have known women who carried to the grave, not many years ago, marks on their bodies caused by the straps they had to wear round the waist to carry the chain with which they dragged the trucks in the coal mines. Some of them had to sleep down below, and never saw daylight except occasionally. According to the arguments of the protectionists, that state of things was due to protection. That is the most extraordinary kind of reasoning I ever heard. Would it not be remarkable if in this century of advance in the application of science, and the introduction of machinery, a go-a-head virile, energetic nation like the British had failed to succeed and make progress and bring about changes? They have made progress, but fiscalism had nothing to do with it. What connexion has the free-trade policy of England with the big socialistic reforms in Glasgow, with some of the changes in Birmingham, with the London County Council's work ? What has the fiscal policy of England to do with the advance of the cooperative movement, in many industries which has obliterated every middleman and secured the profits of the industries to the people ? Nothing whatever.

Mr Henry Willis

- Did not the liberals introduce the legislation ?

Mr Watkins

- Not in all cases.

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Mr SPENCE

- It does not matter who introduced the legislation. The argument has been that these results have been due to the fiscal policy. The scientific method is to show the relation of cause and effect. Take honorable members on the other side who have been throwing at us the white slaves of England - who have been quoting, and quoting correctly, the disgraceful condition of her workers, and the pauperism of England, and charging all that to her free-trade policy. It is not relevant: it has no connexion with her free-trade policy. I could quote American statistics which make the condition of the workers even worse than that of the workers in England. But I do not attribute that result to her policy; nor do I charge other failures to the free-trade policy of England. The policy has nothing to do with the cause. It is inherent in our social system, and is something apart from fiscalism and methods of raising taxation. According to the best authorities, -who are not altogether political, on the American continent there are 3,000,000 paupers. The high priest of protection here does not tell honorable members that. The protectionists do not tell us of these things, lest it might be said that it is because of protection.

Mr Mauger

- I shall be very glad to admit it, if the honorable member will show me his authority. I cannot find it. I do not want to bolster up America.

Mr SPENCE

-It is only a rough estimate, but it is given on good authority. In the United States there is a labour bureau in each State, with head-quarters at Washington, in which, under instructions from the Government, are carefully collected facts and figures in relation to industries.

Mr Mauger

- I shall be glad to see them.

Mr SPENCE

- Anybody can see them. I do not want to quote the statistics. I thought the honorable member was familiar with them, and I am sorry to learn that he is not. I can understand now how he gets his very peculiar notions on questions, and why he has such faith in protection. The labour reports are issued at Washington in big volumes. I propose to touch a little on another side of the question, and my authority in regard to machinery is drawn from the same source. The rule in discussing these questions is to attribute certain results to entirely wrong causes, and I challenge honorable members to show the relation between one thing and the other. Reference has been made to the development and growth of trusts. The great home of trusts has been America. The Americans are a go-ahead people, who run pure commercialism,, which the English first introduced, at a faster rate than she does. It is a very natural development, not due entirely to the protective policy - aided and helped by it I admit, because they get a better chance there, but that is not the cause of it - but due to social conditions and mainly to a fact which, to my astonishment, has been very much overlooked in this debate, and that is the effect of machinery. This is the age of machinery. There has been a very great development in every branch of industry. When honorable members talk about the cheap products of foreign low-wage countries and all that kind of thing, they entirely forget that in very many industries wages have ceased to be a factor in the cost of production. Years ago, in the spinning and weaving industries, 90 per cent, of the labour was displaced by machinery. The inquiries have been made very carefully by the American authorities, and there is an immense data to work on. Some of the work is most elaborate, as any one may see in the reports. I shall take farming, as it has been referred to. Through the aid of the splendid machinery they have on the very large farms in the States, for instance in Minnesota, Dakota, and California, one man can produce 5,500 bushels of wheat per annum; one man can turn 5,000 bushels, leaving 500 bushels for seed, into 1,000 barrels of flour, and it is estimated that three men can feed 1,000 men. That is all done by machinery. They have all the most up-to-date appliances for loading and the cheapest freight trucks they can produce for carriage. Is it any wonder that the farmer in Australia, Russia, or anywhere else cannot compete with the farmer in these American States? Owing to the investment of capital in improved machinery for use upon the large farms of America, the agriculturists there are able to undersell the farmers of other countries, where less advanced methods are adopted for tilling the ground and harvesting the crops. The same thing will apply

to manufactures. The question as to whether a manufactory will pay depends, not upon the wages that have to be paid for labour, but upon the efficiency of the machinery and the management and organization of the industry. Take, for instance, American boots, which are, according to some people, better finished and more up to date in pattern, and which, therefore, secure the public patronage.

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Mr Mauger

- That is only prejudice.

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Mr SPENCE

- People have prejudices, and it is very unfortunate, to my mind, that there should be such a strong prejudice in favour of protection as the cure-all of social evils. So long as men's thoughts are concentrated upon that kind of fiscal "pink pill" they will not see other things that they ought to see. The effects of machinery upon industry have changed the manufacturing relation of the different countries of the world. I do not propose to go into many details, but I shall mention a few facts in order to illustrate my ideas. Four men and six girls working machines in paper manufactories in the United States now do the work that was originally performed by 100 men. In the manufacture of wall-paper one man now does the work that was formerly done by 100 men. In the spinning and weaving industry 98 per cent, of the labour formerly employed was displaced years ago by the introduction of improved machinery. I had a talk some short time ago with a representative of one of the largest cloth and woollen manufacturers in England, who was then on a visit to Australia. He said that long ago the question of wages had entirely ceased to be a factor in the cost of production, as the work was done by machinery to such a large extent that wages were not a matter of serious consideration. I am not overlooking the fact that wages do count in the making up of cloth into garments, and it is in such industries that we have the sweating that has been so much complained of. But it is an economic truth, that no high-wage country need fear the competition of any low-wage country, because the high-wage earners are more efficient than those who are badly paid, and when I hear honorable members speaking about shutting out goods manufactured by the employment of labour at low wages, I wonder where they have been living, and whether they have not just awakened after a sleep of 100 years or so. The success of Germany in competition with England is due not only to the expansion of enterprise, arising probably out of the federation of that great people, but to the fact that, in common with France, they have availed themselves of the advantages of technical education to a far greater extent than England has. It is the policy of the Germans to educate every one to follow some trade - rich and poor alike - whereas the tendency of English people, when they have received a decent education is to look for some employment in which they can keep their coats on. The Germans have applied science to the commercial undertakings in every possible way, and have utilized the brains of the people in carrying on their industrial enterprises. Most of the foremen and managers of their factories hold university degrees, and are men who know all that can be taught in the best of their schools. If the people of this Commonwealth are going to hold their own under any fiscal policy they will have to adopt the same methods, and keep thoroughly up to date in their manufacturing enterprises. No fiscal policy by itself will enable them to compete with the outside world. We may put a high protective wall - around the country, but that will not teach us to manage our business according to the most advanced ideas, or with the best economic results. Germany and America have followed the very best methods, but I expect that, in the very nature of things, England will lose her cotton trade for another reason. The more rapid means of transit that have been afforded of late years, and the extensive ramifications of trade, have changed the ideas of a great many people, and the old conservatism of the English manufacturers - solid and much to be admired in many respects - is being dissipated, and the Englishman is becoming imbued with the go-ahead ideas of the American, and is taking his capital and his plant to the countries where the raw material is produced. If it suits the English manufacturer to go to America, he will go there, as he will be perfectly secure under the stable government of that country, and will find himself amongst people of his own blood. These are the factors that seem to me to enter very largely into this great question of competition between different countries, and these are all apart from fiscalism pure and simple. The formation of trusts is not due to any particular fiscal policy. I admit that, under a high protective Tariff, the development of trusts has been encouraged to a larger extent than under free-trade ; but I would remind my protectionist friends that most of the advanced thinkers and



writers of the continent are free-traders. I do not know how they reconcile that fact with their idea that protection is an essential in any scheme of social reform. The rapidity of invention in connexion with machinery largely contributes to the formation of trusts. Those who have their money invested in machinery must keep themselves thoroughly up-to-date, and adopt all the latest inventions if they desire to retain their business. It is difficult for individual manufacturers to do this, and thus combinations have been formed, not always with the object of securing a monopoly, but owing to the very nature of the social system we have set up. No system of fiscalism will interfere with or prevent the formation of trusts. I know that in America trusts are illegal, and I would advise those honorable members who want information on the subject of trusts to read Lloyd's work, *Wealth versus Commonwealth*, in which he gives the history of the Standard Oil Trust.

Mr Kingston

- Has the honorable member noticed a clause in the Canadian Customs Act which is aimed against trusts ?

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Mr SPENCE

- I know that the federation of America has used all its powers, and that on every occasion it has been defeated by the trusts. There is hardly a crime under Heaven of which these trusts have not been guilty. America is a gloriously free country. In one State a company planted their cannons in position in order to prevent another company from carrying oil to the seaboard. It is only in a gloriously free country that such things are permitted. They would not be permitted in England. In America the trusts have defeated the law by various devices, some of which are not unknown even in Australia. They have purchased newspapers so that they might control the editorial columns, and have engaged in all sorts of schemes in order to defeat the law and to gain their own ends. I may incidentally mention that recently some of the States of America have discovered a new method of dealing with these trusts. As they have failed to abolish them by means of their law courts - because the trusts took very good care to procure the appointment of their own judges - they have adopted the principle of taxing them. This action has aimed a bigger blow at the trusts of America than has anything which could be accomplished by force of law. I claim that these rings or combines are inevitable, and that from a philosophic point of view they are rather a good thing. They are good in that they teach the people, slowly it may be, but by 'the only method by which people will ever learn anything, namely by punishment, the advantages of combination. They teach the people that if one big trust managed by a few men can control the whole output of the world, let alone that of America, they themselves ought to control industry, instead of allowing the enormous profits which are being made to build up millionaires like the Rothschilds and others. I regard trusts, therefore, as an inevitable factor in the development of co-operation. I contend that they are inevitable from the condition of things which has been brought about chiefly by the introduction of machinery. The protectionist principle seems to me to proceed upon something like the following line of reasoning: There are perhaps 100 bootmakers idle in Victoria. They want work. They approach the Government, and say - "If you will put a duty upon boots, we know a gentleman who will erect a factory and employ us." The Government accordingly impose the duty which is demanded. The 100 men thus find employment. But what happens? The moment they become employed, the news goes forth that there is not an idle bootmaker in Victoria. Consequently the idle bootmakers from the other States crowd into Victoria. The employer, for his own benefit, because he knows that if there is a lack of hands he cannot keep his wages down, circulates the report that there is plenty of work for bootmakers here. The result is, that instead of 100 bootmakers being idle in this State, there are soon 200 or 300. That is the best that protection can do. Does it give employment ? Certainly not ! In this age of invention capitalists are very careful how they invest their money in industries in which machinery is the main factor in production. If they employ labour, the moment they find that any particular industry does not pay they can close their factory, and their machines, the workers, walk away and look for employment elsewhere. But when they invest their money in machinery, if their industry does not pay, they cannot sell that machinery, because it is out of date. Hence no wise commercial man will invest his money in any industry unless the machinery employed in that industry is very nearly perfect. Otherwise he would have to purchase every labour displacing machine as it came out. We have only to look at the printing trade in order to see the wonderful advance ' which has been made in labour-displacing machinery within the last few years. The linotype now does the work

which previously employed seven men. Then there are machines which print and fold newspapers at the rate of 72,000 an hour. One single invention in the printing trade enables type to be produced 60 times cheaper than it could previously be produced. A man with these mechanical appliances is able to cut out a newspaper, established under the old conditions, by reason of the fact that he can issue his journal so much earlier. To say that the high duties which this Tariff contemplates will increase the employment of labour is simply to close one's eyes to the circumstances surrounding us, and to ignore existing social conditions. I consider that just now we are in a transition stage - one of the most intensely interesting periods that the world has ever known. On the one hand we have a condition of things growing up similar to that which existed when the nations of the old world fell. When Egypt fell, 97 per cent, of its wealth was owned by 3 per cent, of its population. When Babylon fell, two men held the land, and the people were slaves. When Persia fell, one man owned the land ; and when Rome went down, about 1,800 owned it. We cannot ignore the fact that the land and the means of production are rapidly getting into the hands of a few. It is certainly so in America. In sunny New South Wales, under the benign influence of free-trade, 600 persons owned more than half the land in 1896. In South Australia, 703 persons owned more than half its land values, and in New- Zealand 1,600 individuals own 17,000,000 acres out of the 19,000,000 acres of land which have been alienated there. Even in France, with its peasant proprietary, the land is passing into the hands of the Rothschild family, and a few others. We are drifting towards the point at which ancient civilizations fell. The problem which faces thoughtful men is - " Are we going to survive, or shall we go down?" I think that we shall survive. There is a great education going on amongst the people. An interest is now being taken in social conditions such as was never taken before. We see it in our literature and in our legislation, and even in the discussion of superstitious free-traders and protectionists, that is, in the discussions of those who think that one or other of these fiscal systems is a cure-all. I am not charging every member here with that fallacy. Our first endeavour is to see that all have the opportunity of working so that they may make a decent living under reasonable conditions ; and as one who is not only a student of the subject, but has taken an active part in the movement, I say that too much has been made of the fiscal policy on both sides.

Mr JOSEPH COOK

- Is one policy better than the other 1

Mr SPENCE

- Protection can only employ some people locally, and no reasonable man can claim more for free-trade than that it cheapens the cost of living.

Sir William McMillan

- What does the honorable member call this Tariff - freetrade or protection ?

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Mr SPENCE

- I call it a very extraordinary Tariff - a mixture of free-trade and protection. It is the kind of Tariff I expected, though it is higher than I anticipated. I told my constituents that it was pretty well inevitable that there would be a Tariff with protectionist incidence, because if revenue had to be raised the choice was very limited as between the two parties, seeing that whatever means they adopted they had to realize the same amount. If there is a prohibitive Tariff goods are shut out, and I have already said that, in my opinion, the proposed duties will prohibit importation. At the same time I am convinced, from my own line of reasoning, that it is possible for the foreigner, as he is termed, to undersell us no matter how high the Tariff may be, unless our manufacturers are as up-to-date as the foreigner in their methods. I speak of machinery merely as a further illustration of the position which I take up. It was estimated in 1886 that the machinery of the United States represented 3,500,000 horse-power, equal to 21,000,000 men, though the actual number of people employed was 4,000,000. To put it in another way, to produce the same amount of power by manual labour would require a population of 172,000,000, whereas the population of the United States at that period was 60,000,000. Some years ago it was calculated that in England the producing power of labour had by means of machinery been increased eleven times, and the increase is even greater to-day. It will be seen, therefore, that we want something that fiscalism cannot give us. We want a reduction in the hours of labour commensurate with the increased power of machinery ; or what is the good of machinery ?

The world is not suffering from the overproduction of goods. Carlyle said that we had 2,000,000 of bare

backs in our work-houses, people willing to work and earn money to buy their shirts, but that we would not allow them to do so. Are we to boast of a civilization which directs the whole of our energies to buying and selling the food and clothing that nature, through the forces which men control in the shape of machinery, produces for us with very little expenditure of human energy ? We are trying by means of cutthroat competition to get the best of each other, and in the process we are building up millionaires, who do not possess wealth, but only the power of controlling men. What was the power of Jay Gould, with his £20,000,000? It is a mistake to regard this £20,000,000 as wealth, because Jay Gould had simply the power to make men work and produce for him to that value. What he possessed was only what we call money, and not wealth at all. I am convinced that a solution will come, and it can only come from looking at the evil fairly and squarely. The solution cannot come through any method of fiscalism, and, as I know there is some confusion of ideas on this point, I may be excused for referring to it. In Victoria, in 1877, I took some part in what was then termed the reform movement. I was a resident of Victoria then, and was president of a Reform Protectionists' League. We were driven into two camps, because, from the point of view of the democratic party, the revenue tariffists, who were then called free-traders, were the conservative party. In order to keep away from the conservatives, we had to go into another camp, and, mainly through the influence of the Age newspaper and its writers, the people of Victoria were taught the idea that, by adopting protection, they would be able to provide employment for their own population. No body of men were more loyal and self-sacrificing, or paid bigger taxes towards protection than the miners. Having been told that protection was good, and not having studied the subject economically, they believed that protection would provide the solution of the whole labour problem ; and it has taken a long time to convince people that under protection it is possible for men to be rendered idle. We then had difficulty in convincing people that it was inherent in the social conditions that men should be displaced and rendered idle by machinery ; but now there is no trouble in proving that fact. On the fiscal question the ideas of Victorians developed in the direction of classifying conservatives on one side and liberals on the other. But the conditions-, of New South Wales are entirely different.. In that State there are liberals, democrats, radicals, and conservatives on both sides. I. can understand the astonishment of Victorians, who cannot realize that a man can be a free-trader, and at the same time as. trades unionist and a liberal democrat.. But I know that such is the 'case, because I have studied the subject quite apart from the mere fiscal basis. For years and years we had the old battle; cries at every election in each of the States, until some of us- started to teach men\* that they had gained nothing from the old' parties. It began to be felt that mere fiscalism could not secure reform, and hence there came into politics the labour party,, the existence of which has been more than justified in the present debate in this Parliament, which represents the whole people. There are still a great many members who> are unable to get away from the old fashioned fiscal idea, which, to my mind,, is scarcely worth fighting about. It is worth dealing with in regard to taxation, but I object to any fiscal system being prominently put forward as a cure - all. If the fiscal question be put in its proper place, I recognise its importance, but it isa small factor, and the people have been misled for years and years by the cries on both\* sides. They have been fighting for the shadow and neglecting the substance. An improvement in the conditions of life may come comparatively early, but it cannot come in a day. I have no panacea for all the ills that flesh is° heir to. I believe in employing our own people, but I would go about it in a direct manner. If the people of Victoria want to establish a woollen mill, let them do it, but why should they bribe any man to establish one when he will probably sweat the people who work for him? It is admitted that under protection in Victoria, wages boards and other means for assisting the workmen are necessary. The real progress of the workers in the old country, in America, and in Australia is due to the improvement of labour organizations. I am not over-looking the good work done by teachers in the press, on the platform, and in Parliament, and the practical results of their efforts, but the real improvement of the social condition of the masses has had to be struggled and fought for, and whatever has been accomplished is principally due to the labour organizations. Wages are high wherever the organization of labour is good. Where it is not good, wages are low. I remember that the Victorian statistician in 1897-8 published a comparison of wages paid from 1886 to 1896, and I, being interested in the question, took out 22 lines of occupations connected with farming and pastoral industries. In those 22 lines, I found there "had been reductions of wages varying from 27 to 47 per cent., with the single exception of the shearers, who had had an increase of wages. That increase received by the shearers was due to the fact of their being organized, and reductions in the other cases were due to

the fact that the workmen were not organized. Neither the increases nor the reductions were due to any fiscal policy. Nothing but confusion is caused by quoting partial facts and attributing them to wrong causes. My endeavour has been to correct some of the fallacies into which others have fallen in this respect. When the Tariff gets into committee, I hope some changes will be made in its details. I would point out that "the Constitution places us in rather a peculiar position, inasmuch as it imposes upon us the obligation of collecting money which other people are to spend. We have no control over the expenditure of the States in regard to the taxation which we impose, unless we cut off their supplies ; and if we did that they would say that they were not able to carry on owing to their financial difficulties. It seems to me that it is not a good principle of our Constitution which imposes upon the members of this Parliament the unpleasant work of levying taxation, and confers upon the State Parliaments the pleasant duty of spending the money. Any one of us would rather have the spending of money than the earning of it. That 'seems to me to be rather a wrong-end method. I think that we should be justified in forcing the States to make up their own deficiencies. It would do them a great deal of good if they had to do that, even if they were compelled to resort to direct taxation. I hope that I have now made my position clear. If I were to vote against the Government, the only reason I could give to my constituents would be that I disapproved of their Tariff. I do somewhat disapprove of it, but by voting against them I should be making the fiscal issue of more importance than other questions. I do not do that. I believe that other issues are of decidedly greater importance than the fiscal question.

Mr Wilks

- Would not they be dealt with by a Government formed from the other side of the Chamber ?

Mr SPENCE

- It may be so, but I do not think I should be justified in disregarding the tangible proposals of the Government, and in taking the chance of another Government, whom I do not know, proceeding in a similar direction. I shall be consistent with what I told the electors in sinking the fiscal issue, believing other things to be of far greater importance. I maintain that- no kind of fiscalism will make up for the democratic reforms which I wish to see instituted.

Mr JOSEPH COOK

- The honorable member sinks the fiscal issue by voting for protection.

Mr SPENCE

- No ; I shall vote for the Government because they exist as a Government, and have undertaken certain legislation in which I am interested ; and if there were any other Government in power which had similar measures as part of its policy, I should be inclined to vote to maintain them in power. That, I take it, is a fair position for a man who puts labour first and fiscalism in a secondary place.

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Mr KNOX

- After listening to the thoughtful address of the last speaker, with whose conclusions I cannot concur, I wish to state that in the few words I am going to utter, I have to make more or less of a personal explanation as to my attitude towards the Government, and the position which I intend to take up in connexion with the motion now before the House, and I wish to make at once a frank admission. Ever since the Government submitted their Tariff and Budget, I have felt very grave concern as to what was distinctly the best step to take in the interests of this great country. I feel that the Government deserve from honorable members on both sides of the House the fullest consideration on account of the magnitude of the task which they had before them in preparing a Tariff, and in submitting financial proposals which should bring together the many conflicting interests in the various States now joined in the Commonwealth.

I recognised that the position was surrounded with very great difficulty indeed, and if this motion happened to be successful I am thoroughly persuaded that the present Opposition would experience difficulties which I do not apprehend they desire to undertake. I have felt compelled to view the whole situation in the light of my election pledges. I subscribed cordially and thoroughly to the Maitland programme. Most honorable members, who have the best interests of their country at heart, believed at the time that it was a particularly comprehensive policy, which intended to consider justly the interests of the various States and of all classes of the community. I have read that statement through again since the submission of the Tariff to the House, and I have read also another address which I heard the Prime

Minister deliver in the Melbourne Town Hall. I have considered carefully all the details of those speeches, and I may be pardoned if I express the opinion that in the interval between the delivery of the Maitland speech and the address in Melbourne there appears to have been a different tone adopted by the Prime Minister in regard to the fiscal policy which should dominate this country. Although I declared in favour of free-trade when I was before my electors, I recognised that any one who attempted to completely enforce the free-trade theory would act foolishly, and would attempt to impose something which was impossible; I wished it to be understood that if, by any turn of events in this House, an attempt were made to apply to the Commonwealth in its present financial position the free-trade conditions which had existed in New South Wales, I should not support it. On the other hand I felt that the protective conditions which existed in Victoria could not be brought in as a guiding principle in the framing of the Tariff. There must be a reasonably just compromise between these two extremes. In view of the position I venture to ask permission to read the following extract from my statement to the electors during the election campaign. It was as follows : -

The fiscal policy of the Commonwealth will be dominated by the necessity of raising enough revenue to meet the obligations and the new expenses of the Commonwealth, the loss of intercolonial duties, and the necessity of returning to each of the States an amount which will recoup the sum which it loses by the transfer of the customs and excise to the Commonwealth, so that disturbances in our financial conditions may be prevented as far as possible. I approve most thoroughly -

And this is where I dissent entirely from the last speaker - of the principle that to the States should be reserved the right to make direct taxation, except in cases of urgent national disaster. &lt; If than is approved it is manifest that, after deducting the large amounts raised by duties and excise upon stimulants and narcotics, and upon sugar, a large amount will still remain to be levied upon other imports if the requisite revenue is to be obtained. We cannot get away from the fact that in order to assure the receipt of the requisite revenue we cannot adopt either the free-trade conditions of New South Wales or the high duties of Victoria. The duties must be so imposed as to produce the amount required for all purposes ; and that amount can only be secured by such a modification in the incidence of the Tariff as will render it certain that the Tariff will not prohibit or finally exclude imports. Until Mr. Barton reveals the details of his Tariff proposals it will be impossible to express any opinion upon them. Of course, he cannot deal with the question in other than general terms ; but necessarily, with the revelation of his mode of the application of his duties will come the points of possible cleavage between parties in the Commonwealth Parliament. So long, however, as Mr. Barton adheres to the establishment of a Tariff whose chief design is the obtaining of a revenue for the new expenditure of the Commonwealth and the necessary readjustments to the States, he will deserve the support of all true federalists. But should he depart from that position, and propose a scheme of Tariff which would mean the imposition of exclusive duties and advanced protection, he must not complain if he finds a strong opposition created by honorable members who believe, as I do, that high duties are detrimental to the best interests of the community, and bear most heavily upon that class which ostensibly they are expected to serve most.

I also put the following statement before the electors by circular -

I assume that the Government, in submitting their proposals for regulating the customs and excise, will submit a Tariff having for its primary object the raising of the revenue necessary to meet the Commonwealth new expenditure and provide for full refunds to the several States. Excluding narcotics, stimulants, and goods of that class and allowing for a comprehensive and necessary free list there will remain, in my opinion, a large enough value in imports from which the necessary amount may be raised by a moderate average duty which by judicious discrimination may be so regulated as to avoid needless interference with established and useful industries at present operating successfully.

I have read these statements for the purpose of making clear to the House what my attitude was when I was before my constituents. My intention was distinctly to give all the support I possibly could to the Prime Minister and his Government, and I may claim that I have loyally done so up to the present moment, when it is clear that, if I am to justify myself, and to carry out the pledges made to my electors, I cannot support the Tariff which they have submitted to this House. On the figures which you, Mr. Speaker, were good enough, before you occupied your present distinguished position, to advise me in connexion with, and with which your name has been already widely associated, I say that it is quite possible, allowing for an adequate free list, and providing for the payment of higher duties upon stimulants and goods of that class,

to provide for the necessities of the Commonwealth with an average 15 per cent. duty. I hold before me a document used at the time of the elections, and it is remarkable to see how the figures which I adopted at that time have been borne out by the exact figures presented to the House by the Government. They show that there could be a free list of £8,500,000 with duties at 15 per cent. If the free list were increased to £10,000,000 it would require 16 per cent., and if increased to £12,000,000 it would require only 17£ per cent. Having believed this, it was my duty to seriously scrutinize the figures which the' right honorable the Treasurer and the Minister for Trade and Customs presented to the House. I wish to join in what I am persuaded all the other members of the House will say, that the Government have supplied the very fullest information it was possible for them to supply to honorable members, and have given us the fullest facilities for ascertaining the situation, and forming our own opinions in regard to it. Inasmuch as I had expressed the opinion that an average 15 per cent. duty, after allowing for the higher duties to which I have referred, would be sufficient for the purposes of the Commonwealth and the necessary refunds to the States, I have taken the advantage of the very full particulars supplied by the Government for the purpose of ascertaining whether, on the figures they have presented, it was possible to adjust the financial position on anything like the lines I have represented. I hope the Minister for Customs and the right honorable the Treasurer will do me the honour to consider the suggestions which I now make, because they are the results of very careful calculation and working up by men capable of dealing with these questions. I am now able to say that it is possible to suggest a financial scheme which is a considerable improvement, so far as the taxpayer is concerned, upon the scheme which the Government propose. I submit the figures with all the reservation necessary in the case of those who have not the complete knowledge and information which a Government department must have. I have only to say that the Minister for Customs very cordially gave me the fullest facilities to get any figures I required, and the greatest courtesy and consideration have been shown to me in this matter. I think that £673,000 can be written off the fixed and composite duties equal to a 10 per cent. reduction. I have the supporting documents, but I do not propose to trouble the House with them. I think there maybe £15,000 written off the 25 per cent. duties, which would reduce them by 5 per cent. I think that 5 per cent. might be also written off the 20 per cent. duties with a consequent reduction of £298,000. These figures total £1,086,000. That loss of revenue would be provided for in the first place by what I think is an unnecessary provision of £500,000, in the Treasurer's statement, which in consequence of the reduction in revenue would be reduced to nearly £400,000. There is the amount of arrears to 30th June of £246,000, and I believe I have discovered that the Treasurer has not done himself justice in the amount of revenue we shall derive from licences. I think he will get £70,000 more than he expects. These are matters which have been carefully worked out. An increase in the revenue from sugar duties could be obtained to the extent of £163,779. The return from tobacco and cigarettes might be increased by £213,749, and from spirits by £74,000. The total then, on the figures which have been worked out, amounts to £1,167,528. As I have said, I do not propose to trouble the House with the supporting documents which produce these results, contenting myself with the statement of them, and with the hope that the Treasurer will allow me to submit them, that they may receive such consideration as he thinks they deserve. My chief object is to support the position which I ventured to take up during the election - that by a modification of our financial position on just and moderate lines it was quite possible for us to raise the revenue with 15 per cent. duties. This means duties at 17.2 per cent. on the Government figures. I have not dreamt of going into the details of the Tariff at present, as I can only speak with any direct personal knowledge in connexion with one class of articles coming under the head of machinery, mining plant, and requisites of that character. I think the Treasurer has hardly been fair to himself when he expects that there will be a loss of revenue upon £5,000,000 of imports inasmuch as it would be impossible during the intervening period to have manufactories established whose production could be set off against them. There is another instance in which I am perfectly satisfied that the Treasurer has not done himself justice - he has made no allowance for the increase in commercial transactions up to 1902. He has taken, as he was good enough to explain fully, the figures of 1899; but I have figures with which I shall not venture to trouble the House, showing the expectancy that, according to ordinary usages of trade and commerce in the expansion, he will derive much greater revenue than he anticipates. The Treasurer has, I think with an amount of prudence, left himself sufficient to go and come upon, in order that the House may make such amendments as will undoubtedly be made in the incidence of the Tariff. I have satisfied myself that we can reduce the taxation

to moderate duties, and I believe that my figures on examination will be found to justify the expectation. I refer to mining machinery as one item, and this is one of the subjects on which I can speak with some knowledge and authority. Take the case of the Broken Hill Proprietary. The material for that company has to go through South Australia into New South Wales. By the application of these duties, it will pay £14,400 per annum extra. The various other companies will be affected to the extent of £12,000, and probably £8,000 in addition. I do not wish it to be understood that I consider that the application of these duties presses more heavily on these big mining companies than it does on the small gold companies in the various States. I have a return showing how important it is that the duties on mining material should not be higher than the revenue requirements absolutely need. The honorable and learned member for Bendigo spoke strongly in favour of the work which is done by the manufacturers of mining machinery in the States. As one who has in various enterprises in different States to use a large quantity of machinery, I heartily indorse the statement he made. The colonial manufacture is excellent, and practically as cheap as the imported ; but for the complicated ores which exist in various parts of the States it is necessary to import a special class of machinery, which the Commonwealth has not commenced to manufacture. My hope is that when we come to revise the details of the Tariff, the Government will favorably consider any amendments in the direction of easing the amount of duty which these enterprises have to pay. If this great industry of mining is to be developed, it must be recollected that the margin of profit in their large undertakings is now so small that all the assistance and help possible is required to make the work productive. I think the House will admit that there is no industry which more rapidly develops cities and towns, and promotes the good of a large number of the community than does a healthy mining industry. I got out a few figures to-day to show that. The Mount Lyell Company has spent £664,206 ; of which one-third was used to pay for imported machinery. A company in Queensland has spent £70,000, and about the same proportion of the machinery had to be imported from foreign parts, because of the special nature of its appliances. Then, in addition, the Broken Hill Company has spent £1,250,000 on mining machinery, of which more than £250,000 worth had to be imported, because of its possessing special merits and being protected by special patents. I am unwilling to go into any detailed examination of the Tariff, and desire to look at the broad principles underlying it, but I am compelled to view the motion before the House from the stand-point of simply a high or low Tariff, and the obligations I undertook in connexion with the constituency which did me the honour to place me in this position. In my judgment, there is every justification for expecting, from the facts and figures I have presented to honorable members, that a moderate duty of about 15 per cent. is a feasible proposal, and one which would enable the Commonwealth to meet obligations to itself, and to the States. As to manufacturing industries, the natural protection which the manufacturers within the Commonwealth enjoy, in consequence of our geographical position, is, at the very least, equal to an all-round duty of 15 per cent. Industries which demand more than that, combined with a duty which, under general circumstances, is equal to 30 per cent, as against the importer, are, in my judgment, being maintained at the cost of the community; it is the people who pay for them, and at present, I venture to think, pay for them unequally. I shall view the Tariff from the following guiding principles : - First : That the great natural producing interests of the Commonwealth are the foundation of our substantial and permanent wealth and prosperity as a people, and these should not be hampered or burdened by any avoidable taxation. Second : That the establishment and progress of our manufacturing industries are consequential upon the healthy expansion of the primary industries, and are entitled to receive such assistance and support as may be reasonably possible by the application of the incidence of taxation through customs and excise duties. Third : Customs and excise duties should be imposed primarily for revenue purposes, and in such a manner that they will not press most heavily upon that class of people in the community who are least able to bear the burden. Fourth : That the people of the Commonwealth must not be called upon to disproportionately enrich any manufacturer or body of manufacturers. It is undoubtedly also my duty, in view of the manner in which many manufacturing industries have been created and sustained in Victoria, to see that, as far as possible, there should be no sudden disarrangement of local conditions by any extreme change in the fiscal policy, and I still regard that as my obligation in the consideration of the items of the Tariff. It is also my duty to give the very fullest consideration to the effect of the Tariff upon the wages of the worker. I do not think it has been in any way proved that the wages in a protected country show any improvement upon the rates of pay in

countries where free-trade or low Tariff conditions exist, unless they have the necessary corollary to high protection, namely, artificial means of maintaining wages through boards and other methods. I prefer to see the wages of the working classes maintained at a high level through natural means and not through forced measures. I have endeavoured to consider my attitude towards the motion of the leader of the Opposition upon a broad basis, as I am compelled to recognise that the vote which will be taken will be closely scrutinized throughout the length and breadth of this community, quite irrespective of the speeches for or against free-trade or protection. The people of the Commonwealth will look to that concrete expression of opinion by this House to determine whether our dominating policy is to be one of high duties or low duties. Consequently there is a wider responsibility resting upon the casting of this vote than its merely local effect, and it will be impossible for me to so record my vote as to improperly increase an apparent majority in favour of a high Tariff policy. The concrete results of the vote must be felt also in another place when they are considering the Tariff. If I were to vote for this Tariff, I should place myself in a false position in the eyes of the vast majority of the people in the great electorate which I have the honour to represent. I should be breaking the traditional and historical record which it has maintained - through the representatives which it has sent continuously to the State Parliaments, and now to the Federal Parliament - as an electorate always in favour of moderate and low duties. I regret with all my heart that I have to take this step. I am sorry that I have come to this parting of the ways, and that I find myself in opposition to those with whom I have ever regarded it as my great privilege to work in the federal campaign. I have in my mind particularly the Prime Minister and the Attorney-General. There are also other honorable members, but I refer particularly to those with whom I have been especially associated. It is with deep regret that I find myself in opposition for the first time in our association. I think that very justly and properly the names of the Ministers I have mentioned will live in the memories of the people through the untiring work which they have done in a great Cause. In voting against the Government, I am taking a step which I conceive to be purely one of public duty, and necessary to the fulfilment of my election pledges. In whatever position I may sit in this House, it will be my desire always to do what I conceive to be in the best interests of the whole of the people, and in the interests particularly of the worker and of the poor, and I am perfectly persuaded that in dealing with measures of this class, I shall frequently find myself supporting the Government.

Mr FULLER

- At this late stage of the sitting, I do not feel the disposition to enter upon this important subject that I could wish for but I consider that we should occupy, to the best advantage, the full extent of our allotted time this afternoon. I fully indorse the statements which have been made by members of the Opposition regarding the policy of the Government as enunciated by the Prime Minister in his Maitland speech, and I also support their contention that the Prime Minister and his colleagues have departed from the pledges they gave to the electors of Australia. It will be for the country to judge in the future whether the Government have been true to their pledges or whether the members of the Opposition are correct in their criticisms. As representing the important district of Illawarra, in New South Wales, I was returned as a distinct revenue tariffist, and in opposition to the system of protection, and I have therefore no hesitation in saying that the motion of the leader of the Opposition meets with my hearty approval. It is all very well for some honorable members to stand up in this chamber and pose as country members, saying that they represent the farming and pastoral industries of this country. One would think to hear some honorable members speak that there are no members on this side of the House representing the pastoral or farming industries of New South Wales or the other States. But I undertake to say that if the agriculturists and pastoralists of New South Wales had for one moment anticipated that the Tariff was to be such as that now introduced, there would not have been a single representative of the country districts of New South Wales on the protectionist side of the House. I know perfectly well that under the Constitution a certain amount of revenue must be raised through the Customs. We all recognised when we were before the country that we could not hope to achieve absolute freetrade under the Constitution, but we came in here to establish, if we possibly could, a system of revenue tariffism, with a view to working onwards to a high free-trade ideal in the future. That is the position which honorable members on the Opposition side of the House take in connexion with this matter. One of the chief reasons why I object to the proposals of the Government is that the Tariff will impose a great handicap upon all the primary producing industries of the country. Everything has been done to handicap the mining, dairying, pastoral, and agricultural industries



which, after all, are the great sources of wealth, and ought, therefore, to be encouraged as much as possible.

Mr Ronald

- That is a sweeping assertion.

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Mr FULLER

- I speak for myself. The honorable member for Southern Melbourne expressed his opinion the other day, and later on I shall have something to say about his deliverance, more particularly in connexion with his reference to the grand old mother country to which we owe so much. It is no wonder that this Tariff has provoked an outcry in New South Wales. Personally, I intend to discuss it, not from any State stand-point, but from the standpoint of an Australian, because I hope that in this Parliament, whilst honorable members recognise that they have been returned as representatives of different States, they will also realize that they are here not in that capacity alone, but as representatives of the great Continent of Australia. Is it any wonder that the electors of New South Wales, after the light taxation to which they have been accustomed, are indignant at the heavy imposts which it is now proposed to place upon them in common with the other States? Is it any wonder that the representatives of New South Wales are constantly receiving letters and telegrams from all parts of that State, expressive of the popular indignation which prevails there? We should, indeed, be recreant to our trust if we failed - either upon this motion of censure, or upon any future occasion in committee - to fight this Tariff as stubbornly as we can. I think that the debate, so far as it has proceeded, has proved of great educational value, not only to the people of Victoria, but to the people in all parts of the Australian continent. It is the duty of all who claim to be free-traders, and who wish to see the burdens of taxation placed upon the shoulders of those best able to bear them, to strenuously fight this Tariff in the future, so as to assist in bringing about a more equitable system in the interests of the whole people. I wish specially to refer to the speech of the honorable and learned member for Indi, who, from what has been said by honorable members here, and from the approval which has been showered upon his utterance by the Melbourne press, seems to have been put up as the champion of the protectionist policy, more particularly as it affects the country districts of Australia. It was a remarkable deliverance, because in speaking as the honorable and learned member did, he indorsed the protectionist policy of the present Administration. No one can deny that this Tariff is strongly protective in many respects. Some honorable members have shown how, upon some items, it ranges as high as 140 and 150 per cent. To hear the honorable and learned member for Indi expressing approval of this Tariff, more particularly in the interests of the country districts of Australia, is very remarkable indeed in view of the fact that, on 9th October, in the Victorian Legislative Assembly, he is reported, in volume 69 of Hansard, during the session of 1892-3, to have said--

Mr McCay

- He takes twice as long to change his opinion as does the leader of the honorable and learned member.

Mr. FULLER. - It does not take my honorable and learned friend very long to change his opinions. Time after time he has stood up in this House and spoken in a particular way, but within five or six minutes he has voted in a directly opposite direction.

Mr McCay

- I rise to object. That statement is absolutely untrue.

Mr. FULLER. - It is absolutely true.

Mr SPEAKER

- If the honorable and learned member for Corinella considers that he has been reflected upon by the remarks of the honorable and learned member for Illawarra, that honorable and learned member must withdraw. But I must first ask the honorable and learned member for Corinella to withdraw the statement that what the honorable and learned member for Illawarra said was untrue.

Mr McCay

- I withdraw it absolutely, but I say that the honorable and learned member for Illawarra is labouring under a misapprehension. Upon no occasion since I entered this House have I spoken one way and voted differently. If the honorable and learned member can point to a single instance in which I have spoken one way and voted another I will resign my seat and ask my constituents whether they agree with my action. The charge has been levelled against other honorable members, but it is the first time that it has

been made against me.

Mr SPEAKER

- I must ask the honorable and learned member for Illawarra to withdraw the charge which the honorable and learned member for Corinella considers offensive.

Mr FULLER

- I do so with all respect. At the same time I do not see why I should be accused by the honorable and learned member for Corinella in the way that I was accused. He said that it took the honorable and learned member for Indi longer to change his opinions than it took me to change mine.

Mr McCay

- No; I said the honorable and learned member's leader.

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Mr FULLER

- If the honorable and learned member was referring to my leader, that gentleman is quite able to take care of himself. I was about to refer to the speech of the honorable and learned member for Indi as reported in the Victorian Hansard, session 1892-3. It is a particularly remarkable utterance when contrasted with the speech delivered by him the other evening. Speaking on the Budget, he said, amongst other things -

There is no tax proposed that will not create vested interests, but there are taxes proposed that, far from ameliorating the condition of the poor, so will remove those articles which are the necessities of their very existence further from their reach - the poor man's means of sustenance, his clothing by day and night, his shelter, his tools of trade, all these are removed further and further from his reach, perilously near to absolute deprivation. We have duties of 50 per cent. proposed on some of the necessities of life. Is that a proper mode of relieving the distress of the country ? I cannot understand it.

According to this speech, from which I intend to make further quotations, the honorable and learned member for Indi was at that time a free-trader. No free-trader could possibly speak in stronger terms of duties which tend to create vested interests. I object to a strong protectionist Tariff, because it gives men the opportunity of establishing trusts and monopolies; and, by dipping their hands into the pockets of the masses of the people becoming rich at the public expense. I intend as far as I can to oppose the establishment of this system in federated Australia, in the initiation of its history. The next quotation I shall make from the speech of the honorable and learned member for Indi is -

What, I should like to know, are the circumstances of the country which render that tax inexpedient at the present time ?

The honorable and learned member was then speaking of the income tax.

Is it demoralizing ? If we are to except all taxes that are demoralizing, let us abolish the Custom-house, so as to get rid of smuggling, salted invoices, false declarations, and perjury, and then we shall get rid of our demoralizing taxation.

Another quotation from the Hansard report of the honorable and learned member's speech is this -

Mr. Trenwith How about the stock tax ?

Mr Isaacs

- I will answer in the words of the Premier. In the course of his Casterton speech, the Premier said -

"There is one tax which I may mention, because the mention of it will not defeat the object the Government had in view in proposing it, and that is the stock tax. The present tax is merely a registration fee. . . We propose a substantial increase of the tax as a partial remedy for the injustice of the land tax, and it is an honest attempt to make the great protective policy of the country, which this Government is going to maintain, equal, and by making it equal, or as nearly as possible equal, to maintain it free from any assault, and safe from jeopardy. No policy can remain on the statute book of a country which denies to one class, worthy of benefit, something which is granted to another class no more worthy."

What does the proposed Tariff do? In almost every line distinct advantage is given to one class of the community at the expense of all the rest. It is as clear as the noonday sun that one of the great desires of the framers of the Tariff is to protect the manufacturing industries of Victoria. I have none of that feeling against Victoria which some honorable members on the Government side seem to think we of the Opposition entertain towards that State. I have always held Victoria and the other States almost as dear to me as my own native State of New South Wales ; and it has always been with feelings of regret that I

have felt compelled to refer to Victoria in connexion with the question we are now discussing. But in every line of the Tariff we find duties which clearly give a benefit to one class of the community who are no more worthy than the other classes. Are not our dairy farmers, agriculturalists, pastoralists, miners, and others, just as much entitled to consideration as the manufacturers of Victoria, or, for the matter of that, the manufacturers of New South Wales? Are all the men who work in the coal mines to be considered as social outcasts in this home of protection which it is proposed to establish in Australia? Are they not to receive the same consideration as those engaged in manufactures in great cities? I have not before me the exact words of the motion which has been submitted by the leader of the Opposition, but I thoroughly agree with that portion which disagrees with the Tariff because it does not deal equally with the mining, farming, and other industries of Australia. There is another remarkable statement in the speech of the honorable and learned member for Indi -

The farmer demanded and obtained an increase of the stock tax as a measure of redress for the then existing inequalities; and now we are asked to do on behalf of the farmers - what? To pay 25s. for a sovereign. Well, I, as a representative of a country constituency, object to that.

Mr. Trenwith. How are the farmers asked to pay 25s. for a sovereign?

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Mr Isaacs

- Through the long list of duties now imposed.

I ask any representative of the farming community on the Government side whether it is not a fact that under this Tariff the farmer will have to pay at least 25s. for a sovereign? No reasonable man can have any doubt that under this Tariff, which gives high protection to the manufacturers, the farmers will have to pay through the nose for all their necessities of life, and everything they use on their farms. One more quotation which I should like to give from the speech of the honorable and learned member for Indi is as follows: -

I believe I speak not only for myself, but for many honorable members around me, when I say that if the Government will only raise aloft the standard of justice and equity to town and country alike, and write in indelible letters on that standard - "Let the burden rest on them who are best able to bear it," they will have no more fervent, enthusiastic, or devoted followers than honorable members who sit in this part of the House. .

It appears to me that the honorable and learned member has departed very much from the political faith which he professed in the Legislative Assembly of Victoria in 1893. What is the object of honorable members on the Opposition side of the House but to try and lighten the burden of taxation so as to put it on the backs of those best able to bear it? That is the sole object with which we have come into the House, and that is what the party to which I have the honour to belong fought for and established in New South Wales. We are here now to fight against the system which is advocated by the present Government, because we honestly believe - and we give honorable members on the other side just as much credit for honesty of purpose as we claim at their hands - that under this Tariff the burden of taxation will be put on the backs of the poor. We believe that the necessities of life, such as tools of trade and clothing, will be taxed higher than is absolutely necessary for the purpose of carrying on the government of the country. We know that under the Constitution a certain amount of money has to be raised for the expenses of government, and that, in order to maintain their solvency, a return has to be made to the different States who have joined the union; but we take up the position that all the money which comes to the customs ought to go into the Treasury to be treated as public money and spent for the benefit of the people, and that none should be allowed to drift into the pockets of private individuals. I stated that one of the reasons why I object strongly to the Tariff is that the great pioneer industries do not receive fair treatment. We have heard a great deal from honorable members on the Government side of comparisons between the industries of Victoria and New South Wales; and the honorable member for Moira yesterday afternoon addressed us as a representative of dairy farming, and the farming industry generally, in Victoria. No one has a higher esteem than myself for a representative farmer. I was born and bred in a farming district, and I believe that the family to which I belong contains more dairy farmers than any other family in Australia. I have been amongst farming people all my life, and I have the honour to represent them at the present time; and I take this opportunity of pointing out that the honorable member for Moira, when he spoke of the dairying industry, was absolutely at sea in the figures he quoted.

It is claimed that the success of the dairying industry in Victoria is due to the protective duty which has been in existence here for some years past. But, I should like honorable members to know that in New South Wales we had formerly a duty of 2d. per lb. on imported butter, and that, while that duty was in existence, the dairy industry went down to such a low ebb that nearly all our farmers got into a state of insolvency.

Mr Manifold

- In what year 1

Mr FULLER

- About sixteen years ago.

Mr Kingston

- Does the honorable and learned member suggest that the industry diminished on account of the duty ?

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Mr FULLER

- I do not say that, but the fact remains that while the protective duty was in existence the dairying industry declined to such a low ebb that nearly all our farmers were in a state of insolvency. Then it happened that a representative from the south coast district paid a visit to the old country. He went across to Denmark, saw the most recent improvements in dairying, and, as a result, the De Laval cream separator was introduced into New South Wales, and the industry commenced upon a different footing. Dairying in that State owes nothing in any shape or form to any Tariff which was ever devised for its benefit or otherwise. What happened in Victoria! When this State got into a condition of collapse, her people commenced to look around to see if they could not introduce some new industry to save the country from going from bad to worse. As the honorable member for Moira properly pointed out yesterday, a number of representative men from Victoria came over to New South Wales, visited the Illawarra district, and saw our factory system of butter production in progress. They came back to Victoria and went one better than we had done. They saw that if The dairying industry was to be developed in a proper manner, instead of going in for the factory system which we had in New South Wales, the proper thing to do was to establish creameries, and have one central factory for a district. I admire the Victorians for their foresight in this respect, and I congratulate this State on the great strides she has made in the dairying industry. We in New South Wales have been the dumping ground for the products of Victoria. The large consumption of Victorian butter in New South Wales has helped to an enormous extent to keep the dairy farmers of Victoria going. What made protectionists of some of our dairy farmers in New South Wales was the fact that the Victorian dairy farmer, under our free-trade policy, had the opportunity for making New South Wales' a dumping ground for the surplus products of this State. He found that he could get a better price for his butter in New South Wales than in the home market in Melbourne. But now we are under federation, and this advantage is no longer conferred upon the Victorian farmer, I venture to say that honorable members will have the greatest difficulty in finding a single protectionist farmer in the Illawarra district of New South Wales. The farmer knows very well that he is not dependent for the price he receives for his commodities upon the price in the home market, but upon the price obtained in London and other great markets of the world. It is a very significant circumstance that the other day the honorable member for Gippsland, who is also a gentleman well versed in agricultural matters, stated distinctly that, as far as the wheat farmers of Victoria are concerned, they have arrived at the stage of being big exporters to European markets, and are absolutely dependent upon the price their wheat will bring in Mark-lane, London. So it is with our butter producers. They are absolutely dependent upon the price their produce brings in London and the other markets of the world. In 1899, leaving New Zealand out of the calculation, Australasia exported over 53,000,000 lbs. of butter. Talk about establishing factories here to give encouragement to our producers ! How are we going to establish factories which will employ hands to eat 53,000,000 lbs. of butter? Let me remind honorable members that this industry has become one of the great national industries of Australia. In New South Wales within the last two years dairying has extended beyond the Illawarra and West Camden districts into the Richmond, Clarence, and other districts of that State ; and we have only touched the fringe of it as yet. Our dairy farmers being large exporters to the extent of 53,000,000 lbs. per annum, of what earthly use to them is a duty of 3d. per lb. on imported butter? It is of no use whatever. Where is the foreign butter to come from, to compete with the butter produced in New South Wales and 'Victoria? There is no country in the world that can

send butter here to compete with us in any shape or form. Therefore the duty put upon dairy produce by means of this Tariff is simply a sham, a delusion, and a snare. There is not a dairy farmer in the country who, when he realizes the position in which his industry will stand under federation, will have a protective principle left in him. Recognising that we are dependent upon London and other markets, what is the duty of any Government that comes into power in this country ? This remark applies not only to dairying, but to our agricultural, pastoral, and coal-mining industries, all of which are to some extent dependent upon foreign markets. It is not the duty of the Government, if it desires to assist those industries, to endeavour to stop importations from coming here. If we do that, the effect of the prohibition will be to lessen the export trade, and to do an injustice to the primary producers of the country. By so much as the Government stop large ocean-going vessels from coming to these shores, and by so much as our fiscal policy compels vessels to come here with empty bottoms, and without cargo, surely it follows, as a natural corollary, that we shall have to pay higher rates for freight. It must be remembered that we are in an isolated position, living at one end of the world. We have to compete with the producers of butter in Denmark, Ireland, and other countries, and they, being within a few days' sail of the great markets, have an advantage over us in that respect. We are handicapped already by having to send our produce over 16,000 miles of ocean, and yet the Government wish to impose a heavier handicap by causing freight rates to be raised. This Tariff appears to me to have been devised by the Government in order to tax the farmers. I should like every farmer throughout Australia to remember that a Tariff is only a system of taxation, and that the imposts levied under the proposals of the Government will simply be at their expense. The honorable member for Moira said, in connexion with the dairying industry, in Victoria it is growing more rapidly than in New South Wales. On that subject I have the latest figures of Mr. Coghlan, who has been quoted acceptably during this debate. The following is the true state of affairs : - In 1899 the number of dairy cows in New South Wales was 399,327 ; in Victoria in the same year there were 464,469 dairy cows. The butter produced in New South Wales in 1899 amounted to 33,034,000 lbs. ; in Victoria the quantity produced was 53,327,000 lbs. The number of cows in New South Wales had increased in 1900 from 399,327 to 420,148. while in Victoria the increase was from 464,469 to 465,000; so that during 1899 and 1900 we had an increase of dairy cattle in New South Wales amounting to 20,821, while in Victoria there was an increase of only 1,000. These are the latest figures, and they are a direct contradiction of the statement made yesterday by the honorable member for Moira. I have also some statistics relating to the butter production of the two States. In 1899 New South Wales produced 33,034,000 lbs., while in 1900 her output was 41,479,794 lbs. In Victoria, the output of butter in 1899 was 53,327,000 lbs. ; while in 1900 it was 55,604,118 lbs. Thus, during that period, the butter production of New South Wales showed an increase of 8,445,794 lbs., and in Victoria there was only an increase of 2,277,118 lbs.

Mr Conroy

- And there was no duty in New South Wales.

Mr. FULLER. - That is so. There are two items in the Tariff, that affect this great industry, to which I desire to draw attention. We are very large exporters of butter, and it is absolutely necessary that we should pack it in boxes most suitable for the purpose. Every one knows that there is no article more susceptible to outside influences than the product of the dairy farmer. Hitherto New Zealand pine has been wholly employed in the manufacture of these boxes, but under the Tariff a duty is to be put on that timber. A statement has been published in the Argus that as the result of this duty the price of these boxes will be increased to the extent of 21/2d. each. That increased price on 600,000 boxes - which represents the number sent out of Victoria last year - amounts to a substantial sum. It really means the imposition of a tax upon the men who produce butter for export. Is that the way in which they should be treated ? Having a surplus of butter, the farmers export it not only for their own benefit, but for the benefit of the whole country. As was pointed out very properly yesterday by the honorable member for Flinders, these exports bring back more than their worth of imports. Therefore, the producers are exporting not only for their own benefit, but to the advantage of the Commonwealth as a whole. Surely the Ministry, who talk of encouraging the farmer, should see that everything connected with the industry comes in free as nearly as possible, instead of proposing what is equivalent to an export duty. Salt, which is largely employed in the manufacture of butter, is another item which is taxed under this Tariff. Tons and tons of salt are used every year at the various butter factories in the different States. I have been informed by a gentleman who

is in the business, that six months ago, in anticipation of the duty of £1 per ton now proposed by the Government, the salt merchants of Victoria and South Australia, true to the characteristics of the protectionists, raised the price by 5s. per ton. Since the publication of the Tariff they have raised it 12s. per ton. That is to say, they pocket 17s., and make a concession of 3s. per ton to the general consumer. Thus the Government propose to tax as high as possible two things largely used in the dairy ing industry.

Mr Kingston

- Has not the honorable and learned member observed anything in the free list in regard to New Zealand pine logs ?

Mr FULLER

- I will show the House presently how that item in the free list will affect the trade.

Sir William McMillan

- The logs are of the wrong size to be of any use to the industry.

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Mr FULLER

- I will deal with that matter presently. The duty on salt will affect not only those engaged in the butter industry, but every small farmer, butcher, and homestead lessee ; in fact, it will be felt by every one because salt is used in every household. I have taken the trouble to pick out of the Tariff the proposed duties relating to agricultural industries, and such products as butter, cheese, eggs and wheat. I find that out of £1,141,863, which the Government propose to raise from duties on agricultural products and groceries, for the benefit of the farmers, all that those engaged in these great industries will actually receive is £9,765. Does the Minister for Trade and Customs think the farmers are fools ; that they cannot see through this little device to bring them round to protection ? Does he think they do not understand the position of their own industries, including that of wheat-growing ? Last year we exported over 11,000,000 bushels of wheat, and there was not a single bushel imported into the Commonwealth, so that the wheat industry stands in the same -position as the rest. Do the Government think that the farmers cannot see through these shallow devices which ore put forward as a pretence to help their industries ? I have received dozens of letters from different parts of Australia, and not merely from my own constituents, dealing with the Tariff proposals.

Mr Kingston

- Who told the honorable and learned member that not a bushel of wheat was imported last year ?

Mr FULLER

- If the Minister refers to the statistics he will find that my statement is correct. My figures are taken from Coghlan, and if the Minister refers to that authority he will find that there were over 11,000,000 bushels exported last year, and not a single bushel imported.

Mr Kingston

- The honorable and learned member is absolutely wrong.

Mr FULLER

- I take these figures as presented by the highest statistical authority. What I have said in connexion with the farming industry, applies equally to the great coal mining industry of Australia. When honorable members talk about putting on protection, I ask them how they can put on any protection to benefit the men engaged in the great coal mining industry of New South Wales, and of other parts of Australia ?

Mr Mauger

- Our protection has helped them immensely. Where would they have been but for our custom?

Mr FULLER

- I wish that the Victorians had hundreds or thousands more of the protected factories they are so proud of. I should like to see the industries of Victoria thriving and flourishing; but I can assure the honorable member for Melbourne Ports that as to the factories of Victoria being of any use to our great coal mining industry in New South Wales, there is one single coal mine there which could supply the whole of the factories in this State.

Mr Mauger

- We were not the best customers of New South Wales for years ?

Mr FULLER

- There are 88 mines open in New South Wales, and there is one mine that could supply the whole of the

factories of Victoria for years.

Debate adjourned.

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16:05:00

House adjourned at 4.3 p.m.