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1901-12-02

House of Representatives.

Mr. Speaker took the chair at 2.30 p.m., and read prayers.

MILITARY COMMANDANT

Minister for External Affairs

Mr BARTON

. - I promised the House a little while ago to make an announcement as to the command of the federal forces as soon as I was in a position to do so. I am now in a position to say that Sir Edward Hutton, K.C.M.G., one of the Sovereign's aides-de-camp, will be appointed to the command of the federated forces. We were desirous that some officers should be recommended to us for selection, and there has been a prolonged correspondence by telegram on the subject with the Secretary of State, who, in turn, has communicated with the War - office. Of course, as that correspondence contains the names of several distinguished officers, it is scarcely fitting that, being quite a secret one, it should be laid upon the table, but I think I can give sufficient of its purport to prove quite satisfactory to the House. Honorable members are aware that the sum placed on the Estimates by the Government was £2,500 a year ; that is not equal to the pay which officers of corresponding distinction receive in other parts of the Empire, and we did not anticipate arriving at a satisfactory appointment without some correspondence and negotiation. However, that is at an end, and the telegram in to-day's newspapers means that General Hutton's name having been among those included in the correspondence, it was signified by this Government that, if he were recommended as possessing the qualifications which were thought essential in such an officer, we should be prepared to offer him the appointment. I am happy to say that that recommendation has been made by the War-office, and with the approval of the King. Consequently the appointment will be made by the Government through the necessary Executive channel.

Mr Wilks

- Does the pay include all

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Mr BARTON

- The sum of £2,500 includes all the ordinary allowances, but does not include travelling allowances, because I think the House will be with us in saying that it will be required of such an officer to do a great deal of travelling to make himself acquainted with so new and extensive a command. Such soldier services as are usual will be allowed, but beyond those there will be no allowance except for travelling. Some part of the correspondence has been devoted to the question whether certain officers should be appointed from England in these early stages. Recommendations had been made, before we entered into negotiation, for the appointment of several English officers to the central staff ; but we did not feel ourselves in a position to recommend that any English officers should be appointed, believing that there were officers here who could worthily fill the various high and important offices in question ; and that there would probably be some disappointment if their claims and services were passed over. Consequently, General Hutton will not bring with him any Imperial officers. Looking, as I said before, to the fact that higher emoluments are allowed to distinguished officers in other parts of the Empire than we are in a position to offer, it must, I think, be a subject of satisfaction to the House that an officer of Sir Edward Hutton's distinction should be secured for this service. It is seven years since he left Australia after his last command here, and in the meantime he has done signal service, and has added to his previous distinctions by his services in South Africa. In many brilliant actions there he had large bodies of Australian troops under his command, so that he has renewed his acquaintance with Australian troops, and understanding them so well as he did when he left Australia, he probably understands them now even better than he did then. The essentials which we said we thought should be observed were that the officer should be an enthusiast in his profession, that he should have seen much active service, especially if possible in the South African war, that he should be largely acquainted with the system of mounted infantry service, which we think will be the preponderant factor in the defence of Australia, and that he should possess administrative and organizing capacity. These are the chief essentials which, speaking from memory, we pointed out as being requisite in such an officer. I think that the House will congratulate itself and the Government that an officer has been found fulfilling all these very high

requirements, and at the same time at a salary and emoluments which, when all things are considered, no one in the service, or out of it, can consider to be extravagant. I cannot fix a time when the General will be in Australia, but I know enough of him to feel that he will lose no time in coming, and to believe that he will apply himself with enthusiasm to the duties he has to take up.

Sir WILLIAM McMILLAN

- I think that the statement of the Prime Minister will be satisfactory to the House and to Australia. In Sir Edward Hutton we had in New South Wales a man who, together with all the great characteristics to which my right honorable and learned friend has referred, showed that he had that peculiar magnetic influence which converts soldiers into an effective army. If he is to be here within a reasonable time it might be better to defer the consideration of the Defence Bill until the Government have had an opportunity to obtain his advice. It is a mistake to determine our system of defence in all the details of an Act - although, of course, a great deal will be left to administration, still, the principle will be in the Act - when the arrival will shortly occur of a man of the character of General Hutton, in whom all Australia has the utmost confidence. I make the suggestion to my right honorable and learned friend for his consideration.

Mr BARTON

- The general officer appointed will, if necessary, be given the local rank of Lieu tenant-General. That, I think, will be a satisfactory thing when one considers the rank, service, and experience of those who will have to take up the district commands in the several States.

QUESTIONS

CHRISTMAS ADJOURNMENT

Mr E SOLOMON

- I desire to ask the Prime Minister when the Christmas adjournment will begin, and for how long it will last?

Mr BARTON

- The Cabinet will consider that question on Wednesday. So far as I can see at present, the most convenient date for adjourning will be about the 18th December.

Mr Mahon

- The 14th.

Mr BARTON

- I am not sure, but that, too, will be considered. It is impossible to fix a date too narrowly just now, because honorable members will see that in their duty to the country the Government must have some consideration to the extent to which public business is advanced before they adjourn.

Sir William McMillan

- What will be the length of the adjournment?

Mr BARTON

- The length of it will depend on that to a large extent.

TARIFF: MINING INDUSTRY

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Mr THOMAS

- I desire to ask the Minister for Trade and Customs whether, in view of the very precarious position of the mining industry at Broken Hill, and the suggested reductions of wages of the miners, alleged to be hastened by the extra cost of working the mines, by the operation of the Tariff, he will have prepared, before the passing of the various items, an official report, showing to what extent the Tariff is affecting, and is likely to affect, the mining industry?

Minister for Trade and Customs

Mr KINGSTON

- Every effort will be made to give the committee every information which will be at all useful to them in coming to a decision on these and all other items in the Tariff.

PAPER

Mr. BARTON laid upon the table

A letter to the Prime Minister from the Premier of South Australia enclosing a resolution of the House of Assembly of that State, with reference to conserving the waters of the Murray and the Darling.

## TARIFF

In Committee of Ways and Means :

Consideration resumed from 29th November {vide page 8062}.

Item 37. - Milk, preserved, per lb., 11/2d.

Mr MAHON

- I move -

That the words " and on and after 4th December, 1901, 3/4d. per lb." be added.

The inequitable incidence of this Tariff, its unvarying tendency to single out for special taxation the inhabitants of the interior of Australia, have been repeatedly exposed; and now in this item of condensed milk, we have a signal illustration of its injustice in this regard. The people of the cities, the residents also of the most favoured portions of the various States, do not use condensed milk to any appreciable extent. In addition to the many other advantages which they enjoy is that of having at their doors an unlimited supply of fresh milk. The consumers of the condensed article are the men engaged in the arduous work of opening up the country-the prospectors and pioneers, the miners and bush workers in the far interior of Australia. Their hard lot is to be made harder, their occupations - already so poorly remunerated - are to be rendered still more unprofitable; the inescapable miseries of their existence are to be increased, in order that a few manufacturers engaged in favoured industries may grow rich. And the intolerable part of it is that the men thus singled out for special burdens are those to whom this Tariff carries no compensating advantage whatever. Nobody is being taxed to help them, but they are being taxed to assist almost everybody else. If other classes have to carry a fresh burden, they receive in some shape or other a Tariff stimulus, so that their load is not more onerous than it was before. It is those men who, of all our industrial army, are doing the most valuable work for the young Commonwealth, that this great democrat, the Minister for Trade and Customs, forgets when he comes to ladle out Tariff favours. This he has 'practically admitted, but with all his ingenuity has failed to excuse or justify during this debate.

Mr Kingston

- What have I admitted ?

Mr MAHON

- That this Tariff will tax unduly the pioneers and prospectors throughout the country to whom it gives no compensation whatever. I think the right honorable gentleman has admitted that, but if I am wrong I shall be very glad to correct the statement. I shall use the Treasurer's own figures to demonstrate how iniquitous this duty is. The right honorable gentleman's estimate is that, in a normal year, Western Australia will pay ?6,250 on condensed milk. That is, 190, 000 people in the western state are to pay on condensed milk half as much as 1,400,000 people in New South Wales. With one-seventh of Victoria's population, we are to pay about ?3,500 more; with one third of Queensland's numbers we are to contribute ?1,500 more than that State. Our share is ?4,375 more than that of South Australia, though we have only half her population; while, as regards Tasmania, whose population is a few thousands less than ours, we pay ?6,250 against her ?625. To put it another way, still using the Treasurer's figures as a basis, one miner in Western Australia will pay on condensed milk more than fourteen miners in Victoria, more than nine in Tasmania, equal to seven in South Australia, and to four in New South Wales and Queensland. This is surely a monstrous inequality. Have we not a right to expect that "a Tariff of all the talents," even if its burden of taxation be unavoidably heavy, shall adjust that burden equitably? But the figures which I have just given do not disclose the full iniquity of this tax. It has now come to be generally admitted that the Treasurer has understated the probable revenue:

Sir George Turner

- I am not going to admit that, because it is not fair to take one month's figures, and largely increase the total for twelve months, on the strength of them.

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Mr MAHON

- We have two months figures to guide us, but taking October, when, so far as Western Australia was concerned, a very small quantity of goods was taken out of bond, the revenue received from customs and excise was £102,000, which would give an annual revenue of £1,200,000.

Sir George Turner

- That includes the Inter-State trade, with which I have nothing to do.

Mr MAHON

- I have allowed for the Inter-State trade, and deducting £250,000 on that account, the Treasurer would still receive nearly £300,000 more than he has estimated from customs and excise duties in Western Australia. That is, he will probably receive a million instead of £700,000. Later on, I shall show that the advantage which the Australian manufacturer of condensed milk obtains under this duty of 1 1/2d per lb.- the exact ad valorem equivalent of which is 39 per cent. on the higher priced milk, the percentage on the lower priced article being larger - plus excess charges on foreign as compared with shipments from the eastern States, is equal to £45 15s. per cwt. Now, for the year ending 30th June, 1900, condensed milk imported into Western Australia from abroad, and paying an ad valorem rate of 15 per cent., contributed £10,777 to the revenue. The imports were almost wholly British and foreign produce, only 345 cases out of 95,243 containing the Australian article. Though a 39 per cent. duty should naturally yield more than a 15 per cent. duty, the Treasurer estimates that the higher duty will yield £4,527 less than the lower. This paradox can only be explained by a knowledge of the Treasurer's design. His design in putting on this high duty is to restrict imports, and so destroy his revenue. Now, when the right honorable gentleman gets up, as he will presently, to resist the reduction of a purely revenue duty, and when he pleads, as he is sure to do, that he must have this revenue in order to preserve the solvency of the States, he should be reminded that on this one item alone he proposes to permit the Treasury to be looted of at least £10,000 per annum in one State alone. This Australian milk industry is controlled by a mere handful of men, who would be fools if, sooner or later, they did not form a " combine " to get the benefit of this duty. At any rate, the position of the Western Australian consumer is this - that he is to be forced by law to pay a duty raised from 15 to 39 per. cent., an increase of over 150 per cent., if he continues to use the article whose worth he has proved under most adverse experiences. Remember that this article is consumed almost exclusively by people who get not one iota of compensation from this Tariff. Remember still that this advance guard of civilization; these bush workers and pioneers, endure' privations of which you pampered city dwellers have not the faintest conception. They have no theatres, no public gardens, no museums, no national gallery, no great public library to which they may resort for amusement or instruction. For them no fountains play on grassy lawns, no trains on sweltering days run at cheap rates to breezy mountain latitudes or to cool seaside resorts. Neither this Tariff nor any other legislative device can add a farthing to the value of what they produce. Their gold, their wool, their timber, their pearl-shell, has each its price fixed, not by Tariff, not by Melbourne or Sydney quotations, but by competition in the open markets of the world. Now, since we cannot help, why do we hamper them? Is it honest to pile up burdens on those whom we do not and cannot benefit by a Tariff? It would be honest if this tax went into the public Treasury, and was used for the public weal ; but in this case the tax will simply swell the banking account of private monopolists. Already we have mulcted the pioneers in taxes which will press unfairly on them. This duty is another of the same type, and others are to follow. Before we go further, let me impress on honorable members that every one of these duties is a deadly blow at the settlement and development of the country. Is not life in the interior sufficiently forbidding to all but the stoutest hearts, that we must add to its deprivations and disabilities? Let those honorable members who represent constituencies in the interior make answer. They know the risks to health, fortune, and even life, encountered by those who go out into the wilderness. I would even appeal to the right honorable the Minister for Defence, if he were present, to resent this duty. As an explorer, as an administrator of a comparatively undeveloped, territory he knows well, no man better, what has to be endured by those precursors of civilization. He has invited the chambers of commerce in his State to advise him as to what duties should be abolished or reduced. Well, here is one duty which those of whom chambers of commerce are but a feeble echo - I mean the entire population - demand to be lowered to a tolerable standards

I have said that this duty, with the natural protection enjoyed by the local manufacturers of milk, amounts to £45 15s. per cent., and now I shall proceed to prove it. I have in my hand the originals of two Customs clearances of condensed milk, one on the 6th September and the other on the 11th October, the latter date being as honorable members know, three days after the Federal Tariff came into force. The two consignments are almost identical as to quantity and value - the difference being that the one of 6 th September was of ten cases less than that of the 11th October. Now, will honorable members believe that

whereas the consignment cleared on the 6th September under the old 15 ,per cent, duty, paid to the Customs £652 2s. 6d., that which was cleared on the 11th October paid £1,695, an increase of over 150 per cent. I ask honorable members to remember that both consignments were of an almost equal number of cases and of practically the same value. So in this case the federal duty increased the cost of this single consignment by the enormous sum of £1,042 17s. 6d. I am quite prepared to show honorable members the originals of these documents which bear the stamp of the Customs department at Fremantle. The exact ad valorem equivalent of the Hd. per lb. is 39 per cent., or 24 per cent, more than the duty imposed by the Western Australian Tariff. But the cost of foreign shipments as compared with shipments to Fremantle of the Australian article brings it up to £45 15s. per cent. That shows an increase in the duty of over 150 per cent. So that in this case the Federal duty has increased the cost of a single consignment by the sum of £1,042 17s. 6d.

Mr Kingston

- At what figure does the honorable member put the value of the article retail ?

Mr MAHON

- I think it was . about 6£d. per tin, but, since this Tariff has been introduced, the cost has been put up to 8d. per tin. I have been informed that during the last ,few weeks the price has come down to 7id. for the lib. tin in Western Australia. Of course, tinned milk is one of those lines the price of which storekeepers will cut to a very fine point.

Mr Kingston

- Does the honorable member say that the price is now 6½d. in the West ?

Mr MAHON

- Not since the right honorable gentleman put a tax upon it. It is rather a curious thing, which I may mention here, that some prospectors in the northern portion of Western Australia some time ago laid the foundations of a new town, and gave it the name of " Kingston," in honour of the right honorable the Minister of Trade and Customs. That was before the Federal Tariff came into operation. But since then the miners and prospectors of that place propose to reconsider the name.

Mr Willis

- What do they intend to call it?

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Mr MAHON

- They propose to call it "Tariff-town." Possibly, honorable members will obtain a clearer conception of the exact position if I tabulate the cost respectively of landing £100 worth of tinned milk in Fremantle, from London or Antwerp, as compared with the cost of landing £100 worth from Melbourne. As the Tariff on which we are employed is likely to be permanent, I should be justified in excluding from this calculation the operation of the temporary duties now in existence in Western Australia, but because I do not desire to do anything that is not perfectly fair, or to exclude any relevant factor, I am including the sliding scale in the comparison. The charges on £100 worth of condensed milk imported into Western Australia from abroad would be under this Tariff as follows : -

That is a total of £19 8s. 6d. in charges on the local article, as compared with £50 3s. 6d. in charges on the foreign consignment; showing a difference of £30 15s. per cent, in favour of the Australian production. This difference would be increased to £45 15s. per cent, upon the expiration of the sliding scale duties, as the Minister for Trade and Customs will know. In other words, next year 20 per cent, of the sliding scale duties will come off, and this commodity will have a further preference to that extent. The next year another 20 per cent, of the sliding duties will come off, and in five years the whole of the sliding scale duties will disappear. The local commodity will then enjoy in

Western Australia the same protective advantages as it now enjoys in the other five States of the Commonwealth. But it may be contended that the Australian manufacturer will have to pay a duty of 6s. per cwt. on sugar, whereas the foreign article is partially composed of sugar which pays no duty, or is bounty fed. I believe it is not quite correct to say, however, that all the condensed milk which comes into Australia is composed of bounty-fed sugar. Moreover, it is somewhat rash to assume that the duty on Australian sugar will always be 6s. per cwt. The committee will agree with me that had it not been for the necessity of offering the planters of Queensland some compensation for the withdrawal of Pacific Island labour we should never think of fixing a duty of £6 per ton on sugar. If that be so, surely we can look

forward to the time as not very far distant when the people of Australia will pay less than 6s. per cwt. on sugar. In that case, the local manufacturer of condensed milk will obtain this very substantial advantage. Of course any reduction of the sugar duty in the future will be equivalent, if this Tariff is to prevail, to a subsidy to the condensed milk manufacturers. But assuming that the proposed duty is enacted, let us look at the position in which the local producer of condensed milk will be placed as against the foreign producer. For the purposes of comparison I shall assume that both the foreign and the local condensed milk contains 50 per cent, of sugar, and that the local article pays the full duty on sugar of 6s. per cwt. It may be doubted whether the local article does contain so large a percentage of sugar. The honorable member for Mernda, who is an expert, will probably be able to tell us whether such is the case. But it is not denied that the foreign commodity - say Nestle's milk - does contain 50 per cent. I believe it is necessary that it should do so in order that the condensed milk may be able to stand the hot climates into which it is introduced. The Victorian company - the Anglo- Australian - has been putting its case before honorable members. I suppose that nearly every member of the committee has received a circular from that company. But though the company is very careful to say that Nestle's milk contains slightly over 50 per cent, of sugar, it quite as carefully refrains from stating the percentage contained in its own milk. That, I think, is one of the salient facts which ought to have been stated. Why this concealment ? If this company had an honest case, why did it not put the whole of the facts before the committee ? When it saw fit to address honorable members at all, why not state all the facts which are necessary to enable one to arrive at an intelligent decision upon the subject? Consequently we are not in a position to know how much sugar duty this company is paying, nor how much it is going to pay. Therefore we are working in the dark. We know what duty the manufacturers of Nestle's milk must pay on the sugar contents of their product, but we do not know how much sugar the locally-manufactured preserved milk contains, nor have we any means of obtaining a knowledge of the duty it pays in this respect. But I will take the sugar constituents of a 1-lb. tin of each article to be 50 per cent. Assuming that locally -produced condensed milk contains-. 50 per cent, of sugar, my calculation is that the sugar in £100 worth of the local article: - would pay a duty of about £7 1 6s.

Mr Harper

- It is very difficult to follow ' the honorable member when he speaks of £100 worth. If he will state the quantity we can deal with it.

Mr MAHON

- It is difficult for me to state the quantity, because I was not able to obtain the price at which this article is: . sold. But if there is any point upon which the honorable member would like further information, I shall give it after I have finished.

Mr Harper

- What I say is that it is. difficult to know what quantity the value referred to represents.

Mr MAHON

- I fancy that £100 in value of Nestle's milk would be about 117 cases.

Mr Kingston

- How much does " the honorable member reckon per case ?

Mr MAHON

- Every one knows that there are 48 tins in a case.

Mr Piesse

- I did not know that.

Mr Kingston

- We are not imposing the duty per case.

Mr MAHON

- But the lb. enters into, the case.

Mr Kingston

- And the lb. enters into the miner, but the miner does not eat the case !

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Mr MAHON

- If the right honorable gentleman were in Western Australia during- the summer months, he would be glad to have a case of this milk handy. I do not commit myself exactly to the statement that there are 117

tins in a case. Honorable members will understand that I am new to parliamentary work, and I have calculated the figures in my own way, without the assistance of highly-paid officers or experts.

Mr Kingston

- We shall be glad to place the officers at the honorable member's disposal.

Mr MAHON

- My estimate of the duty which the local milk pays on the sugar which enters into the composition of £100 worth of it would be £7 16s.

Mr Harper

- How does the honorable member arrive at that if he does not know the quantity ?

Mr MAHON

- I assume that each tin contains a pound.

Mr Piesse

- How many tins are obtained for £100?

Mr MAHON

- I have not the detailed figures with me. I shall be glad to satisfy the honorable member privately as to how I have arrived at that figure, and if I am wrong the honorable member for Mernda can correct me.

Mr Harper

- I do not say that the honorable member is wrong.

Mr MAHON

- I did not want to overload my speech with details, and having worked out results, I discarded the detailed calculation. But, as I said before, I am taking it that there is 50 per cent, of sugar in the local article.

Mr Conroy

- I do not think there is that percentage.

Mr Harper

- The less the better; it would be better if there were not so much.

Mr MAHON

- As we have seen, the charges, including the duty, on £100 worth of foreign milk amount to £50 3s. 6d. per cent., and the local article enjoys a preference in this respect equal to over 42 per cent. In other words that is the advantage which the local product now enjoys in five out of six States within the Commonwealth. The advantage to the Australian product entering Western Australia will be, in the first year, £30 15s. per cent., and, allowing for the duty on sugar, about 23 per cent. I am speaking of the proposal of the Minister for Trade and Customs to impose 11/2d. per lb. ; and this preference increases yearly for five years, until, on the disappearance of the sliding scale, after all charges are met, and assuming that sugar continues to bear a duty of £6 per ton, it becomes 38 per cent. If the Australian product be, as its advocates say in the circular, "superior to any imported in Europe," its inherent superiority should enable it to get along comfortably without such a heavy tax to the consumer as 38 per cent. The question is forced on one:- Is this company's demand for such a monstrous impost consistent with its claims to superiority? Does the industry here pay wages 38 per cent. higher than are paid by the English companies who manufacture this commodity ?

Mr Harper

- The wages are three times higher here than on the continent.

Mr MAHON

- I expect the honorable member for Mernda to go further, and tell me what proportion of labour is employed directly in producing this commodity.

Mr Harper

- I suppose it takes the same proportion of labour here as in Europe.

Mr MAHON

- That I should say depends upon the skill and aptitude of the men employed. If the honorable member is going to take into consideration the highly paid expert at £1,000 a year, and bulking in his salary with the wages paid to the workmen, divide the total up into a so called average, I hope he will not expect the committee to accept such a calculation. I must accept the statement of the honorable member that the wages in Victoria in this local industry are three times higher than what they are in England.

Mr Harper

- Not England, on the continent.

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Mr MAHON

- At any rate, this circular is eloquently silent as to the wages paid by, the company and the number of men it directly employs. Both are salient queries, and the omission to supply obviously important data casts suspicion on the entire document. Indeed, the circular teems with unsupported and irreconcilable assertions. For instance, we are told that the Victorian article " possesses and retains in the hottest climate all the best qualities of fresh milk." I expected to see this followed up by testimonials from Charters Towers, Croydon, Bourke or Coolgardie; but instead we get some vague praise from a storekeeper in an obscure hamlet in the almost arctic regions of Gippsland. Again, the circular states that but for the introduction of the Australian article " the users of Swiss milk would be paying considerably more than they are paying at the present time." This I think is altogether an unjustifiable surmise, because if there were any basis for such a plunge into the realms of what-might-have-been, would not the company have quoted prices which existed before their milk came into the market ? But there is not a word about that aspect of the question. The Fremantle agent for Swiss milk, Mr. H. J. Preston, writes me - This statement as applied to the western State is absolutely false, and figures should be obtained from the Collector of Customs to substantiate a statement which I unhesitatingly give as the accurate one. But there is no necessity for this. I have already quoted from the Statistical Register of Western Australia the number of cases of Australian milk which entered that State in 1900. The figures show that out of 95,243 cases of condensed milk imported last year into Western Australia, only 345 contained the Australian product; and I do not understand how the price of 345 cases could influence that of 95,000. I may inform the Minister for Trade and Customs that some 3,000 or 4,000 cases were imported into Western Australia from New Zealand, but I am now strictly confining myself to the produce of Australia.

Mr Kingston

- Nearly 5,000 cases were imported from New Zealand.

Mr MAHON

- I see that the Minister for Trade and Customs has the statistics handy, and I take it as rather a compliment that he has not contradicted me before. One or two other points made by the advocates of the local article require notice. They say that the foreign milk is sold in Australia under the price quoted for other parts of the world, the alleged object being the killing of local competition. Not a shred of proof is supplied for this last statement ; it is mere assertion which proves nothing. In the first place some foreign milks are sold cheaper in South Africa than in Australia. Of course, the fact is, as Mr Preston points out, that where there is a large trade to be done in any commodity, many rivals and keen competition reduce prices. If price alone determined the public choice, how is it that the bulk of the Western Australian trade is done in Nestle's milk, which costs 10 per cent. more than any other brand ? And if the Victorian article be " superior to any imported," how is it that, with a duty of 8s. per case against them, foreign makers sent into Victoria in 1900, 416,000 lbs. of condensed milk? So, it appears, despite the statement in this circular, that the local producers cannot hold their own even with a duty of 2d. per lb ? It is said that there is a popular prejudice against the local product; but how comes it that no prejudice exists against local biscuits, jams, and tinned meats, which have absolutely crushed the foreign articles out of the local market? I shall again quote Mr Preston, who gives the actual experience of his own firm. He says - Years ago the only canned meats handled in Western Australia to any extent were the produce of America. To-day, with the exception of certain lines, which are not packed in Australia, the Australian packed article holds the market without any extra protection in duty, and at prices over 10 per cent. higher than can be obtained for the American goods. We have for the last four or five years given one firm of packers in Sydney an open order for all they could pack for Western Australia, and have handled for them not less than many thousands of cases per annum. To-day, notwithstanding the fact of the prohibitive duty of 2d. per lb. on foreign meats, we cannot sell the American packed article, canned by one of the best known firms in the States, at 10 per cent. less than our Australian article. This line needed no protection in our market, where the bulk of it is consumed, but obtains higher prices, and the bulk of the trade in open competition and at the same duty. Why ? Because it is the article best suited to the requirements of the people who use it.



That is the true secret and explanation of why these articles have come into common use. They suit the people, and as soon as Australian milk does the same, it will have the same success in the home market.

Mr Mauger

- We shall have to get rid of the prejudice in that case.

Mr MAHON

- The honorable member for Melbourne Ports talks about prejudice ; but how is it that Australian biscuits are bought by the people ?

Mr Harper

- There was just the same prejudice against Australian biscuits within my recollection.

Mr MAHON

- The honorable member's factory, where the Anglo- Australian milk is made--

Mr Harper

- It is not my factory.

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Mr MAHON

- I believe the honorable member knows something about the factory. How is it that this factory, which has been in existence for six years, has not overcome prejudice in Victoria ?

Mr Mauger

- Because so many people will go anywhere else but Australia, and consume anything but Australian products.

Mr MAHON

- The people do not go elsewhere for hats, do they ?

Mr Mauger

- No ; because we do not let them.

Mr MAHON

- We shall take care that the people have a wider choice as to hats under the Federal Tariff than under that of Victoria.

The CHAIRMAN

- Order ! The question is not that of hats.

Mr MAHON

- The Chairman must credit my digression to the honorable member for Melbourne Ports, who usually introduces irrelevant matter into the debates. The local producers give no proof that their milk will stand the test of summer heat on the Western Australian gold-fields ; they merely assert that it will, and mere assertion is valueless. If the milk were suitable to people in the interior, they would use it just as they use Australian jams and tinned meats. A Fremantle firm tested the New South Wales milk, but were obliged to give it up, because it went wrong during the hot weather. The goldfields storekeepers refuse to stock the local article because, as Mr. Preston says, " of its inability to stand the climate," and because their experiences with it have been attended with much loss.

Mr Kingston

- Is Mr. Preston the agent for Nestle's milk ?

Mr MAHON

- Mr. Preston is the agent for Nestle's milk, and is a very large importer. I am aware that the right honorable gentleman considers it almost a crime to be an importer.

Mr Kingston

- No ; but I think there is a lot of human nature in both manufacturers and importers.

Mr MAHON

- Mr. Preston does not deny that he is an importer ; indeed, he states so in the circular he has issued to honorable members. Mr. Preston bears a respected and honoured name, and he certainly would not make erroneous statements knowing that contradiction was ready to hand.

Mr Kingston

- How can we contradict a bald statement such as that a storekeeper had bad milk and threw it out ?

Mr MAHON

- Why did the Minister for Customs not call attention to some of the bald statements in the circular of the

Anglo- Australian Company ?

Mr Kingston

- I would do so if I found them.

Mr MAHON

- Then if he hands me his copy I shall show him half-a-dozen on each page. At any rate, the experience of Mr. Preston and the gold-fields storekeepers with this article has been attended with much loss ; so that the arguments against the imposition of this prohibitive duty are practically unanswerable. I may remind honorable members that the value of this import to Western Australia last year was over £72,000, and with an increase of population to 200,000, which we may expect, I am credibly informed that the value next year will be almost £100,000. By the time this milk reaches the consumers, with the proposed duty and other charges, the value will be increased to £150,000. The population of Western Australia will soon be 200,000, so that, roughly speaking, they will spend about 15s. per head in respect of condensed milk alone.

Sir William McMillan

- With a duty of about 50 per cent, added.

Mr MAHON

- The 15s. per head includes the duty. That is an enormous impost to pay. As I have shown already, one miner in Western Australia is paying on this item alone as "much as fourteen miners in Victoria have to pay, and still we cannot obtain any justification for the duty from the Minister for Trade and Customs. I ask the committee to reduce this oppressive tax to £d. per lb. My amendment, if carried, will protect the revenue, and give to the local article all the incidental encouragement it can reasonably ask. Under the proposal of the Government - and here I would invite the particular attention of the Treasurer - the sugar in a case of imported milk will pay 3s., and that in the local article 1s. 4d. My amendment taxes the sugar in a case of imported milk at 1s. 6d., the tax on the sugar in the local article being still 1s. 4d. Thus on the sugar contents alone the local article will receive a preference of 2d. per case.

Mr Harper

- It is impossible to review these figures.

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Mr MAHON

- I shall make it as easily as possible for the honorable member to review my figures by telling him how I arrive at them. If the honorable member chooses to work out the difference between the tax of 1s. 4d. and 1s. 6d. on £100 worth of milk, he will find what it represents. The foreign article will pay considerably more on its sugar than does the local article. I need not go into the other advantages, because I assume that Australian produced milk has - as the circular issued by the Anglo-Australian Company states - certain advantages in its favour. That circular speaks of the superior pastures of Australia. The superiority of its pastures, and the other splendid opportunities which the local company enjoys should be sufficient to enable it to get along without such a heavy tax upon the people.

Sir William McMillan

- They do not say anything about the temperature of the pastures.

Mr MAHON

- No. The local industry has many other advantages, as I have tried to show. Its market is at its doors, and thus it escapes heavy freights and charges. It has also an abundance of cheap land, which the foreign producer does not possess. Considering its natural advantages and the Tariff preference which we propose to give on its sugar elements alone, I submit my amendment as an honorable, fair, and reasonable compromise, and I earnestly hope the committee will see their way to adopt it. I move - That the words "and on after December 3rd, 1901, 3/4d. " be added to the duty - Milk, preserved, per lb., 11/3d.

Mr WILKS

- The honorable member for Coolgardie has gone into this question in a thorough manner, and I think the amendment moved by him bears on the face of it the fact that it is even more than a reasonable compromise. I wish to put the question plainly before the committee. On various occasions demands have been made here on behalf of the pioneers of Australia - the bush workers and the miners, and other large sections of the community in the interior. These demands apply not only to Western Australia, but to all

portions of the union. The answer that we have received in the past has been that the Treasurer would like to comply with these requests, but that he is unable to do so owing to the revenue aspect of the question. From to-day, however, that consideration is removed. We are told in well informed circles that the Treasurer will receive something like 3,000,000 in excess of his estimates for the year.

Sir George Turner

- If I do I shall be prepared to give the honorable member a share of it.

Mr WILKS

- I do not want it. I am not here for my own personal aggrandisement ; all that I desire to obtain is a remission of the taxation for the people.

Sir George Turner

- The public would cry out afterwards, when they found they had to pay.

Mr. WILKS. - Here is the difference between honorable members of the Opposition and the exploiters on the other side, I would say, if I were unkind enough to do so. While we admit that in order to obtain revenue certain articles of general consumption must be taxed, nevertheless we contend that the lighter the taxation imposed the better will it be for the people and the Commonwealth itself. The Treasurer has now had two months experience of the receipts not during a normal, but during an abnormal, period. It is reasonable to suppose that the disliked and ill used importer anticipated this Tariff, and imported large quantities of goods prior to its imposition.

Mr Mauger

- Not in Victoria.

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Mr WILKS

- That is a mere assertion. We have been told that the importers throughout the Commonwealth have anticipated the Tariff, therefore it cannot be said that the revenue received during the last two months represents the returns for an abnormal period. The honorable member for Coolgardie pointed out clearly that Western Australia, with a population of 190,000, will contribute £6,250 to the total revenue of £28,750 which the Treasurer estimates to receive from this item. The impost is entirely new to New South Wales, and I find that the people of that State will contribute £12,500 to the total revenue expected from this item, or, in other words, 43 per cent., although they represent only 33 per cent. of the population of the Commonwealth. This item is not even a fair compromise between the States. The honorable member for Coolgardie has pointed out the iniquitous way in which Western Australia is treated in regard to this impost, and when the figures relating to New South Wales are considered, it will be seen at once how unfair this duty is. Preserved milk has hitherto entered free into New South Wales; in Victoria there has been a duty of 2d. per lb., and the Government's idea of a compromise is to reduce the former Victorian impost by 1/2d. per lb., and to place upon New South Wales a new burden of taxation of 1½d. per lb. Queensland formerly had a duty of 2d. per lb., so that under this Tariff she will gain ½d. per lb., and be in the same position as Victoria. The people of South Australia, however, will have to pay a duty of 1½d. per lb. instead of 1d. per lb. as formerly, so that they suffer a loss instead of making a gain. These facts show that this duty cannot be defended on the ground that it is a compromise on the rates hitherto prevailing in the several States. The people will have this burden placed upon their shoulders solely in the interests of a Victorian manufacturer.

Mr Harper

- That is not so.

Mr WILKS

- The estimated revenue from Victoria in respect of this item is £2,812 per annum, as against £12,500 from New South Wales, £6,250 from Western Australia, and £4,688 from Queensland. This indicates that the duty is not in the interests of residents of Victoria, but in the interests of manufactories established here. Either the Government are imposing the duty for revenue purposes, or to uphold what they term a substantial industry. If they are imposing it merely for protectionist purposes they should say so. The Minister for Trade and Customs has advocated the claims of the pioneer, the miners, and the bush workers before, and if he wishes to help them he has an opportunity to do so now by reducing this item. If the duty is for revenue purposes, then the Opposition ask the Government to accept the amendment proposed by the honorable member for Coolgardie. If honorable members from New South Wales were

the rash free-traders that some would have us believe, they would fight strenuously to secure the placing of the item on the free list in view of the fact that preserved milk formerly entered free into New South Wales. In the interests of the Commonwealth, however, we are willing to accept the compromise proposed by the honorable member for Coolgardie. If this is intended to be a protectionist duty, however, I should like to hear an answer to the question put by the honorable member for Coolgardie to the honorable member for Mernda, namely - "What is the extent of the labour connected with the industry?" The argument has been used that this is an article of consumption largely used by working miners and pioneers, but it is largely used also by artisans and the working classes generally. I think that those classes will be prepared to consider a duty of ¼d. a fair compromise. Judging from what has taken place at public meetings, these people do not want any patronage. If revenue has to be obtained through the Customs, they desire to pay their fair share, and all they desire is a fair compromise - taxation upon an equitable basis - and a duty of fulfillment secure that.

Mr KINGSTON

- I hope honorable members will be content to allow the item to stand as the Government proposed it. I have listened with interest to the observations made by honorable members, and to some remarks personal to myself. It has been suggested that my past history would not justify honorable members in expecting this, that, and the other thing. All I can say in reply is that I hope my past history would not justify the recommendation of anything that is not capable of recommendation. One would have thought, to hear the eloquent way in which the honorable member for Coolgardie was discoursing, that there was a proposal under federation by which Western Australia, the golden-slippered Cinderella of the group, was to be taxed higher than she was taxed before.

Mr Mahon

- It is so.

Mr KINGSTON

- I wish to be quite courteous, but that is not the fact. We expect under our proposals to get only £6,000 from this particular form of taxation, whereas last year Western Australia on her own Tariff collected as much as £11,000.

Mr MAHON

- £10,777.

Mr KINGSTON

- More than that, I have the figures before me; milk preserved and milk concentrated, £10,811 and £1,307. I shall be surprised if that does not make something like £12,000.

Mr Mahon

- Not under this heading.

Mr KINGSTON

- Including the heading "Milk and milk and cream concentrated."

Mr Mahon

- That is not the same.

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Mr KINGSTON

- I shall omit the "milk and cream concentrated," and the figures then are £10,811, . . while we are now proposing to collect only £6,760. All the members from Western Australia appear to be at one upon this matter, one rises to speak, and the others cheer him, while he draws the gloomiest picture of the pioneer seated on his deserted log, sighing before his expiring bush fire, and reflecting how evil federation has been in that he is being taxed more on his preserved milk than he was before. He is not so taxed. I may tell honorable members that I am getting a little bit sick of hearing the pioneers claimed for only one State. I have the honour to represent a State that, equally with Western Australia, possesses pioneers. All the States have a similar class of men, and have equal occasion to be proud of them.

Mr Mahon

- How much will South Australia pay on condensed milk 1

Mr KINGSTON

- I think she will pay less than before, in the same way that Western Australia will pay less.

Mr Conroy

- The right honorable gentleman means that she will pay less to the Treasury. '

Mr KINGSTON

- She will pay less to the Treasury than she has paid before. I wish especially to tell honorable members from Western Australia that if they wish to pay less than they paid before they can take off the taxation which they have themselves imposed upon preserved milk coming from other countries.

Mr Mahon

- Tell us something new.

Mr KINGSTON

- I cannot. too often tell honorable members these truths, but honorable members from Western Australia know that that cannot be done, because Western Australia cannot very well afford to throw £10,000 away. Still, when they talk about the taxation imposed by the Federal Parliament, they must recollect that they have it in their power to remit if they please £.250,000 of taxation which they have imposed upon the inhabitants of the sister States.

An Honorable Member. - They would have to make it up in another way.

Mr KINGSTON

- They might make it up in a more federal way than the course they have .already adopted. I venture to say that we should be able, granted fair competition in Australia, to produce all the condensed milk we require.

Sir William McMillan

- What does the right honorable gentleman mean by fair competition ?

Mr KINGSTON

- Competition on equal terms and with equal labour conditions 1 I say that the labour conditions in Australia and Germany are not the same, and I sincerely hope they never will be. There is another objection as regards specially cut prices, and I say that in connexion with this article prices are specially cut against the Australian producer, and every one knows it.

Sir William McMillan

- All the better for us.

Mr KINGSTON

- Well, I like a thing to be made at a decent cost, and to be sold at a reasonable price. I do not believe either in the sweating of the workmen in connexion with the manufacture or the sweating of tradesmen generally by the slaughter of goods at prices at which they ought not to be sold.

Sir William McMillan

- That is what Victoria did.

Mr KINGSTON

- If she did, she does not do it now. We have come now to better times ; let us congratulate ourselves upon mutual improvement, and resolve upon future exertions in the same behalf. With whom have we to compete in this matter 1 Nestle. When in England last I was forced to admire one thing in connexion with Nestle, and that was his. energy in the advertising line. Every bus in London was placarded with " Nestle's milk." I was under the impression that Nestle was an Englishman, but I am inclined to think that Nestle is masquerading under a name which sounds English, ,but which is not English. Of course, we should treat everybody equally, but I think there might be some little patriotic leaning to our own people. Of the 94,000 cases of condensed milk which were imported into Western Australian, how many do honorable members think came from the other States or from Great Britain ? Not one-fourth. Where did they come from 1 Here are the figures -From Germany, 62,772 cases.

Mr Mauger

- " Made in Germany."

Mr KINGSTON

- Yes ; " made in Germany." From France 250 cases j from Belgium 7,238 cases. This article ' was made in Germany under conditions which make it difficult to compete. Protectionist countries, if honorable members like, but protectionist countries which, from their advantages, are able to compete with freetrade countries in open competition.

Mr Thomson

- The honorable member is mistaken, the milk is not made in Germany : it comes from Switzerland.

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Mr KINGSTON

-- What is the difference 1 Are they not all protectionist countries ? It is only a splitting of hairs, and exhibiting the special knowledge which the honorable member for North Sydney possesses of most commercial countries.

Mr JOSEPH COOK

- Switzerland is not a protectionist country.

Mr KINGSTON

- It is the first time I have heard she was not. Perhaps the honorable member would include Switzerland with Turkey and England, and other free-trade countries.

Mr JOSEPH COOK

- The light honorable gentleman had better look it up.

Mr KINGSTON

- The honorable member may look it up as much as he likes, but he will find that the figures are as I have given them, showing the importation from Germany, France, and Belgium, and I say that as regards these three countries, protection and cheap labour reign supreme. I say further, that these countries are competing with Australia for the Australian trade on special terms, because they are cutting the prices which they quote generally, and as regards some at least of the Australian States, they quote lower prices than for other places. I hold in my hand Morton's Weekly Export Prices Current of London, 9th September, containing references to the Anglo-Swiss Condensed Milk Company's preparations, and there I find that as regards specified places, amongst which Tasmania and Western Australia are included, they say, at the Anglo-Swiss Milk Company's special prices," and as regards all other places they give the prices " 18s. 6d." and " 17s. 6d." The prices which are really -quoted will not give the rates of percentage to which the honorable member for "Coolgardie refers\*. The duty is an ad valorem duty, and by comparing the number of cases with the invoice value quoted, we can see that they cut the prices to something like 16s. That is a sort of competition from which I venture to think we should be freed. Honorable members have sometimes spoken warmly when they have found a protectionist country slaughtering its goods in another country whose policy was more in the direction of free-trade. I say that when we find that for the purpose of extinguishing a native Australian industry special prices are quoted in this way, we should do what we can for the protection of our own industries.

Mr Mahon

- What proof is there for the statement 1

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Mr KINGSTON

- I say that the prices generally quoted are 18s. 6d. and 17s. 6d. and comparing the number of cases imported and the invoice value stated, it is clear that the prices quoted in Western Australia are less. Honorable members cannot get away from the fact that in this matter we are being exposed to very keen competition, and added to this there is the competition of cheaper labour, and the difference in the value of the sugar used in the manufacture of the article. It is not merely a question of the difference in the duty upon sugar. I am informed that the sugar used in the manufacture of the article here is of the best quality, quoted in Melbourne at £21 per ton, while the price of beet sugar in London and elsewhere, used for a similar purpose, is only from £8 to £9 per ton. It must be recollected that there is from 40 to 50 per cent, of sugar in condensed milk, and honorable members will find that the difference against the local, manufacturer amounts to from £11 to £12 in. the ton of sugar, or taking it in another way, to £5 or £6 on a ton of preserved milk. Put in another way, still it is a difference of about -1/2 d. per ' lb. on the milk itself. All that we propose to give by way of protection in this respect closely approximates to that amount. If there is an industry which is deserving of every possible encouragement in this connexion it is this industry. It is not as though one State only was concerned. Queensland produces this article. There is as excellent an article manufactured there as we could wish. I have a letter here referring to the factory at Cressbrook, which is the only one that has so far been a success. The writer says- We give our farmers 4Jd. a gallon for milk all the year round, which is a better price than they can obtain anywhere else. Being able to guarantee them this price, we are able to settle a number of people, principally from the southern colonies, on our lands at a good price per acre. This, I take it, is a

considerable help to the Queensland Government, and the colony in general, as establishing a price for land.

As regards Victoria, a lot of nonsense has been talked about the article produced here not being suitable for certain conditions. There is nothing in it. Certificates which may be gathered here, there, and everywhere prove that conclusively. We might as well say that Australia is not fit for the production of butter, which is not only produced, but is shipped home, and goes through the trials of the Red Sea, as say that it is unfit for the production of milk, and its preparation in any shape or form which is fit for human acceptance. In proof of this, I would call attention to the fact that the "Victorian production and export have very largely increased. In 1896 Victoria produced 794,000 lbs. of concentrated milk, and the production rose in 1900 to 2,631,000 lbs.

Mr Mahon

- The Minister is talking of concentrated milk now.

Mr KINGSTON

- It can be turned out in any desired shape or way fit for Victorian consumption, fit for Western Australian consumption, and fit for the most fastidious man. Honorable members will have noticed that in the senior State this matter lately came under consideration. Since the Tariff was proposed, a large meeting has been held at the centre of the Illawarra dairying industry, and Mr. Hay, conferring with 300 dairy formers, rejoiced in the prospects which were opened to them by our proposals, which enabled him to promise them an increased price for their milk, as compared with that which they had been getting. I trust that honorable members will see their way to allow the item to stand.

Sir WILLIAM McMILLAN

- It is rather amusing that the last statement quoted by the Minister for Trade and Customs was from a document alleging that a certain meeting had taken place, and that a certain gentleman had given the views of the people of Illawarra. But I may tell him that that gentleman was defeated at the last election by a free-trader, who, I presume, represents the district, and is better fitted to voice the sentiments of its people. It is very refreshing to freetraders to find that, in order to bolster up their case, the protectionists have to admit two or three very salient facts which we have enunciated for many years. In the first place they have to confess that in all protectionist countries the tendency is to reduce wages.

Several Honorable Members. - No

Sir WILLIAM McMILLAN

Not a protectionist country has been referred to by honorable members which they have not said is governed in such a way under the protective system that the labourer gets about only half the remuneration which is paid in Australia. It is also admitted that when a country over-produces, the manufacturers have to sell to the foreigner at a less rate than to their own people, and their own people are sweated for the sake of the foreigner. Let us look at this question from a little broader point of view than the Minister has done. In many instances we have to fight a battle, which I might call, despite all the boasts of others, the battle of democracy against monopoly. I think the Minister will do me the justice to admit that I have not attempted to put many articles on the free list, but have adhered to the compact we made that we must have revenue without destruction. I have been willing in most cases to compromise. I think the compromise of the honorable member for Coolgardie does not go far enough, but, at the same time, as he has moved an amendment, I do not intend to move for a lower rate. But what is the distinction we have to draw in regard to many of the items we are considering? We have to draw a distinction between certain articles which enter into moderate use among the people, and those which are of universal use throughout Australia. It seems to me an absolute crime to make dearer an article like preserved milk, which is used very largely throughout the interior of Australia. Are we making a Tariff for the people in the towns who have gas, electricity, fresh milk, and every comfort and luxury? Here is an article on which many thousands of the primary producers depend, for, as we all know, tea is a universal drink in the country. I am not advocating the abolition of the duty on milk, but I am pointing out that when we come to certain industries which represent a mere handful of men, as against the 4,000,000 inhabitants of Australia, it is not democracy to impose so heavy a duty. Let us see how the duty affects the port of Sydney. In 1899, New South Wales imported 3,526,575 lbs. of preserved milk, valued at £66,855. At a duty of 11/2d. per lb., that quantity would have yielded £22,041 to the Government; but their own estimate of revenue from this duty is £12,500. In other words, they are looking forward to the

reduction of the imports into that State by 43 per cent.

Sir William Lyne

- Hear, hear.

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Sir WILLIAM McMILLAN

- The honorable gentleman said that 15 per cent. was the high-water mark for a duty, and yet here is a duty of 33 per cent. ad valorem imposed.

Sir William Lyne

- I answered all these untruths on Saturday night.

Sir WILLIAM McMILLAN.- I have the honorable gentleman's words here if he wants them quoted.

Sir William Lyne

- I answered all the libels.

Sir WILLIAM McMILLAN

- The honorable gentleman referred in debate to " a good free list " ; but he said nothing about that, so far as I know, when he made the speech in which these words occur -

He thought it was almost wicked to raise the fiscal issue at the present time.

The CHAIRMAN

- Order. I hope that the acting leader of the Opposition will set a good example by not debating any question not relative to the item before the committee.

Sir WILLIAM McMILLAN

- The Minister for Home Affairs interjected that it was a very good thing to shut out the importations into Sydney, and I ventured to say that he did not dare to use an expression of that kind at the last general election.

Sir William Lyne

- I said, reduce them.

Sir WILLIAM McMILLAN

- We have here what I am told is a "country party." Does it represent the suburbs of Melbourne, or the great interior of Australia ? Does it intend to vote for the imposition of a 33 per cent. duty on one of the necessities of life throughout the interior of Australia? What is the reason of the name which is given to ray honorable friends on the cross benches ? It seems to me that in a great many cases the duties have been fixed at impossible rates - a sort of Dutch auction - and that the country party is expected to ask for a compromise, and to come down to a duty which is not a compromise. I should like to know from the Minister for Trade and Customs how many of the 4,000,000 inhabitants of Australia are employed in this industry. There is no doubt that, when we begin a protective system of this kind, we have to give the same consideration to one factory in Australia with ten hands as to a great factory employing thousands of persons. The curse of protection is that if we level up one we have to level up all. But we are not dealing with this Tariff on the principle of the protection of Victoria. Do honorable members mean to say for a moment that the protection of Victoria is the protection as understood throughout the States ? I deny it. The protection of

Victoria is an extreme mad thing, which has neither reason nor sense in it. Some of the rates which have been imposed in Victoria have acted in a prohibitory way; and now, forsooth, they want to compare these duties as a matter of average with the duties in free-trade New South Wales and in other States. It is an absolute injustice. It is an absolute breach of contract, with regard to the way of looking at these things. If we were to carry our free-trade principles out in this committee, we should move for the abolition of several of these duties, but we have not done so.

Sir William Lyne

- Because the Opposition cannot carry it.

Sir WILLIAM McMILLAN

- I am not so sure that there are not some duties which we could abolish, but I am not going to be led from the compact that we made. We have honorable members on the other side who, the moment we say that a duty is absolutely prohibitory, interject - "A good thing too." Does this carry out the compact which has been made with the people of Australia - is this the moderate protection of such representatives as the honorable member for Gwydir or the Minister for Home Affairs when they were before the electors?



Nothing of the kind. The whole of this Tariff is based on the extreme protectionist policy of Victoria.

Mr Mauger

- I rise to a point of order. The item now under consideration is condensed milk, but the honorable member is subjecting us to a lecture on the fiscal policy of the Government.

The CHAIRMAN

- The honorable member for Wentworth is not in order in referring to matters other than the item under discussion.

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Sir WILLIAM McMILLAN

- Surely when I am speaking of an article which enters into the consumption of the great majority of the people of the interior I am in order in saying that we are going almost beyond the bounds of our compact when we accept the reduced duty proposed by the honorable member for Coolgardie. Where the Government have made a reasonable proposal we have not interfered. As honorable members know, we have passed several items in this division, but the duty now proposed is absolutely opposed to the principle of democracy, and is directed against the interests of millions of people in the interior of Australia

Sir John Forrest

- I was twenty years in the bush, and never saw condensed milk.

Sir WILLIAM McMILLAN

- Condensed milk is one of those articles which may be regarded as a symbol of the protectionist system and its bottle-fed industries. If anything, the honorable member for Coolgardie did not go far enough. Seventeen and a-half per cent. protection, such as will be afforded the industry under the proposal of the honorable member, plus the freight and other charges to which the imported article is subject, should be sufficient for the local manufacturers, and is certainly a heavy tax upon an absolute necessary of life to those who live in the interior.

Mr HARPER

- I wish to say a few words, mainly because the honorable member for Coolgardie so pointedly referred to me. I think it is rather unfortunate that honorable members should adopt this method of discussing public questions, because it must be quite clear that, as we go on, the rights of several honorable members to speak on specific items may very well be challenged. I propose to confine myself to imparting to the committee some little information which may enable them to form a sound judgment on this question. I regret very much that I was unable to follow the figures of the honorable member for Coolgardie, because he quoted the money values instead of quantities. The honorable member referred to the preserved milk industry as belonging to Victoria, but as a matter of fact it has assumed very much larger dimensions in New South Wales and Queensland. It is, however, distinctly an industry of the soil. Honorable members on the other side of the chamber are constantly talking of the necessity of encouraging primary industries, and this is essentially one of those industries, because the whole of the contents of the preserved milk, namely, sugar and milk, are produced within the Commonwealth. The only foreign materials used in connexion with the industry are the tins and the timber used in the packing. Some honorable members have inquired as to the number of men who are employed in the condensed milk factories. But the employees there bear a very small proportion to the total, number of those who are directly or indirectly engaged in the industry. The farmers who produce the milk, and the men who are employed in producing the sugar, are all more or less interested. We should consider how this duty will affect thousands of people who are engaged in primary production, and also the case-makers, the tinsmiths, and the label printers, and scores of others who find employment in connexion with the industry.

Mr Page

- But what about the consumers ?

Mr HARPER

- They are all consumers.

Mr G B EDWARDS

- They do not consume tinned milk.

Mr HARPER

- Many of them do. However, I do not wish to enter into a general discussion. Honorable members seem to lose sight of the fact that the States have now become united in one common bond, and that the great

object of our federating was that we might join hands in building up a great country.

Sir William McMillan

- On the basis of one State.

Mr HARPER

- No, not upon the basis of one State at all. In order to build up this great country, we must utilize our natural resources to the very best advantage, and give every preference to our own- people. I was surprised at the proposal of the honorable member for Coolgardie, to reduce this duty to 3/4d. per lb., because I think the Government acted very reasonably in proposing a duty of 1 1/2d. per lb. For years, the duty in Victoria has been 2d. per lb., in Queensland, 2d., in South Australia, 1d., in Western Australia, 15 per cent., and in Tasmania 20 per cent. Therefore, I think the Government made a fair compromise in suggesting 1 1/2d. per lb. A large proportion of this duty is not protective, because the quantity of sugar used in the manufacture of condensed milk is about the same, proportionately, as that used in jam-making, namely, between 40 and 50 per cent. The honorable member for Coolgardie pointed out that there was a larger proportion of sugar in the imported than in the locally made article, but I would ask honorable members to remember that the great desideratum is to preserve the milk with as little sugar as possible. Sugar is much cheaper in Europe than in Australia, and the colonial manufacturer has to pay £21 10s. per ton for his sugar, whereas the foreign manufacturer has the advantage of bounty-fed sugar at £8 5s. per ton.

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Mr Page

- Do they use more sugar here than in Europe?

Mr HARPER

- No ; they use slightly less, if anything. As a matter of fact the sugar used by the colonial preserver costs him 1 1/2d. per lb. more than the sugar used by the Swiss manufacturer. That is to say, he pays 3/4d. more for the sugar used in every pound tin of milk than does the Swiss manufacturer. Therefore, the so called protection that is enjoyed by the local manufacturer is reduced by 3/4d. per lb., on account of the extra cost of sugar. The Treasurer quoted from a circular to show how illegitimate competition is brought to bear on industries which we are endeavoring to build up in the States. I am in a position to complete the Treasurer's case, and prove the statements which the honorable member for Coolgardie questioned.

Mr Conroy

- Can the honorable member speak from knowledge at first hand?

Mr HARPER

- Yes ; and I am prepared to submit the fullest proofs to the committee. The Treasurer quoted from a circular issued in September last, but I will refer to a circular which was issued twelve months ago. This contains a long list of the places at which varying prices are charged.

Mr Page

- Is that a circular from an English company ?

Mr HARPER

- From the Anglo-Swiss Company. The milk preserved by this company comes from Switzerland. Whilst the general price quoted is 18s. 6d. per case, the company vary their rates, apparently, where they have competition, and it is remarkable that in Tasmania and Western Australia they quote, not f.o.b., as in all other cases, but with cost of insurance and freight paid. In other words, they prepay the freight and insurance, and the consignee in either Tasmania or Western Australia has simply to take the article from the ship's slings, the price quoted for him being a shilling less per case than in other instances.

Sir William McMillan

- That is a common thing- - that is a good thing for us.

Mr HARPER

- I will tell the honorable member all about that presently. The company intimate further that they have ceased to supply their preparations to merchants in New South Wales, Queensland, Victoria and South Australia. Thus, in those States where preserved milk is being produced, and the industry is struggling into existence, they do not commit themselves to quotations, but place their goods in the hands of agents who I know have instructions to put the prices down in order to keep the colonial article out. In the other two States, however, where they have no agents, they quote prices including the cost of insurance and

freight, which is equal to about 3s. 9d. per case.

Sir William McMillan

- Is there anything to prevent them quoting still lower prices after the duty has been imposed?

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Mr HARPER

- Nothing, if they have a big enough purse. The honorable member for Wentworth says it is a very good thing. I say it is not, because these firms in Europe, which have long purses and an enormous amount of capital, do not operate in this manner without a reason. Either they are making a huge illegitimate profit, or they are making a loss for the purpose of crushing all opposition. This policy is well known - the honorable member for Wentworth is as well aware of it as I am. If these companies, for reasons of their own, adopt such a course, and succeed in their object, prices very soon right themselves again. If they get the same rates as they got a few years ago, they will obtain 1s. 6d. a tin for Swiss milk. I mention these matters because I was questioned and was invited by the honorable member for Coolgardie to say something on the subject. If we are to save this industry it is at least necessary to impose the duty which the Government have proposed, for the purpose of getting over illegitimate competition and making up for the increased price of sugar. We all remember the time when, some years ago, all the butter consumed in this country came from Ireland. A duty was imposed which stimulated the production of butter. By-and-by bonuses were given to enable the article to be shipped abroad. The result was the establishment of a great industry, which not only supplies our own requirements, but enables us to export to European markets. Those honorable members who object to the duty on condensed milk because it may make a difference of 1d. or 1/2d. per tin against the consumer are standing in their own light, because, as a matter of fact, all experience shows that a perishable article like this, if produced on the spot and sent into consumption at once, is invariably much better in quality than that which is kept for a long time and which is brought from a long distance.

If the market be secured to the local producer, not only will the whole of Australia be supplied with our own commodity, but I will venture to say that within a very short time the consumer will be paying considerably less for it than he is paying under present arrangements. Honorable members opposite talk of monopolies, but what about the monopolies in this article which mop up the trade of the world? We want to build up an industry upon fair and reasonable lines, and that being the case, it is an entire mistake to reduce the duty below the rate proposed by the Government. It ought, indeed, to have been kept at the Victorian rate.

Mr CONROY

- I confess that I have been a little surprised to hear the various arguments adduced on the protectionist side as to why this duty on preserved milk should be imposed. A moment ago we had the assertion that the effect of the duty would be to lower the price; but only a few minutes previously another honorable member said - "We want to raise the price of the article so as to be able to pay higher wages." When protectionist doctrines lead to such extraordinary and irreconcilable results we may well wonder whether they are founded upon the real facts of the case. We are told that because sugar enters into the manufacture of preserved milk, that is a reason why we should put an extra duty upon the article; but when we are considering the duty on sugar we are told that a higher rate is required in order that the price of sugar may be lowered to the consumer. Let us give the protectionists a taste of their own doctrines for once. As they say that the duty lowers the price of sugar, and as condensed milk contains 50 per cent. of sugar, it is clear from this argument that the manufacturer of condensed milk will stand in a better position through that duty being imposed. If, on the other hand, the duty does not cheapen the article, and is unfair to the manufacturer of condensed milk, that is a good reason why the duty on sugar should be considerably lower, so as to do as little harm as possible to what is described as one of the great primary industries of the country. We have not yet had a single figure submitted to us from the protectionist side to show why we should insist on an extra duty on preserved milk. On the other hand, the figures adduced by the honorable member for Coolgardie showed indisputably that the duty will press hardly upon the great pioneering population of our country. In fact, the honorable member for Coolgardie might have shown, on the very figures submitted by the Treasurer himself, that there will be a diminution of imports from the imposition of this duty to something like 60 per cent. It is therefore clear that the duty cannot benefit the pioneer industries, nor can it be of any use from the revenue point of view. If honorable members

opposite said that they supported the duty because there ought to be a certain amount of taxation on those engaged in the pioneer industries, I could have understood the argument, because it is necessary that a certain amount of revenue should be raised. But we have a right to object when they urge that this duty should be imposed for the benefit of the people who will have to pay it. The duty ought to be reduced by at least 3/4d. per lb. At least, so far as I am concerned, if the proposal were made to make condensed milk entirely free, I should vote for it. I shall have great confidence in supporting the amendment of the honorable member for Coolgardie, and I trust that the committee will support it, in order to remove a burden from the pioneer population of this country.

Mr A McLEAN

- The honorable member for Wentworth says that the duty proposed by the Government amounts to 33 per cent.; but I understand that the price of the local article is about 6d. per lb., and that of the imported article 6d. and 8d.

Mr Watson

- The imported article was selling in Sydney at 4 1/2d. before the imposition of this Tariff.

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Mr A McLEAN

- I am speaking of the prices in Western Australia, to which particular reference has been made : and I contend that the proposal of the Government means only 25 per cent. on the lower priced article, and, of course, less on the higher-priced. As to this industry being in the hands of a few individuals, I should say that all the producers throughout Australia are interested. There are two factories in my electorate, and the farmers there regard the promoters of these enterprises as public benefactors. The factories provide excellent markets for milk, and it is chiefly in the interests of farmers that I speak. As in most other cases, the competition of the foreign companies is not fair. They reduce prices for the express purpose of closing the local factories, and with the ultimate object of raising prices. That has been the case in connexion with every attempt to establish a local industry which in any way enters into competition with an imported commodity ; and if that were not the case I should not be so strong an advocate of protection. There are very few industries which have a larger and more hopeful future than that of the preparation of condensed milk, or, indeed, of dealing with milk in every shape and form. One of the factories in my district produces condensed milk, and the other concentrated milk, and each is an excellent article, about which I have never heard any complaint from consumers. Milk from these factories has been sent to Western Australia, and, after being kept there a considerable time, returned, and found to be in first-class condition. Considerable quantities are being exported now to South Africa, and, with reasonable protection, these factories will spread throughout the Commonwealth, seeing that they are eminently suited to our conditions. There is the one drawback, that we have to pay a higher price for sugar than is paid in Europe, but against that we have a more plentiful supply of milk; and I believe that with internal competition, which we shall have when the industry is fairly established, prices will be reduced to the lowest level. This, of course, will take a little time ; and I regard the duty as proposed by the Government as a fair compromise, as between the 2d. per lb. imposed in Victoria and Queensland, and the lower duties of the other States. It is unfortunate that the honorable member for Wentworth, who is generally so very cautious, and weighs his language, should refer to the legislation of Victoria as representing the acts of madmen. If we chose to retaliate, as we often have good grounds for doing, we could point to the policy in New South Wales of sending orders abroad and of closing down industries and depriving people of work as the best means of keeping up wages.

Sir William McMillan

- I do not object to Victorian legislators being madmen so long as they do not make the rest of us madmen.

Mr A McLEAN

- When honorable members seek to cast ridicule on a policy adopted by nine-tenths of the intelligent civilized world, they run a risk of making themselves ridiculous.

Sir William McMillan

- Why does the honorable member not approve of the rates of wages in the countries he admires so much ?

Mr A McLEAN

- The most protected country in the world is America, and the highest wages are paid there, with the exception of a few isolated places in Australia. In these matters, I prefer to take the testimony of those who have investigated the question, and studied it in the light of the best data at their command.

Mr Page

- Does the honorable member say that there is no poverty in America ?

Mr A McLEAN

- I say that according to English statistics the highest wages and the highest standard of living are to be found in that great nation.

Mr Conroy

- That is not so.

Mr A McLEAN

- I am speaking of great English statistics, and I prefer to accept their testimony. I support this industry, because I think it has a great future before it, and, if successfully established, will prove an inestimable boon to the producers of milk. I know that the establishment of the factories in my own district has there raised the price of milk.

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Mr FOWLER

- I am sufficiently acquainted with the Minister for Trade and Customs to realize that after the speech we have just heard it is not much use applying to him on behalf of Western Australia for further consideration. I am still hopeful, however, that we can appeal with some little effect to the other members of the committee. The Minister for Trade and Customs evidently considers that he made a strong point when he showed us from statistics that the people of Western Australia were not to be taxed under his proposal any more than under the old condition of things. But it is rather unfortunate for the right honorable gentleman's case that if the Treasurer is not going to obtain an increased sum from this duty, the people of Western Australia will continue to pay 8d. and 8½d. instead of 6d. or 6½d. for their tin of milk. When we consider the large quantity of condensed milk used in Western Australia, we begin to realize that this is a particularly unfortunate duty for the people of that State. The incidence of all taxation should be made as equitable as possible. This is a duty which undoubtedly presses unduly on a portion of the community, who, in spite of the objection of the Minister for Trade and Customs to frequent reference to the fact, is an important portion. I refer to the great primary producers throughout Australia, more especially miners and other pioneers in the interior ; and we must at once realize that this tax is hardly fair in its incidence so far as these people are concerned. Those who have argued that the foreign trader takes an unfair advantage of producers in a country such as our own, have been distinctly unfortunate in choosing this item as an illustration. The particular condensed milk which is largely consumed in Western Australia is Nestle's Anglo-Swiss milk.

Mr Harper

- Which is made in Scandinavia and Switzerland.

Mr FOWLER

- I quite realize that fact ; but this milk is sold throughout Australia, certainly in Western Australia, absolutely on its merits. It commands the highest price in the Western Australian market, so that whatever may be contended with regard to other importations does not hold good in this case. This article has come to Western Australia practically at the same price for a number of years ; and it is the one article which can be relied on for unvarying quality and general excellence. It keeps in any part of Western Australia ; not only in the hotter parts, but also on the coast are its keeping qualities valued by the house-wife. I know from personal experience that it is the most popular article of the kind in Western Australia, and largely, I think, on account of its keeping qualities. We have had the usual reference to the sliding scale as it exists in Western Australia. When a duty is referred to by a Western Australian member, and the Minister for Trade and Customs has to reply, we may always expect that unfortunate sliding scale to be thrown in our faces. But I again say emphatically that this sliding scale is not of the making of the people of Western Australia.

Mr Kingston

- Does the honorable member not think that the Western Australian Government know what the people of that State want?

Mr FOWLER

- I believe there will be a general election in Western Australia before long, and that the representatives then returned will make very short work of the sliding scale. At present the wishes of the people of Western Australia in this respect are not considered, and the sliding scale remains in spite of their anxiety to have it removed. Then we are told that this condensed milk comes from a portion of the world in which low wages and other objectionable conditions prevail. I believe that the greater portion of Nestle's milk is prepared in Switzerland, and the Swiss people are at once the most intelligent and most prosperous of any nation on the continent of Europe. The manufacture of preserved milk is carried on there under disadvantages which do not exist in Australia. The pastures upon which the cattle are fed are available only for a few months every year. For the greater part of the year the cattle have to be carefully housed and hand-fed. I agree with the honorable member for Gippsland that Australia has every facility for producing almost an unlimited quantity of this article. In no other country of the world could a given quantity of fresh milk be produced more cheaply. I am at a loss to understand the demand for protection for an article which can be produced here under such favorable conditions. We are told about the enhanced cost of the sugar that enters into the composition of condensed milk here, but I take it that even that is amply provided for by the amendment, and under such conditions as these I am absolutely unable to understand the anxiety of several honorable members to place a duty upon this article, which will be at once an unduly heavy tax on a great portion of the community, and unnecessary for the development of the industry. Prices quoted for preserved milk in various parts of the world have been read to us. In my younger days I had a little experience of snipping in the old world, and I may inform the committee that every shipping company in the old country has a differentiating scale of prices in respect of the particular country to which goods are being shipped. It is largely a question of the cost of placing goods in the particular country to which they are shipped, and if Australia in general is being given the benefit in regard to favorable prices, I am sure that that is a matter upon which we should all congratulate ourselves rather than one to bemoan. If we can produce such enormous quantities of milk here, and if, as I believe, the process of condensing and concentrating milk is a very simple one---

Mr Harper

- No, it is not.

Mr FOWLER

- I am given to understand that it does not require any great number of hands, or any very imposing machinery, to turn it out in very large quantities.

Mr Harper

- It requires a great deal of skill.

Mr FOWLER

- That maybe so, I do not see for a moment that the skilled labour need be such, or that the industry will employ so very many hands, as has been indicated by honorable members on the other side. If we have the necessary machinery, and a little practical experience, I am confident that we shall be able to turn out the article in sufficient quantities to supply the whole of Australia. The industry will advance as the knowledge that is gained in its practice increases. I hope the committee will seriously consider whether it is justified in placing a very heavy tax on the consumers of this article throughout Australia, more especially when the industry is one which can well exist here by reason of the natural protection it enjoys. The Swiss milk has to be conveyed from Switzerland by a long railway journey to the Straits of Dover. It has then to be conveyed on board ship and carried to London. From London it is sent -all over 'the world. Surely the shipping, railway, and other charges in connexion with the transfer of an article in the way I have indicated afford sufficient protection, in view of the natural facilities which exist in Australia for the manufacture of this article.

Mr Harper

- It costs almost as much to send condensed milk from Brisbane to Western Australia as from Europe to Western Australia.

Mr FOWLER

- But the Swiss milk has to be sent from Switzerland to London, and thence out here.

Mr Harper

- It is shipped in Germany, and does not go to London.

Mr FOWLER

- It is carried by rail from Switzerland to some port on the coast of Europe, then put on board ship and sent to London.

Mr Harper

- The milk sent out here has not to be sent first to London.

Mr FOWLER

- I believe that the tins bear, on the face of them, an indication that they come from the wholesale depot in London. If I am wrong, I am willing to be corrected. I trust that the enhanced price which is being paid for the article in Western Australia, over and above that which existed prior to the imposition of this duty, will convince the committee that the honorable member for Coolgardie's amendment while affording sufficient protection for the local producer, certainly will give the consumer a somewhat better condition of affairs than is likely to prevail under the Government proposals.

Mr WILKINSON

- Protectionists on this side have been charged with inconsistency, but it seems to me that inconsistency is to be found to a greater extent on the Opposition side. In one breath we are told by the Opposition that the consumer pays the duty, and in the next that in all protectionist countries the rule of keeping up prices obtains in order that the local manufacturers may be able to ship goods to other countries, and sell them there at lower rates. Those of us who are interested in seeing this industry established and expanded are quite prepared to admit that it has not yet assumed very large dimensions, but who would not have been able to say the same of the dairying industry generally seven or eight years ago? We have only to observe the great expansion which has taken place in the butter and cheese industry in all the States since 1892 or 1893; we have only to look at the very great strides which the ham and bacon industries have made during the same period to see what this duty means. How have these industries been able to attain to their present proportions? Has it not been done by giving them a certain amount of protection against the products of the outside world? And who will say that the protection given to them has raised the prices of these commodities? Our experience in all the States is to the contrary. Not only have the prices for butter and cheese, and for ham and bacon, throughout Australia not been raised, but we are obtaining for, if anything, a lower price very much better articles than before. I know, speaking of the State in which I was born and in which I have lived nearly all my life, that at one time it was a difficult matter to secure good butter or cheese. Now, it would be difficult to find any of inferior quality.

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Sir William McMillan

- We have gained all that in New South Wales without protection.

Mr Harper

- No, New South Wales had a duty on butter.

Mr WILKINSON

- I am speaking of what I know has been accomplished in Queensland, as the result of the protective duties imposed there in respect of these commodities. Although the Minister has said that the only company engaged in the manufacture of condensed milk, which has proved a success, is the one that he named, I may state that in my own constituency there are six or seven companies starting in the industry. There are two, I believe, manufacturing concentrated milk, while the others are making milk in a condensed form. The agent for one of these - the Trelawney Company - has just returned from America, where he went to inspect the latest machinery, and to make himself familiar with the most modern and approved processes for the manufacture of condensed milk. I look forward to the time when, at no very remote period, this industry will have assumed the proportions gained already by the butter industry, and when, instead of the brand of a foreign maker being bolstered up, as it has been here to-night, we shall be advertising our own Australian condensed milk in all parts of the world. It is admitted on all hands that Australia can produce milk on her pastures as good as that of any country, and with as little trouble. I believe that. I believe that the milk produced here is as rich as that of any other part of the world. It is a remarkable thing that this country, possessing such facilities for the grazing of cattle, should have to import the condensed milk which its people require. There should be no occasion to do so. We have to consider that those who start this industry here have to contend against large established firms, who in

order to prevent a step being taken in this direction, are prepared to flood our markets with their product, and sell it at a lower price than they ask for it in their own country. They do so not because they desire to be generous to us, but because they wish to deter us from entering into competition with them and acquiring their market. If they succeeded in preventing the establishment of the industry here would they continue to keep their prices down? No. As soon as it had been shown that the industry could not be established locally their prices would go up. I hope that the duty proposed by the Government will be agreed to. I wish it had been made as high as the rate prevailing formerly in Queensland - 2d. per lb. - because it was due to that duty of 2d. per lb. that the industry got a fair start there. I am sure that in the course of six or seven years we shall have reason to congratulate ourselves upon having established an industry which will perhaps be not inferior to the four industries I have named, which were fostered under a system of protection and encouraged by means of bonuses.

Mr KNOX

- I shall not be able to support the amendment. I consider that this is one of our natural industries and that it deserves special consideration. The industry will be affected by the price which the manufacturer has to pay for his sugar, but while I have said that I cannot follow the proposal made by the honorable member for Coolgardie, I am of opinion that the duty imposed by the Government is too high. I hope that the Government will see their way clear to make a compromise by reducing the duty to 1d. per lb., because from the figures I have worked out I am prepared to believe that that duty would give some consideration to the local manufacturer, and provide the extra amount that he has to pay for his sugar. I am as anxious as any one in this Chamber to uphold our local wages ; but the reiteration of the statement that we are getting from foreign countries goods manufactured by persons receiving a low rate of wages becomes somewhat wearisome. If in the Commonwealth of Australia we are going to attempt to hold up the wages of all the rest of the world, we shall be assuming a task which, I am afraid, will be found too great for us. I cannot support the present amendment, but I shall be prepared to support an amendment fixing the duty at 1d.

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Mr PAGE

- The honorable member for Kooyong says that this is a natural industry, and the only reason he does not wish to see it prosper is because he is afraid it is going to pay high rates of wages. The honorable member for Moreton seems very anxious to protect this industry, simply because he has two or three condensed milk factories in his own electorate. When the honorable member had a chance, on Friday, of giving people some protection in the shape of cheap salt, I did not notice the honorable member voting for it. The honorable member for Mernda gave the whole show away. He told us that he was going to clinch the argument of the Minister for Trade and Customs. The honorable member did . clinch it, and at the same time clinched my vote. I am going to vote for a reduction. As I have told honorable members before, I am here with a brief from the consumer, who pays me £400 a year to look after his interests, and I intend to look after them.

Sir Malcolm McEacharn

- He has been paying 2d. in the honorable member's own State.

Mr PAGE

- That is no reason why he should continue to pay 2d., if he can get the article cheaper. I hope he will pay a duty of 3/4d., or less, when we have done with it. I do not wish to put a ring round Queensland such as honorable members desire to put round Victoria. I should like to see all our ports thrown open, that we might have free "tucker" as well as free air. I have pointed out before that in my district in Queensland we have to pay not only the protective duties for the establishment of the industry, but also high railway freights, which, in many instances, amount to 100 per cent., on the price of the article. I know that the freight on kerosene amounts to over 50 per cent., on the price of that article, and everything else is in the same proportion. Some honorable members profess to be unable to understand why a labour representative should be a free-trader ; but, if they were living in my district they would be more than free-traders. Honorable members say that they wish to help the farmer, and, if they do, I fail to see why they should make him pay more than he need pay for articles of ordinary consumption. I have not heard any argument in this Chamber which proves that protection is going to make any articles cheaper. "We had an instance to the contrary on Friday last, because when we increased the duty upon salt, the price



of the article went up to 13s 6d. When the duty of 2d. was put upon condensed milk in Queensland, a number of factories started.

Mr Harper

- The duty was on long before they began to make it.

Mr PAGE

- I hope it will be off a long time after they are making it. I believe in reasonable protection, but I do not believe in this sort of protection. I do not believe in coddling.

Mr Harper

- Will the honorable member take the sugar duties off?

Mr PAGE

- The honorable member said that the beet sugar used for the manufacture of condensed milk in Europe could be bought for from £8 to £9 per ton. I make the figures run out in this way - £8 per ton for the sugar; £10 per ton duty,, that being the duty on beet sugar ; 30s. per ton freight; and 10s. per ton for handling and Customs charges. That makes. £20 per ton for that sugar landed here. The price of Queensland cane sugar in Melbourne at the present time is from £21 5s. to £21 15s. per ton, and the honorable member is not going to make me believe that people here will pay £21 5s. per ton for Queensland sugar when they can get the other sugar for £20 per ton. If the European beet-sugar can be landed here cheaper, the manufacturers of condensed milk will not study Queensland for five minutes. These people do not carry on their business for the public benefit, but to make money, and I do not blame them for that. I shall support the amendment fixing the duty at 3/4d., and I would vote for an amendment making it 1/2d. or less, if an honorable member moved it.

Mr McCOLL

- The honorable member for Maranoa is a riddle to me and probably to other honorable members. He says that everything we eat should be allowed to come in free, but the honorable member will not permit cheap labour to be introduced. Before we have concluded the discussion upon the Tariff I suppose he will be asking for a heavy duty upon sugar.

Mr Page

- No, I will not. Do not run away with that impression. The best way to solve that difficulty is to have free sugar.

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Mr McCOLL

- I am not surprised at honorable members representing Western Australia being somewhat concerned about this duty. I think they are to be highly commended for the temperate way in which' they have put their arguments, but I think their fears are groundless. This is a commodity which is very largely used in their State, and they are afraid that their constituents will have to pay dearly for it. It seems to me an extraordinary thing that in this country, which has obtained such a reputation as a butter-producing country, there should be any alarm when we talk of applying to preserved milk the same policy which has been applied to the production of butter with so much success. The honorable member for Moreton mentioned the fact that the production of hams, bacon, cheese, and butter has been encouraged by duties and bounties, and that these articles can now be obtained very much cheaper than before.

Mr Conroy

- Is that in consequence of the duties ?

Mr McCOLL

- Very largely in consequence of the duties. I find that we import into the Commonwealth now nearly 9,500,000 lbs. of preserved milk, to the value of nearly £250,000. Surely if there is one thing in connexion with which we may help the primary producer it is this article of condensed milk ? We are making now in the Commonwealth 102,000,000. lbs weight of butter per annum, and surely we can make 9,000,000 or 10,000,000 lbs. weight of preserved milk without dislocating any industry, and without increasing the price to the consumer? The honorable and learned member for Werriwa said it was not shown that this would benefit any industry. The acting leader of the Opposition, who I am sorry to see, is not in a better frame of mind, scoffed at this as a small pettifogging industry. The honorable gentleman looked only at the factories concerned, but the factory deals only with the last process in connexion with condensed milk. Taking the importation at the present time at 9,500,000 lbs. weight, the tins required for that quantity would at 1d. per

tin amount to £40,000, spent here.

Mr Piesse

- They would not be anything like 1d. per tin.

Mr McCOLL

- Taking the price at only 1/2d. per tin, the amount would be £20,000. Then we should want 25,000 or 30,000 cases to put them in, and we should also want labels. To produce that quantity of milk, I estimate roughly that we should require from 100,000 to 150,000 cows, and allowing 50 cows for each farmer, which would be a large number for each, it would mean that from 2,000 to 3,000 farmers would be employed in producing this commodity.

Sir William McMillan

- We cannot have both condensed milk and butter at the same time,

Mr McCOLL

- I know that, but we could make the condensed milk in addition to the butter, and we should find work for tinsmiths, carpenters, and farmers. The honorable members for Western Australia often refer to the primary producers, and we know that in their State great efforts are being made, and special inducements are being offered to induce farmers to take up land, and enter upon the various agricultural industries. Yet, here honorable members are taking action which will take away from the people they are endeavouring to put upon the land one of the main sources of profit. . This is not a new duty. Queensland has had a duty of 2d. per lb. for 12 years, and . Western Australia a duty of 15 per cent. I look at the question mainly from the farmers' point of view. I hold that the imposition of the duty will beneficially affect a number of other traders and will be the means of providing a very large amount of employment. I am sorry that the Government did not see their way to propose a duty of 2d. per lb., and if I thought that there was the least chance of getting the duty raised to that amount I should move in that direction. Under the circumstances I will accept a duty of 1 1/2d. per lb.

Mr WATSON

- I agree with some honorable members that we ought to offer a reasonable measure of encouragement to an industry of this character, but we have to pay some regard to the fact that the consumers of the article are mostly those who are rendering a very large service to the cause of civilization and settlement in Australia. I allude to the men who are bringing into productive use thousands of square miles of land which otherwise would remain a waste. These men have to undergo hardships and discomforts which are altogether unknown to the residents of the more temperate coastal districts. While I desire, as far as possible, to encourage local industry, I would temper the wind to the shorn lamb in the vast wastes of Australia. It seems to me that a duty of 1d. per lb. would be a reasonable impost from the point of view of the two parties. It must be admitted that it would not be fair to admit the article free of duty, so that the local producer would have to pay a duty on his sugar, while the importer would be free of that charge.

Mr Harper

- There is the bounty on the sugar as well.

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Mr WATSON

- We have not yet decided to impose a duty of £10 a ton on beet sugar. I understand that in Germany the bounty amounts to about 30s. a ton, yet the Government have placed an increased duty of £4 a ton on beet sugar as compared with the duty on cane sugar. It is a question whether - allowing that we keep to the tenor of the bargain with respect to the sugar duties and the kanaka labour problem - we should make such a large distinction as to duty between cane sugar and beet sugar. We have to consider the rate at which the Swiss or Dutch producer of condensed milk gets his sugar, and the disadvantages in the way of freight and other conditions with which he has to contend in getting his product to market. The amount of sugar duty in a pound of preserved milk, taking the duty at £6 a ton, comes to 3/8 of a penny. That would leave a protection of 5/8 of a penny if the duty were fixed at 1d. per lb. If, of course, we take the sugar at £9 per ton--

Ms Harper

- £13.

Mr WATSON

- The last quotation for sugar f.o.b. Hamburg I saw in a newspaper a week ago was about £10 17s. 6d.

per ton.

Mr Harper

- £8 5s.

Mr WATSON

- It is ridiculous to say that it is £13 a ton. The price of beet sugar, I know, fluctuates a great deal ; but the last quotation I saw was nearly £11.

Mr Kingston

- They get it very low.

Mr WATSON

- They get it very low sometimes.

Sir George Turner

- There is a big surplus in sugar production this year.

Mr WATSON

- But that has not come on to the market yet. The price runs between £10 and £11, which leaves a difference of £10 a ton between the price there and the price paid for Australian cane sugar. If we admit beet sugar at something nearer an approximation to the rate charged for cane-sugar, then the distinction will not be so great as the honorable member for Mernda assumes. But, against the lower price of sugar in the older land, there has undoubtedly to be placed the freight, insurance, and other charges incidental to its transport from the continent to Australia.

Mr Harper

- If Queensland milk is sent to Western Australia, the charges are very low.

Mr WATSON

- The probability is that the preserved milk will be exported to Western Australia not so much from Queensland as from Victoria. It must be admitted that Victoria possesses advantages in that regard that Queensland does not possess, and probably Queensland would find that her better market would be the old land, to which the exporters could get a direct freight proportionately much cheaper than they could to Western Australia. I cannot go quite so far as the honorable member for Coolgardie proposes to go, because a duty of 3/4d. per lb. would leave hardly any margin, considering the extra impost on the sugar, to the Australian producer. But I think that a duty of 1d., allowing for all the extra charges such as the honorable member for Mernda spoke of, would leave him at least a half-penny per lb., and an industry which cannot subsist, even under new conditions, with a protection to that extent has not my sympathy.

Mr Harper

- Under different labour conditions.

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Mr WATSON

- The honorable member has not stated what proportion of labour is employed in this industry. He has withheld that information. So far as the preserving is concerned my information leads me to think that the amount of labour required is a small item compared with the machinery, which is common to Victoria or New South Wales, and Switzerland. Of course, the labour engaged in the milking operations has nothing to do with the factories which produce the condensed milk. I doubt very much whether a greater amount is paid in this country than in the old world for labour employed in dairying generally. Taking into consideration the hours which the men work, it is not a princely sum. One of the big troubles I see ahead, so far as dairying is concerned, is whether, in the absence of machinery to effect the milking, we can raise a population who will have more intelligence than the cows they milk. Unfortunately, the children, often rising at 4 or 4.30 in the morning to bring in the cows, helping in the milking, and working away until breakfast time, are then expected to assimilate the information which the school-teacher tries to pour into them. I have seen children so soundly asleep at 4 o'clock in the afternoon that it was impossible to wake them up by any ordinary means. Although I do not urge that fact as any reason why we should not encourage the dairying industry, still it goes to prove that the conditions surrounding the industry do not differ to such a large extent as is imagined from those obtaining in the older lands. It furnishes a reason why we should not lay too much stress on the argument as to wages and conditions affecting the milking business. I think that if we reject the present amendment, and fix the duty at 1d. per lb., we shall have dealt fairly between the producers and the consumers. .

Mr KINGSTON

- Life is short and time is fleeting, and Christmas is drawing near. I venture to think that we have spent quite enough time on this item, and I would suggest to honorable members that it would not be unreasonable to take a division now.

Sir WILLIAM McMILLAN (Wentworth). - This has been a very intelligent debate, and a great deal of information has been given, which, I am sure, is appreciated by honorable members on both sides. We free-traders have no objection to industries. It has affected me most keenly to hear the honorable member for Echuca and others state that I am in any way averse to raising industries in this country. Our wish is to see them develop naturally. The honorable member for Echuca and others have asked what would they have done if they had not put a duty on butter. What would they have done ? No doubt the duty accelerated the progress of the butter industry, but it would have come naturally, and I doubt whether except perhaps from the Inter-State point of view it did accelerate it very much. Again we are told about the bonus on exports. But does any one mean to say that it did a bit of good to the export trade ? What made the export trade possible in this case was the refrigerating machine. The country, having lost its other resources, naturally took to an industry which was suitable to the soil. We have heard one or two interesting arguments, especially from the honorable member for Mernda, who betrayed something which perhaps he had better have kept to himself. I have always understood that, in arguing in regard to these colonial industries, what any rational man desires is to give them just a sufficient fillip to meet outside conditions. But here we have two new considerations. In the first place, because a great company, or several companies, on the other side of the world have an enormous output, and, forsooth, sell more cheaply to Australia than to some other countries, therefore we must consider, not merely the amount of duty necessary to put the industry on its legs, but also the fact of this outrage on the consumer in Australia. That is an ordinary business process, and, as a matter of fact, condensed milk is sold in South Africa at lower rates than in Australia. It is absurd to suggest that, in considering this question of assistance to our industries, we should enter into a discussion of the trade relations of the different manufacturers with all parts of the world. It is absolutely unfair, even from the protectionist point of view, to ask us to consider the want of knowledge and skill on the part of local manufacturers that prevents them from producing an article equal to that which is imported. The desire of some honorable members is apparently to impose such a duty as will force people to buy an inferior article, because it is acknowledged that the locally produced article cannot compete in quality with some brands of the imported condensed milk. In nine cases out of ten our natural industries require no protection, but simply knowledge, skill, competence, and intelligence, and by imposing high protective duties we are offering a premium to ignorance, carelessness, and want of intelligence. Instead of allowing the healthy breath of competition, to play upon our industries, the desire of honorable members on the opposite side apparently is to render it impossible for the local article to be subjected to the competition of the superior imported goods. We are going a long way in proposing any duty at all, because I consider that condensed milk should be admitted free. We should not be moved by such irrelevant considerations as to the means which are employed by foreign manufacturers to secure the control of our local markets. We know that when "Victoria stood in an isolated position we were able to procure goods from her at 10, 15, and 20 per cent, lower rates than Victorians had to pay for similar articles, and surely that must be in accordance with a good protectionist principle, or what I have described would never have taken place. The whole of the arguments of those honorable members - who are advocating high protective duties are based upon the preconceived ideas of Victorian prohibitionists, who do not consider what will be a fair thing for Australia as a whole, but what will be an effective duty according to the Victorian prohibitive standard. There was a duty of only 1d. per lb. on condensed milk in South Australia, and yet I notice that in 1899 free-trade New South Wales imported from that State 453,000 lbs. of condensed milk valued at £10,373, whereas the imports from the United Kingdom were valued at £15,688. Therefore South Australia, with a protective duty of only 1d. per lb.,

I was able to sell to New South Wales an amount of condensed milk equal to two thirds of the quantity received from the United Kingdom.

Mr Watson

- I do not think there is any factory in South Australia, but that the milk was simply re-exported.

Mr Harper

- Those imports from South Australia represent the Broken Hill supplies received through Adelaide.

Sir WILLIAM McMILLAN

- Perhaps that is correct. The point, however, is that a duty of 3/4d. per lb. will be higher than the duty which has hitherto prevailed in Western Australia.

Mr Harper

- It will be very little higher.

Mr Mahon

- It will be 5 per cent. higher.

Mr Harper

- On what price ?

Mr Mahon

- On 6d. per lb.

Sir WILLIAM McMILLAN

- As far as I can see 3/4d. per lb. works out as equal to at least 17 1/2 per cent., ad valorem, and freight and other charges to which the foreign article is subject increases the protection by another 10 per cent. When that additional impost has. to be borne by the people spread over the whole of the interior of the continent it amounts to a very serious burden.

Sir George Turner

- How much per head per annum would the duty amount to ?

Sir WILLIAM McMILLAN

- That is not relevant.

Sir George Turner

- It is distinctly relevant.

Sir WILLIAM McMILLAN

- We have not been able to obtain from any honorable member information as to the number of persons employed in the condensed milk industry in Australia. I find by reference to Coghlan that the total number of persons employed throughout the Commonwealth in the butter, cheese, and condensed milk industries is only 3,000, and probably not more than 150 to 200 of these would be engaged in making condensed milk. We have been asked by some honorable members why our people should not produce condensed milk as well as butter, but if those now engaged in butter making are to turn their attention to condensed milk they must give up butter making.

Sir George Turner

- We could put on additional men.

Sir WILLIAM McMILLAN

- Where are they coming from?

Sir George Turner

- We shall soon find them.

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Sir WILLIAM McMILLAN

- We know that efforts have been made for years past to establish this industry. One gentleman travelled throughout the whole of the Illawarra district in New South Wales, and attempted to establish the condensed milk industry there. Every one hoped that he would succeed, but the manufacture of condensed milk cannot be carried on in the same way as butter making. It is an industry into which people must enter carefully, and which requires high knowledge and skill, but, notwithstanding that, a duty of 3/4d. per lb. should afford sufficient protection for the local manufacturers. I find that a large quantity of the condensed milk comes from Scandinavia, a country in which the milk producers have to shelter their cattle and feed them artificially throughout the greater part of the year, and are placed at enormous disadvantages compared with our own people. We have opened up magnificent pastoral districts on the northern rivers of New South Wales, and refrigerators and cooling chambers have practically solved all the difficulties which were at first presented by our hot climate. We have enormous natural advantages, and it only remains for our people to show the necessary skill and knowledge in order to achieve successful results. It is not desirable that we should take our people from occupations which they

understand in order to enable them to engage in others which they do not understand, and in which they have to run much greater risks ; but the main object of some honorable members seems to be to keep out the imported goods at all costs. The Minister for Home Affairs has said, " Down with the importer ! " That is a fine expression to come from a Minister of the Crown ! I want to know whether the Government by this Tariff and by their policy mean prohibition 1 Even if they had made the duty on preserved milk a penny, they would have been showing very little consideration for New South Wales. In this matter we are fighting not for our interests, or for the men who live in the cities, but for the millions who reside in the country districts, for whom we ought to have some sympathy. The Treasurer talks about compromise. The bulk of the items in this Tariff are so high that no compromise can affect them. They have been put high purposely in order that the Government might reduce them. I do not call that compromise. When the duty imposed on an article is 11/2d., and the Government are willing to come down to 1d., that is no compromise if 1d. is altogether too high. Some of the arguments used in support of this duty have been perfectly absurd and futile. Because certain companies producing preserved milk have chosen to decrease their prices, honorable members oppose grudge the cheapness which results to thousands of consumers in Australia. In other words, they are sorrowing because, instead of being put in the position of the " most favoured nation " we are not handicapped in respect of price as compared with the rest of the world. Yet those honorable members are democrats ! They are the men who believe in considering "the greatest happiness of the greatest number." I have said that I am willing to let certain of these items go, and to permit of a fair revenue, without destruction of industries, being obtained from them. But if the Government are going to get revenue by the destruction of the interests of the people and of commerce, I say that when we come to several other items I shall move for their omission from the Tariff to make up for these high duties. I shall go upon the principle of compensation. All along I have said to my friends on the opposition side, "Let us carry out our compact of revenue without destruction." When I told them that, I said that I expected that we should meet with a fair amount of success. But we are met upon items like this by an absolute " stone-wall " on the part of the Government. If we are not to get fair consideration upon such items as this, we shall have to deal differently with other items. I appeal to the representatives of labour as to whether, upon these items which are of great importance to the people, there should not be consideration shown for the consumers principally, and not merely for the manufacturers ?

Mr E SOLOMON

- I am sorry that the Minister for Trade and Customs should have thought it necessary to sneer at Western Australia because she happens to be a small State.

Mr Kingston

-What nonsense. I have as many friends there as the honorable member has.

Mr E SOLOMON

- The interests of that State have as much right to be protected as have those of any other State in the Commonwealth. I am also surprised that the Minister for Defence should agree to such a duty as that now proposed, seeing that in Western Australia he thought it sufficient for many years to have a duty of no more than 15 per cent. upon preserved milk. I can scarcely believe that the right honorable gentleman knows what the feeling of Western Australia is in regard to this and similar matters. I have always thought that protectionist duties of this character were a great mistake. I have no objection to giving protection to a certain extent, but not to such a degree as is here proposed. At the time when federation was before the people of Western Australia the Minister for Defence distinctly said that the idea in the minds of the promoters of that policy was not protection, but a uniform Tariff based upon fairness to all parts of the Commonwealth, and that the smaller States would not suffer in consequence of the larger States having more representation. But that does not appear to be the case now. I do not stand here merely on behalf of Western Australia, but I speak for the people of the Commonwealth in respect to this matter. Every section of the public has a right to be considered, and not merely those few who produce things for which the rest of the public are made to pay through the nose. The pioneers of the Commonwealth ought to be considered first of all. They have made Australia what it is at the present time.

Mr Kingston

- Was not the honorable member a protectionist a little time ago ?

Mr E SOLOMON

- I never was a protectionist.

Sir John Forrest

- Not in respect of tobacco ?

Mr E SOLOMON

- Tobacco is an article upon which revenue duties are imposed.

Sir John Forrest. - What about protection to the local manufacturer?

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Mr E SOLOMON

- I am not to be drawn off the track by the Minister for Defence. This item of preserved milk is one that affects the interests of the whole population of the Commonwealth. It particularly affects the working classes, who have to bear hardship, and receive very small wages, and from whose labour other people derive their wealth and position. For these reasons I hope that a reduction will be made on this item.

Mr BROWN

- The duty on preserved milk is one which will press very heavily upon those who are engaged in the primary industries, particularly upon those who are occupied in the most difficult of those industries, namely, the pioneers of the different States. When both fresh and preserved milk can be obtained, there is no possibility of preserved milk holding its own. Consequently, this duty does not seriously affect the large centres of population, and the settled districts where agriculture and farming are carried on. But it affects the way-back parts of the continent, where the conditions of life are the very worst, and where men are engaged in discovering and developing the mineral wealth of the country, or in making the land accessible for purposes of grazing and farming. What do we give these men in compensation for the duty we propose to levy on what they consume? Absolutely nothing, though we are loading them up with taxation. There are 1,200,000 people in the more densely settled part of the Commonwealth, included within the State of Victoria, who will contribute less than will 200,000 people in the West Australian pioneering districts of the Commonwealth, where the conditions are much more severe. From this duty the Minister estimates to raise in Victoria only £2,812 from a population of 1,200,000, whereas he hopes to raise in Western Australia £6,250 from a population of 200,000, or an excess of nearly £3,500 per annum.

Mr Kingston

- And not content with that, the Western Australian Government propose to tax Australian milk still more.

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Mr BROWN

- In New South Wales the Ministry estimate to raise by this tax £12,500, and in Queensland £4,600 ; and these are the States in which, while there is fairly well-established settlement, with the accompanying conditions of civilization, there are large areas where pioneering work is being done. It is at places like Broken Hill and Wilcannia where preserved milk enters largely into consumption ; and this bears out the contention from this side of the House that the proposed duty will fall on people who are least able to bear it, and who are doing the greatest service by developing the latent resources of the Commonwealth. Another contention is that this is a primary industry in Victoria, New South Wales, and Queensland, if not in the whole of the States ; but if it is a primary industry in the proper sense of the word, it does not require the encouragement proposed. The conditions are such as should make towards, placing this industry on a self-supporting basis, and do not justify this dipping into the pockets of the " way-back " man. My information leads me to suppose that there is something more in this question than the mere suitability or otherwise of a large portion of the States for dairying purposes. In the State of New South Wales considerable\* attention has been given to this matter, and it has been considered that if butter,, cheese-making, and similar pursuits could be added to by the preserved milk industry, a greater outlet would be afforded for the milk supplied, and better prices would result. It would appear from the circular which has been addressed to me by the manager of the Anglo-Australian Milk Preserving Company that Victoria is far and\* away ahead of the other States in this industry ; and it came as a surprise to me to hear the Minister of Customs state that New South Wales occupies the premier position. Whatever advantage New South Wales has. obtained is due to a large dairying industry, and to the fact that a number of those engaged are enterprising, and desirous of: striking out on new lines in the way of providing additional food supply for the people of Australia. The great trouble seems to be that they are not able to place on the market of Australia an article that in all respects can hold its own with imported

milk. One manufacturer, who has invested-, a large sum of money in this industry in a part of New South Wales, where there is every indication of success, admits that, the great trouble is that he cannot provide an article which, under our trying climatic conditions, can compete with the European milk. With a view to getting the latest information on the matter, and to enable him to compete with the Swiss and other foreign milks, he visited the factories in England, and also the celebrated Swiss milk works; and he came back impressed with the fact that there is some expert knowledge which is not possessed by manufacturers, in Australia. In his desire to unlock the secret, he offered large salaries to experts in the factories he visited, but he could not induce them to come to Australia, and he had to remain satisfied with the knowledge that there was a trade secret..

By experiment that manufacturer has endeavoured to solve the question, calling to his aid the best chemical knowledge he can command ; and I am credibly informed that now he is placing on the market an article which, if not in every particular equal to that imported, is progressing in that direction. I feel sure that as the result of investigation the secret will be discovered, and that, eventually, preserved milk will be manufactured here of sufficiently high quality to capture the market on its merits. But, until we can produce such an article, we cannot compete, no matter what duties may be imposed. In the meantime, in attempting to benefit a very few people, and, possibly, to induce others to join them, those engaged in other industries are being loaded with high taxation, particularly in the pioneer industries which are of such vital importance to the development of Australia. I propose to give my support to the amendment of the honorable member for Coolgardie, or to any other amendment which will bring about a reduction of this duty.

Mr KIRWAN

- I am sorry that the Minister of Customs should have assumed such an unbending attitude. He has straightened, or, perhaps, curved, his back ; at any rate, it seems that he will not give any concession. I would not go so far as the honorable member for Fremantle, and say that the Minister for Trade and Customs has sneered at Western Australia, because I am perfectly satisfied the right honorable gentleman would not intentionally sneer at that State.

Mr Kingston

- I have too many good friends in Western Australia to dream of doing such a thing.

Mr KIRWAN

- All I can do is to express regret that the Minister should have so spoken as to give anybody that impression, for which, I admit, there was not much foundation. . But I was very sorry to hear the way in which the Minister spoke about the pioneers. He drew a pathetic picture of a pioneer who sat upon a hollow log lamenting that he had no milk to put in his tea. That may be humorous from the point of view of the right honorable gentleman, but if he were sitting on a hollow log in the back-blocks, and had no milk for his tea, he would fail to see the humour of the situation. Surely the Minister for Trade and Customs could have found some subject for his jest other than these poor men, who, I can honestly say, will suffer very severely indeed as the result of this Tariff. The right honorable gentleman also said he was getting heartily sick of Western Australian members speaking as if there were no pioneers throughout the Commonwealth except in their own State. I am sorry if that impression has been created, but I can go so far as to say that the amount of pioneering work done in Western Australia during the last six or seven years has been considerably greater than that done in all the rest of Australia. It is not a district, but virtually an auriferous continent that has been opened up by the pioneers referred to by the Minister.

Mr Fowler

- To the advantage of the whole Commonwealth.

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Mr KIRWAN

- Yes, because by reason of the discoveries in Western Australia an outlet was afforded for those in Victoria, who, in the time of depression, could not secure work. Many of them went to Western Australia, made a good deal of money, and obtained employment there. In these circumstances I would ask the Minister for Trade and Customs who, if not the representatives of Western Australia, should uphold the needs and fight for the requirements of the pioneers. Those upon the gold-fields which we represent are pioneers pure and simple, and if honorable members from Western Australia do not fight for their rights they do not know who would. I do not know whether we should be able to look to the very powerful country



party, whose attitude upon this question has been referred to to-day. It is a party, I believe, of immense influence ; but it reminds me somewhat of the three tailors "of Tooley-street, who began their petition - "We, the people of Great Britain and Ireland." It seems to me that when seven or eight honorable members representing Victorian constituencies meet together and constitute themselves the country party of the Australian Commonwealth Parliament, they make themselves ridiculous, and there is a remarkable similarity between them and the three tailors of Tooley-street. I should like to point to an argument which has been used, not by any honorable member who is in favour of a reduction of the duty proposed by the Government, but in a circular which has been sent round to honorable members by the Anglo- Australian Milk Preserving Co.

That company desire a duty of 2d. per lb. on condensed milk, and I think that no argument which has been used during this debate is so strongly in favour of the amendment proposed by the honorable member for Coolgardie as a statement contained in this circular. The statement is as follows : -

After prolonged and expensive experiments, the company -

That is, the Anglo- Australian Milk Preserving Company - has succeeded in producing an article which is superior to any imported from Europe, and which experience has proved to possess and retain in the hottest climates all the best qualities of fresh milk. We ascribe this superiority to the natural pastures on which the Australian cows producing the milk are fed.

When a company like this state that their milk is superior to any other in the market, why do they need protection? "Why do they fear any competition with the outside world ? I am informed that Nestle's milk is selling in "Western Australia at prices 10 per cent. higher than those demanded there for the Anglo-Australian Company's milk. Surely the people of Western Australia or any other part of the Commonwealth are not fools? They will buy the superior milk, especially when they can get it at a cheaper rate. The statement of the Anglo-Australian Milk Company ought to convince even the Minister for Trade and Customs himself of the absolute needlessness of the proposed duty. There is a great deal more that I might and should like to say upon this question, because it is of very great importance to Western Australia, which consumes more condensed milk than any three States of the Commonwealth--

Mr Harper

- It does not consume as much as New South Wales.

Mr KIRWAN

- Those who have gone into the figures make out a very different statement.

Mr Harper

-It is not correct.

Mr KIRWAN

- There is a general desire on this side of the committee that we should come to a division as soon as possible, and in deference to that wish I shall say no more upon this question.

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Mr JOSEPH COOK

- Before we go to a division, I wish to refer to one or two matters that have cropped up during the debate. I have listened attentively this afternoon to the reasons given for the imposition of this very high duty upon a common and necessary article of food - one which, I venture to think, reaches further than almost any other duty that we are called upon to deal with under this Tariff. We ought to be perhaps more careful with this than with any other article in seeing that we do not hinder its free distribution among the people of the Commonwealth. This is one of those items which, it seems to me, shows us exactly what the rationale of protection really is. We have been accustomed to believe that by the aid of science and the multiplication of the means of communication all over the world, we have overcome those temporary lapses of nature - shall I say - which make dearth in one particular part of the universe, while there is plenty in another. This industry aims at supplying a dearth of this kind - a dearth which we hope, will not always be permanent, and yet we are going to penalize it by a very high rate of duty. In doing that we go light in the teeth of that provision of nature which we have been struggling so long to bring into play, to overcome temporary crises occasioned by the lapse of natural conditions. In other words, we are doing what protection really always does we are fighting science, and fighting the multiplication of the means for satisfying human wants with greater facility. No one will use tinned milk if fresh milk is obtainable ; but people who are away from a good supply of fresh milk have perforce to use tinned milk. Here we are proposing to impose a

heavy tax on these people all over the continent ; we are going to visit with a special penalty people who are living away from civilization and pioneering in the back parts of the country, seeking to open a way for the more civilizing influences of town to follow. This is a poor return to those people who go away from the communal advantages of town life, submit themselves to all the hard excruciating toil of the back blocks, and subject themselves to the deprivation which comes by reason of their absence from large centres.

Why do we seek to impose these duties 1 A multitude of reasons have been given to-day, and honorable members pretending to have special knowledge have spoken as to the reasons which ought to urge us to impose a duty of this description. We have had, for instance, wise words from the honorable member for Mernda, who set out to furnish reasons which would enable us to arrive at what he regarded as a rational opinion on this question. I noticed that the honorable member - as is the case with honorable members who have a direct personal interest in a matter which comes up for consideration here - was apt to draw the long bow when stating the facts of the case. Ibr instance, when speaking of the matter of freight, he was careful to say every time that the freight from Brisbane to Western Australia was nearly equal to that between London and Western Australia. He never referred to the much shorter distance between Victoria, say, and Western Australia.

Mr McDonald

- The freight for this commodity between Brisbane and Townsville is as much as it is between London and Townsville.

Mr JOSEPH COOK

- That may be so, but Brisbane is not the only place where -milk of this kind is manufactured. It is made in New South Wales without the aid of a duty, notwithstanding that the- manufacturers there have had to pay a duty upon sugar, which is a great constituent of this milk. If it can be done in New South' Wales without any duty whatever, surely -we do not need to impose a duty of lid. per lb. in order to encourage the industry in other parts of the continent 1 The honorable member for Mernda spoke of the difference in the price of sugar here and on the Continent of Europe ; and, although the honorable member for Maranoa replied to his statement in that regard, I do not think he did so accurately or properly. What the honorable member said - and here again he was stretching the point - unconsciously, I have no doubt-

Mr Harper

- Will the honorable member show me how I did that t

Mr JOSEPH COOK

- I have pointed out already that when referring to the question of freights, the honorable member -spoke of the distance between Brisbane and Western Australia and never told us of the freight between Sydney, or Melbourne, or - Adelaide and Western Australia.

Mr Harper

- It all applies more or less.

Mr JOSEPH COOK

- Surely there is a difference in the freight between these places ? The honorable member only spoke of the two extremes. He also said the local manufacturers had to pay £21 per ton for sugar, while bounty-fed sugar could be obtained, where this article was produced on the continent, at £8 5s. per ton. Some honorable member interjected - " What about cane sugar?" and the honorable member said that cane sugar was on a parity with beet sugar. If cane sugar can be obtained for £8 5s. per ton in Europe, then it can be landed here at a total cost of £15 10s. or £16 per ton, and if the honorable member meant to suggest that people here are so foolish as to pay £21 per ton, when they can land cane sugar from Europe here at that price- -

Mr Bamford

- Where would the cane sugar come from that the honorable member would get in Europe ?

Mr JOSEPH COOK

- The honorable member had better ask the honorable member for Mernda, who made the statement that cane-sugar is on a parity with beet sugar as to price.

Mr Harper

- I did not make that statement. In' reply to an interjection, I said " If it were used."

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Mr JOSEPH COOK

- I am only quoting this as another instance of the disposition which the honorable member shows to stretch matters to make a favorable argument for his case. The honorable member for Gippsland said he might retort upon honorable members on this side that it would be a mad-headed thing for us to close up all our industries, take no interest in commerce and production, and send all our money abroad. Surely the honorable member knows better than to think for a moment that honorable members on this side desire to abolish all the industries we have in Australia, and to depend for all we want absolutely upon foreign markets. We say that industries in those States where they have not been bolstered up are healthier, pay better wages, and are getting along better in every way than those which have been spoon-fed in Victoria. One statement is made that always seems to me to give the whole case for protection away. The honorable member for Gippsland said that our conditions here, were eminently suitable for the production of this milk. What is suitability when we are speaking of a duty? Surely it is suitability in an economic sense, and in that sense the one supreme test of suitability is the way in which an industry is able to hold its own against healthy competition from any other part of the world? We are told in reply that our wage rates are not equal. The Minister for Trade and Customs told us that this industry only wants fair conditions and fair competition. What does the right honorable gentleman mean by fair competition? Is not the difference in the wage rates more than counterbalanced by the better climatic and natural conditions that we have in Australia as compared with Switzerland, where they have to feed their stock for seven months out of the twelve, and house them every night? That condition means infinitely more labour in the production of the staple of the milk than is required in New South Wales.' I, therefore, say that our conditions are in every way favorable, and the difference in our wage rates ought not to militate against our successful manufacture of this article. The difference between 3s. 6d. and 5s. per day, which I believe is about the highest rate paid here for dairymen, is not enough to account for the enormous difference represented by the duty proposed in this Tariff. The difference in the wage rates as applied to the production of condensed milk is more than counterbalanced by the cost of bringing the imported article here. I know of "no reason why we should not make as much of this kind of milk here as can be needed for the whole Commonwealth. I have one of these factories in my own electorate, and I have only the sincerest good wishes for the prosperity of this enterprise; but I am not disposed to penalise the whole of the milk consumers of the Commonwealth in order to bolster up any industry. The duty proposed from this side is perhaps a fair one as a countervailing duty to the sugar duty to be proposed. It is not, therefore, so much a Tariff matter as a matter of equity, to vote for a countervailing duty of that description. I do not think the difference in the price of sugar is a difference of 1d. per lb., or that the amount of sugar put into the milk means a difference of 3/4 d. a lb., and there is, therefore, perhaps an element of protection in the amendment proposed. We possess all the advantages that go to make this industry a complete success, and we ought not, for the sake of the producers of the condensed milk, to penalise those who are away in the back blocks seeking to build up the industrial life of the community.

Mr. CONROY(Werriwa).- Outside of 60 men employed in New South Wales in this industry, where there is no duty, and where it has been proved that they can get along without one, I find that there are not more than 70 men employed in these factories throughout Australia.

Mr Harper

- There are more.

Mr CONROY

- A sense of what is due to Parliament itself should prevent the honorable member for Mernda from speaking on this subject. I have learned that the honorable member is interested in the matter. As a matter of good taste, the honorable member ought to be the last member of the committee to say anything upon the subject. It is essential in matters of this kind that members should be free from suspicion, and the proper course is that adopted by one honorable member in not voting or even speaking unless upon a reduction of a duty.

The CHAIRMAN

- The honorable and learned member is distinctly guilty of a breach of the standing orders. I ask him to confine his remarks to the amendment. If he thinks an honorable member is interested, there is a proper time at which to challenge the vote.

Mr CONROY

- If an honorable member has paired, there is no opportunity to challenge, because pairs are not taken notice of by the House. I find that there are not more than 130 men engaged in this industry throughout Australia, and of that number some 67 are engaged in New South Wales, where there is no duty whatever. That leaves only about 60 men in the rest of Australia who can by any means be said to be benefited by a protective duty on this article. There are over 100,000 miners in Australia, but there is no benefit proposed to be given to them.

Mr A McLEAN

- Will not the farmers who supply the milk be benefited ?

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Mr CONROY

- Does the honorable member mean to say that a dog can eat his own tail and grow fat ? Can we take in each other's washing and get richer for it ? The honorable member's argument is that every man who makes his own boots is saving their price to the community. The honorable member does not understand the first principle of this matter, which is the division of labour. The Minister for Trade and Customs asked us whether we would not be patriotic and support home industries. Is the right honorable gentleman not aware that for every £20,000 worth of goods brought in, we have to give employment to our own people in the production of £20,000 worth of goods sent out ? It is the right honorable gentleman who is not supporting home industries, and who is trying to stamp out the men engaged in supplying these goods. If we look at the latest returns from Broken Hill we shall find that within the last five months 3,800 miners have been thrown out of employment ; but there is no proposition from the other side to assist those men. Honorable members are prepared to take care of the 60 engaged in this industry ; but surely the 3,800 are more deserving of consideration 1 At the very time when the load upon these men ought to be lightened, the Government seek to increase their burdens. A duty like this is only one of the many sticks which go to make up the load, and by piling them on as we are, we are helping to crush a large body of people engaged in the primary industries of Australia.

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Mr McDONALD

- It astonishes me that there should be any difference of opinion upon the proposed reduction of the duty upon this article to 3/4d., when, I suppose, our natural opportunities for producing milk are greater than those of any other part of the world. In Queensland, after a wet season, there are hundreds of thousands of tons of fodder could be stored for the dry seasons. It requires no special effort to secure this vast amount of herbage which goes to waste annually. Hundreds of thousands of tons could be mowed with mowing machines, stacked and made ready for use in a season when fodder was too scarce. With such enormous opportunities at our command, it is ridiculous to think that we want a protective duty to encourage the development of this industry. A large proportion of the preserved milk which is used in Queensland is imported, and the bulk of it is sent into the far western districts, as well as the various mining centres. Until I came to Melbourne I did not know that milk was preserved in Australia. During the many years I have lived in Queensland I have never seen a tin of preserved milk which had not been imported. It should be our aim to make the burden of the pioneers as light as possible. Considering the hardships which they have to undergo, we should be willing to afford them an opportunity to get this luxury as cheaply as possible. Five thousand or 6,000 men are employed at Charters Towers, 1,000 or 1,500 men at Croydon, and thousands on the gold-fields extending right out between Charters Towers and Croydon for a distance of 700 miles, and away round in the Cloncurry, Kennedy, and Leichardt districts, trying to develop the mineral resources. The Government have thought fit to propose to tax these pioneers to such an extent as almost to prohibit them from procuring preserved milk. A duty of 1d. or 2d. per lb. may seem very small to most persons, but when it is remembered that several tins of preserved milk are used each week, and that duties have to be paid on many other necessities of life, the burden becomes very heavy. Under such circumstances, I shall have no hesitation in voting for a reduction of the duty to 3/ 4 d. per lb.

Question - That the words proposed to be added be so added - put. The committee divided.

32

AYES

16

NOES

Majority ... .. 6

Majority ... .. 16

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Question put. The committee divided -

Question so resolved in the affirmative.

Amendment agreed to.

Item, as amended, agreed to.

Item 50. - Soap, viz. :-

Sir WILLIAMMcMILLAN (Wentworth). - Before the general discussion takes place on this item, I should like to present some statistics to honorable members. In 1899, we imported into New South Wales 345,627 lbs. of fancy soaps, valued at £22,377. At 4d. per lb., the rate proposed by the Government, the revenue derived from this quantity would have been £5,757; but the Government estimate that the duty will produce £2,916. In other words, if the Government estimate is correct, the importation of perfumed and fancy soap into New South Wales will be reduced by one-half under the present Tariff. Furthermore, the proposed duty on soap will be equal to about 25 per cent. ad valorem. From our point of view this is largely a revenue duty, and as we have no desire to reduce the revenue, I am inclined to move for a reduction of only 1d. per lb. on this line. I think that will be a very moderate proposal when everything is considered. A very different state of things exists in connexion with common soap. Although New South Wales imported a large amount of common soap in 1899, the manufacturers in that State have, without any protection, largely increased their business. In fact, they actually exported common soap to the extent of 44,971 lbs. in 1899, and the exportation has assumed still larger proportions since. Although I have no statistics for 1900 upon which I can absolutely rely, I know that the importation of common soap has been very largely reduced. A difficulty, however, has arisen under this Tariff. Up to the time this Tariff was introduced, there was no duty levied on stearine in New South Wales, but now that a duty has been imposed upon that article, the position of the soap manufacturer in Sydney has been entirely altered, because a portion of his raw materials is now subject to a duty. But for this fact I should have felt inclined to entirely abolish the duty on common soap. I recognise, however, that we must pay some consideration to the soap manufacturer in view of the protective duty that has been placed on stearine. A duty of 1d. per lb. on common soap would be practically prohibitive. It would absolutely destroy the whole import trade, and would, therefore, prove inimical to free and healthy trade by removing competition. In 1899, we imported into New South Wales 3,805,984 lbs. of common soap, valued at £47,555. The revenue from this quantity at 1d. per lb. would have been £16,274, but the Government expect to derive only £50. Honorable members will, I think, agree with me that no matter what may be the facilities for manufacture, we ought not to place a prohibitive duty upon any article. There would be some sense in abolishing the duty altogether, because our natural conditions are so advantageous that we should not require any protection. Here, however, the Government propose to levy a duty equal to 34 per cent. ad valorem. upon one of the absolute necessities of life. If we impose a duty of 1d. per lb. on common soap, it will be equivalent to a 17 per cent ad valorem duty, in addition to which there will be all the natural protection which is afforded by import charges. I can absolutely commit myself to the reduction of duty on common soap, but I hesitate to make any proposition at present with regard to perfumed soap, as arguments may be adduced in support of a further reduction than I have indicated. Common soap is of such universal use that it has to be dealt with separately. It can be manufactured easily in any State. But when we come to deal with perfumed soap, we come to a revenue item. Therefore it is possible that in order to get the revenue the duty ought to be reduced to 3d. I do not move any amendment at present, but I think the duty ought to be reduced by at least 1 d., because a moderate duty is needed to obtain a maximum amount of revenue. When we go beyond that moderate duty revenue decreases. I content myself now with explaining the position as it appears to me, and I shall decide further on what either I, or one of my honorable friends sitting near me, will move by way of amendment.

Mr. HENRYWILLIS . (Robertson). I fancy that very little perfumed soap is manufactured in Australia.

Perfumed soaps are largely advertised, and the English brands are known and consumed, in preference to colonial manufactures such as are made in South Australia. But in respect of household soap it would appear that we can manufacture more than we can consume. From the figures before me I see that we have imported about 14,041 cwt., and have exported 15,067 cwt. to various countries. As we can make more than we can consume, it is only reasonable to reduce the duty to such a figure as that suggested by the leader of the Opposition. Upon the fancy soaps there is a duty proposed under this Tariff equal to from 33 to 66 per cent. The cost of importation is 20 per cent. Consequently the duty and charges amount to something like from 53 per cent. to 86 per cent. I think that 20 per cent. ought to be considered a sufficient protection for the manufacturers of this kind of soap. For monkey-brand soap 17½ per cent. is the duty, and the cost of importation is 20 per cent., making the charges altogether 37½ per cent. Upon household soap the duty varies from 50 to 100 per cent., and the import charges are about 35 per cent., so that we have upon such goods, duties and charges of from 85 to 135 per cent. If the suggestion of the leader of the Opposition were adopted, a sufficient protection would be given to this industry, and a much larger amount of revenue would be raised by the Government upon the imported article.

Sir GEORGE TURNER

- With regard to this matter of soap, we are apparently following a somewhat different course than that adopted in respect of a number of other articles. Fancy soaps are made in Australia to a considerable extent. They are made in Sydney by Lever Bros and by the Manchester Co-operative Society. At the present time there are in the States varying duties, probably proposed with the object of getting some reasonable amount of revenue from this article. In Victoria and South Australia the duty is 4d. per lb., in Queensland and Tasmania 3d., and in Western Australia 20 per cent. The duty here proposed amounts to between 20 and 25 per cent., and I do not think that is too high a rate upon an article which is made here, and which is also imported to a large extent. Fancy soaps in the year 1898 were imported to the extent of 985,000 lbs., and in 1899 to the extent of 812,000 lbs. We have calculated the importation at about 490,000 lbs. or 500,000 lbs. at the proposed rate. I think we should keep the duty of 4d. upon perfumed or fancy soaps, but I am prepared to compromise upon ordinary household soaps to the extent of reducing the duty from 1d. to ½d. In spite of what we hear, the Government want all the revenue they can get. If we allow this duty to remain at 4d. there will probably be just as much imported as there would be if we reduced it to 3d.

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Mr WILKS

- The Treasurer states that this is both a revenue and a protective duty. The electorate which I have the honour to represent has the largest oil and soap mills in the Commonwealth. They are the works of Messrs. Lever Bros., who employ over 200 hands, and who possess the best milling plant in the southern hemisphere. New South Wales has not at any time given them assistance by means of a duty. The honorable member for Robertson seems to be under the impression that perfumed soap is not manufactured in New South Wales. Let me inform the committee that the largest amount of production at the mills I have mentioned is in soap of the character known as toilet or perfumed soap. The acting leader of the Opposition has suggested a reduction of the item by 1d., and I think that is a fair proposal. Let honorable members look at the duties hitherto charged upon this article in the States. In Victoria the duty has been 4d., in Queensland 3d., in South Australia 4d., in Tasmania 3d., whilst in New South Wales such soap has been free. The Treasurer asks us to compromise in the face of the overwhelming revenue which is coming into the Treasury, and says that if we accept the duty of 4d. upon scented soaps, he will consent to the reduction of 1d. upon common soaps. What is the nature of that compromise? It simply means that whereas the Government expect to derive £138 from the importation of common soap, from the whole Commonwealth, the amount of revenue by reducing the duty to 1d. will be £69. That is an example of the wonderful generosity of the Treasurer. The fact of the matter is that the duty upon toilet soaps will always have a revenue producing effect. The English soaps are well advertised, and well known. There is a prejudice in their favour. I do not suppose that the industrial classes have much prejudice in regard to them, but there is a class in the community that has a liking for fancy soaps. For instance, the honorable member for Maranoa may prefer Brown Windsor, which I believe is an aristocratic brand. It does not matter what duty is imposed, Brown Windsor will still be used by the honorable member, and as he is a man of very fair proportions we may presume that he makes a great demand

upon the English importations in this respect. It is not to be expected that the Australian manufacturer will out-vie the English manufacturer in regard to the sale of toilet soap. Although I represent a constituency where, as I have said, there are large soap mills, still, I am going to move the reduction of the item. I move -

That the words "and on and after 3rd December, 1901, 3d. " be added to the duty " Soap, viz : - perfumed, toilet, and medicated (including the weight of wrappers), per lb., 4d."

Sir WILLIAM McMILLAN (Wentworth). - When we call these soaps toilet and perfumed, we must remember that they are not a luxury like silks and satins. This is the soap that every one uses - both the poor and the rich. It is the soap with which all classes wash their hands, and 4d. per lb. means a tremendously high ad valorem duty. It may not be an enormous duty, taken by itself, but, when we differentiate between kinds of soap, it will be seen that on the cheaper soap, which many people use as toilet soap, it is a very high duty indeed. I want the committee to disabuse their minds of the idea that this article is a luxury. It is an absolute necessity ; and when I propose, instead of making a tremendous onslaught on the duty, to reduce it to 3d, I think I make a very reasonable offer. The duty in Victoria was 4d. - it is always the Victorian duty which is adopted - in Queensland 3d, South Australia 4d, Tasmania 3d, and Western Australia 20 per cent. In New South Wales there was no duty, but that State, of course, is not to be considered. If, however, we take it that there was a duty of -Jd. in New South Wales, then I say that 3d. is more than an average duty. I do not think there is any chance of carrying a lower duty than 3d. I shall not, however, put any curb on honorable members, and if a further reduction be moved, I shall, of course, have to vote for it. I am now trying to avoid unnecessary divisions, and in the spirit of compromise I have made an offer. The honorable member for Dalley may withdraw his amendment if he likes, and test the question on an amendment to reduce the duty to '2d.

Mr. WILKS(Dalley). - I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Amendment (by Mr. Wilks) proposed -

That the words "and on and after 3rd December, 1901, 2d." be added to the duty " Soap, viz., perfumed, toilet and medicated (including the weight of wrappers), per lb., 4d."

Mr. CONROY(Werriwa).- I am surprised at the anxiety which is shown- to divide before there has been any discussion on the question. I can understand the satisfaction of honorable members representing the State of Victoria, but others who come from New South Wales, where the duty has been. raised from nothing to 4d., ought to have more consideration for their constituents. New South Wales represents nearly one third of the Commonwealth, and I was surprised to hear the admission that Victoria, although the population is nearly the same as that of the adjoining State, uses considerably less soap. We are being continually told that this is a federation of people, yet what we hear are arguments as if this union were only a federation of States. Looking at the proposed duty from a revenue point of view, it can be seen that the Government are going to lose. At 4d. per lb., the duty in New South Wales alone would realize £5,700, or, roughly speaking, £17,000 for the whole Commonwealth; that is supposing the importation remains the same as at present. But, according to the Treasurer, only about one-half of the revenue will be received, which shows that he recognises that the trade will be lessened by one-half. Has a Treasurer any right to throw away revenue in that manner? These soap and perfumery factories can flourish in New South Wales without any duty, and it is perfectly clear that similar enterprises in Victoria ought to be able to do the same, especially in view of the fact that the border duties have now been abolished. If a Victorian manufacturer of soap under existing circumstances cannot get along without a duty, he, in any case, will not be able to meet the competition of the New South Wales manufacturer. Every penny taken from the people in the way of taxation ought to go to the Treasurer, and not be given in bonuses to manufacturers ; and a duty of 2d. per lb., or over 121/2 per cent., is quite high enough, and will bring in more revenue than the impost proposed by the Government.

Question - That the words proposed to be added be so added - put. The committee divided -

17

AYES

31

NOES

Majority ... .. 14

Question resolved in the negative.

Amendment negatived.

Sir GEORGE TURNER

- I think that I may now agree to a reduction of this duty to 3d. per lb. I move -

That the words " and on and after 3rd December, 1901, 3d." be added to the duty, "Soap, viz., perfumed, toilet and medicated (including the weight of wrappers), per lb., 4d.

Amendment agreed to.

Amendment (by Sir George Turner) proposed -

That the words " and on and after 3rd December, 1901, 1/2d." be added to the duty, " Soap, n.e.i., including polishing, per lb., 1d."

Mr WATSON

- I do not pretend to know much about the relation between polishing and ordinary soap, but I desire to ascertain whether it is a fair thing to put the two varieties on the one basis.

Mr CONROY

- I object to this duty.

Sir William McMillan

- Then let the honorable member state his objection and sit down.

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Mr CONROY

- I object also to any one in the position of acting leader of the Opposition stating that the party is in favour of these duties. As a party we are not in favour of them. I object to this Tariff as a whole, and therefore I object to try to improve it. I accept the reduction of 1/2d. per lb. only because I see it would be useless to move that it be placed on the free list. By placing such a high duty on superior soap the committee are in effect saying that a common soap is good enough for the common people. It is a fitting proposal to come from a body of Tories like the Ministry.

Amendment agreed to.

Item, as amended, agreed to.

Division V. - Apparel and Textiles

Item 57 - Apparel and Attire and Articles n.e.i. - Woollen or Silk, or containing wool or silk, partly or wholly made up (not being piece goods), including articles cut into shape, ad. vol., 25 per cent.

Not containing wool or silk, partly or wholly made up (not being piece goods), including articles cut into shape, ad. vol., 20 per cent.

Special Exemptions - Apparel and Attire -

Minor Articles for : - Bindings and Stay and Boot Laces (except of Leather), Braids Buckles and Buttons (not for adornment), Busk and Stay Fasteners Protectors and Shields, Bodice and Skirt Steels, Ferretings, Filletings, Gimps, Hooks and Eyes, Tapes, Webs, Waddings, Webbing, Wire, and Wire Ribbon.

Diving Dresses

Bags and Sacks, viz. : - Bran, Corn, Flour, Gunnies, Ore, Sugar Mats, Woolpacks.

Elastic Stockings, Surgical

Meat Wraps, made up or in the piece.

Sir WILLIAM McMILLAN

- I understood that the items of rice, starch, and matches were postponed until the end of the division.

Sir George Turner

- Originally they were postponed until after Division 6a. Until we see how the revenue is shaping we cannot say whether we can give up any revenue duties.

Sir WILLIAM McMILLAN

- I do not want to discuss the question of tea, but from correspondence I have received there seems to be a general feeling that it is scarcely fair to the commercial community to postpone these items so long. I fear we are paralyzing the tea trade to a very unreasonable extent. Do the Ministry intend to postpone the items matches, rice, and starch, until a definite stage in the Tariff is reached 1

Mr Kingston

- Until we have dealt with Division 6a, as we indicated last week.



Sir WILLIAM McMILLAN

- It seems to me that, from a financial point of view, we should know what is the mind of the committee in regard to items which in many instances are more of a revenue than of a protective character, as it may affect what may be done hereafter. There are some items, such as mining machinery, in regard to which there is a general desire that they should be placed on the free list, or that the duty proposed by the Government should be reduced. If we keep what are absolutely revenue producing items hung up, I do not see how we are going to deal with the other items. I should like the Minister for Trade and Customs to give us some definite reasons for the postponement of these three items. I think it is only fair to the committee that when any items are postponed which naturally belong to a certain division, that has been drawn up by the Government themselves, we ought to be told the reason for the postponement.

Mr KINGSTON

- As regards tea, rice, and starch, honorable members will recollect that, on Friday last, the items that we proposed to deal with to-day were indicated in the clearest possible way, in answer, I think, to the acting leader of the Opposition. We requested honorable members to come prepared to discuss those that we have had under discussion this afternoon, and then to pass on to apparel and textiles, upon the consideration of which we are now disposed to enter.

Sir William McMillan

- I thought the Minister said we would deal with tea.

Mr KINGSTON

- No. I made our intentions perfectly clear to honorable members. I enumerated the very items which we proposed to deal with. The course then clearly mapped out is that which we have followed this afternoon. Reference was made to the item tea, and we said we proposed to take that after dealing with Division 6a.

Sir William McMillan

- That is not quite a reason for the postponement.

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Mr KINGSTON

- That is the intimation we gave, and no exception was taken to it. The reason is, amongst others, that our attitude in connexion with these matters may be influenced to a considerable extent by the revenue which they produce. Day by day there is further opportunity being given for forming a correct estimate as to the revenue results of the Tariff. I am not going to discuss what these are at present, though I may say at once, that they are not at all of the character suggested by one branch of the daily press to-day. By the time we have disposed of these three divisions, 5, 6 and 6a, we shall be in a position to deal with the items which have been referred to. We shall have further information which will aid the committee in coming to wise and deliberate conclusions as to what should be done in regard to these matters. That is the reason for the postponement.

Mr WILKS

- The right honorable gentleman says he has given reasons why certain items should be postponed. The only reason given by the Minister for Trade and Customs--

The CHAIRMAN

- I think I shall be departing from the usual practice if I allow any further debate to take place apart from the items under consideration. I have allowed the usual privilege to the acting leader of the Opposition to depart from the rules of debate in order to make a statement with a view to eliciting information. The Minister has replied, and as the items alluded to have been postponed with the sanction of the committee they cannot be debated until they are moved again in the order in which the Minister may propose them. The item now before the committee is "Apparel."

Mr Wilks

- Am I to understand that we are not at liberty to ask for reasons why the items postponed should not now be dealt with?

The CHAIRMAN

- I have ruled that, as the committee has already decided that those items should be postponed, until they are formally before the committee again they cannot be debated.

Sir WILLIAM McMILLAN

- I must of course accept what has been said, but I did not think these items were definitely postponed,

though I believe the Minister intimated that he intended to postpone them. Am I to understand that the ruling of the Chairman is that when the Minister proposes to postpone certain items, and the committee agree, the effect is that the Minister may take these items up at any part of the Tariff he likes, and that the postponement is not a postponement to a definite time? I do not think there was any definite motion to postpone these items until after division 6a.

Sir George Turner

- I know we moved to postpone some of them until after 6a.

The CHAIRMAN

- The committee were requested to give their voices in favour of the postponement of division 3, and it was definitely postponed until after consideration of division 6a. The items to which allusion has now been made were separately put to the committee on motion " that the items be postponed." That was the time at which a debate of this kind should have been raised.

Mr Wilks

- Postponed until when?

The CHAIRMAN

- They were postponed indefinitely, and the committee gave no indication whatever as to when their consideration would be resumed.

Mr SYDNEY SMITH

- Did not the same thing occur with respect to preserved milk?

The CHAIRMAN

- That item was postponed in exactly the same way, but the Minister has since chosen to bring the item, preserved milk, before the committee. If the Minister brings the items to which allusion has been made' before the committee in the same way, they will be properly under debate, but I hold that until they are placed before me by a formal motion I cannot allow any further debate to take place upon them than has already occurred. The item now before the committee is " Apparel."

Mr Kingston

- May I be permitted to say that if honorable members will recollect I intimated clearly that, as regards preserved milk, I would bring that on for consideration, and similarly I intimated the stage at which I should be prepared to deal with the other items.

Sir William McMillan

- Am I to understand that this matter is now out of the hands of the committee, and that these items can only be considered when they are brought up by the Minister?

The CHAIRMAN

- I shall not give a ruling as to whether they are out of the hands of the committee, but until they are placed in my hands by the committee I cannot allow further debate upon them to proceed.

Mr Watson

- If the rule with respect to postponed items is insisted upon, I point' out that they can only be taken after the whole of the rest of the schedule has been dealt with. Having allowed a discussion to take place on two or three- items that were postponed in the same way without objection, I do not see that we can take any objection at this stage.

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Mr Conroy

- The Minister for Trade and Customs did not suggest that the items; alluded to should be postponed to the latter end of the Tariff, and if he has failed to make his meaning perfectly clear, and there is any doubt in the minds of the committee it should be quite competent for honorable members to insist that these items should be brought on for consideration again. The same course was adopted with respect to tinned fish, preserved milk, and soap, and if the strict rule were observed, those three items ought not to have been dealt with until the end of the Tariff. The committee thought that these items would be brought on at the end of division number 4. It is quite possible that if the Minister made the request for the postponing of these items in the way suggested, it would be assented to, but until the right honorable gentleman gets the assent of the committee, he is not justified in postponing them.

Sir William McMillan

- I do not wish to attempt in any way to take the business out of the hands of the Government, because I

recognise that they are responsible, but I should like to make sure of our position as a committee. Suppose it was the feeling of the committee that a mistake had been made in postponing these items, would it be competent for any member to move that the items be taken into consideration, and the rest of the schedule postponed until after they have been considered? I, of course, accept the statement of the Chairman, because with his officers he knows what went on, but I must say that had I known there was any attempt to postpone these items in the way proposed, I should have made a very strong protest against it, and I should perhaps have taken further measures. I should like to know if these items are absolutely beyond the control of the committee at this stage ?

Mr Wilks

- I should like to point out that this Tariff does not differ from a Bill, except that instead of having clauses it has divisions, and each item really takes the place of a sub-clause.

The CHAIRMAN

- I presume that I shall better please the committee at all times by conforming to what is clearly the wish of the majority, or is in accordance with the unanimous feeling of the committee. The honorable member for Bland has referred to what is undoubtedly the procedure, and if I am asked strictly to rule in accordance with procedure, I shall consider the schedule of the Tariff as a Bill. Honorable members are aware that when a Bill is before the committee, if clauses are postponed, they are not considered until after the remaining clauses of the Bill have been dealt with. The Minister, in dealing with this matter, intimated that he would take these items later on. I received no intimation that he desired them to be taken at the end of the schedule, but later on, when he was prepared to submit them to the committee. He has taken that course in regard to one or two postponed items, but he has not chosen to take that course in regard to others. I trust that honorable members desiring the business to be carried on will not ask me to rule strictly in the matter, but if I am asked so to rule, I must decide that these postponed items can not be considered until the whole of the rest of schedule is dealt with.

Mr Conroy

- The Minister has not treated the Opposition courteously in not explaining why he wants these items postponed.

Mr Deakin

- He has explained.

Mr Conroy

- I have not heard the explanation, and it will, perhaps, save a certain amount of time if the Minister will repeat what he said. In order that the Minister may give some explanation, I am now prepared to resume my seat. I trust he will give us some good reason for what he proposes.

The CHAIRMAN

- I cannot allow this debate to proceed any further. The item before the committee is " apparel."

Sir WILLIAM McMILLAN (Wentworth). - I desire to know how Ministers propose to deal with this division.

Mr Conroy

- I rise to a point of order. If the Minister refuses to give any explanation, I shall be prepared to move the Chairman out of the chair. I sat down with the express intention of allowing the Minister to reply, and I submit that under the circumstances I remained in possession of the chair, and no other honorable member should have been called upon.

The CHAIRMAN

- The honorable member for Werriwa having resumed his seat, the honorable member for Wentworth rose, and I called upon him. The honorable member for Wentworth commenced debate, and the honorable member for Werriwa will not have an opportunity of speaking now until the honorable member for Wentworth has resumed his seat.

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Sir WILLIAM McMILLAN

- I desire to know how Ministers are going to deal with this division. We are beginning the consideration of a division now which is of very great importance, and it is one in which the decision upon one item may depend upon the decision with respect to another item. I wish to point out to my right honorable friend that, in my opinion, the order in which these items are put down is not the natural order. In the first place, we have " apparel," but that is the final stage of the manufacture, so to speak.

Sir George Turner

- The items are stated alphabetically, as all the others are.

Sir WILLIAM McMILLAN

- Naturally, in this case the raw material should come first. In the case of woollens, wool is the raw material of woollen piece goods, and woollen piece goods are the raw material made up clothes. We are not dealing now with the original raw material of either cotton or woollen goods, but we are dealing with piece goods,' and manufactured clothing, and honorable members will allow that there is some kind of scientific proportion between the raw material and the manufactured article. In other words, if we are willing, as we are, to recognise the principle of revenue without destruction, and if we are not going to propose to put any of these items on the free list, but to materially reduce the rates, then it would be better for us to start work on the raw material items, and the piece goods, unless, as the division is so very important, being practically the beginning of our dealing with the manufacturing industries, we have a general debate for the remainder of the evening.

Sir George Turner

- A general debate on the division would save time, but I do not agree to the whole of the evening being taken up.

Sir WILLIAM McMILLAN

- I suggest that we should have a reasonable discussion on this very important division, because I think it would save a great deal of time afterwards.

Sir George Turner

- I think so, and we have no objection if the Chairman does not mind.

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Sir WILLIAM McMILLAN

- I do not know whether the principle of composite duties is new or old in Victoria, but it has been imported into this division. I notice that in the line called hats and caps there is a fixed duty of 10s. per dozen, and a 15 per cent. ad valorem duty ; on dress hats there is a fixed duty of 48s. per dozen, without any ad valorem duty ; and on hats and caps, sewn, a fixed duty of 3s. per dozen. On this side we absolutely object to either the composite duty or the fixed duty being introduced into this division ; because the usual method of dealing with all these goods is by ad valorem. If you have an ordinary material, such as a cotton, liable to a duty of 10 per cent., or 7 1/2 per cent., or 5 per cent. ad valorem, the poor man as well as the rich man pays according to the quality of the goods he buys. That we consider quite sufficient to differentiate between the various sections of society. On many items of this class, just as in the case of boots, a specific duty is misleading. You do not differentiate properly in that case between the higher and lower class goods. If you impose a specific duty you hide the actual charge, and no possible system of differentiating by fixed duties could be equal to what I might call the mobile system of ad valorem. The ad valorem duty moves up naturally in proportion to the value of the goods, and the man who buys a cheap article or a dear article pays ad valorem. It seems to me that the composite duty and the fixed duty are intended to cover up the extent of the charge. It will be recollected that when the Tariff was placed before the country, and certain speeches were made on the other side of the House, we had before us a simple range of duties, 10 per cent., 15 per cent., 20 per cent., and 25 per cent. That was a clear statement so far as certain articles were concerned; but nothing was said about these specific duties, which really in many cases mean 30, 40, 60, and 100 per cent. In many cases where you put on enormously high fixed duties,' the natural protection for the goods is equally large. Very often the fixed duty is put on the very article which ought to bear a low ad valorem duty because the natural protection is something enormous. Now I want to speak generally with regard to the decision. The Government have altered the Tariff as regards item 57 - duty on woollens and silks - from 20 per cent. to 25 per cent. But they have made the duty on cotton apparel 25 per cent. Putting aside the composite duties - I do not know what they run into - I wish to point out to honorable members and the country, that a duty of 25 per cent., with merchant's profit, the charges ranging from 10 to 15 per cent., and the freight added, practically means a protection of 45 per cent. to the Australian manufacturers. Any industry that requires the people of the country to be mulcted to the extent of 45 per cent, is one that had better die. I do not care very much what duty is put on silks and other luxuries, but for the great mass of these manufactures a duty of 15 per cent, is high-watermark. I certainly shall' struggle, and my honorable friends here will struggle, by all the

constitutional means at our disposal, to prevent these iniquitously high duties from being carried.

Mr Mauger

- I can assure the honorable member that we shall struggle in the other direction.

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Sir WILLIAM McMILLAN

- The honorable member can struggle as much as he likes. I have no sympathy with his struggling, because, as I have told him, this is an absolute falsification of the compact with the people of this country. We have to deal with a lower range of duties, and we have to look at cotton piece goods from three points of view. We have to consider, first, that at a low duty cheap cotton piece goods give the revenue, secondly that they are the raw material of the manufacturers, and thirdly that they furnish the cheapest kinds of clothing which enter largely into consumption among the great mass of the people. I allow that we must get revenue from most of these lines, and that in view of the system which has been carried on in Victoria, and to some extent in the other States, there must be a protectionist incidence. At the same time we must not lose sight of the fact that in these cotton piece goods we have a line that enters largely into every household, especially among the poorer classes. I do not care what your theoretical views of protection or your views about revenue may be, I hold that when you go to the clothing of the masses of the people you must recognise the point of revenue only to a very moderate extent, and even on financial principles often a moderate rate will give you a greater revenue than will a larger rate, because if you increase your rate for revenue beyond a certain point you will bring about the wearing of inferior articles. In other words, if you raise your duty to, say, 10 or 15 per cent, ad valorem on cotton piece goods you will not get much more revenue than from a lower duty, but you will compel the great masses of the people to wear an inferior article. I think it would be well to bring the duty on cotton piece goods down, if possible, to 5 per cent, ad valorem. There are great advantages in that duty. "In the first place, you get at the lowest possible duty, when nearly every penny of it goes into the Treasury,, which is a great advantage. The trader makes practically nothing outside the Treasury. In the next place, the extra cost to the individual is so very small that it does not lead to deterioration in the article. There would probably be a little less profit made by the trader, and the duty would be divided. This is a very important consideration. Nearly everything would go into the Treasury, and therefore from the financial point of view 5 per cent, is one of the best rates of duty the Treasurer could adopt. The duty is so small when you come to deal with a dozen yards of material, that it does not lead to that deterioration which always results from protectionist duties. I know that in the case of the Dibbs Tariff in Sydney, which imposed a duty of 10 per cent, on general lines, and 15 per cent, on luxuries, the result was this : - An article of which the ordinary retail price would be 1s. would probably be sold by the merchant for 9d. or 10d. under a free-trade Tariff. With a Tariff providing for a 10 per cent, duty, the merchant would have to fix his price so as to recoup himself the 10 per cent, duty, in addition to providing for his profit, and interest on his capital. On the imposition of the duty, therefore, he would order an article to take the place of that previously imported and sold at a shilling and would have it reduced in value to the extent of the duty and charges. If that occurs under a 10 per cent. Tariff how much more would it occur under a 20 per cent. Tariff? I know as a fact, because I have been making inquiries, that protection in Victoria has led to the substitution of an inferior article. Of course the inferior article may wear as long in some cases, but it will not do so when you come down to the lower qualities. It does not matter very much when a wealthy man buys a certain article, whether it costs 10s. or 12s. 6d. as probably the 10s. article will wear as long as that which costs 12s. 6d. - longer perhaps, if is of a coarser grade. But when you come down to the lower grade material, such as is worn by the workingman, it is a question both of quality and wear. Therefore, when you put a duty of 25 per cent, on any particular article you may depend on it that it is not the importer who pays, but the consumer, and if the consumer pays the duty it is as clear as a pike-staff that he must either pay more for the goods which were previously admitted free - if they were free - or buy a worse article for the money. That is what has been going on in Victoria, and I can prove it. I wish honorable members and the public to understand that 5 per cent. is a very good revenue duty, and that it does not offer so many inducements to fraud as do higher rates. It is not worth the while of any man to subject himself to the penalties provided for in the Customs Act for the sake of a 5 per cent. duty.

Mr Kingston

- Then, if we make the duty 10 per cent., we shall have him.

Sir WILLIAM McMILLAN

- A 10 per cent. duty offers more inducement to fraud than does a 5 per cent. duty, and a 20 per cent. duty offers still more temptation. I do not make any concealment of the fact that one of the worst features of these high duties, or of any ad valorem duties, is the amount of fraud likely to be carried on, and the unfairness that will result to the honest trader as compared with the dishonest trader. There always will be dishonest traders, because the lines are true -

How oft the sight of means to do ill deeds

Makes ill deeds done!

The more opportunities there are presented, the more will men do ill deeds. Cotton and linen goods really ought to be free, but, as the matter is one of revenue, I do not propose to go so far as to propose that. Now we come to woollens. I will not bind myself at present to any particular rate of duty on this class of goods, but certainly the maximum should not be higher than 10 percent., probably only 7 1/2 per cent. Just look at the protection that is enjoyed in connexion with these piece goods. They are bulky - in the lower lines especially - and up to a certain price, at any rate, they cost 10 per cent., to import. We have here all the advantages of the raw material on the spot, and with a 7 per cent. duty the protection given will be practically 17 1/2 per cent. We have manufactured woollen goods in New South Wales without any protection whatever. I do not wish to say too much about New South Wales, but there is scarcely any line of manufactured goods dealt with in this Tariff that we have not manufactured in that State without any duty. Surely we are all the same people.

Mr Tudor

- They have not manufactured hats in New South Wales.

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Sir WILLIAM McMILLAN

- I say that there is scarcely one line that we have not manufactured. I would tell the honorable member that the proprietors of some of the hat mills in Victoria do not know what to do with their profits. They have been paying 10 per cent. dividends, they have defrayed the cost of their machinery, and have money in reserve. The duty on hats has resulted in public robbery. I am not going to mention names, because I do not think we ought to do so, but I have made inquiries in many directions through my own experts, and I find that there are several articles upon which high duties are still being levied which need no protection. Even if we allow that some of these manufactures should be protected by import duties, I may tell honorable members that inquiries made by reliable experts show that 15 per cent. is the maximum duty that should be imposed. If we compare the results in New South Wales with those attained in Victoria, there is scarcely one industry that could not be carried on without any duty whatever, and I believe honestly that it would be better for Victoria if she were content with moderate duties. What is she doing? I believe there never was such a suicidal action as that of Victoria in attempting to impose these enormous duties. What will be the result? Is it to be supposed that New South Wales will lie fallow and allow Victorian manufacturers to have the run of all the markets of Australia? The Victorians by favouring these high duties are simply helping to introduce a competitor who will probably run them out of the market. It would be far better for them in their own interests if import duties were imposed up to a reasonable point, and they were to trust New South Wales to take their goods. By imposing these high duties, however, the Victorians are making a whip for their own backs, because they will be forcing New South Wales to enter into some of these exotic industries. I do not mean such industries as those which we are now considering, because the manufacture of clothing is not an exotic industry. It flourishes in New South Wales just as well as in Victoria, and Victoria first got her clothing into New South Wales through robbing the Customs under a system of drawbacks. The Customs was robbed of thousands and thousands of pounds by the clothiers in Victoria under the false system that was in vogue of giving drawbacks upon the selling price of goods, instead of upon the cost price. In spite of that, however, New South Wales stands to-day with a clothing industry upon the soundest possible footing without the assistance of any protection whatever.

Mr Mauger

- And yet they have just had a tailoresses' strike there.

Sir WILLIAM McMILLAN

- I am not going to enter into that subject, but if the wages of the whole of the operatives in New South

Wales are taken together they will be found to be quite equal to those paid in Victoria. I am not a friend of low wages, and I have always done everything I could personally to increase the pay of the wage earner. I could prove that if I desired to go into personal matters. So far as silks and velvets are concerned I do not care very much what duty is imposed on them. If they are to be looked upon as luxuries the committee can decide what duty should be imposed on them. I am dealing with the necessities of life, with those articles that enter into the clothing and food of the great masses of the people of Australia, and I consider that in fighting for our principles in connexion with these articles, my colleagues and I are the true democrats of Australia. We represent the democracy against monopoly. The Government and those who support them by piling up these duties are creating a system of manufactures with vested interests which the very democracy that is crying out for them will be the first to denounce. Coming to the question of the made-up article I quite agree with the principle of revenue without destruction, and believe that we must have some kind of reasonable proportion between the raw material and the manufactured article.

Mr Piesse

- Does the honorable member leave silk and velvet piece goods alone?

Sir WILLIAM McMILLAN

- I do not care what duties are imposed upon them. I always believed in a moderate duty, even for revenue purposes. I advocate the fixing of a duty which will not have the effect of reducing imports. If an excess of duty is imposed, imports will decrease, and the revenue must suffer, but the point at which the duty should be fixed is more a matter of experience than anything else. Now I come to the great article of apparel, and here again I would differentiate between garments made up in cotton and those made up in wool and silk. In this particular section - as in all sections, but especially in this one - even at the expense of charging a duty on certain things that might be exempt, I would simplify matters as much as possible. For instance, the Government have mixed up a number of articles, such as coatings, vests, flannels, and flannelettes. Flannels are sometimes made of mixed materials, and sometimes wholly of wool, but flannelettes are made of cotton.

Mr Kingston

- They are made of cotton in imitation of woollen goods.

Sir WILLIAM McMILLAN

- We ought to frame the Tariff so as to give as little trouble and perplexity as possible.

Mr Kingston

- We do not mind that ; we want to do justice to the State.

Sir WILLIAM McMILLAN

- I do mind that, because I think it a very important matter. The more we complicate these things, the more opportunities we give for fraud and for inflicting injustice on the honest importer. I draw a clean line between cotton piece goods and woollen piece goods. I would not mix up the various articles in the ridiculous way in which they are grouped in the Tariff. When we come to the question of apparel, I do not know that I am inclined to absolutely fix the duty, but I would favour as a maximum 15 per cent. on the ordinary made-up article. Certainly I would not favour 1/4d. more, and possibly less, for the cotton made-up article.

Mr Salmon

- Is the honorable member going to vote for that ?

Sir WILLIAM McMILLAN

- Does the honorable member for Laanecoorie suppose I am talking here just for amusement? Does the honorable member suppose that I have not the courage to vote in the direction in which my opinions lie?

Mr Salmon

- I was simply asking the honorable member whether he placed himself in the same position as the honorable member for Mernda.

Sir WILLIAM McMILLAN

- The honorable member was asking me if I intended to vote for the duty I was advocating. Of course I shall vote for it.

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Mr Salmon

- The honorable member does not indorse the views of his followers - that no honorable member ought to

vote in connexion with anything in which he is interested.

Sir WILLIAM McMILLAN

- It is because I am interested in importing that I do. intend to vote. As a matter of fact, if I were to study my business interests I should vote in favour -of .high duties. I am going against my own interest. I can make more money in a port protected with these duties than in a free port. What is the result 1 I am a wholesale importer. At the present time the small man orders from England direct, going over my head, say pi, 00 worth of goods. The Government ut a duty of 20 per cent, on those goods. The man "gets credit, say for six months, for that £1,000. But when the duty is imposed he will have to pay £200 cash on his £1,000 worth of imports. He cannot afford to pay cash. Therefore, when these duties are imposed, I shall get that man. Again, where ever you have a free port, you have the sweepings of the consignments of the world. All the better for the consumer. When I use the word " sweepings," I do not mean it in the sense in which evidently my honorable friends opposite take it. I mean that you will have the surplus products of the wo»ld thrown upon your markets. That is all against me as a capitalist and an importer. But this Tariff would kill all those consignments. These duties would probably add 50 per cent, to the returns of my business. So that, although, indeed, I am interested in it, I tell honorable members on my word of honour that it is against my interests to advocate a free port.

Mr Salmon

- If the honorable member votes for 15 percent., he will benefit to some extent.

Sir WILLIAM McMILLAN

- Well, there is' no industry in Australia in which I am not to some extent interested. Therefore, if I cannot stand up in this House and give my opinion freely about the interests of Australia, the sooner I leave this House the better. But I intend to give my vote, and to speak, and I think that those who know me well are aware that if upon any matter I felt that I occupied a peculiar position, which to a certain extent would invalidate my vote, I should be the first to leave the chamber, and allow the discussion to be carried on by others. But in this case I am fighting for a great principle, and that principle is not that which is the best for my own business. Now, I should like to ask my honorable and learned friend, the Minister for Trade and Customs, if the great wholesale warehouses in Flinders-lane have not increased their businesses since duties were first imposed in Victoria t They have grown by leaps and bounds every year, and several of those houses now have larger returns than any houses in Sydney. Looking at it from a commercial point of view, it is very curious to notice that the trade in a State with a free port is honeycombed by thousands of agents for manufacturers. The place is swamped with consignments, and a large number of business men buy direct, not merely from the wholesale man in England but from the manufacturer in England. At the present time I will guarantee to say that there are large retail houses in Sydney where one can buy goods as cheaply as in the city of London. That is what a free port means. It does not play into my hands, but into the hands of the man who leaves me - the middleman - in the cold.

Mr O'Malley

- The Denton hat mills sell cheaper than hat warehouses in London.

Sir WILLIAM McMILLAN

- That shows that those mills do not want any duty. As I said before, they are making so much money that they do not know what to do with it.

Mr Salmon

- Will the honorable member for Wentworth allow me to make a personal explanation before he leaves the subject ? I desire to state that the interjection which I made regarding the honorable member was made with a desire to ascertain in the first place if he intended to vote on this matter, and in the second place whether he indorsed the very unfair, improper, and unchivalrous attack which was directed against an honorable member sitting upon this side of the Chamber by one of his own supporters.

Sir WILLIAM McMILLAN

- I do not think that is a personal explanation.

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Mr Salmon

- I have not yet concluded. I had no intention of reflecting in any way upon the honesty and integrity "of the honorable member for Wentworth. The only desire I had was to elicit certain information, which I believed I was entitled to, regarding the honorable member's attitude in connexion with the action which



was taken by one of his own supporters. The honorable member says that he intends to take a certain course, and has given us his reasons. I accept fully and unreservedly the statement he has made with regard to his own attitude as to these duties. I am glad to find that of all the importers with whom I am acquainted, he is the only one who is of opinion that a free port would not be the best thing for him.

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Sir WILLIAM McMILLAN

- I take no action with regard to the honorable member for Mernda. I gave no opinion, and as far as I am concerned I should never ask any honorable member not to record his vote. I should leave that to his own conscience. It is not my business. I have not very much more to say, but I should like honorable members to look at the tables of special exemptions. I do not know whether any of these things should be exempt or not, but certainly there is always great danger in exemptions. I would much rather the Tariff pressed more heavily than create the interminable trouble in connexion with the analysis of invoices, and have all the espionage of officers, which will arise out of this proposal. I can assure honorable members, as a business man, that if this Tariff were passed in its present form, the number of revenue officers necessary to carry it out in various parts of Australia, the number of clerks in commercial houses, and the amount of expenditure, not merely in connexion with the books of the Treasury, but which will be incurred throughout the country for clerical assistance, will be something enormous. Therefore, I do urge the Minister, whatever may be the result of this debate, to try and simplify the Tariff as much as possible. The Minister for Trades and Customs does not seem to care one farthing about the amount of trouble or difficulty connected with the collection of Customs duties ; but I say that if we want to raise revenue even from Customs, we should do it with the least possible friction. We want the revenue, and we do not want to disturb business. I am at one with honorable members opposite, that while we may be levying protection or imposing moderate duties, 'we do not want to do anything that will unreasonably harass the commercial community. I am sure that this Tariff is capable of considerable alteration in the way of simplicity. It must be recollected that we have an enormous area to deal with - the whole of Australia - .and this very difficulty will mean that when the thousands of officers have to use their commonsense in order to discriminate, it will be found that there are very inconsistent judgments given, and there will be' an enormous amount of trouble in connexion with continual references to the Minister. I shall not envy the Minister for Trade and Customs when this Tariff is in .full play. I hope he will have good men in the different States, who will be able to take many of these details off his shoulders. Otherwise I shall be sorry for his mental equilibrium. We have here an item of gloves. I do not know whether the Minister regards them as luxuries or not ? Then there are hats, caps, parasols, and sunshades, and . these items will have to be considered. I think I have said sufficient at the present stage. I have expounded the policy of the opposition side of the chamber. We shall make the most determined stand against these extortionate duties. If they are put on now there will be no knowing when an opportunity for removing them will come. At the same time, I believe that if we were guided by a low policy instead of by a desire, as I trust even our opponents believe, to do conscientiously our best for the people of this country, nothing would suit our political purposes better than to allow the Tariff to go through as it is. I am perfectly certain that no industry will be erected under this Tariff, and that when Australia wakes up, this Tariff will be rejected, and those who are trying to force this system of -wholesale robbery - for it is nothing else - through Parliament, will find that, although there is a majority in this Chamber, there is not a majority in the enlightened community of Australia in favour of it. We, as an Opposition, intend to do our best to bring the Tariff within reasonable limits. Honorable members opposite say that their principle is revenue without destruction. Let them go to any manufacturer in this city of Victoria, and ask him what duty he ought to have. Will he tell them a duty which will come up to the margin of destruction ? He will tell them he will take everything he can get. Is it a fair thing to consider these duties at the present day in the light of the operations of the last ten years ? If a duty were necessary to force a certain industry into prominence, and if that industry is now established, is it a fair thing that that duty should remain as it is even supposing that Victoria had nothing to do with . the rest of Australia ? There may be a question with protectionists as to whether a duty should be removed or not ; but is it not a fair thing, when they have put on a high duty, which has not answered their purpose, .and when a large portion of the result is going into the pockets of the manufacturers, and not into the Treasury, that the duty should be reduced ? Take a concrete case. A duty of 25 per cent, put on ten years ago may have created an industry. I do not think that industry is any

the better for the duty, because it would probably have been started in any case ; but the duty forced the industry, and apparently gave employment. But ought that duty not to be reviewed at the present time ? Is it not a fact that, although 25 per cent, might have been necessary to force the industry at that time, 15 per cent, may be quite sufficient now, and that, in many cases the margin of 10 per cent, is going into the pockets of the manufacturers, and not into the Treasury. I do not want continually to harp on New South Wales, but surely it is not an unreasonable thing, now that all Australia is one, to say that we in that State have had a certain experience. If there were some new product that we attempted to grow, and we told the Victorians that we grew it under conditions similar to their own, surely it would be no humility for Victorians to find out all about the matter from us. Victoria has interchanged civilities with the people of New South Wales before. They have got statistics from New South Wales, and have sent their Royal commissioners to inquire into the affairs of the adjoining State. And in the face of all this, putting aside the internecine strife between us, is it not reasonable for those who represent the workers of Australia and of Victoria to inquire into the conditions of New South Wales ? Surely it is not necessary that the moment we mention New South Wales, representatives of Victoria should take up an antagonistic attitude, and suggest that we are acting in a provincial manner. We cannot shut our eyes to facts. If we have an industry in New South Wales on all fours with an industry in Victoria, and the former has risen to absolute supremacy, so that practically the bulk of the imports have been kept out, it cannot be denied that that is a reasonable object lesson. If it be said that it is not a lesson, then the Victorians lay themselves open to the assertion that they are wanting in the same energy, the same intelligence, or, at any rate, in the same characteristics.

Mr Mauger

- To what particular industry is the honorable member referring ?

Sir WILLIAM McMILLAN

- I am talking of any industry ; boots for instance. Two-thirds of the boots sold in New South Wales are made in that State. I do not say that protection will not force industry, or that industries will not be established sooner because of protection. Anybody knows that a duty may be imposed which will be absolutely prohibitive; but it is reasonable - and I say this because I do not want to have the charge of provincialism hurled at me - in looking at this division of the Tariff to consider what are the conditions in New South Wales. We are all Britishers, though Victoria enjoys a better climate, which gives . more energy than the climate of New South Wales. I say most distinctly that with the exception of the hat manufacture, there is not a single article in this division, so far as I know, on which we cannot get object lessons from New South Wales. We are not asking that there shall be a free port in Victoria ; we are not asking that the duties shall be done away with. We are simply asking for a moderate compromise ; and surely that is not an unreasonable request. I trust that we shall not be met by the hide-bound answer which has been given to us by many. There are honorable members on the other side who seem to have their minds so hidebound that no logic or argument can move them.

Mr Mauger

- Might we not retort in the same way 1

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Sir WILLIAM McMILLAN

- Certainly not, because we have offered to compromise. Here we have a duty of 25 per cent, proposed, and we are not hide-bound when we suggest that 15 per cent, or 20 per cent, is quite enough. The fact is that New South Wales is giving everything and getting nothing. I reiterate that it is not as if we had not absolutely proved our case by the results of our own industries. I honestly believe that the great, bulk of the Victorian people have no idea of the extent of our industries ; that they do not know to what extent these industries have increased during the last few years. In any shop in Sydney will be found a hive of colonial industry. Buy a portmanteau, and it will have been made in the State.

Mr Mauger

- They are made in Victoria, most of them.

Sir WILLIAM McMILLAN

- Rubbish ! Does the honorable member call Newtown, Victoria? Does he call three miles from Sydney, Victoria ? I am connected with a factory myself which has been established lately without any protection at all ; but I only mention that incidentally. In the furniture business, nearly all the work is done in Sydney,

and two-thirds of the boots sold in New South Wales are made in that State. And so it is with almost every other industry, including carriage building, harness making, and nearly every industry which can be found in Victoria. No doubt there are but few of what we might call exotic industries in New South Wales. To put on a large duty, with the consequent increased prices, is simply giving a certain bonus to 'a handful of men, against the interests of the whole of the country. That is all I intend to say. I shall do everything to facilitate debate, and I think it will be better for the Government to allow this evening for the general discussion, so that we may have time to think over the definite proposals we intend to make. I assure the Government that though we shall make our fight, there will be no obstruction. We shall try to appeal to a sense of fair play, honour, and justice on behalf of the people of New South Wales, who entered into a compact of compromise, which, I trust, will be carried out.

Mr POYNTON

- One advantage of delaying the Tariff is that we get better acquainted with its working. I propose, at this stage, to read a short letter received from a firm in Adelaide on Friday last. It is shown in a subsequent letter how a great deal of friction is caused, apart from the increased rates which are now imposed. The letter is as follows : -

Since the Tariff has been introduced we have opened thirteen shipments of goods, and paid duty on them £898. For your information our Port agent has carefully gone through the figures, showing that under the old Tariff we should have paid £413.

Mr Kingston

- Does that refer to drapery.

Mr POYNTON

- Yes ; I telegraphed for information as to the particular lines, and I received a reply stating that the letter referred to numerous lines of general drapery. The letter goes on : -

The increase is so tremendous that we draw your special attention to it, as it was never contemplated, we believe, to so enormously increase the burdens of the people. One fact like this is worth a thousand arguments, and we hope it is not too late to enable you to reduce the duties to a fair basis, and at the same time, without unduly hampering trade, conserve the interests of the Commonwealth.

The Adelaide Warehouse Association points out the difficulty there is in defining articles in the line with which we are dealing at present.

Mr Kingston

- That is being altered ; the difficulty in construction no longer

Mr POYNTON

- The difficulty lies in the definition of what is wool and what is cotton. The particular complaint is that a line of half-length hose was classed as silk ; and when we know that the articles were invoiced at 2s. 6d. a dozen, we can imagine how much silk there was.

Mr Kingston

- They had to pay only 7 1/2d.

Mr POYNTON

- But they had to pay the higher rate of 25 per cent. owing to the interpretation placed on the Tariff by the Customs officer. It is pointed out also that under-pants of the commonest lines were charged at the same rate of 25 per cent. because they were soft and had the appearance of containing wool and silk. What my correspondents advocate is, that for hosiery there should be a fixed duty of 15 per cent., so that there may not be varying interpretations of the Tariff ; and that suggestion is worthy of the Treasurer's consideration. We ought to deal with the raw materials first, and then we should be able with much better effect to deal with the manufactured articles. I do not think the honorable member for Melbourne Ports will disagree with that opinion.

Mr Mauger

- I think the Government proposal as to the order is excellent.

Mr POYNTON

- If the Government passed an increase, and afterwards a decrease, that would suit the honorable member very nicely, but it would not suit other honorable members.

Mr Mauger

- I am not going for a decrease on woollens ; I should like an increase.

Mr POYNTON

- But the honorable member would like a decrease on the material which white workers use. He desires a decrease on lines which affect those interested in the making up of bags, and there are other lines on which he requires decreases as well as increases. We shall be in a better position to judge of the amount of protection that should be granted when we know exactly what we are going to do with the raw material. If we deal now with the manufactured articles and increase the duties on them, we shall have to consider the question of decreases subsequently. Because of the high duties fixed on the manufactured article, I do not want to be forced to give a higher line of protection than I am inclined to give, or to penalize thousands of people who will receive no benefit from the keeping of the duty on raw material. Small and poor though South Australia is, she allowed a large number of articles to be placed on the free list.

Mr Mauger

- -And we would do so if it were not for the revenue aspect of the question. Look at the Victorian free list.

Mr POYNTON

- The honorable member's idea is to kill all revenue.

Mr Mauger

- No.

Mr POYNTON

- The honorable member would shut out every ship from this port if he could do so. He would have no goods imported, then he would argue that the few extra hands employed in Melbourne would give additional revenue out of what they consumed.

Mr Mauger

- Did I not say I would fight for a very big free list, if it were not for the financial contingencies t

Mr POYNTON

- I think we have sufficient importations to allow for considerably lower duties. ' The highest of these ought not to be more than 20 per cent., and the lowest upon those which go into every day use among the poorer people should not be more than 5 per cent., if it is impossible to place them on the free list. I hope that we shall deal with the raw materials first, and then we shall know exactly what we have to do in future.

Mr MAUGER

- I do not desire to detain the committee long, but I think it right that I should say a word or two in reply to the acting leader of the Opposition. In answer to an interjection made by me, the honorable member said he had no sympathy with me because I was dishonouring a compact. I know nothing whatever of any compact save that made by me with my constituents, that I would endeavour to preserve to the best of my ability all the industries of the Commonwealth. That I am determined to do. I am determined to fight just as hard, and just as long, and as consistently in order to retain work here for the Australian workmen, as my honorable friend is determined to give it to some foreign workmen. I am not going to follow my honorable friend through his very lengthy speech, but he has repeatedly declared that he is fighting to maintain an honorable compact. We have been told .that quite a number of times, but in .common with many other honorable members on this side of the committee, I know nothing whatever of such a compact. I wish to allude briefly to a . statement as to prohibition made by the honorable member, and to point out that Victorian protectionists are making many sacrifices under this Tariff. We are not satisfied with it from a protectionist point of view. I believe that it will hit a number of our best industries here very hard. It is only because I recognise that the Government have an extremely difficult position to face that I have come to the conclusion that we must have a modification of some of these duties. The cry about prohibition in Victoria, as well as under the present Tariff proposals, is simply absurd in view of our experiences.

Mr Page

- What are the industries the Tariff is going to ruin t

Mr MAUGER

- There is the industry with which we are. dealing - that relating to apparel. Take the question of the imports of apparel and slops made from woollens, on which, in 1892, there was a duty of 50 per cent, under the Victorian Tariff. I find that in that year we imported no less than £344,000 worth of goods in that

particular line, so that at no time have we had a prohibitive duty in connexion with that line. Take hats and caps. With a duty of 36s. per dozen we imported into Victoria £39,000 worth of these goods, and yet we are told that the Government proposal is prohibitive, and that a monopoly has been created. I should like honorable members to tell me of one industry in Victoria in connexion with which a monopoly has been established. There is no monopoly in hats and caps.

Mr SYDNEY SMITH

- Our woollen manufacturers are able to pay a dividend without a duty.

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Mr MAUGER

- In New South Wales they have not, got a factory approaching the hat factory of Victoria, and one of the Victorian woollen manufactories would swallow up all the woollen factories in New South Wales. The honorable member for

North Sydney has had sufficient experience in commercial life to know that unless a home market can be commanded and maintained, the imported article will have the preference on the part of houses which do the distributing work. He knows that whenever any great distributing houses can have the choice between distributing imported goods and the locally manufactured goods, all other things being equal, they will choose the imported goods. The reason is that the profits on the imported goods are greater than those on the locally manufactured goods.

Mr Fowler

- Why is it that the Victorian importers have become manufacturers 1

Mr MAUGER

- Because we have compelled them to do so by putting on duties.

Mr Fowler

- Victoria has prohibited imports, and that has turned free-traders into protectionists.

Mr MAUGER

- No; we have not prohibited them. One of the largest boot manufacturers in Victoria is one of the most ardent free-traders. If we would only reduce the duty and place it in the same position as that which obtained in New South Wales, he would not manufacture one pair of boots from to-morrow. For the last twenty years he has been foremost in opposing every increase of duties in every respect. He will tell honorable members plainly, as a number of other manufacturers will tell them, that if he could only get rid of these duties, and import his goods, wages boards and industrial troubles would be at an end for him.

Mr SYDNEY SMITH

- We have no trouble in that respect in New South Wales.

Mr MAUGER

- Has my honorable friend been asleep? New South Wales is just emerging from the throes of a struggle in the tailoring trade, which has divulged a condition of things infinitely worse than that in Victoria. They have been struggling there to obtain the Victorian rate for the operatives in the trade.

Mr SYDNEY SMITH

- And we shall be able to obtain it without wages boards.

Mr MAUGER

- Will they be able to maintain it without wages boards?

Mr SYDNEY SMITH

- Yes.

Mr MAUGER

- Then why are they advocating an Arbitration Act at the present time?

Mr Kingston

- An arbitration court is practically a wages board.

Mr MAUGER

- Yes, of a very much more rigid character. It enables any number of men to come together and demand that the court shall fix prices to be paid in any particular industry.

Mr Hughes

- That is not so. The board has to fix rates according to the common rule of the trade.

Mr MAUGER

- That does not alter my argument. What would be the common rule of the trade in regard to the society of which my honorable friend is the leader. Would it not be the rate fixed by the trades union ?

Mr Watson

- No, the rate fixed by the arbitration court.

Mr MAUGER

- But on the basis of the prices ruling in the trade ?

Mr Watson

- No ; they adopt their own basis.

Mr MAUGER

- We will not enter into a discussion of this kind, because it is not pertinent to the' issue.

Mr SYDNEY SMITH

- The honorable member had better leave it alone.

Mr MAUGER

- My honorable friend knows that the Arbitration Bill of New South Wales has been introduced at the instance of the workers of that State, because they are dissatisfied with their present industrial conditions. If they were receiving the remuneration, and if their conditions were of the character that my honorable friend contends, would they advocate an Arbitration Act and an extended Factories Act?

Mr Watson

- They have been receiving 4½d. for the making of a pair of trousers there.

Mr MAUGER

- I know of an instance where the price paid was only 4¼d. ' Yet the honorable member for Macquarie says the industry is thriving. It is not thriving for the worker. So with the boot trade. Boot manufacturers and operatives have appealed to me individually, and to other honorable members, to support the Government proposals, so that they may be able to make full use of the Arbitration Bill when it becomes law.

Mr Hughes

- The honorable member is entirely mistaken if he thinks that the trade unions of New South Wales want the particular Arbitration Bill now before the State Legislature.

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Mr MAUGER

- I am referring to the principles which should underlie a measure of that kind. I am sorry if it does not meet the wishes of the workers. We have never had a prohibitive duty in Victoria. When our duties have been at their highest we have imported enormous quantities of goods. My honorable friends of the Opposition are determined to fight in order to largely reduce the duties. I have not a single farthing's interests in any one of these industries, but because I believe they are in the interests of our industrial life and in the interest of the wage-earners, I am going to fight hard to maintain the Government proposals, and to increase them in many instances.

Mr HUGHES

- I do not intend at this hour to go into this great question, for it is a great question, but I would ask the Government to consider' the advisableness of permitting an amendment to be moved, first of all on item 64. It is my intention to move an amendment, involving the two paragraphs - "Cottons and linens,& c., ad valorem 10 per cent.," and "cotton and linen piece goods ad valorem 15 per cent."

Sir George Turner

- We have agreed to make them 10 per cent. all round.

Mr HUGHES

- What I propose is that we shall take the amendment upon these items first, because by the division on these items a large proportion of the preceding items may be affected . We cannot possibly do justice to any item containing cotton referred to in the preceding numbers, if the committee later on agree to a reduction of the duty or the omission of the duty on the two items which I have mentioned. The acting leader of the Opposition is entirely in accord with my suggestion, and I ask the Government if they will agree to this arrangement, which, it seems to me, will greatly facilitate discussion. It can only result in a thorough discussion of the matter on its merits, while on the other hand, if we take each item singly, starting with item 57, without knowing what will happen when we come to deal with the piece goods, out

of which many of the articles referred to in the preceding items are made, we shall not be able to do justice to them. There is, for instance, the item "meat wraps." They are included in the special exemptions, and they are made in my own electorate.

Mr Mauger

- I am going to propose that they be struck out of the exemptions.

Mr HUGHES

- All frozen mutton is encased with a wrap, and these wraps are included amongst the specially exempted articles, and yet it is proposed to charge a 10 per cent. duty on the stuff from which they are made. I hope the suggestion I have made will receive some consideration from the Government.

Mr WATSON

- I agree with the honorable member for West Sydney that it will be better to take the piece goods before we take the made-up articles, so that in coming to a decision as to the rate we shall impose upon made-up goods, we shall be able to take into consideration the amount of duty we have already decided to impose upon the piece goods, from which those articles are made. I think that course would result in greater progress being made than if we were to have a discussion upon apparel and articles of attire not elsewhere included, while we were absolutely in the dark as to the rate we were going to place upon the piece goods. Another matter to which I wish to direct attention is that the second paragraph of item 57 involves a 25 per cent. duty upon cotton hosiery, which is not made here and which it would be very expensive to make here.

Mr Tudor

- It is made here, in my electorate.

Mr WATSON

- I was given to understand that cotton hosiery was not made locally, but if I am assured that it is, the objection I have taken will not apply, though it might be admitted at a lower duty than 25 per cent. I do not wish to delay the committee by a general discussion, but I think some of the items in Division 5 will stand reduction without any great harm to any one. I think it is reasonable to suggest that a smaller duty than 20 per cent, on general tweed goods would be sufficient, and I trust that the item " cotton piece goods " will be omitted from the schedule altogether.

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Mr THOMSON

- I have no desire to take advantage of the Minister's suggestion that there should be an all-round debate on this division now. An all-round debate will not save much time, because the arguments used will have to be repeated again when reductions or increases on the different items are proposed. I am glad that the Minister has to some extent made a clearer definition under this heading. I understand that he intends to have but one duty for all " cotton and linen piece goods."

Sir George Turner

- Yes, 10 per cent, all round, without any exemption.

Mr THOMSON

-That is a step in the light direction ; and if it can be done it might be extended with advantage in connexion with other portions of the division. I have here a book of decisions of the Victorian Customs, containing some 600 decisions on the late Victorian Tariff. I claim that the Tariff "ought to define matters with sufficient clearness to obviate the necessity for these after definitions. The action taken by Ministers in connexion with cottons and linens will avoid a great deal of difficulty, indefiniteness, and necessity for decisions, and if it can be done they should bring -other items of textile manufactures into line, so that there shall be no necessity to find out whether an article contains this or that, or is a substitute for this or that. I desire to point out how peculiar were the arguments used by the honorable member for Melbourne Ports in support of his statement that he is going to endeavour to increase the duties.

Sir George Turner

- Had we not better compromise with the honorable member by keeping them as' they are in the Tariff?

Mr THOMSON

- We might compromise by bringing them down to 15 per cent.

Mr Mauger

- That would not be a compromise j that would be annihilation.

Mr THOMSON

- In common with the honorable member for Wentworth, I do not wish to introduce New South Wales as New South Wales, because I recognise it as part of the Commonwealth, but it is a perfectly good argument to say that this or that happened in the past in any part of the Commonwealth, and that that should be a reason for our acting in a particular manner at the present time. The honorable member for Melbourne Ports said that one woollen mill in Victoria put out as much as all the woollen mills in New South Wales together. I doubt it, but assuming it to be a correct statement, is it not evident that these smaller woollen mills in New South Wales, having been able to get along without any protection at all, the much larger mills in Victoria with a larger plant, and less loading on the goods put out, ought to be able to do infinitely better?

Mr McCay

- The honorable member would not have been able to say that one of the Victorian Mills could equal the output of all the mills of New South Wales, if they had not had the duty.

Mr THOMSON

- That may be, but they are all now coming into the one fold, and surely it must be evident that if the smaller mills of New South Wales, producing a limited quantity of stuff, can pay 10 per cent dividends without a duty, the bigger mills of Victoria ought to be able to do the same. The honorable member for Melbourne Ports talked about being ready to impose duties to the exclusion of the imported article upon anything we can produce in the Commonwealth. If that means anything, it means that the honorable member would exclude every article that comes to our ports. The honorable member fails to recognise that circumstances have altered, and we are now a Commonwealth extending from 10 deg. south latitude to the south of Tasmania. We have every variety of climate and soil, and can produce almost every product that the world produces, and from these products we can manufacture almost every article that the world manufactures, if we give even the protection given to existing industries by the Tariff before us.

Mr Mauger

- There is variable expediency.

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Mr THOMSON

- The honorable member is now going back upon his own statement. If what I have referred to is the honorable member's policy we should shut up all our ports and let British ships disappear from them. The fact is his fight is not for that purpose, but for industries which have had protection for years, and ought now to be able to get along with lesser duties than 20 and 25 per cent. I agree with the proposal of the honorable member for "Wentworth, and the honorable member for West Sydney, that piece goods ought to be taken first. There are certain members who are willing, to make reductions upon the duties on goods' used by the working classes, so long as they are revenue duties. But there is stronger reason to make a reduction which would be an advantage to the poorer classes and the working classes on duties where the money admittedly will not go into the Treasury. Under these proposals you give the power of taxation to the manufacturer, and these duties affect the poorer classes and the working classes in the same degree as do the other revenue duties. There is quite as much reason for a reduction here as in the case of merely revenue duties, and if there is a larger importation through that reduction, the taxation which is paid by poor or rich on the imported article goes into the Treasury.

Mr McCay

- I do not suppose that honorable members who take opposite views on the fiscal question will ever convince each other as to the real reason why protectionists do see a difference between the incidence of protective and revenue duties. We may be entirely wrong; we certainly have failed to convince the honorable member for North Sydney that we are right when we say that protective duties do not necessarily, and, as a matter of fact, do not usually, increase prices where there is a reasonable amount of competition, whereas revenue duties must inevitably do so, because there is not sufficient local competition to throw the duties back on to the foreign manufacturer. What I wish to refer to chiefly is the suggestion that we first take the duties on raw materials in this division, and work on from them to the manufactured articles. I have the greatest reluctance to voting for any duty on cotton or linen piece goods.

Mr Wilkinson

- What about Queensland?



Mr McCAY

- I do not think I can be charged with lack of consideration for Queensland so far in dealing with the Tariff. I cannot surrender everything because of Queensland. So far as one can see at present the cotton and the linen piece goods for the Commonwealth will not be made up 'in Queensland for many a decade to come. The quantity used is so large compared with the possible production in that State for a very long time to come, that to all intents and purposes the duty will be a purely revenue one.

Mr Mauger

- Give them a bonus.

Mr McCAY

- I might perhaps do that, because it very often meets the difficulty in such cases. It is only revenue considerations which would induce me to vote for these duties, and if the Treasurer can see his way to do without the whole of the money, I shall very cheerfully follow him in that direction. I am certainly pleased to know that we are going to reduce the duty to 10 percent. all round. I should have supported such a reduction in any case, but I would not pledge myself to support a greater reduction of the duty on these lines. What I fear is that if the duty on cotton and linen piece goods be reduced to 5 per cent., some honorable members will make that the ground of an argument for materially reducing the duties on apparel. . Apparel is one of those articles on which a pretty high duty is more defensible than it is in many cases; it is especially defensible there, because we all know the conditions under which it is made. I do not think that a duty of 25 per cent., is too much. We had a duty of 35 per cent., in Victoria before the Federal Tariff was introduced, and previously a duty of 45 per cent. When we recollect the special conditions under which these goods are made up in other countries, it will be seen that it is urgently necessary that we should give a satisfactory measure of protection to women workers in these lines. This is one of those instances in which a case for a protective duty can be made out, even to the satisfaction of freetraders - because I believe that honorable members opposite are prepared to concede some fair measure of protection to the people who are engaged in making up these articles. But I fear that if the duties on raw material be substantially reduced, that will be made a lever for largely reducing the duties on the manufactured articles. It is just as easy to work from the manufactured article downwards, as from the raw material up. To fix your minimum and work up to your maximum is no more easy than to fix your maximum and work down to your minimum. I do not see any logical difficulty in working either way. I wish to guard myself against being challenged with being logically compelled to vote for a reduction of duties, which I think absolutely essential for the decency of life of the workers in the manufactories, because I have voted for a reduction of the duties on the raw material. Having made my position on that point clear, if the Ministry are prepared to yield to the suggestion made, I shall be quite satisfied, but I wish it to be understood that I think that an overwhelming case can be made out for imposing a substantial protective duty without any injury to the user of the apparel, and without any increase of the price to him.

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Sir GEORGE TURNER

- When the acting leader of the Opposition asked that a general discussion should be allowed on this division, I thought that it was a fair proposal, and 'might save us time. That general discussion, however has not been carried on. Honorable members have not attempted "to follow on the lines Of my honorable friend's speech, and, therefore, I think it would be unwise to prolong this discussion. 'Having allowed my honorable friend to relieve his mind on many points which he has been storing up, we might proceed now to discuss the items. I quite agree with the honorable and learned member for Corinella, that even although the duties on cotton and linen goods may be reduced, it does not necessarily require us to reduce the proposed duties on the made-up articles. Whatever may happen with the duties on the raw material, I believe that the proposed duties on the made-up articles should be retained. So that, in complying with the general request that we should first deal with the duties on the raw material, I must act be taken in any way as pledging myself or the Government, .Or desiring any honorable member to interfere with the amount of protection which is proposed in the first item. Of course it is quite open for discussion. I recognise that there is a good deal of force in the request to allow these particular items to be dealt with first. I do not know that it will affect the result to any great extent, but it is our desire to give the committee the fullest and freest mode of dealing with any of these divisions. With the reservation which my honorable and learned friend has made, and which I indorse in regard to the protective

incidence of the first items, we shall raise no objection to dealing first with the piece goods, which we shall take as the first business to-morrow.

Motion (by Mr. Kingston), agreed to.

That items 57 to 63 inclusive be postponed until after the consideration of item 64.

Progress reported.

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23:12:00

House adjourned at 11.12 p.m.