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1901-12-05

House of Representatives

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

ERSKINEVILLE POST-OFFICE

Mr. G.B. EDWARDS presented a petition from certain residents of Erskineville against the closing of the Erskineville Post-office.

Petition received, and read.

QUESTIONS

PREFERENTIAL RAILWAY RATES

Mr THOMAS

- I should like to know from the Minister for Home Affairs what communication he has had with the State Governments in regard to the abolition of preferential railway rates?

Minister for Home Affairs

Sir WILLIAM LYNE

- I have addressed letters to the Ministers who are charged with the control of the railways in the various States, directing their attention to the question which was asked upon this subject in the House, and asking if it is intended to hold a conference, or to take other action, with a view to doing away with the state of things to which exception has been taken.

Mr Thomas

- Has the honorable gentleman received an answer?

Sir WILLIAM LYNE

- Not yet. There has not been time.

Mr KIRWAN

- As the Minister is aware, in Western Australia commodities such as coal and timber obtained in the State are carried at much lower rates on the State railways than imported coal and timber. Will his inquiries on the subject of the abolition of preferential rates extend to Western Australia?

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Sir WILLIAM LYNE

- The honorable member has already been kind enough to give me some information on this subject, and I have instructed one of my officers to ascertain from the Western Australian Railways Commissioners what their rates are. Inquiry will afterwards be made as to the intention of the Western Australian authorities on this matter, but as the Western Australian railway system does not join with that of any of the other States, I have not addressed to the Minister for Railways there a letter similar to those addressed to the Ministers for Railways in the other States.

CUSTOMS REVENUE

Mr SYDNEY SMITH

- I wish to know from the Treasurer when he will be prepared to supply honorable members with a detailed return of the Customs revenue obtained during the months of October and November. I think that the information should be supplied as early as possible.

Treasurer

Sir GEORGE TURNER

- The Government are anxious to give the House the fullest information upon this subject, but the honorable member must realize the great difficulty in obtaining detailed information from the various States in regard to the operation of a new Tariff. A week or ten days ago I asked the Minister for Trade and Customs to let me know upon a Treasury form, which divides the sources of revenue into fifteen or sixteen heads, what amount of Customs revenue has been obtained from the various States, and I hope to get that information in a few days. When I receive it I shall place it at the disposal of honorable members. I have received a promise from the Minister that in future this information will be supplied to me on the second or third of the month, and I shall then be glad to make it public for the information of the House.

Mr SYDNEY SMITH

- Cannot the Treasurer give us some idea of the amount received from the various items on the Tariff?

Sir GEORGE TURNER

- I think that is impossible, but we shall give the fullest information we can.

CUSTOMS REGULATIONS

Mr THOMSON

- Do the Government intend to immediately frame departmental by-laws in regard to the application of the Tariff, or to wait until the Tariff has been passed through this House? If they are not framed very soon, a large amount of duty will have to be paid upon articles which honorable members desire to be admitted free of duty.

Mr HUME COOK

- I should also like to know when the list of minor articles will be made public? It is understood that a large number of minor articles will be admitted free, and persons interested have informed me that, if a list of these articles were published, it would be a great convenience to merchants and others.

Minister for Trade and Customs

Mr KINGSTON

- I take it that the two questions refer to the same subject. The list of minor articles is partly prepared, and is occupying Ministerial attention. It will be published and given effect to as soon as possible. I should not be surprised if it were ready next week.

AD VALOREM DUTIES

Sir WILLIAM McMILLAN

- I should like the Minister for Trade and Customs to take into consideration the question whether the ad valorem duties imposed by the Tariff should be applied in all cases on the basis of the invoice value of goods imported before the introduction of the Tariff, and held in bond. In the case of woollen goods, for instance, it may happen that they were bought when wool was at its maximum price, and that therefore their invoice value is very much above their present market value.

Mr KINGSTON

- The intention of the Constitution is that after the imposition of a uniform Tariff goods shall not enter any State without paying the federal duties, but in applying ad valorem rates the duty will be charged upon the value at the time of payment.

DUTY ON PACKET TEA

Mr E SOLOMON

- Will the Minister for Trade and Customs define what is meant by "packet tea"? I am informed that the Western Australian Customs officials have charged "packet tea" rates upon boxes containing 5 lbs. of loose tea.

Mr KINGSTON

- I take it that packet tea is tea done up in small parcels or packets, and that packet tea rates will not apply to tea imported loose in chests or boxes.

PERSONAL EXPLANATION

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Mr PIESSE

- As a matter of personal explanation, I desire to direct attention to a press report, in which it is made to appear that I paired in favour of a duty of 25 per cent. being imposed on apparel not containing wool or silk. That is an error. The understanding under which I left the House was that I was prepared to vote in favour of the 20 per cent. duty as originally proposed. There was a proposal to increase the duty to 25 per cent., but I was not in favour of more than 20 per cent. on any article included in either group of item 57, as was well known to several honorable members.

Mr KNOX

- I understand that my honorable friend is referring to the last division which took place last night, in which case it will be understood that my vote would have been recorded, as indicated in the pair-book, namely, with the Opposition.

Sir MALCOLM McEACHARN

- As a matter of personal explanation, it is reported in the press that yesterday I was paired with the right honorable member for Tasmania, Sir Edward Braddon. My name also appears in the list of those who voted, but the name of Sir Edward Braddon does not. I had made arrangements with the honorable and

learned member for Bendigo, Sir John Quick, to pair with the right honorable member, Sir Edward Braddon, and an entry was made in the pair -book accordingly ; but in the press it appears as if I had voted after having paired with the right honorable member, Sir Edward Braddon. I should be glad if some arrangement could be made to insure the correct publication of these pairs in the press.

Mr. A. MACKENZIE.

Mr MAHON

asked the Minister representing the Postmaster-General, upon notice -

Whether there is any objection to laying on the table of this House the papers in the case of A. Mackenzie, lately supervisor of telegraph construction in Western Australia?

Minister (without portfolio)

Sir PHILIP Fysh

- The answer to the honorable member's question is as follows : -

There is no objection, and the papers will be laid upon the table as soon as they can be prepared.

QUESTIONS

INCREMENTS OF TRANSFERRED OFFICERS

Mr JOSEPH COOK

asked the Prime Minister, upon notice -

Whether he has yet arrived at a decision regarding the question of the increments of transferred officers?

Minister for External Affairs

Mr BARTON

- Communications are in progress on this subject, and a decision will be arrived at as soon as possible.

CUSTOMS AND EXCISE RETURNS

Mr MAHON

- In asking the Treasurer, upon notice -

Whether there is any objection to make available to members of this House the details of the customs and excise collections in Western Australia during the months of October and November, 1901 ?

I should like to point out that, although the Treasurer says he intends to give details of the revenue under sixteen headings, that is hardly sufficient ; and, judging by the details of the revenue published by the Western Australian Government, it should be quite possible for the right honorable gentleman to give us the information under about 75 headings.

Sir GEORGE TURNER

- I do not know what the practice is in Western Australia ; but if they publish the information there in the way the honorable member indicates, it will be easily available.

Mr Mahon

- I have only seen the returns for October.

Sir GEORGE TURNER

- As far as I know it would be impossible to furnish details of each item mentioned in the Tariff. I have stated already that we are prepared to give the fullest information we can. We have a particular form in which we get the information for our own requirements on the second of the month, but it would be impossible to break it up into details relating to every item in the Tariff. We have forms dealing with fixed rates, and other forms relating to ad valorem duties ; but I will ask my colleague, the Minister for Trade and Customs, to communicate with his officers, and procure the fullest information he can for the benefit of honorable members.

POST-OFFICE OFFICIALS

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Mr FULLER

asked the Minister representing the Postmaster-General, upon notice -

Referring to the answer given by him on 12th June last, that consideration of the appeals which had been lodged against the regrading of the department by the Public Service Board had been concluded, and that the determination would be made known when necessary funds had been voted, is it the intention of the Federal Government to adopt the recommendation made in connexion with the appeals ; if so, under what heading is it proposed to ask Parliament for necessary funds?

If it has been decided not to uphold the recommendation, what is the reason ; and how will such a

decision affect the officers concerned with regard to preserving their existing and accruing rights (vide Constitution Act), one of which was the right of appealing against any grading or regrading of a department(videNo. 54 of Regulations under the New South Wales Public Service Act of 1895) ?

Sir PHILIP FYSH

- The answer to the honorable member's questions is as follows : -

As the appeals which have been lodged apply to a period dating back to the 1st of July, 1900, that is, eight months before the department was transferred from the State to the Commonwealth, funds necessary to meet those appeals cannot be provided without the concurrence of the Government of the State of New South Wales, and that Government is now being communicated with on the subject.

THE TARIFF

In Committee of Ways and Means : -

Consideration resumed from 4th December, vide page8232.

Item 58 - Blankets, blanketing, rugs, lap dusters and rugging ; carpets, carpeting, floor-cloths and mats, n.e.i., floor-coverings (including felts and pads) and carriage mats ; curtains, copies, cushions, mantle and furniture drapery and coverings, bed-covers and furnishings, n.e.i., whether partly or wholly made up ; fillings, ruffings, tucked lawns, pleatings and ruchings, ad valorem 20 per cent.

Mr THOMAS

- Before we proceed with the discussion of this item I should like to ask whether it would not be possible for the Minister in charge of the Tariff, and the leader of the Opposition to arrive at some agreement as to how much work we can reasonably be expected to get through at this sitting 1 If the Ministers could indicate what their expectations were, and the acting leader of the Opposition, and perhaps the leader of the labour party, could agree with them that these expectations were reasonable, we should know where we were, and business would be greatly facilitated.

Mr KINGSTON

- I agree that it would be highly desirable to arrive at some understanding, but I do not know whether it is possible. The progress we make will all depend upon the speed at which we travel, and if an agreement were made that we were to stop when we reached a certain point the committee might so exert itself as to reach that stage at an hour at which it would be too early to adjourn.

Mr Thomas

- If we can get through a reasonable amount of work the Minister should be satisfied.

Mr KINGSTON

- It would be very desirable, I admit, but I am not sure that it would be possible. However, any proposal of a reasonable character would be accepted by us.

Sir WILLIAM McMILLAN

- The great danger is that the Minister for Trade and Customs would have such modest expectations that we should be ready to adjourn long before the usual time. In all these proposals that I have made, the Minister has shown himself excessively compliant. I shall do everything I can to expedite matters, and I thank the honorable member for Barrier for his suggestion.

Mr Thomas

- What does the honorable member consider would be a fair thing?

Sir WILLIAM McMILLAN

- I understand the matter is under the consideration of the Minister ; but unfortunately when I arrange with one Minister, his colleague does not see it in the same light.

Mr Kingston

- No, that is not so - the differences which mark the Opposition are not present here.

Sir WILLIAM McMILLAN

- This is a very important item, and will require very careful consideration at the hands of the committee. I do not desire to enter into a general discussion now, but wish to point out that there is a tremendous conglomeration of incongruous articles under this head. When one speaks of blankets one generally means something that has wool in it.

Mr Kingston

- There are cotton blankets.

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Sir WILLIAM McMILLAN

- Yes ; but only of the very lowest quality. There is a tremendous mixture of articles under this item. I quite recognise the common character of blankets, blanketing, rugs, lap-dusters and rugging, carpets, mats and so on, although even from a protectionist point of view the grouping of these goods together is rather inconvenient. Many of these articles are not manufactured in Victoria, or if they are, only in very small quantities. Then we come to curtains, copies, cushions, furniture, drapery and coverings, bed covers and furnishings, frillings, rufflings, tuck-lawns, pleatings, and ruchings. From the beginning to the end of this item a tremendous length has to be travelled, and I think there should be some more natural division of the various articles.

Sir George Turner

- We can take blankets down to rugging, first.

Sir WILLIAM McMILLAN

- That is a very good suggestion. Then we come to an item like carpets, and I do not know whether any of these are manufactured in Victoria.

Sir George Turner

- Some kinds of felt are.

Sir WILLIAM McMILLAN

- They may be felt, but they are not often seen.

Mr MAHON

- I move -

That the words "20 per cent. and on and after 6th December, 10 per cent." be inserted after " rugging," line 2.

My amendment deals with the first five articles in the item. I have again to complain of misleading figures in the comparative statement of the State Tariffs which the Government have supplied to honorable members. According to this, blankets were admitted free into Western Australia, but blanketing and rugs are stated to have been subject to a duty of 15 percent., or free. As a matter of fact, blanketing and rugs were absolutely free under the Western Australian Tariff. The Statistical Register of Western Australia shows the value of blankets and rugs imported into Western Australia in 1900, and that all blankets, blanketing and rugs were free. Without going into this matter very fully, I may say that the duty proposed by the Government will constitute a very considerable tax upon the poorer class of people, and upon the men who go out into new country and bring it under the sway of civilization. These men are benefiting the towns and the more settled portions of the States, and yet under this Tariff they receive no consideration whatever. I find that in the year 1900, £13,625 worth of these articles were imported into Western Australia, so that even the imposition of a 15 per cent. duty would tax an article which hitherto has been admitted free into that State to the extent of over £2,000 annually. Considering the extra taxation to which the Tariff subjects this same class, such an article as blankets, which is a necessity to every family in the community, should surely be placed upon the free list by any humane Government.

Sir George Turner

- What are the figures?

Mr MAHON

- The figures for last year show that the value of blankets and rugs - which I assume include blanketing - imported into Western Australia was £13,625. These figures are to be found on page 23 of the Statistical Register of Western Australia, part 4, under the heading of " Interchange." I regret that the duty proposed by the Government is another of those imposts which are intended to give the manufacturers of the eastern States a big lift at the expense of the Western Australian miner.

Mr HUME COOK

- From where were those blankets imported ?

Mr MAHON

- I find that £11,959 worth of them were British and foreign produce, and that only £1,666 represented Australian produce. It is quite obvious therefore that this duty is intended to kill revenue and promote the interests of the manufacturers of the eastern States. The men in Western Australia who produce gold, silver, copper, wool, and pearl-shell - who sit on deserted logs, as the Minister for Trade and Customs so humorously pointed out the other night - are to be still further penalized by the imposition of this duty. But

the pioneer, who sits on a log without any milk for his tea, and who at night gets into a rug which is taxed to the extent of 20 per cent., may, at the next election, remember the kindness of the right honorable gentleman to him.

Mr Kingston

- He generally does, and votes for me.

Mr MAHON

- I doubt whether he will continue to do so. The right honorable gentleman went over to Western Australia prior to the recent federal elections, and attempted to influence the miners by a very artful appeal. That appeal, however, did not have much effect, seeing that it resulted in the return, by the very men to whom he appealed, of four free-traders. When the Treasurer tells the committee that he must have revenue, it is my duty to point to items such as this in regard to which he is deliberately sacrificing revenue in order to assist some manufacturing monopolists in the eastern States.

Mr Piesse

- The honorable member cannot prove that statement.

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Mr MAHON

- The honorable member for Tasmania does not seem to understand the true significance of the figures which I have presented. I pointed out that £11,959 worth of the blankets and rugs imported into Western Australia last year, came from Great Britain and foreign countries. Under the proposal of the Government these goods would pay a duty of 20 per cent., whereas the rugs and blankets manufactured in the eastern States would pay no duty. That being so, is it not clear that this impost is intended to give the local article some advantage in the Western Australia market? Why should the Western Australian miners pay 20 per cent. upon this article?

Mr Piesse

- For revenue.

Mr MAHON

- They already contribute to the revenue through every article which they use, and the honorable member does not propose to give them any compensation under this Tariff. I would further point out that in 1899 South Australia imported £13,428 worth of blankets and rugs, Queensland £22,657 worth, New South Wales £63,556 worth, and Victoria £24,597 worth.

Mr. Kingston. - The honorable member has taken the gross imports.

Mr MAHON

- I have taken the figures supplied by me from the Library. At any rate a duty of 10 per cent., after making all the allowances which the right honorable gentleman would wish to be made, would yield about £13,000 annually. But I submit that blankets are an article of common use, and that in a very severe climate like that of Victoria, it would be a gross wrong to the poorer class to tax them so heavily. Once more I enter my protest against the practice of this Government in burdening at every point the pioneers who are opening up this country, without giving them any compensating advantage.

Mr McCAY

- I must confess to some surprise at finding an amendment in favour of reducing this duty to 10 per cent. moved by any honorable member of this committee. It is well within the recollection of all, that only a few hours ago we had a long debate, and a series of divisions, with respect to woollen piece goods, which resulted in the fixing of a duty upon those articles of 15 per cent. It seems to me that blankets and woollen piece goods stand upon precisely the same footing. If an honorable member upon the other side of the Chamber had urged that as a consequence of the action of the committee in respect of woollen piece goods the duty upon blankets should be reduced to 15 per cent., I should not have been so desirous of kicking against a stone-wall as to say that that was not a proper thing to do. But when honorable members deliberately go beyond that, and propose a reduction to 10 per cent. - which furnishes an example of the spirit of compromise that we have seen exhibited in this Chamber upon various occasions - I say that they are unreasonable. If honorable members are going to fights--

Mr Mahon

- Will the honorable member vote for a 15 per cent. duty?

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Mr McCAY

- The honorable member asks me if I will agree to a 15 per cent. duty. In other words, he wishes me to allow him to continue fighting, and to stop fighting myself. If both sides of the committee agreed to a reduction of the rate upon this item to 15 per cent. as an amendment consequent upon our action in respect of woollen piece goods, I do not think I could rise in my place and offer any objection. Last night I voted against a reduction of the duty upon woollen piece goods to 15 per cent. If we fight over this item of blankets, I shall vote against the reduction of the rate upon it from 20 per cent. But if a reduction to 15 per cent. is accepted as a necessary result of last night's division in regard to woollen piece goods, I shall not quarrel with that decision. I regret exceedingly last night's decision, and I am satisfied that a reduction of the rate upon blankets to 10 per cent. would make it a purely revenue duty, and have the effect of destroying the industry of blanket-making, which is assuming large proportions within the Commonwealth. It is not fair to move a reduction of 10 per cent., and then ask me to consent to 15 per cent., when the honorable member who makes the request is not prepared to abide by the decision. The blanket industry is assuming large dimensions, and so far as first qualities are concerned, we can beat the world price to price, it being in the cheaper qualities that our local product is beaten. It is fail to abide by the decision of the committee, and we who believe in the higher duty are justified in fighting for our position.

Sir GEORGETURNER (Balaclava). No doubt blanket-making is a good industry, and honorable members for New South Wales will recollect that, not so many years ago, Victorian blankets were tested as compared with those imported, and the merchants of New South Wales came to the conclusion that the local product is so good that they would deal in it. I cannot understand the position taken up by the honorable member for Coolgardie. Surely he must have thought that, when we entered into federation, there was a strong feeling that we would deal with each other instead of importing from abroad ?

Mr Mahon

- Nothing of the kind.

Sir GEORGE TURNER

- One of the main reasons which induced the States to enter into the Federation was that we were to be customers of each other, and by that means have competition in a large market and secure reduced prices. Under such circumstances the industry could do with less protection, as the larger output would relatively increase profits. We must not assume that, because this article was admitted free in one or other of the States, the Commonwealth should admit it free, or at a mere revenue duty. A peculiar position taken up by the honorable member for Coolgardie is that, by putting on a 20 per cent. duty, we shall sacrifice revenue. That can only mean that the home-made article is going to be used instead of the imported article ; and yet the honorable member tells us that in consequence of the heavy duty the miner will have to pay more for his blankets than otherwise.

Mr G B EDWARDS

- I am afraid the right honorable gentleman will provoke a discussion.

Sir GEORGE TURNER

- To save time I will say that we are prepared to make a compromise. We fought the matter out last night, and a decision was arrived at by the committee ; and if the honorable member for Coolgardie is prepared to accept 15 per cent., the Government are prepared to abide by the decision of the committee. We have already decided that woollen goods shall be 15 per cent., and it necessarily follows that blankets must be at the same rate. If that is the feeling of the committee I shall not attempt to discuss the question any further.

Sir WILLIAM McMILLAN (Wentworth). - I desire to make an explanation in fairness to this side of the House. When a compromise has been proposed, it has been usual for honorable members, quite within their rights, to say - " Oh, well, if you do not accept the compromise, we shall go for the proposal of the Government." That is scarcely fair, because we are not dealing with our own personal feelings, but with the interests of the country. While I am thankful for the proposal of the Government, I do not think, at this stage of the debate, when we are anxious for some information on every line of importance, that it would be well to come to a definite decision.

Honorable Members. - Yes

Sir WILLIAM McMILLAN

- It is all very well for honorable members on the Government side who have made up their minds to cry

out " Yes," but neither they nor I am supposed to know the minds of honorable members on this side of the House, or the information they may possess. A compromise is a good thing as a rule,, and I thank the Government for making this suggestion at an early stage of the debate. It will no doubt facilitate discussion, and bring it within short limits, but it is not fair at this particular moment for the debate to end.

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Mr CONROY

- When we are dealing with an item calculated to bring in £70,000, which will fall on the bulk of the poorer population, it is unworthy of Parliament to rush the item through committee. The suggested compromise is all on one side. We are contending that these articles should be free, and the Government propose a 20 per cent. duty ; and I do not see that it is any compromise to suggest that the duty be 1 5 percent. Unless the reduction is prompted by a sense of the public interest, the Government have no right to suggest it, nor have we on this side any right to accept it merely to save ourselves trouble. On matters affecting the public interest, I know neither fear nor favour, and on behalf of one-third of the people of Australia, who have never had any such duty, I protest against this high impost. I shall have great pleasure in supporting the amendment of the honorable member for Coolgardie.

Sir WILLIAM McMILLAN (Wentworth). - What we have to decide, in view of certain speeches which have been made, is, in the first place, whether this particular item is on all-fours with the piece woollen goods with which we have dealt. We are not arguing altogether as tradesmen with technical knowledge, but we are dealing with the question as it affects the masses of the people of Australia. If there is anything that should affect the sensibilities of men with humanitarian feelings it is the question of the covering of the people, especially in those parts of the country where the climate is against them ; and even in the warmest parts of Australia there are winter months. This Continent of Australia is not merely one little corner, but we have Tasmania and the table lands of New South Wales and elsewhere, where blankets are the article most universal in domestic use. The Government have been very remiss in not placing information before the committee. If a Bill is introduced in Parliament, the Minister in charge has to give the fullest information in regard to every matter associated with the measure; and it is not fair to honorable members on this side, who have no knowledge of the details of Victorian manufactures, that responsible Ministers should keep us absolutely in the dark. Has there been a single item in regard to which there has been careful consideration of the surrounding conditions ? Have we been told whether people are making or losing money, or whether the proposed duty is sufficient margin for the manufacturing industry? Item after item has been dealt with without any detailed information at hand. The blankets made in Victoria and elsewhere are but a drop in the bucket as compared with the blankets introduced from oversea ; and it is confessed that, in regard to the lower classes of blankets, which are used by the labouring population, the local manufacturers cannot compete with those in England. Although we should have a Tariff in some respects symmetrical, the necessities of the people are above all logic and symmetry. If we ask the ordinary man in the street whether it is proper, in relation to these cheaper goods, that ten men should pay duties in order to support the industry of one man, he will say that that is carrying protection to an extreme limit.

Mr Mauger

- The man in the street will say that that is not the case.

Mr Bamford

- People do not buy blankets every day.

Sir WILLIAM McMILLAN

- That might be said of everything except what we eat. No doubt, in the opinion of the majority of Victorians, it is a fair thing to look at this question from the purely manufacturing, protective point of view ; but, considering the different wants and conditions of the various States, we should have some regard for the view of the consumer.

Mr HUME COOK

- So we have.

Sir WILLIAM McMILLAN

- Nothing of the kind. The principle of honorable members seems to be this : that if £1,000,000 worth of goods is required by the community, it is worth imposing heavy taxation upon the people in regard to £900,000 worth, in order that the remaining £100,000 worth may be manufactured here.

Mr McColl

- What is the honorable member's principle as an importer ?

Sir WILLIAM McMILLAN

- I am not here as an importer, but as a freetrader ; and it is impertinent for the honorable member to refer to my private business. I am concerned in all the interests of Australia - in which the honorable member is a cypher. By the admission of honorable members, it is impossible to manufacture here low-priced blankets which would compete with the English article. They say that here we can manufacture only the higher priced article, and to protect the manufacture of that article they wish to place a duty of 20 per cent. upon the blankets used by the poorer classes of Australia.

Sir William Lyne

- Some blankets imported into New South Wales for Government use were not fit for blackfellows.

Sir WILLIAM McMILLAN

- The honorable gentleman has been a politician all his life, but he never understood the principles of government. All the arguments go to show that the duty upon blankets should be as low as possible, and therefore I shall support the amendment.

Mr WATSON

- I am surprised that the acting leader of the Opposition should refer to New South Wales as a freetrade State, since she never had a freetrade Tariff. She has always had distinctly protective duties upon her Tariff, and while the honorable member was Treasurer in the Parkes Administration, he allowed, for politician's reasons, duties upon articles of every-day consumption to continue in force.

Mr Conroy

- If New South Wales was not a free-trade State, Victoria, because she imported part of her requirements, could not be classed as a protectionist State.

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Mr Henry Willis

- New South Wales was as much a free-trade country as Great Britain is.

Mr WATSON

- At the time of the federal elections, as no candidate in New South Wales supported a tax upon land, or any other form of direct taxation, it was agreed that there should be a compromise upon the fiscal question.

Mr Henry Willis

- Nothing of the kind.

Mr WATSON

- I have a recollection of the leader of the Opposition stating at Wellington that his free-trade theories would have to disappear as the price of federation. A duty of 15 per cent. upon an article such as blankets is a distinct compromise between a revenue duty of 10 per cent. and a protective duty of 20 per cent. It may increase the price of blankets temporarily to some extent, but it will also give some encouragement to the local manufacturers of blankets. The Government are to be praised for having let us know how far they intend to go, and thus taking an attitude which should have the effect of shortening debate.

Minister for Home Affairs

Sir WILLIAM LYNE

. - The honorable member for Wentworth, when speaking just now, referred to me in language that was very offensive, and which I think he will, in his calmer moments, regret. I have been for over 21 years in politics, and so whatever my shortcomings as a politician, I have been fairly successful ; I cannot say the same of the honorable member, because in the New South Wales Parliament he for a long time represented a party of one. With regard to his remarks upon the question before the Chair, I would direct his attention to what happened in regard to an importation of blankets made on behalf of the New South Wales Government. These blankets were imported under a free-trade policy. Hearing that they were inferior to Victorian, I obtained two sample ones supplied to the Victorian Government, and compared them with the New South Wales imported ones, also submitting them to experts. The unanimous opinion was that the Victorian made were the much better value, and these were manufactured here under protection. The imported English blankets were indeed so bad that, as I interjected just now, they were scarcely fit for black fellows, and, as a matter of fact, were largely given to the blacks. I recognise that no

long debate should come from this side of the Chamber, and therefore I shall not say anything further on the matter ; but, considering the attitude which the Government have taken, I hope there will not be a prolonged discussion.

Sir WILLIAM McMILLAN (Wentworth). - When a Minister of the Crown makes a statement which may affect the views of honorable members, we on this side should not remain silent.

Mr Harper

- But to make four speeches in an hour is too much.

Sir WILLIAM McMILLAN

- The Minister for Home Affairs has referred to some blankets imported into New South Wales, which he said would not bear comparison with similar blankets sent to him by his protectionist friends in Victoria. But in regard to the imported blankets, they were either not up to the samples supplied, or the authorities originally chose a low quality or shoddy sample. Here is an argument to use against the blankets of England. The honorable member for Bland said something regarding me which has been repeated from time to time. When I entered the New South Wales Parliament in 1887, I voted against the bacon and ham duties, and was associated in my opposition to them with two other members, one of whom was Sir George Dibbs. I afterwards entered the Ministry of Sir Henry Partes, which had a majority of only four in the House. The bacon and ham duties were then being levied, but it was absolutely impossible for us as a Ministry with such a small majority to do anything more than hold the fort. Some honorable members have twitted me with having been a member of the Ministry for three years without having made any attempt to abolish these duties, but it would have been impossible for me to do so, and I do not think it is fair to charge me with inconsistency under such circumstances. The Tariff then was full of incongruities, and was absolutely devoid of principle until the honorable member for East Sydney, when he was Premier, recast it on freetrade lines.

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Mr GLYNN

- Recognising that the Ministry are in a somewhat repentant and conciliatory mood, and that it is desirable to perform our work with expedition, I shall content myself with a very short protest against the proposed 15 per cent. duty on blankets. My policy throughout the federal electoral campaign was in favour of a reduction of duties. The 15 per cent. duties which have hitherto been levied in South Australia have proved a burden to the people, and have not encouraged the manufacture of blankets in that State. Out of the total importation of £13,428 worth of blankets into South Australia, £12,962 worth came from the United Kingdom. Not only has protection been a failure in South Australia, so far as the manufacture of blankets is concerned, but also in Victoria, otherwise Victorian blankets would have been found figuring very largely in the imports into the other States. It has been argued that because we have imposed upon woollen piece goods a duty of 15 per cent., we must levy a similar impost on blankets, but I fail to see any relation between the two articles. The protectionists asked for a duty on woollen piece goods on the ground that the duty would result in the reduction of the local price. If such be the case the necessary margin between the price of the raw material, woollen piece goods, and the manufactured article, blankets, would be created by the lowering of price which, according to the protectionist theory, would take place. But it is very evident that it is not anticipated that there will be any reduction in the prices, because they now say no margin is allowed by the relative amounts of the duties. The two protectionist theories, therefore, are destructive of one another ; and for that reason, and because a duty of 15 per cent. has been found burdensome in South Australia, and has failed to encourage the local industry, I shall support the amendment of the honorable member for Coolgardie.

Sir MALCOLM McEACHARN

- I think the Government has met the matter very fairly. There is one piece of information which may be of some use to the committee and which may influence them in coming to a decision. Only lately a proposal came to me from my representative in London that he should supply ship's blankets for the use of our steamers, because he would be able to send out fairly good blankets at such a low rate that we might allow the passengers to take them on shore with them. To my mind, that is an indication that the industry here deserves some protection, and I hope the Government proposal will be agreed to.

Mr FOWLER

- An honorable member has remarked to me that he does not understand why Western Australia should

take any particular interest in this item, but I may tell honorable members that there are very few nights throughout the whole year in Western Australia on which blankets are not absolutely necessary for comfort. Whilst I am prepared to accept the Government's proposal for a 15 percent, duty with regard to the better quality of blankets, I think they should consider that a very large number of people, and particularly those scattered throughout the remoter parts of the country, use the commoner brown and blue blankets and bushman's rugs, and that the duty on these articles might very well be reduced or remitted. If this were done it would be welcomed by a large proportion of the people of Australia, and would tend to adjust fairly the incidence of taxation. I shall endeavour to have this particular description of blankets placed on the list of exemptions.

Mr. HENRY WILLIS (Robertson). I desire to say a word or two on behalf of the State from which I come. We do not wish to make such a compromise as would involve the total surrender of our free-trade principles, and I cannot see my way to vote for the Government proposal. With a duty of 25 per cent. on blankets, I find that Victoria imported £33,000 worth.

Sir George Turner

- We had 25 percent. duties, 15 per cent. duties, and some classes of goods were free.

Mr HENRY WILLIS

- But I think it was chiefly the blankets subject to the high duty that were imported. With a reduction of 5 per cent. in the duty, the Treasurer calculates that the importations into Victoria will be just one-third more than they were under a 25 per cent. duty. The Government anticipate that there will be an importation of blankets and rugs into New South Wales to the extent of £45,000 per annum, into Queensland of £11,250, into South Australia of £7,900, and into Tasmania of £5,675, notwithstanding the fact that good blankets are made from one end of Australia to the other.' It is apparently admitted that the imported article is superior to that manufactured locally, because, if it were not, such large importations would not be anticipated. Further than this the Treasurer's estimates imply an admission of the truth of what we have urged, namely, that the lower the rate of duty the greater the importation.

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Sir George Turner

- But we must have largely increased importations to enable us to derive the same amount of duty.

Mr HENRY WILLIS

- We are not here to provide £9,000,000 of money, because it has been proved that £8,000,000 will be sufficient to meet all the financial exigencies of the States. A revenue Tariff would provide all the revenue necessary. I think that we should stiffen our backs, and support the acting leader of the Opposition in the stand which he has taken.

Mr MAUGER

- I wish to point out that as a result of the decision of the committee last evening in regard to woollens, the directors of the Ballarat Woollen Mills have wired countermanding a very big order for machinery, and have decided not to extend their works. I am also assured by the operatives that our decision means disaster to that particular industry. I wish further to urge that there is nothing in the contention that blankets will be made dearer by the imposition of this duty. At the present time blankets can be bought in Victoria just as cheaply as they can be in New South Wales.

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

19

AYES

36

NOES

Majority..... 17

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Sir GEORGE TURNER

- To carry out the offer which I made to the committee, I move -

That the words "20 percent, and on and after the 6th December, 1901, 15 per cent." be inserted after

rugging, line 2.

Amendment agreed to.

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Sir GEORGE TURNER

- I would point out to the committee that the duty upon carpeting, floor cloths, and mats is practically a revenue duty. Coir and jute mats, which would be included unless specially provided for, are made in some of the States, and therefore I have expressly excluded them. But practically this is a revenue duty, and I have fixed the amount at 20 per cent. for revenue purposes.

Sir WILLIAM McMILLAN (Wentworth). - I am obliged for the information that this is absolutely a revenue duty, but I should like to point out that what the Treasurer of a country has to do is to find out the point at which the best result, from a revenue stand-point, can be attained. I consider that if we can derive a larger revenue from a lower rate, as a matter of common sense and finance, that lower rate should be imposed. Of course I would not for a moment talk in dogmatic terms to my right honorable friend, who has had more experience in finance than I have, but my own opinion is that a 15 per cent. duty will yield far more revenue than will a 20 per cent. duty. From a revenue stand-point, 15 per cent. is a high duty, There is scarcely anything, except the views held by protectionists, that would justify any duty exceeding 15 per cent., even for revenue purposes. In a matter of this kind, where a purely revenue duty is involved, nothing should affect our consideration except the question of what rate will produce the most revenue. I do not intend to move an amendment in any party spirit, but personally I cannot agree to a duty of 20 per cent. being imposed upon articles of general use, when I know that a 15 per cent. rate will yield more revenue. What at one time were absolute luxuries to the few, are now common all over the country. The homes of the people, even in the far interior, are on a very different, basis of comfort from what they were 20 years ago, and that which might then have affected only the wealthy, now affects all. Although the poor man may not buy the higher priced article, he buys the article at some price or other ; and to make a man pay 25 per cent, more - which a duty of 20 per cent, would mean, with all profits added - is going beyond not merely the point to which a statesman would go, but beyond the point to which a financier would go. This is no party question of free-trade or protection, but purely as to the point at which we can get revenue without pressing unduly on the masses of the people. I intended to move -

That the words " and on and after 6th December, 15 per cent.," be inserted after the word "mats," line 3.

Sir GEORGE TURNER

- This is a question almost entirely of revenue, and if we determine that we shall not exceed 15 per cent., the decision will affect several other items.

Sir William McMillan

- I do not wish the Treasurer to be bound by this amendment.

Sir GEORGE TURNER

- But if we lay this rule down in regard to carpetings, we shall be bound by it in, at all events, a large portion of the items where we have proposed a duty of 20 per cent. We have tried to distinguish between carpets, fixing some at 20 per cent, and some at 15 per cent. The carpets on which 15 per cent, is imposed are mainly used by the masses of the people. No one can tell whether a 15 per cent, or a 20 per cent, duty will give more or less revenue, but my own opinion is that 20 per cent, will give high results, because at the lower rate there will have to be considerably greater importation to raise the same amount. I admit that there is a class of carpeting which we might fairly deal with in a different fashion. That is felt carpeting, which is used by people in poorer circumstances, and I should have no objection to fixing the duty in this instance at 15 per cent.

Sir William McMillan

- Why ' make j " two bites of a cherry V

Sir GEORGE TURNER

- Some carpets cost 8s. or 10s. a yard.

Sir William McMillan

- But this is an ad valorem- duty.

Sir GEORGE TURNER

- People who can afford these prices can afford to contribute to the revenue, and we can help the poor people by taking a little more from the rich.

Mr. WATSON(Bland).- A high revenue duty defeats the object in view; and in all probability the use of the articles will be restricted to such an extent that the Treasurer may not get the amount he reckons on in this instance. The amount of duty will, of course, be proportionately higher on the more costly article, and probably a slightly greater amount of revenue may be raised with a 15 per cent. duty. But even if only the same amount be raised, certain people benefit, while the revenue does not suffer. Except on narcotics, stimulants, and articles of that kind, 15 per cent. is a very high revenue duty ; but while there have been suggestions of 10 per cent., I think that, considering the character of the item, the proposal of the honorable member for Wentworth is sufficient.

Mr. BATCHELOR(South Australia).As this is a purely revenue duty, I am surprised the honorable member for Wentworth did not propose that it should be 10 per cent. He proposed that same amount of duty on blankets, and I suppose his only reason was that blankets happen to be made in Australia.

Sir William McMillan

- The Treasurer agreed that there was a distinction between blankets and the articles now under discussion, blankets being universally used.

Mr BATCHELOR

- There is the distinction between a covering for the body and a covering for the floor ; but I fail to see the point of view of the honorable member.

Mr JOSEPH COOK

- If 10 per cent. be proposed, will the honorable member for South Australia vote for it 1

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Mr BATCHELOR

- Certainly ; I am not disposed to support very high revenue duties, though if it were a question of protection, I should advocate a higher impost. In the event of 10 per cent. not being proposed, I shall support the amendment now before the committee. I would suggest that carriage mats - which may be regarded as articles of luxury - ought to be charged 20 per cent. An exception was made of these articles in the State Tariffs, and we might very well follow that example. I should like to ask the Treasurer whether rush mats, such as are made in blind asylums and by the aborigines, are included in this item, because I think we might protect the one industry which is carried on by the original native Australians?

Sir GEORGE TURNER

- Perhaps I may be allowed to try to end the discussion. As I said before, it is very difficult to tell in regard to a purely revenue duty whether 15 per cent. or 20 per cent. will bring in the larger revenue, seeing that a considerable increase in imports is required at the lower rate to make up the amount. I quite admit, however, that there is a fair probability of the same amount being derived at one rate as at the other. With regard to coir and jute mats, I must ask that there be a duty of 20 per cent., because these articles are made here, and, as regards them, I regard this as a protective duty. Regarding the other articles under discussion, however, I am prepared to accept the proposal to make the duty 15 per cent.

Mr G B EDWARDS

- I think it would have been better if linoleums had been specially mentioned. I suggest that instead of selecting felt carpets for the lower duty, it would have been advisable to have selected linoleums, a course which would produce a good revenue, and confer a boon on the whole people of the Commonwealth. One of the most objectionable articles in the houses of the lower, middle, and poorer classes, is felt carpet, which is allowed very often to remain on the floor until it becomes a medium for all sorts of diseases. Many people are giving up the use of carpets altogether for the sake of cleanliness ; and in my opinion it would have been a good idea to put linoleum on the free list. Many medical men have referred to felt carpets as hot-beds of disease, and if we cheapen linoleums we shall enable people to have more comfortable and healthy floor coverings.

Sir WILLIAM McMILLAN (Wentworth). - Probably, on the whole, 10 per cent. would be a better revenue duty, but, as I do not want to divide the committee except where I consider a big principle is at stake, as in the case of the proposed duty on blankets, I proposed an amendment which I thought would be accepted.

Sir George Turner

- I am willing to agree to a 15 per cent. duty, except upon coir and jute matting, which is very largely made here.

Sir WILLIAM McMILLAN. - I do not think it worth while to make that distillation. This matting is very heavy, so that the cost of freight upon the imported article will furnish a large measure of protection to the local manufacturer.

Mr McCAY

- The original proposal of the Government was a duty of 20 per cent. all round, and the acting leader of the Opposition proposed 15 per cent. The Government say that they are ready to go nine-tenths of the way towards meeting the honorable gentleman, by accepting a duty of 15 per cent. upon everything except coir and jute matting; and if he is sincere in his desire for a compromise, I am sure he will go the rest of the way, and accept the terms offered to him.

Mr Conroy

- Coir and jute matting is used exclusively by the poorer classes.

Mr McCAY

- If the raw material is allowed to come in free, and a duty of 20 per cent, is imposed on the manufactured article, the probability is that the locally manufactured article will be quite as cheap as if there were a duty of 15 per cent. upon the imported article.

Mr. MAUGER (Melbourne Ports). This is one of the largest and most prosperous industries in Victoria, and employs hundreds of hands under the best conditions. To speak of coir and jute matting as an article used by the poor is absurd. It is used chiefly by churches and cricket clubs. I hope the Government will insist upon a duty of 20 per cent. upon this article.

Amendment (by Mr. Kingston) agreed to-

That the words "except coir and jute " be inserted after the word "mats," line 3.

Mr JOSEPH COOK

- I wish to move an amendment excepting floor coverings other than carpets from the proposed 15 per cent., and applying a 10 per cent. duty to them. I wish to do this for the sake of the public health, because these things are in common use in the homes of the poor.

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Sir GEORGE TURNER

- I would suggest that after I have moved my amendment, which is intended to reduce the duty on carpets and floor coverings to 15 per cent., the honorable member could move to have inserted words excepting linoleums and oil cloths from the 15 per cent. duty, and applying to them a duty of 10 per cent. I move - That the words "20 per cent., and on and after 6th December, 1901, 15 percent," be inserted after the word " pads," line 4.

Amendment agreed to.

Amendment by Mr. Joseph Cook proposed -

That the words "except linoleums and oil cloths, 20 per cent., and on and after 6th December 1901, 10 per cent." be inserted after the word " pads," line 4.

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

25

AYES

29

NOES

Majority 4

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir George Turner) agreed to -

That the words "20 per cent. and on and after 6th December, . 1901, 15 per cent." be inserted sifter the words " carriage mats."

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Sir GEORGE TURNER

- I desire to test the feeling of the committee with regard to coir and jute mats. I have previously mentioned that the other articles which we have been discussing were not made in Australia, and that we

were dealing with an entirely revenue duty. Coir and jute mats are made here largely, and there is no reason why they should not be so made. The raw material up to the present time has had to be imported, and therefore the carriage upon it to a very great extent counterbalances the carriage upon the made-up article. One is probably about as much as the other. Indeed, I do not know that the freight on the raw material is not heavier than that charged upon the made-up article. Therefore, we regard it as a protective item, and accordingly I move -

That before the word "curtains," line 4, the words "coir and jute mats and matting, 20 per cent." be inserted.

Sir WILLIAM McMILLAN (Wentworth). - I think that the Treasurer is going a little too far. I do not see why a small item like this should be allowed to complicate matters. We have already agreed to a 15 per cent. duty upon all these classes of goods, and my desire is to make the Tariff as symmetrical as possible. I am anxious to prevent fraud and friction, which are bound to arise if certain articles are exempted amongst other articles of a more or less similar character. I hope that the Treasurer will not press the amendment, especially as he has shown a fairly reasonable spirit of compromise to-day.

Mr. WATSON (Bland). - I do not think there is any necessity for the Government to press for a distinction between these two classes of goods. In New South Wales we have a highly-protected set of workmen who are engaged in manufacturing coir and jute matting, under regulations and conditions that a paternal State has taken every care to make perfect. If our people, working under the conditions which at present prevail, can successfully put these articles upon the market without a duty, 15 per cent. is certainly a sufficient impost to place upon them. In any case I think that that rate is a fair one. It will be difficult enough for the people in Victoria, who are engaged in this industry, to compete with prison-made goods coming from New South Wales, and to increase the duty upon imported goods would not assist them.

Mr. JOSEPH COOK (Parramatta). - I have a doubt in my mind as to whether I ought not to oppose this amendment. I have the distinguished honor to have in my electorate one of the oldest and largest gaols in New South Wales. We have taken every care - as has been pointed out by the honorable member for Bland - to see that the wages paid there, and the conditions under which the inmates work, are strictly regulated. There is no sweating carried on, and in the interests of such a large and flourishing industry, I am open to conviction as to whether I ought not to vote for the higher duty.

Mr. CONROY (Werriwa). - The difference between coir and jute has not been explained to the committee by the Treasurer; and yet we are asked to treat them as the same thing, which they are not. In any case, I fail to see any reason why a duty of 20 per cent. should be placed upon these articles, which are not used by the wealthier classes of the community. The duty proposed is a distinct tax upon the poorer classes. I shall vote against the proposed increase, and if it is carried I shall move that these articles be placed upon the free list.

Question - That the words proposed to be inserted be so inserted - put.

The committee divided -

Ayes 25

Noes 26

Majority 1

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir George Turner) proposed -

That after the words "carriage mats," line 4, the words "coir and jute mats and matting, 20 per cent., and on and after 6th December, 1901, 15 per cent." be inserted.

Mr CONROY

- I advocate these articles being placed on the free list, but after the division which has just been taken, I shall not submit any further proposals.

Amendment agreed to.

Sir GEORGE TURNER

- As curtains apparently are not made here, and this is a revenue duty I move -

That the words "20 per cent. and on and after 6th December, 1901, 15 per cent." be inserted after the word "curtains," line 4.

Amendment agreed to.

Sir GEORGE TURNER

- As cosies, cushions, and the other articles mentioned in the item down to furnishings, are manufactured in the Commonwealth, from material which is dutiable at varying rates, none of which are under 10 per cent., it is only fair that the manufacturer should have a reasonable amount of protection, and I propose to leave the duty at 20 per cent.

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Sir WILLIAM McMILLAN

- I could understand, from a protectionist point of view, a high duty being necessary in cases where elaborate machinery, high skill, and large capital are required, but a large number of the articles comprised in the item under discussion would be made in this country under any circumstances, whether there was free-trade or protection. If we were alongside the European markets, instead of 14,000 miles away, these articles would still be made in Australia, as they are in every country. Many are made by domestic people, and in no way can the preparation of these articles be described as " manufactures " ; to apply that term is merely playing with words. I move -

That the words "20 per cent. and on and after 6th December, 1901, 15 per cent.," be inserted after the words "made up," line 7.

Mr SALMON

- The honorable member for Wentworth considers that protection is necessary only for those who are able to invest large capital and provide costly machinery, but the party with whom I am associated desire rather to protect the working people. The manufacture of these articles is carried on by a large number of people, who, without the intervention of middlemen, are able to find a market ; and these are the very class of persons who ought to have the benefit of protection. There are homes in the Commonwealth maintained almost entirely by the manufacture of such articles, and we have here an opportunity presented of helping those who are trying to help themselves. Cosies and similar articles afford employment for a considerable number of women and invalid and infirm persons, who ought to be protected from the cheap articles imported from Germany and other countries, where they are manufactured under conditions which we do not desire to see introduced here.

Mr PHILLIPS

- Do towels come under the heading of "furnishing "1 I understand that duty is being collected on towels under this item, although towelling i* free.

Sir George Turner

- If towelling is cut up into towels, the latter are dutiable.

Amendment negatived.

Sir GEORGE TURNER

- Ruffings, tucked lawns, pleatings and ruchings will always be imported to a certain extent, but they are made here very largely by female workers, and as the raw material is composed of the better class of linen goods, silks, and other materials subject to duties of 10 per cent, and 15 per cent., it would be unfair to those workers to impose only a 15 per cent, duty ' in this connexion. - 1 do not propose any amendment, but ask the committee to leave a margin of 10 per cent, on some articles, and 5 per cent, on others.

An Honorable Member. - What are "ruchings?"

Sir GEORGE TURNER

- A kind of " frill " which honorable members sometimes put on here.

Mr O'MALLEY

- As I believe ' in absolute equality, and want no " frill " in this House, I support a duty of 20 per cent.

Mr. CONROY(Werriwa). - It is estimated that the amount of revenue expected under this item is over £400,000, and £150,000 or thereabouts from the articles immediately under discussion. We ought to remember that at least one-third of the people of the Commonwealth have hitherto had these articles free, while in some States the duty has been fairly low ; and under all the circumstances 10 per cent, would be a reasonable compromise. To impose a duty of 20 per cent, means diminishing the consumption to such an extent that no Treasurer can foresee what amount of revenue will be lost.

Sir George Turner

- I am told that I have a prohibitive Tariff and at the same time one which will bring me in £12,000,000 a

year.

Mr CONROY

- In many lines the tax will be so high that, while goods will still come in, the consumption will be so diminished that the revenue will be lowered. If protectionist principles prevailed we should find it argued that the more we took out of the pockets of the people the better off they would be. One always finds the wealthy classes on the protectionist side.

Mr A McLEAN

- If protection makes people wealthy it must be a good thing.

Mr CONROY

- While it tends to make the rich richer, it also makes the poor poorer ; but the free-traders came into Parliament to try to make the poor richer, or, at least, to reduce their burdens. In New South Wales the people have been taught that to take a penny from them unnecessarily is an injustice to them.

Mr HUME COOK

- That is why New South Wales has had to live on borrowed money so largely.

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Mr CONROY

- No doubt every man should contribute his share towards the expenses of the State, but it is not fair that the whole burden of taxation should be imposed upon the masses of the people. Honorable members opposite want to see the people poor, because the poorer they become, and the greater their struggle for existence, the more easily can they be made to work for low wages. It is only the manufacturers that the protectionists think worthy of consideration. They take no care of the thousands of 'men in other employments. It is not by in- creasing the duties that you can increase 1 revenue. I know that on one occasion in

Queensland, when a 5 per cent. duty had been returning something like £15,000 a year, the imposition of a 20 per cent. duty led to a reduction of revenue to £1,000 a year. I wish the people outside knew the contemptuous treatment to which honorable members opposite would like to subject them. No doubt honorable members have been able to fool the people successfully heretofore, or they would not be here ; but, sooner or later, the people will recognise the truth.

Sir WILLIAM McMILLAN (Wentworth). - It seems to me that the proposed duty is a reductio ad absurdum of the principles of protection. The articles with which we are dealing are made largely of linen and cotton.

Sir George Turner

- And of silk.

Sir WILLIAM McMILLAN

-Linen and cotton piece goods are admitted free, or subject to an import duty of 10 per cent. But no elaborate machinery is required for the manufacture of trimmings and things of that kind, and they are made largely in the homes of the people, or in shops, and would continue to be made without any protection. I move -

That the words "and on and after 6th December, 1901, 15 per cent." be added to the duty on "Ruffling, tucked lawns, pleatings, and ruchings, ad valorem, 20 per cent."

Mr THOMSON

- At an earlier stage in the debate it was stated that the action of the Opposition in reducing the duty upon the articles included in this item was likely to seriously interfere with their manufacture in this State, and, possibly, in other parts of Australia. But I am quite sure that we have no desire to do anything of the kind. We have frequently supported a duty, not because we should vote for it if we were creating an entirely new Tariff, without consideration of existing circumstances, but in order to give what seemed to us sufficient consideration to an existing industry to enable it to continue its operations successfully. To show that our action has had the reverse effect, the honorable member for Melbourne Ports read an extract from the Ballarat Courier. in which it is stated that the directors of the Ballarat Woollen Mills had intended to extend their plant, and that an order had been sent Home for £3,000 worth of machinery, whilst local tenders had been invited for 200,000 bricks for the erection of a large two-story addition to the already spacious premises ; but that when the determination of the committee to reduce the duty on woollens to 15 per cent. became known last night, the directors of the company met and decided to abandon the intended addition to their premises, to return the tenders for bricks to the tenderers, and to countermand

their order for machinery. We have heard some such statements as these before; but it is well for us to inquire what justification there is for supposing that the industry will be injuriously affected. I have the balance-sheets of this company for the last two half-years. The capital of the company is £30,000, in 120,000 5s. shares. The dividend paid on these shares was 41/2d. per share each half year, or 9d. per annum; equal to 15 per cent. The company have paid nineteen dividends altogether, they have £500 in the shape of a reserve fund, and their accumulated profits amount to £19,901 9s., or about two-thirds of their capital.

Sir George Turner

- Do they show what profits they have made during the last year?

Mr THOMSON

- Yes. They have made over 15 per cent. I congratulate the managers of the company on their success, and I should think that now a larger market has been provided for their output, there should be abundant reasons for their extending their operations, and attaining a state of even greater prosperity.

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Mr B EDWARDS

- The proposed duty is very much too high, and it cannot be regarded as protective in its incidence, because such articles as frillings and rufflings are not made to any great extent within the Commonwealth. The compromise offered by the acting leader of the Opposition is a very reasonable one, although I should have been inclined to support a duty of 10 per cent. The articles enumerated here are used principally for making up children's pinafores and aprons, and they should not be subjected to a very heavy tax.

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

24

AYES

25

NOES

Majority ... 1

AYES

NOES

Question so resolved in the negative.

Item, as amended, agreed to.

Item 59 -

Fur and other skins, dressed or prepared, and hatters' fur, ad valorem, 15 per cent.

Mr HUME COOK

- I think the Government have made a serious mistake in adopting an ad valorem duty, instead of a fixed duty similar to that which was levied under the Victorian Tariff. This ad valorem duty will, if continued, practically bring about the ruin of a very substantial industry in Victoria, and I move -

That the words "and on and after 6th December, 1901, 3d. per lb." be added.

Mr SYDNEY SMITH

- What will that amount to?

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Mr HUME COOK

- It will amount to only about 1 per cent, as a matter of fact ; but I propose to give reasons for adopting a fixed instead of an ad valorem duty. The duty collected upon these articles in Victoria prior to the introduction of the Commonwealth Tariff was 2d. per lb. That duty, when contrasted with the 15 per cent. ad valorem which the Government propose to levy, shows a very startling result. I have had a circular sent to me signed by all the furriers of Melbourne, and, I believe, by all the furriers of New South Wales. No doubt the Minister for Trade and Customs is in receipt of a similar document. Amongst the Sydney furriers who have signed it are Philip Lawrence, Forb and Rohn, New South Wales Fur Depot, Gilbert Smith, and Robert Brewster Unwins. These people have worked out the way in which this duty will operate. If we take, for example, a sable skin, which averages about 3 lbs. weight per dozen, we find that the duty charged upon it under the Victorian Tariff was 6d., but under the 15 per cent. rate which is now proposed, the importer would be required to pay £3 15s. 9d. per dozen upon such skins. If we take seal

skins, which average a weight of about 48 lbs. per dozen, we find that the amount of duty previously paid upon them was 8s. per dozen. Under this Tariff, however, the duty would be £12 3s. 6d. It may be urged that these articles are luxuries, and therefore ought to pay a high duty. But I would point out that they are already subject to an impost of 25 per cent. under the item of "Apparel." Skins dressed and ready to be made up into articles of apparel have hitherto been imported subject to a small duty, and a large number of persons are already engaged in Victoria in the furriers' industry. One man who is in a large business told me that he expects to land within the next ten or twelve days some £1,200 worth of furs, and unless the present duty is reduced he will send the whole consignment back to London, because he cannot afford to make them up. Thus thirteen or fourteen hands will be thrown out of employment. I wish also to point out that as a result of people being permitted to work up these imported skins, we have been enabled to make up Australian skins to a much larger extent than would otherwise have been possible. In this connexion I am assured by the furriers that if they are deprived of the opportunity of working up the imported skins, it will be impossible to continue the making up of Australian skins. In America and Russia this industry is so important that an export duty is actually imposed upon skins. I would also direct the attention of the committee to the fact that some other articles which are used by the furriers of New South Wales and Victoria, and which were formerly admitted free, are now subject to duty. For example, the felt employed for the lining of furs is, under this Tariff, subject to duty. The metal clips used by the furriers are taxed at the rate of 25 per cent., and the bag frames which go to make up fancy reticules also carry a duty of 20 per cent. All these are charges in addition to the impost upon the furs themselves. Moreover, scarcely any of the imported furs are fit to be made up till certain drying drugs have been applied to them, all of which are subject to duty. These circumstances induce me to conclude that the Government have made a mistake in imposing this tax. I notice that the revenue which they expect to derive from it amounts only to £1,500 a year, but I venture to say that if the present duty is retained they will derive no revenue at all. These furs include sables, mink, seal, marmot, Russian hare, kolinsky, carcoola, squash, marten, and astrakan. These skins are so very valuable, and can be packed into such a small space, that the Government ought to recognise that an enormous duty of 25 per cent. upon them might offer grave temptations to smuggling.

Mr G B EDWARDS

- For once I find myself thoroughly in accord with the Government. I wish that they had gone a little further than they have. I think that the honorable member who has just spoken holds a brief for one or two persons who are interested in this industry. It seems to me that if we are to raise revenue at all this is a very proper item upon which to levy a duty. When we impose duties upon the commonest necessities of life, it is scandalous that we should have a proposal submitted to the committee to allow these valuable furs to come into the country by paying a tax of 3d. per lb. We have already placed enough burdens upon the poor, and I am sure that anybody who can afford to import valuable furs is in a position to pay the duty which the Government propose to collect, and even a much higher duty. Seal skins are not imported very largely. They usually come in in the form of made-up articles upon ladies backs. We ought to get all the revenue that we possibly can from this article. I am aware that the Government anticipate realizing only £1,500 from this duty, but I am convinced that we shall derive a much larger sum from it. Instead of lowering this tax in the way we have endeavoured to lower other duties which bear heavily and harshly on the consumer, we should raise it another 10 per cent., and if the Government make a proposal in that direction I shall support them.

Sir WILLIAM McMILLAN

- I promised the Prime Minister that I would not speak on this item ; but he will allow me to say that the only question is, what rate will give the most revenue? If the Government think 15 percent, will result in most revenue, this is a class of articles which ought to bear a high duty. I doubt whether 15 per cent, is not too high, but I should not object to the duty if the Government adhere to the proposal.

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Mr KINGSTON

- It is difficult to please everybody, and the Government are not going to try. I am very much amused to hear a suggestion from the acting leader of the Opposition, that it is doubtful whether this duty is not too high, when, if I recollect rightly, on a famous occasion, in an indictment which was made against the Government, an eloquent comparison was drawn, and our iniquity condemned in fixing the duty on furs

not so high as the duty on blankets. That was the strongest point in a weak indictment against the Government. The point the Government take, is that the duty which they propose ought to be adopted, or that there should be no duty at all. It is absurd to talk of a duty of 2d. per lb., or 1d. per lb., in view of the fact that there was a duty of 2d. in Victoria, with the result that on furs, valued at £4,000 or £5,000 only £39 or £40 was collected. A duty of 2d. would mean only 11/2 per cent. ; and, under all the circumstances, the Government have come to the conclusion to adhere to their proposal.. The Government sympathise a good deal with what has been said by the honorable member for North Sydney. No doubt furs are a luxury, and, while we do not desire to destroy any industry, we think we ought to exact a fair toll on importations. To admit free these undoubted luxuries, which are chiefly or almost entirely used by the rich, is absolutely impossible. As to the idea that if we do not import furs free, there will not be enough business, even in regard to local skins, to keep local tradesmen going, that shows the difficulty some people have in justifying their proposals for special remissions. In regard to the manufactured article, we are allowing a protective duty of 25 per cent., the special definition given to woollens at the conclusion of the division relating to apparel, including all furs. If under these circumstances, the local preparer declares that it is impossible for him to carry on his business unless furs are absolutely free, it seems to me that he is endeavouring to maintain an impossible position, and the Government will adhere to their own proposal. We believe that there will be importations, and that we shall collect a fair amount of revenue ; at any rate, a much larger amount than we would under the rate which has been suggested.

Mr HENRY WILLIS

- I would specially urge the Government to put a duty of 25 per cent. on seal skins. In South Australia, seal skins are bought from Kangaroo Island, and many years ago I shipped a number which were no larger than one's hand. These were worth 30s. each, but they could not be prepared in Australia. Very recently I priced a lady's sealskin jacket in Melbourne at 70 guineas, and 25 per cent. is the duty on such jackets, so that there is an inconsistency in allowing the sealskin to come in as suggested, or even at 15 per cent. It is only wealthy people who can afford to buy such articles, and there should certainly be a duty of 25 per cent.

Mr. G.B. EDWARDS (South Sydney). - When opportunity offers, I shall move that the duty be 20 per cent., including the made-up article, but excluding hatters' fur.

Mr. HENRY WILLIS (Robertson).- I understand that some honorable members are astonished at the size of the seal skins of which I spoke. The fur seal is a very small animal, the large seal being the hair seal, the skin of which is used only for leather.

Mr HUME COOK

- I quite agree that sealskin jackets are articles of luxury, and ought to bear a very heavy duty ; but I ask that a difference should be made between the made-up article and raw material. In the making up of the latter about 200 people are employed in the Commonwealth.

Mr G B EDWARDS

- Making up foreign furs?

Mr HUME COOK

- Furs of all kinds, but mostly foreign furs. We must have some regard to those engaged in industries, however small their numbers may be. I do not want to shield the rich, and would be willing to impose 50 per cent. on the made up article; but if there be a duty of 20 per cent. or 25 per cent. on the raw material there will be no revenue. All the goods will come in manufactured and, revenue or no revenue, the industry in the Commonwealth will be ruined.

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Mr CONROY

- I am a little bit confused by the arguments from the Ministerial side, and I am not quite sure which to accept - those of the Minister for Trade and Customs, or those of the honorable member for Bourke. If the latter honorable member is correct, he does not seem to have made out a bad case from the protectionist point of view. He has. shown that furs are, divisible into a great many classes, some of which are low in value and form the raw material of certain industries. Furs of high value are used by only the rich, and I do not think the rate proposed by the Government is at all excessive. I did expect to hear from the protectionist side that the duty on furs ought to be still heavier, seeing that importations would thereby be

largely diminished, and a demand be created for the skin of the Australian rabbit.

Mr. HUMECOOK (Bourke).- During the dinner adjournment I consulted with those who are most interested in these articles, and I shall not now move the imposition of a duty of 3d. per lb. A duty of 5 percent. has been suggested, but I consider that it could not be carried, and I therefore intend to withdraw my amendment, and, when the amendment suggested by the honorable member for South Sydney has been disposed of, to move for a reduction to 10 per cent.

Amendment, by leave, withdrawn.

Amendment (by Mr. G. B. Edwards) put -

That the words "15 per cent., and on and after 6th December, 1901, 20 per cent." be inserted after the word "prepared."

The committee divided.

Ayes 14

Noes..... 32

Majority 18

Question so resolved in the negative.

Amendment negatived.

Amendment (by Mr. Hume Cook) negatived.

That the words, and on and after 6th December, 1901, 10 per cent." be added.

Item agreed to.

Item 60 - Gloves, including mittens and flesh gloves, ad valorem, 20 per cent.

Sir WILLIAM McMILLAN

- I look upon this purely as a revenue item, in regard to which the only question we have to consider is whether the rate proposed is that which is most likely to bring about the best results. At present I do not propose any alteration.

Mr CONROY

- If honorable members were to look forward to the possibilities of the next election, when probably the women will have votes, they would not be so ready to impose a tax upon articles so largely used by the feminine portion of the community. Thousands of working girls have to wear gloves, and, with the low wages which are paid to them, they are likely to feel this tax very severely, amounting as it will to at least 42 per cent., when all the charges are paid. If I thought there was any chance of carrying my proposal I should move to have gloves placed upon the free list ; but as I consider that hopeless, I move -

That the words - "and on and after 6th December, 1901, 15 per cent." be added.

Mr G B EDWARDS

- I hope that the honorable member will not press his amendment, because there is not the slightest chance of carrying it, and the item is one upon which we may legitimately raise revenue. We look forward to having a keen fight upon the proposed duties upon foot-ware and other articles ; but it is not worth while to have a discussion upon a duty like this.

Mr CROUCH

- It is a pity that no distinction is made between women's and men's gloves. The cheap cotton gloves, worn by the poorer class of women, should be admitted free, or be subject only to a very low duty, but men's gloves should bear a duty of at least 25 per cent., because they are distinct luxuries and are used by the classes best able to bear taxation.

Sir WILLIAM McMILLAN (Wentworth). - I do not think honorable members altogether grasp the principles upon which revenue duties should be fixed. Once we establish the ad valorem system, the consumer has to pay according to the quality of the article. It is not so much a question of getting more out of the rich than out of the poor, as a matter of obtaining as much revenue as possible from a particular article. If a 15 per cent. duty will yield more revenue than a 20 per cent. duty, then the 15 per cent. rate is the best one to adopt from a financial point of view. Although we are raising revenue, we do not wish to force the great mass of the people to use too common an article. Gloves are luxuries to men, but necessities to women, and it is not desirable to impose a duty that will make the great mass of the population pay more or put up with a cheaper and less serviceable article. I believe 15 per cent. represents the high water mark for a revenue duty on gloves, and I shall support it.

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Mr KINGSTON

- I think gloves may fairly be considered luxuries, and it is not necessary, according to my view, to vary the rates so as to lighten the duty on the cheaper class of article. In the past, Victoria has levied a duty of 20 per cent. on gloves ; Queensland, 25 per cent. ; South Australia, 15 per cent. ; Tasmania, 20 per cent. ; and Western Australia, 15 per cent., and I think our proposal is a fair one.

Mr. CONROY(Werriwa).- If the Minister for Trade and Customs takes the populations of the various States into consideration, and averages the duties previously levied, he will find that 10 per cent. would be nearer the mark. There are thousands of girls who have to earn their own living and buy their own gloves, and they should not have to pay too high a rate of duty.

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

23

AYES

33

NOES

Majority 10

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Item agreed to.

Item 61. - Hats and Caps, viz. : -

Men's, women's, boys', and children's felt hats, per doz. 10s. and 15 per cent. ad valorem. Dress hats, per doz. 48s. Hats and caps, sewn, from, per doz. 3s.

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Mr POYNTON

- I wish to test the feeling of the committee with regard to composite duties, and propose to strike out the 10s. fixed duty which is associated with an ad valorem duty of 15 per cent. I find that in New Zealand, a highly protected country, the duty on hats is 25 per cent. ad valorem, and in Canada 30 per cent. In Western Australia the duty was 15 per cent., in Tasmania 20 per cent., in South Australia 8s. or 15s. per dozen, Queensland 25 per cent., or 15 per cent., and in Victoria, £1 4s. or £1 10s. per dozen, whereas in New South Wales hats were on the free list. If we substitute for the composite duty a purely ad valorem rate we shall know where we are. As the duty now stands, it is one of the most prohibitory taxes in the Tariff. Very few people have any idea of the high percentages these duties represent, and in this connexion I desire to refer to the statement of Sir F. T. Sargood, which has been published in the press, and which so far as I know has neither been contradicted nor challenged. Sir Frederick Sargood is an expert, and he states that his figures are authentic and beyond contradiction. When one comes to examine these duties one is surprised at the enormous percentages which they represent. But the worst feature in this connexion is that, instead of the highest rates being imposed upon the most valuable articles, the very opposite principle has been adopted. Thus it comes about that the article which is most in demand, which is used by the great bulk of the people, has to pay the heaviest duty. The writer to whom I have already referred takes the English invoice prices of goods, and shows how this proposed duty of 10s. per dozen, and 15 per cent. ad valorem, upon hats will work out. He demonstrates that upon a class of hats which are invoiced from England at 8s. 6d. per dozen, the duty proposed by the Government represents 134 per cent., whilst upon hats at 11s. per dozen, it is equivalent to 107 per cent., and upon those at 12s. per dozen it represents 100 per cent. Thus the duties are graduated downwards instead of upwards till, upon hats valued at 34s. per dozen, the duty to be collected upon them is 46 per cent. Under the proposal of the Ministry, the purchasers of children's hats, invoiced at 6s. per dozen, will have to pay a duty equal to 183 per cent. Upon girl's woollen felts, invoiced from England at 8s. 6d. per dozen, the duty which the Government propose to levy will amount to 134 per cent. I understand that in New Zealand, where an ad valorem duty operates, the hat industry is doing fairly well'.

In submitting my amendment I do not presume to indicate at the present time what the amount of the ad valorem duty should be, but I desire the committee to decide whether it is wise to retain a fixed duty in addition to an ad valorem. I have before me some further figures showing the percentage which has

actually been paid under this Tariff upon men's and boys' felt hats. I find that boys' felt hats, which were invoiced from England at 5s. 3d. per dozen, have paid at the rate of 204 -per cent. Another line, valued at 8s. 6d. per dozen, has contributed to the revenue at the rate of 132 per cent. Upon working men's felt hats, invoiced at 9s., 14s., and 20s. per dozen, the duty paid represents respectively 126 per cent., 86 per cent., and 65 per cent. Upon the better class .of hats, invoiced at 30s., 40s., 50s., 60s., and 69s. per dozen, the rates of duty collected by the Government are respectively 48 per cent., 40 per cent., 25 per cent., 32 per cent., and 29 per cent. It is not my purpose to occupy the time of the committee further, and I shall therefore content myself with moving -

That the words "10s. and " be omitted.

Mr. G.B. EDWARDS (South Sydney).I think that this is one of the least defensible items in the Tariff. As has been pointed out by the honorable member who has just resumed his seat, the sliding scale adopted by the Government is one that tapers down to its lowest point upon the hats which are used by the wealthier classes. The proposed duty of 48s. per dozen upon dress hats would represent in the case of the highest-priced goods only 20 per cent., whilst - as the committee have been informed from a reliable source - the rate levied upon the commoner hats ranges as high as 104 per cent. It does not require information from an expert to convince any common-sense individual that the proposal of the Government represents an enormous duty upon the cheaper lines of hats. I am prepared to vote for excising the fixed duty.

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Mr McCOLL

- There is a general impression that the duty levied upon hats under the Victorian Tariff has been too high. I believe that that is so, and I agree with the honorable member for South Australia, Mr. Poynton, that a system of composite duty will not suit the present case. "I believe that we ought to have an ad valorem, duty. At the same time I would point out that quotations from the letters of Senator Sir Frederick Sargood are very misleading indeed. The real question is not what is the rate of duty upon any article, but what is the price which the people have to pay for that article. There is no doubt that the establishment of hat factories in Victoria has cheapened those articles very much, with the result that hats, upon which there is a very high duty, do not come into the market at all. I had a striking instance of this recently in the country. One man who wore a hat similar to that worn by the honorable member for Tasmania, Mr. O'Malley, said to me that he bought it in Footscray for 4s. 9d., and, he added - " I do not care if a duty of 500 per cent, is placed upon such hats so long as I can buy them for 4s. 9d." I think that if we imposed an ad valorem duty of 25 per cent, we should be doing a fair thing by the industry.

Sir WILLIAM McMILLAN (Wentworth). - I think that the feeling of the committee is to do away entirely with the fixed duty, because after all it simply blinds the people as to the real impost upon these articles. I find that in 1899, New South Wales imported hats to the value of £1 80⁴22. A duty of even 20 per cent, upon that importation would have yielded £36,084. The Government estimate of the revenue which will be derived from this source in New South Wales is £11,327. That means that even with the duty of 50 per cent, operating, 78 per cent, of the present importations to New South Wales would be excluded. According to some of the figures which I have before me the rates under these composite duties range from 52 per cent, to 183 per cent. I understand that there has been an idea current . in the hat trade that it requires the aid of a very high protective duty. Of course it is only by practical experience that we can ascertain exactly how matters stand. I learn that one of these hat manufactories pays a dividend of 10 per cent., that it has written off either the whole or nearly the whole of its machinery, and that it has placed a large amount to the reserve fund. In other words, there is no necessity, in the light of these results, for the imposition of any duty. I am further told that this factory has developed such a state of perfection that it can undersell the whole world. Surely, then, it has reached the point at which protection is no longer necessary. Whatever duty may be imposed, I think honorable members will agree that for this class of goods an ad valorem duty should be adopted. Such a duty depends upon the price of the goods. The poor man and the rich man alike have to pay their proportions. I wish to remind the Ministers in charge of this Tariff once more that it is a pity when new items come up for consideration, that we do not get some definite information to guide us as to the actual amount of duty which should be imposed. I take it that the protectionist does not desire unnecessarily to increase the price of any article. He does not wish to go very far beyond that point of duty which practically puts the local manufacturer upon the same footing as

the foreigner. The protectionist does not want to double the duty in order to do that. I think that the committee is at sea in regard to many of the items, owing to the want of information from the Government. It will be allowed, even by the protectionist, that the state of affairs at which the duty is begun may not continue several years afterwards. From a protectionist point of view a manufacturer may require 20 per cent, at the start, but when he has got over the initial difficulties, and probably improved his machinery, a much lesser rate may give him full protection. These are the principles we should bear in mind when we come to decide the ad valorem duty upon this particular article. I may be wrong, but I think there has been a sort of fetish in the protectionist world as to the amount of duty required for hatters. I do 'not want to go to a division, but I urge' that the fixed duty should be given up. There are cases where a fixed duty may be thought reasonable, but in this particular instance there is not a single argument to support such a duty.

Sir GEORGE TURNER

- The Government think that this is one of the cases where the facts justify us in asking the committee to put on a composite duty. It is all very well to tell us that an ad valorem duty will be sufficient.

Mr Poynton

- It is sufficient in Canada and New Zealand.

Sir GEORGE TURNER

- I am afraid the ad valorem duty to which the Opposition would be likely to agree would be absolutely useless in this particular line from a protectionist- point of view. A fixed rate is often found necessary for the purpose of giving adequate protection. In new countries the articles manufactured are always of the medium or lower-priced class.- For these, and these alone, have such countries markets sufficient to enable them to produce at a profit and sell at a fair price. The more valuable articles have a smaller number of people to purchase them, and naturally there is not a sufficient market to enable the manufacturer to produce profitably. That is the reason why in this particular industry in two of the States it has been found necessary to have fixed rates. If we have a mere 15 percent., 20 per cent., or 25 per cent, duty, that will not prevent the importation of medium-priced hats, and, more especially, lower-priced hats.

Mr Poynton

- What good has the duty done in South Australia, where only 21 hands are employed 1

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Sir GEORGE TURNER

- The amount of protection given in South Australia has not been sufficient to enable the manufacturers to succeed. A fixed duty is necessary to enable the manufacturers to compete against goods sent here from other countries at the end of a season. I need . not refer again to the fact which was laid before us by the acting leader of the Opposition, when he said that at certain times large quantities of goods will be shipped either to Melbourne or Sydney or to some other capital, and sold at very much below a fair value. These low prices are charged because the goods are surplus stock, and are thus sold to avoid sacrifice in the country of manufacture, and thereby injury to the home market. A fixed duty is heavy on the lower priced articles, and very light, indeed, on the better class of goods. In regard to this particular item, and many others, we feel that we ought to modify that difference as far as we possibly can, and the only way to do that is to have an ad valorem rate attached to the fixed rate. The fixed rate will enable our manufacturers to produce a fair proportion of the goods, and the ad valorem duty will cause those who purchase the better class of imported goods to pay extra to the revenue. The importation of hats into New South Wales increased from ' 1898, when it amounted to £170,000, to' £182,000 in 1899, and £218,000 in 1900. The acting leader of the Opposition gives the revenue derived from those importations at £11,000, whereas the revenue we hope to derive is £20,000. We admit that in New South Wales there will be a falling off in the imports, because it is absolutely certain that far more hats will be manufactured there than at present.

Mr Poynton

- And the people who buy the hats will be penalized.

Sir GEORGE TURNER

- I shall not enter into that question, but I think we have pretty good evidence that very often a large proportion of the duty is paid by those who sell the articles in the country of export. While the rate may

appear somewhat high with regard to the lower-priced goods, I would ask honorable members whether they imagine for one moment that that rate will be operative? Do they imagine that any of the lower-priced goods -will be imported ? And will any honorable member say that lower-priced goods are not sold here at a fair and reasonable price ?

Mr JOSEPH COOK

- Then there is no need for a duty.

Sir GEORGE TURNER

- That is the old cry which has been answered time after time. We are told that we must do away with protection, and let the foreigner, after getting possession of the market, raise prices in the absence of competition. We know that foreign manufacturers will not hesitate to spend a few pounds in order to get possession of the Australian market. "The acting leader of the Opposition says that the only object of the composite duties is to cover up the real rates, and throw dust in the eyes of the people. There is no truth whatever in that statement.

Mr Poynton

- Would 30 per cent, on the lower-priced goods not be sufficient 1

Sir GEORGE TURNER

- No. Does -the honorable member think that that would be fair compensation for the difference in wages, interest on capital, and rent of premises ?

Sir William McMillan

- Is this not practically a prohibitive duty ?

Sir GEORGE TURNER

- No. We are "told that we have a prohibitive Tariff, and yet it is said that it will bring in£1 2,000,000 per annum. Whenever we try to impose revenue duties of 20 per cent., we are asked -to reduce them to 10 per cent., and, when that is found impossible, a request is made to make the rate 15 per cent. In the case of nearly every revenue duty of 20 per cent., attempts have been made to reduce the rate to 15 per cent. This duty cannot be said to be prohibitive, because we expect to receive from it £47,000 a year.

Sir William McMillan

- The Treasurer will not get that.

Mr G B EDWARDS

- Does the Treasurer mean the revenue on the cheaper hats ?

Sir GEORGE TURNER

-No; the cheaper hats are going to be made here and sold at a cheaper rate than if we allowed them to be introduced by the importer. W have heard much argument about the farmer paying heavy duties ; but will any honorable member tell me that the farmer is going to wear imported hats and boots 1 The acting leader of the Opposition could very easily calculate the composite rates of duty on any particular class of goods.

Sir William McMillan

- But the purchaser could not.

Sir GEORGE TURNER

- The purchaser does not bother his head about the rate of duty, but only desires to get a good hat at a reasonable price. The acting leader of the Opposition referred to some hat manufacturing company which he said is paying 10 per cent., and making enormous profits ; and I wish the honorable member would give us a little more information with regard to this particular company. I have been trying to work out the balance-sheet of the Denton Hat Mills Company, to which I think he refers ; and, while I do not pretend to be an expert with such documents, that which I hold in my hand appears to be certified to, under the stringent Victorian laws, by the directors and by the auditor. So far as I can make out there does not appear to be very large profits carried to a reserve fund or hidden away, and I should be glad if the acting leader of the Opposition, who is something of an expert, would give us more information if he possesses it, so that we may know whether this company is really in the position he alleges. Looking over the balance-sheets of this company for the last two or three years, I find that, while there has been an increase in the assets, the liabilities have increased by approximately the same amount.

Sir William McMillan

- I never mentioned that company.

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Sir GEORGE TURNER

- The honorable member referred to a big company which was paying 10 per cent., but so vaguely that I thought he had not the information, because had he had it, I am sure he would have imparted it to us. Before we decide this question, I think we are entitled to know whether it is a fact that this company is making enormous profits ; because, if so, it would weigh very much with me in fixing the rate of duty. I do not desire to give any individual or company such protection as will render possible enormous profits. I believe in giving such protection as will enable manufacturers to fairly compete; but no one wants to create monopolies, or put large sums of money into anybody's pocket. If my honorable friend can show me , that any company is making enormously high profits, I will help him to reduce the duties. But, as a matter of fact, not many of these factories are doing very well. We have been told that they are not doing well in South Australia, and I have heard it stated before that the reason why they are not doing well is because they are not sufficiently protected against imported hats. The industry requires a considerable amount of capital to commence with, and, if it is to succeed, considerable sums must be expended from time to time in keeping the machinery up-to-date. The factory which has been alluded to as doing so very well, spends, I am told, £50,000 a year in wages, and the men employed receive about £2 5s. per week each, on the average. I understand that they are paid £3 per week while they are working, but that for two or three weeks at the end of each half-year they are idle, and that loss of time brings down their average wage to £2 5s. a week. It must be remembered that the Italian-made hats which come here are manufactured by people who work nearly twice as long as our workmen, and receive only about a third as much. There was a long discussion upon the industry when the Victorian Tariff was under revision, and it was pointed out then that the manufacture of hats not only directly employs a great deal of labour, both skilled and unskilled, but, as the industry is a large consumer of the natural products of the country, it also indirectly gives employment to a great many others. The indirect employment given by an industry is a matter which must always be taken into consideration in deciding what amount of protection ought to be given to it. I admit that in the old days in Victoria this industry had a very large amount of protection, but the duties were reduced by the last revision of the Victorian Tariff, and we now propose to reduce the latest Victorian rates by about 50 per cent. ; so that honorable members can see that, in this particular instance, at least, we are not attempting to copy the Victorian Tariff. It cannot be held that the rates .we now propose are prohibitive, and, after full and earnest consideration of the facts, I have been forced to the conclusion -that, if the industry is to continue successful, we must either increase the ad valorem duty to an amount which honorable members would not vote for, or apply the composite rates which appear in the schedule. Our people are not now paying, more than a reasonable price for the medium and cheaper qualities of hats. The proposed duties will give protection to the manufacturers of such hats, while those who use higher-priced hats can afford to pay something to the revenue.

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Mr HUGHES

- I do not think the Treasurer has advanced any reason why we should not impose in regard to hats duties similar to those already agreed to in connexion with other articles.. Why should not the people know exactly what amount of duty they will be called, upon to pay? The acting leader of the Opposition has shown, and no one has attempted to deny it, that the duties here proposed are equal to 184 percent, ad valorem on the cheaper classes of hats. If such hats are never imported here because the locally manufactured article has possession of the home market, such high duties are absurd. Why should the hat-making industry have a larger amount of protection than any other industry ? Why is not the iron industry similarly fostered ? Have we not at our doors -copious deposits of the best iron ore in the world? And have not the local manufacturers of iron to compete in the markets of the world against the low priced labour of countries like Spain, Germany, Italy, and even, I understand, lately of Japan. I have here the manifesto of the Australasian Association of Felt Hatters, signed by the .honorary secretary to the Tariff Committee of the Association. This manifesto declares that the proposed duties are totally inadequate, and that unless that rates are increased the industry must inevitably suffer. That is a very comforting statement, in view of the information of the; acting leader of the Opposition, that ' the; industry has already the advantage of £ duties equalling 184 per cent. They ask. that the rate of duty upon hats should be doubled, and that there should be a 15 per cent, ad valorem duty in addition. But the Treasurer

does not propose to carry out their recommendation. The wages of the trade in Victoria are regulated, not by the market prices, but by a wages board.

Sir George Turner

- No. The company have always paid good wages.

Mr HUGHES

- They have paid good wages voluntarily, because they have been making handsome profits, and could well afford to do so.

Mr Mauger

- And there is a very powerful trades union in connexion with this industry all over the world.

Mr HUGHES

- We are told that there will be an opening in the other States for the investment of at least £150,000 in the hat-making industry, and that £150,000 will be paid away annually in wages. Assuming the wages of the male employes - leaving girls and women out of consideration altogether - are fixed at a minimum of £3 per week, that £150,000 would serve to find employment throughout the whole of the Commonwealth for only 1,000 people. What are we asked to pay for the privilege of employing these people at a decent rate of wage, and what assurance are we to have that by affording this employment we shall not be taking men away from occupations in which they are employed to greater advantage for the community generally? We are asked to impose a duty of 20s. per dozen, with 15 per cent, ad valorem added, upon the whole community in order that we may afford employment for 1,000 men. It has been stated on several occasions by those engaged in the hat-making trade that the reduction of the duties would spell ruin to them. Whenever people come under the beneficent influences of protection they are always ready to give evidence to the effect that the reduction of the duties will mean destruction to the industries in which they are engaged. In June, 1895, the Protectionist Association of Victoria issued a printed letter, and stated that they had asked those engaged in the felt hat industry what would be the effect of a reduction of from 10 to 15 per cent, in the existing rates of duty. The answer received from the employers was that any reduction would throw a number of people out of work, whilst the employes answered that a reduction would greatly injure the industry in many ways, and reduce employment. The duties were reduced, in spite of these statements, from 36s. to 30s. and 24s. per dozen, but since the reduction the hat making industry has been most prosperous, and the particular company to which allusion has been made to-night, has been paying 10 per cent, dividends. It is very clear that the evidence adduced, both by the employers and the employes, in 1895, has been falsified by facts, that is to say that the reduction did not throw people out of work and did not bring about the reduction of wages as anticipated. We are now told something to the same effect as was stated before. The present Tariff is said to be insufficient, and even the Treasurer says that if the duty is reduced below the rates proposed by the Government the industry will be seriously injured. Let us have some proof of these statements. Where is the proof that the condition of the trade is such that a reduction of the duties will bring about the decay of the industry? We are told that one of the difficulties that local manufacturers have to fight against is created by the fact that the season in Europe is about six months ahead of our season, and that at the end of the European season the surplus hats are exported to Australia, and are sold at prices lower than those charged to European consumers. This may happen occasionally, and to a certain extent, but there is no constant stream of hats coming here from Europe and being sold at rates lower than are charged for them in the manufacturing countries. The manufacturers of Europe do not systematically manufacture hats in excess of home requirements with a view to exporting them here and selling them much below their value, and these low-priced hats do not come here in such quantities as to materially affect prices in our markets.

Mr Mauger

- Why have they no hat mills in New South Wales?

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Mr HUGHES

- Because industries, there have been permitted to take their natural course, and those industries best fitted to our conditions have thrived, while those dependent upon the feeding bottle have failed to survive. We do not propose to run benevolent institutions in New South Wales, but to allow every industry congenial to the soil to flourish. If it is desired to encourage industries in an artificial way, why not give a bonus equivalent to the amount of protection which it is considered desirable to afford? Then the people

will know exactly what they are doing, and they will be able to exercise some control over the disposal of the money, but a proposal such as that now made to US is absolutely unreasonable. The views which I am expressing are not held solely by representatives of New South Wales, but are shared by some of the representatives of the State of Victoria. There seems to be a general disinclination amongst Victorians themselves to yield to the excessive demands of those engaged in the industry, and the hat makers are dissatisfied even with the extravagant proposal of the Treasurer. One would have imagined that after all these years of protection the hat manufacturers would have been able not only to supply their own markets, but to compete in the markets of the other States, but they have failed to do so except to a slight extent. The Statistical Register of Victoria shows that in 1897 the exports of Victorian-made hats amounted to 10,366 hats valued at £1,396, in 1898 they fell off to 4,327 hats valued at £627; in 1899, 4,386 hats valued at £764 were exported, and in 1900 the exports fell to 3,769 hats of a value of £527. These figures exemplify very admirably the results of the ultra protection of the Victorian hat industry, that we are asked to support. The reduction in the exports in four years amounted to 66 per cent. It is very difficult to understand why it should be so, but it is clear that the conditions which are alleged, to exist in Europe do not exist here, because it is asserted that in Europe there is always a surplus which can be exported and sold at a loss. But in this State they apparently never have, a surplus. If they did they would be able to export it and undersell the makers of the world in the other States. They do not do so. It is very clear, therefore, that in spite of the protection which the industry enjoys, it experiences the greatest difficulty in holding its own. That is proved by the fact that the hat manufacturers even now will not admit that the extravagant proposals of the Government are sufficient. I am told that the operatives in the hat factories of Victoria, notwithstanding the fact that the market of this State has been enclosed within a lofty barrier, are unable to find employment on an average for more than four or four and a half days per week. In fact, so much was admitted by the Treasurer. Here is an industry, therefore, which cannot find regular employment for its operatives.

Sir George Turner

- I said that at the end of each half year the men were off for three weeks or a month. But otherwise they are regularly employed.

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Mr HUGHES

- Quite so. The Treasurer also said that their average wage was £2 5s. per week. These facts indicate that in Victoria there is already the machinery for manufacturing a larger number of hats than are at present made. When the Pelt Hatters' Association points out that there is scope for the employment of capital in the other States to the extent of £150,000, what it really means is that the manufacturers of Victoria have a capacity for turning out a number of hats, of which, up to the present, they have not been able to avail themselves. The output of four days, or four and a-half days per week is sufficient to supply the market of this State. Consequently, under this Tariff the factories would be able to work full time and increase their output by some 30 per cent. The opinions which I am expressing are apparently held by some honorable members who sit behind the Government. I notice that during a discussion upon this item in 1892, the honorable member for Mernda said -

I submit that no industry in this country, which has a 35 per cent, duty now, ought to come to this House and ask for any higher percentage.

Yet, here is an industry which does ask for a higher duty than 35 per cent. The honorable member further said -

The hopeless attempt to reconcile the raising of revenue with the imposition of duties which are intended to exclude imports throws the whole thing into a hopeless muddle.

Referring to the cry of imported shoddy, he objects to dictating to people what they should wear, were we to have sumptuary laws again. He then goes on to say -

An exportable surplus is a necessity, and the value of our surplus products is governed by the prices obtainable in the markets of the world.

It will be interesting, indeed, to note the course which the honorable member takes to-night. He continues -

When the Government come down and disturb all our financial relations and all our exchange operations by seeking to build up a wall around certain local industries, they are practically inviting the people of this

magnificent young country to waste their energies and resources in utterly barren and futile occupations. He further added -

One word as to the extraordinary fallacy that has been trotted out so often, that import duties cheapen the price of goods.

Yet the Treasurer said to-night that the imposition of duties does cheapen the price of goods to the consumer. No doubt the honorable member for Mernda will be able to explain his position regarding this matter, and I for one shall await his statement with interest. He admitted that an exceptional case might occur, but he had not heard of one. That statement was made some time in 1892. Probably he has heard of one since. The honorable member also asked, in reference to the miners, the farmers, and the graziers -

To whom, are we to look for our exportable surplus except to those classes ?

He then goes on to point out that these people are compelled to pay the taxes upon these articles. But the Treasurer says that they do not pay the taxes. If they do not pay them, and we do not pay, who does pay ? Is there some magic in merely writing upon a piece of paper that there shall be a duty of 10s. per dozen and 15 per cent. ad valorem imposed upon a certain article ? Is there any virtue in saying - "There it is ; you are protected ; no one pays this duty, but in some mysterious way every one gets things just as cheap as they were previously ; wages are raised ; people are employed, and everything goes as merry as a marriage bell?"

Sir William McMillan

- It is like manna from Heaven.

Mr HUGHES

- It is more like a mining prospectus than anything else. It is the kind of thing that appeals to a person who had been in a wild-cat scheme. Here is the 4 or 5 ozs. to the ton ; the " inexhaustible veins," everything in fact to make a glorious wild-cat scheme. There is only this difference, that there is no wildcat about it.

Sir George Turner

- There ^ is a cheap [hat instead.

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Mr HUGHES

- I do not deny that. "But there are the unfortunate persons who have been taken in by this prospectus. Who are they who take their part in this little drama of The fooled public of Australia ! Does any one give them £3 a week ? Why should we not all have £3 a week ? Why should not the man who works on board ship, the individual who toils down in a coal mine, the workman at the anvil, every man, in fact, have £3 a week ? And if we are to fix £3, why stop there ? Why not say £33 ? It appears to me that the doctrine of some honorable members opposite is that if they say a thing, put it upon paper, get the two Houses of Parliament to agree to it, they can raise the wages of the community to any point they please. Here is a Parliament which is yet in its infancy. While it is young and innocent, let us agree to lift the hatters' wages and the Tariff to what the Association of Felt Hatters ask. Why does the Treasurer hesitate, since, if hats are cheap with a duty operating of 10s. per dozen and 15 per cent. ad valorem, will they not be cheaper still with an impost of 20s. per dozen and 30 per cent. ad valorem ? I can conceive that if we raise this Tariff high enough people will be going about and offering a bonus with everything that is sold. It is like the coupon system, that some people imagine" is doing them good, making tea cheaper, and in some mysterious way clothing the barren tables of the poor with electro-plated cruet-stands. They say that if one buys 1 lb. of tea one gets a cruet-stand. If he buys a few pounds of sugar he receives an electro-plated tea service, while if he purchases some fancy soap and a tin of curry powder, he gets a bedroom suite of furniture. The whole thing is perfectly absurd. If the right honorable gentleman who is in charge of this Tariff can show me that the imposition of a duty upon this particular item is absolutely essential for the existence of the trade ; if he will explain how it is that in New Zealand the industry has existed, and does exist, without the aid of any duty ; and if he can say how it is that in spite of his assertion that the imposition of this duty will keep the industry going - the felt hatters themselves declare that the industry will perish - we shall all be very happy indeed. For my part I think it would be wise for the Treasurer to say that he will agree to a 25 per cent. ad valorem duty or some decent duty, so that we shall know where we are, or that he will grant this trade a bonus of so much. I have no desire to crush the industry. I am prepared to vote for a decent duty in order to keep this industry going. I do not know how it

started, but the calm assumption and assurance with which it comes to this House and asks for a protective duty of 20s. per dozen and 15 per cent, ad valorem upon hats is in itself worth something. If every other trade had as much assurance things would be very different from what they are. I am prepared to do something for this industry. I shall expect the Treasurer to abolish the composite duty and substitute a plain, straightforward duty. If he does so, and if it is anything decent, I shall vote for it.

Mr TUDOR

- I know that if an industry happens to be confined to Victoria it offers a splendid opportunity for honorable members upon the other side of the House to attack it. If it pays good dividends they are disposed to give it a harder knock, and if it happens to pay good wages they would wipe it out altogether. They gather their information from goodness knows where, though I am informed that it is made in Germany. I know that statements have been advanced by honorable members opposite during the course of this debate which are absolutely fallacious. We have been told that manufactories have been started in New Zealand, and have succeeded with a 25 per cent. rate. I have the honour to be a member of the Felt Hatters' Union, which is, perhaps, one of the best organized in the world, and I know that never up to the last three months was a felt hat manufactured in New Zealand ; but there have been imported hats, or what we call "bodies," on which two-thirds of the work has been done. There is one factory in New Zealand at the present time which employs three journeymen, who went there in response to an advertisement which was published in the newspapers of Victoria and I have no doubt that within the next twelve months there will be half-a-dozen skilled artisans employed in that colony. The imports of New Zealand, under a 25 per cent. Tariff, have increased from £46,785 in 1894, to £68,000 last year. There is no wool hat manufactured which does not contain 2½ ozs. of wool, or 2 lbs. of wool in a dozen hats. If it be a fur hat, so much the worse for the arguments we have heard, because fur is worth 9s. per lb. Three or four years ago, the company which has come under the lash to-night, paid the top price of 2s. 6d. per lb. for the best wool at the Geelong sales ; and if 2 lbs. of wool were used in a dozen hats, it is evident that at the prices which have been mentioned, from 5s. 3d. per dozen, labour, trimming, dye, and other material were to be given for nothing. If there are hats sold at the prices which have been quoted - and I doubt the accuracy of the statement - I should like to see the invoices in order to learn whether they did not consist of surplus, stock at the end of the season. I hope I shall not be accused of egotism when I say I have held the highest position in the Felt Hatters' Union in this State prior to entering this House, and, in addition to holding an important position in the English association, I have also been a member of the American union ; so that I have worked under existing conditions in the two countries which produce the greatest number of hats. The English union is so well organized that if we had a protective policy there, and could prevent the importation of hats whenever there was industrial trouble, we could make the wages equal to those which prevail in Victoria ; and that, would mean to the English workman an increase of 100 per cent. That being so, I claim the support of those honorable members who have said they are willing to make the duty equal to the difference in the wages ; and I support the Government proposal, or a higher one, if possible. In the United Kingdom, the minimum wage runs from 30s. per week in Warwickshire and Leicestershire, to 32s. and 33s. in Lancashire, for 56½ hours per week, or an average of 6d. or 7d. per hour.

Mr JOSEPH COOK

- The wages are as high as 35s.

Mr TUDOR

- I happened to be assistant to the general secretary of the English organization in 1894, and I am in correspondence with him now, so that what I say may be taken as absolutely correct. In Victoria, the minimum wage is £3 per week of 48 hours. The Treasurer was wrong when he said that the average wage of felt hatters was about £2 5s. per week. I have the factory inspector's report for last year, and from that we see that the average wage for adult males over 21 years is £2 12s. 10d. per week.

Sir George Turner

- What I said was that a man earning £3 per week would average £2 5s. per week all the year round.

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Mr TUDOR

- The average wage for an adult female is 19s. 10d. per week. Some honorable members, because the hatters work only four days and a half a week, assume that that condition of things is peculiar to this

State. But I can inform the committee that in the Denton district, in England, where the most hats are made, the average this season has been from three or three and a half days in the very best shops, while in others it was as low as two days for month after month. There is a rush before any holiday season, when work is done at high pressure. In Victoria there is the eight hours' system, but this being a season trade, overtime has to be worked at times, just as in England. When the season is over in England no manufacturer will keep his hands employed, because he does not know what shape or colour of hats may be in demand next year. The honorable member for West Sydney asks whether manufacturers are always going to have surplus stocks to send to Australia ; but he must be a very shrewd manufacturer who can run his business to within one week of his turnout in a season. In a shop in which I worked in England, where they turned out 1,000 dozen hats a week, the proprietor counted himself fortunate if he had only 1,000 dozen over at the end of the season. The merchant, . with the usual consideration for himself, returns stock to the manufacturer, who is glad in many cases to get rid of it at less than the cost of making. From one shop there used to be sent every November and May about 1,000 dozen hats to Sydney at a price less than cost.

An Honorable Member - That was a good thing for Sydney.

Mr TUDOR

- It may have been a good thing for the Sydney merchants, but not' for the 'Sydney wearers, because, as a result of personal inquiries, I have found that I could always get as good value in Melbourne as in Sydney. Can. any honorable member take me into a shop in Sydney where, after allowing a reasonable amount for profit and charges, a hat can be obtained at the prices that have been quoted to-night, say 8d. or 9d. each ? A hat of a shape two or three years old might be got for such prices, but certainly not an up-to-date hat. Hats in England made under fair conditions are stamped union made, but how many who here buy hats professedly English can show this guarantee that they have been made under fair conditions? Notwithstanding the fact that England and Italy are the chief competitors at present for the Australian market, a hat manufactory was started in Japan eight or nine years ago. Many skilled workers went from the village where I was living at that time. It will not be long before the Japanese, since their :season comes before ours, will be able to flood us with their surplus stock. Honorable members opposite seem to think it a crime for a company to pay 10 per cent., but I would ask them to remember that, although one company in the State has paid a dividend at that rate since it was floated, it stands head and shoulders above the four other mills in the State, though their profits are not published. We never know what the profits of the importers are, because they do not make known their operations. No doubt the writer of the letter quoted by the honorable member for South Australia, Mr. ' Poynton, would be glad to see the importing and selling business in the hands of a few individuals. There are five hat factories in Victoria, and two in South Australia.

Mr Poynton

- How many men are employed in South Australia 1

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Mr TUDOR

- I do not know ; but there are 21 members of our union there. Honorable members opposite seem to think that the industry could be successfully carried on with lower duties, and the honorable member .for West Sydney said that the Felt Hatters' Association, when it was proposed to reduce the Victorian duty, prophesied that there would be a large increase in the importation of hats. Their prophesy was fulfilled, because the importation of felt hats increased considerably the year after the duty was reduced ; but when the duty was raised to 30s. per dozen it decreased again, though the price of hats was not increased. No honorable member has attempted to show that hats cost more in Victoria because of the duty. Comparing quality with quality, one can get a hat as cheaply here as in any other part of the world. In 1895, the importation of hats was 1,109 doz., but with the reduction of the duty, it increased to 2,708 doz. I find that the average cost per dozen, instead of being that quoted by some honorable members, whose highest figures were £2 9s. per doz., was £3 13s. 4d. per doz., so that, unless the people of Victoria use better hats than the people of the other States, importers paid very dearly for what they brought in. It has been stated that a duty of 15, 20, or 25 per cent, would afford adequate protection for any trade, but, as I have shown, it is possible for manufacturers in other parts of the world to send their surplus stock here for less than cost price, at the end of their season, which is the beginning of ours. But

honorable members opposite voted for a duty of 100 per cent. upon an item which concerned New South Wales chiefly.

Mr Thomson

- What item ?

Mr TUDOR

- I refer to the duty of 6d. per dozen on eggs. Honorable members voted for that in order to get the vote of the farmers.

Sir William McMillan

- I suggested its removal.

Mr TUDOR

- Consumers do not benefit where the market is free, though I believe the importers benefit, and therefore they are anxious to have the duties as low as possible. I have no doubt that many of the invoices which have been sent to honorable members opposite come from people who are interested. Whenever an honorable member on this side speaks on behalf of a protected industry, it is insinuated that he must have shares in it, or has been bribed.

Mr Thomson

- I have not heard that said.

Mr TUDOR

- It has been suggested, time after time, by honorable members opposite.

Mr Wilks

- By honorable members, or an honorable member?

Mr TUDOR

- To please the honorable gentleman, I will say an honorable member. The arguments of the honorable member for Wentworth remind one of the fable of the old man and his ass. We cannot do anything to please honorable gentlemen on that side of the Chamber. Most persons think that if they buy hats branded with the name of Woodrow, Christy, Tress, or Lincoln and Bennett, they are getting hats made by those firms, But the two last-named firms do not manufacture all the felt hats they sell: they purchase them from others. I was offered employment by the firm of Woodrow and Co., but I declined as the minimum wage for the district was 32s. a week, whereas in Victoria the minimum wage for adult male workers is . £3 for a week of 48 hours, the average wage, making allowance for stoppages and holidays, being something like £2 12s.10d. per week.

Mr Henry Willis

- Have wages increased since 1895?

Mr TUDOR

- The minimum adult wage in the felt hat trade of Victoria has been the same since 1882 - £3 a week. In New South Wales a few woollen felt hats have been manufactured for the Government, and they obtained a skilled workman for that purpose from Victoria.

I do not know of a single hat having been sold in New South Wales in competition in the open market that has been manufactured in that State, and I doubt whether any honorable member even knows of the existence of a factory there.

Mr Conroy

- There has been an increase of 430 per cent. in the hat-making industry of New South Wales as compared with only 30 per cent. in Victoria.

Mr TUDOR

- If you start from nothing, and employ one man for the first year and five men for the second year, you record an increase of 500 per cent. in the two years, and yet the total result is not worth mentioning. I believe that as the result of duties similar to those now proposed by the Government, hat factories will be established: in the other States, and as hat makers use as their raw material two of our principal products - namely, wool and rabbit fur, we should do everything we can to encourage them. We have been told that a 25 per cent. duty added to the natural protection is sufficient to encourage the hat-making industry ; but, I would ask, why is it that not a single hat has been manufactured in Queensland, where they have a 25 per cent duty? A duty of 25 per cent. is not sufficient, and I trust that honorable members will not be misled by figures taken from invoices, probably cooked for the occasion.

Mr E SOLOMON

- The honorable member who has just sat down has travelled rather beyond the question before the committee - namely, whether it is desirable that we should impose composite duties. This form of duty seems to me to be a most ingenious, but at the same time a most obnoxious method of taxing the people. As I understand, the fixed duty of 10s. is added to the invoice value of the goods, and the ad valorem duty is levied upon the total.

Sir George Turner

- No ; that is not so. Ten per cent. is added to everything that is subject to import duty ; but the fixed duty of 10s. is not added to the invoice value for the purpose of calculating the ad valorem duty.

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Mr E SOLOMON

- It would be far preferable to levy an ad valorem duty, so that the public generally may understand what they have to pay. I have made a calculation that the fixed duty and ad valorem duty combined, applied to a consignment of hats invoiced at 9s. per dozen, would be equivalent to an ad valorem impost of 125 per cent. .

On hats at 18s. per dozen, the duty would amount to 70 per cent., and on articles worth 60s. per dozen, 32 per cent. My objection to the composite duty is that it is misleading, and I shall vote in favour of excising the fixed duty, even though an ad valorem duty may be imposed at a higher rate than is now provided for.

Mr GLYNN

- I desire to state shortly why I shall support any reduction of duty which may be proposed. In Victoria a duty was first imposed on hats in 1865, amounting to 4s. per cubic foot. In 1867 an ad valorem duty of 10 per cent. was imposed, and this was increased to 12 1/2 per cent. in 1871, and -subsequently to 20 per cent. In 1897 a duty of 15s. per dozen was levied on felt hats, and in 1889 a duty of 20s. The rates in 1895, as set out in the Treasurer's schedule, are 24s. per dozen for felt hats, and up to 30s. for other hats. Here we have an instance of import duties having been extended into almost prohibitive imposts. If we take four parcels of felt hats made of wool, varying in price from 29s. to 38s. per dozen, we find that the import charges vary from 20 to 40 per cent., so that these expenses in themselves afford very considerable natural protection. In addition to this, the Customs officials levy the duties in such a way as to convert a 15 per cent. duty into a 20 per cent. tax. They levy the ad valorem rate after the fixed duty has been paid ; that is to say, that a 15 per cent. rate, accompanying a fixed duty of 10s. per dozen, would be equal to an ad valorem duty of 20 per cent. in addition to the fixed duty.

Mr Kingston

- The honorable and learned member is altogether wrong. We levy the duty on the value in the country of export.

Mr GLYNN

-I accept the assurance of the Minister on that point. Still, there is the natural protection ranging from 20 to 40 per cent. on hats. On parcels of hats ranging in value from 29s. to 38s. per dozen, a specific duty of 10s. per dozen is equal to from 26 per cent. to 40 per cent. ad valorem ; and when the 15 per cent. ad valorem duty is added, the total protection afforded ranges from 46 per cent. to 60 per cent., or, on an average, over 50 per cent. Honorable members will, I think, admit that that is an exceedingly high rate of duty. In South Australia we have had a duty of 15s. per dozen, and I do not believe that there are more than about 21 persons engaged in the manufacture, or rather the " finishing," of hats there. The duty of 15s. per dozen on the total imports into South Australia for 1900, which were valued at £9,062, amounted to 44 per cent. ad valorem. But the 10s. per dozen and 15 per cent. ad valorem rate are an increase upon that, because it represents 50 per cent., bearing out the figures which I have already given in respect to other importations into Victoria.. Then again, the industry, besides the natural and the State protection which it enjoys, receives a further protection, owing to the fact that the raw material is produced here. I find, for example, that during the years 1899 and 1900 the average imports of hatters' furs represented only £1,000 in value. These figures indicate that the industry enjoys, in addition to the natural and State protection, a further considerable protection by reason of the fact that practically the whole of the raw material can be supplied in Australia. The employment in this industry is exceedingly fitful. For example, in Victoria, in 1885, 581 hands were employed. Since then the number has fluctuated very considerably,

reaching 640 in 1896, and in 1899 giving an average employment for the whole year to 809 persons. It has been stated that there is no hat industry in New South Wales. The honorable and learned member for Werriwa very properly corrected that statement, because I find that in 1895 there were 65 hands engaged in it, and in 1900, 280 hands.

Mr Watson

- Not in felt-hat making.

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Mr GLYNN

- The figures which I have given are taken from the Statistical Register. The honorable member for Yarra has spoken of the price. Of course, in connexion with the question of price one has to consider the quality. I have here some invoices and statements regarding the quality of hats, but I admit that it is exceedingly difficult to obtain reliable evidence. Instead of relying on the statements of experts as to quality, I prefer to take as a guide the export of hats from Victoria.. In 1899 the Victorian exports of manufactured felt hats was valued at only £764, and in 1900 they represented only £527. The total number of the same class; of hats exported from this State during the years mentioned was respectively 4,386 and 3,769. These figures indicate that Victoria is not a very great exporter to a market in which the competition of a freetrade country has been open. She has not been able to take possession of the New South Wales market, and, therefore, the quality of Victorian hats stands condemned. Coming to the question of price, I have been supplied by an agent with the relative price in Melbourne and Sydney of felt hats of as nearly as can be estimated equal quality. In Melbourne men's imported soft felt hats are sold at from 42s. to 60s. per dozen. In Sydney the prices range from 6s. 6d. to 60s. per dozen. In Melbourne the prices of men's hard felt hats range from 34s. 6d. to 60s. per dozen whilst in Sydney they cost from 10s. to 70s. per dozen. The price of American felt hats in the two cities is practically the same, because the duty of 2s. 6d. per dozen, which has hitherto been imposed in Victoria, has been practically inoperative. The price of straw hats in Melbourne range from 12s. to 42s. a dozen, and from 3s. 6d. upwards in Sydney. Therefore, we have a test as regards quality, which condemns the protected hats, and a further test as regards price, which shows that they can be purchased of as good quality, and at as low a price in a free-trade country as they can in a protectionist country. Therefore, I shall not support the retention of the duty proposed.

Mr MAUGER

- The honorable member for West Sydney has admitted that this is an industry which is worth per serving. It is paying interest upon the capital invested in it, it is providing good wages to its employes and the conditions under which they work are all that can be desired. Yet the honorable member has gone so far as to say that he will consider the advisability of voting for a protective duty up to 20 or 25 per cent. That is an admission that protection in this instance has done a very great amount of good, because otherwise the honorable member, who is an extreme free-trade representative, would not be prepared to abrogate his principles and vote for a 25 per cent, duty. I desire to know from my honorable friends why they have not such a hat industry in New South Wales as exists in Victoria ? It is simply because competition without an adequate duty is absolutely impossible. That is borne out by the fact that there have been no exports from Victoria to New South Wales. The very fact that there is no hat industry in New South Wales evidences conclusively that without an adequate duty it is impossible to establish one. I should like to point out that the people employed in the industry in New South Wales are engaged in the gossamer trade, which is an altogether different trade from that which is now under review. The honorable member for West Sydney wishes to know who pays the duty, and why the poor farmer in Victoria has been bled almost to death by the operation of a duty of 24s. per dozen upon hats. If I prove conclusively that the hat which I hold in my hand can be purchased in any retail shop in Victoria for 1s. 6d. - 1s. 6d. less than the duty - what becomes of his contention ? What becomes of his argument that the farmer is bled to the extent of 5s. or 6s. each half year for the enhanced cost of the hat he wears? This hat will last the farmer for six months. Two of them could be worn for quite a year. The Victorian farmer never got better value in his hats than at present ; but if we go from one end of New South Wales to the other we cannot get a hat of equal, to say nothing of better, value. The honorable and learned member for South Australia, Mr. Glynn, has said that in Victoria we are not able to produce a hat of equal value to that imported ; but I ask him to look at the hat which I now hold in my hand and tell me of any place in Sydney where he could get a

better article for halfaguinea.

Mr McDonald

- I have had a little experience in Melbourne, and I cannot bear that statement out ?

Mr MAUGER

- No doubt in Sydney, as in Melbourne and everywhere else, prices vary in different shops in different streets, and we must compare like with like.

Mr SYDNEY SMITH

- I had to pay 40 per cent, more in Melbourne than in Sydney, for the same class of hat.

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Mr MAUGER

- If 15 per cent, be put on this particular line, wool hats will not be imported, nor will they be imported if the duty be 10 per cent. The hat I have exhibited is made by machinery from wool, and there is very little hand labour, so that there is no fear of competition from the outside world. We need the duty because we are so circumstanced in Australia - at any rate in Melbourne, and, I believe, in Sydney,. though not to the same degree - that eight or nine |- houses do the distributing for the whole of the State ; and it is well known that unless these houses are compelled by an effective duty to buy from Australian mills and Australian workmen they will go in for indenting and importing.

Mr Thomson

- One of the importers is connected with the mills.

Mr MAUGER

- That gentleman was not connected with the mills until protection made it profitable to start the industry. If the mills were closed tomorrow by a reduction of the duty, every distributing house would import as many hats as possible. We have to fight against narrow, silly, unpatriotic prejudice, and against the preference of distributing houses for dealing in imported hats. It is a fact that the hat industry has not been established in any State of the Commonwealth, or in New Zealand, without an adequate duty. In Victoria there are as many hundreds employed as there are units in New Zealand, or dozens in New South Wales.

Mr Hughes

- Does the honorable member support the duty proposed by the Minister, or the duty suggested by his colleague?

Mr MAUGER

- On an article which is made from the raw material by means of the best and latest machinery, and which gives employment to Australian workmen and affords the purchaser as good value as in any part of the world, I support as high a duty as I can possibly get, knowing that nobody will be injured thereby. The constitution and circumstances of this House are such that I cannot get the duty I would like. This is a fact I recognise in regard to every item, and as to this being a protectionist Tariff, the suggestions of the protectionist conference have only to be looked at in order to realize that they are bitterly disappointed by the Government proposals. Compared with the suggestions of the protectionists' conference, this is neither more nor less than a revenue Tariff. I am convinced, however, that when experience has been gained of the operation of the Tariff in a number of lines, the duties will have to be increased, or the industries will be injured.

Mr Hughes

- Still, this duty, as proposed by the Government, is a protective duty.

Mr MAUGER

- I hope it will be as protective as the honorable member appears to anticipate. My experience and knowledge lead me to believe that if the distributing houses in the main could possibly import hats, there would not be a single Australian workman employed.

Mr JOSEPH COOK

- Can the honorable member tell me why these hats are not branded as Australian?

Mr MAUGER

- Because there are too many unpatriotic men in Australia who prefer to support Italian workmen. There are now hundreds of. dozens of Australian made hats sold as English hats.

Mr Mahon

- Is it fair to the buyer that he should be deluded?

Mr MAUGER

- The buyer is not deluded in any way.

Mr Mahon

- He is, if he thinks he is buying an English hat, and he is sold an Australian hat.

Mr MAUGER

- It is his own ignorance, folly, and prejudice that deludes him, if he is deluded at all.

Mr JOSEPH COOK

- Then the honorable member thinks that it is fair that the buyer's ignorance should be taken advantage of ?

Mr MAUGER

- I have not said so, and the honorable member knows I do not support deception of any kind. At any rate, so far as I am concerned, I sell nothing but Australian hats, made by union labour. It is argued that these hats are not of ordinary value, and cannot be purchased in the ordinary way. I have nothing to gain by attempting to bolster-up this industry. I have not a penny invested in the local hat mills, but I know that this is an industry worked by trade unionists, and an industry in which female operatives are paid a minimum wage of 25s. per week. It is because I believe that this country wants more industries of the kind that I advocate adequate duties, though as a matter of fact it might be better for me in my position if the duty were not so high. New South Wales has never attempted to establish the industry by means of duties, but in South Australia they make a common wool hat, never attempting to make fur hats. The fur hat which I exhibited to the committee is made almost exclusively by men who are paid the highest rate of wages and work under the best conditions.

Mr Hughes

- Why not propose a duty on fur hats, and leave wool hats free?

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Mr MAUGER

- At one time we had a differential duty in Victoria of 24s., as against 36s., though latterly it was as 24s. to 30s. If we have a sufficient duty to insure the home market to the home manufacturer, and we have internal competition, the effect is not enhanced cost, but enhanced value, while work is given to our own people. We have five hat-mills in Victoria, all independent of one another ; and this independence secures good value.

Mr Hughes

- Have we any assurance that they will not form a trust under this Tariff?

Mr MAUGER

- I cannot give such an assurance, because I believe that the whole tendency of modern industrial life is towards the formation of trusts ; but I know that the wages paid under trusts are better than the wages paid where there is unbridled competition, and, therefore, in the interests of the workers, I would rather see an industry carried on under a trust or combination than under conditions of unbridled and unchecked competition. I do not think, however, that there is the faintest danger of a trust being formed here. In my opinion, an effective duty will lead to the employment of hundreds of men in the hat industry, both in New South Wales and in Victoria; and it will be to the advantage both of those engaged in the industry and to the purchasers of hats. It does not follow, because hats, boots, ' or other articles of clothing are imported at low rates, that the purchaser benefits. Two years ago a large retail importing house had a large consignment of ladies' mantles sent out from Berlin. I saw a telegram which was sent to the head of the firm, stating that 150 dozen of them would be placed free on board at a price less than the cost of the material, and a letter later on indicated that it paid the people in Germany to send the mantles out here at the end of the Berlin season to prevent them from coming into competition with the next season's goods. But the people who bought . those mantles obtained no advantage, the importer getting 250 per cent, profit upon every one of them. If yo;i compel these' large distributing houses to purchase Australian-made articles, or to make for themselves, they will do so ; but they will never, of their own accord, establish a factory so long as they can import.

Sir William McMillan

- That is not correct. Seventy-five * per cent, of the clothing trade of Sydney is done in the State.

Mr MAUGER

- The facts set out in the schedule do not show that.

Sir William McMillan

- Then the schedule is wrong. The honorable member would have one to infer that no manufactories have been started in Sydney, but that is absolutely -contrary to fact.

Mr MAUGER

- I am dealing with the manufacture of hats, and I know that in Sydney there is no place worthy even of the name of workshop where hats are made.

Sir William McMillan

- The honorable member said that importers would never establish factories if they could import, but they are establishing factories in Sydney.

Mr MAUGER

- Well, they never did so in Victoria. Some of the largest boot manufacturers in Victoria at the present time would close their establishments to-morrow if they could get a free port, and could afford to import boots instead of manufacturing them.

Mr Thomson

- That is not so in Sydney.

Mr MAUGER

- They do not manufacture the better class of boots in Sydney. They make only the cheap and the indifferent article.

Mr Conroy

- That is so here.

Mr MAUGER

- To nothing like the same extent, though the statement is true in a certain degree, because the higher you go on the social scale, the greater the prejudice against everything Australian. The richer the man, the less he buys of Australian made goods.

Mr Mahon

- That is not my experience.

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Mr MAUGER

- It is my experience, and the experience of every trader in Victoria. Working men are more loyal to local industries than are persons who are better off. It has been an indictment against a certain Victorian hat factory that it has been paying dividends ; but I challenge honorable members to compare the profits of an im- porting house with those of a manufacturing house. The Bulletin did so a few years ago, on such data as it could collect, though I admit that the data were incomplete. No importer would think of giving up an importing business for a manufacturing business, because his trouble is less than that of a manufacturer. Industrial difficulties never enter into his calculations, and his profits are much greater. Surely it would be better for Australia if we- had, more manufactories paying reasonable wages and providing fair returns, without doing any injury to .the consumers of their productions.

Mr THOMSON

- The honorable member for Melbourne Ports says that honorable members on this side grudge the profits made by Australian manufacturers ; but that is not so. No one grudges a manufacturer his profit, so long as it is not made at the cost of the State, or of the people of the State. So far as I- am concerned, the hat factories of Victoria or any other place may be as prosperous as possible; and, so far from wishing to injure them, we are attempting to give them full consideration. But we do not wish to give them duties so high that they will be able to levy toll upon t£e people of Australia. The honorable member also said that no importer who had a free port would think of establishing a factory ; but when, during a recent debate, it was stated that three of the largest boot manufacturers in Sydney do not desire a duty, the honorable member declared that those manufacturers were also importers.

Mr Mauger

- How many boots do they manufacture in comparison with the number they import ?

Mr THOMSON

- The boot industry is larger in Sydney than in Melbourne.

Sir George Turner

- No.

Mr THOMSON

- The statistics laid upon the table by the right honorable gentleman show it to be so. The honorable member for Yarra complained that honorable gentlemen on this side make incorrect Statements, and found their arguments upon them. But, if I accept the statements of honorable members opposite and deal with them, surely he will have no cause for complaint. The Treasurer has not explained how much these composite duties amount to per cent. According to the figures of the honorable member for Yarra, who said that the average price of imported hats is £3 13s. 4d. per dozen, the duty would amount to about 30 per cent. But it would be very much higher upon cheaper hats, which according to the Treasurer are never imported, the market being - supplied by local factories. The honorable member for Melbourne Ports admitted that the duty on one class of hats is 100 per cent.

Mr Mauger

- But it is not effective.

Mr THOMSON

- Does the honorable member admit that hats are dearer because of the duty ?

Mr Mauger

- No. 24 e 2

Mr THOMSON

- I could understand the position of honorable members opposite if we proposed to give no consideration to the hat industry.

Mr Mauger

- What do honorable members propose?

Mr THOMSON

- We wish, first of all, to get rid of the fixed duty. We recognise the importance of the existing industry, and we wish to give full consideration to it. But surely a duty, such as 20 per cent., should be sufficient.

Mr Poynton

- The New Zealand duty, at any rate, should be high enough.

Mr THOMSON

- That would be 25 per cent. Surely such a lesser duty should be sufficient to guarantee the continuance of the existing factories. It is claimed that the local manufacturers can sell their goods at lower prices than are charged for the imported hats, even without a duty, and if they are sheltered by a duty of 20 per cent., surely they should be able to sell their hats just as readily as at the present time. The Treasurer has asserted that there is a danger of the Australian market being swamped with English goods, and he has stated that Sydney has been swamped because no duties are levied there. "If, however, we impose a duty on hats, there can be no danger of swamping.

Sir George Turner

- Oh, yes ; they swamp us too. There are plenty of American hats sent in in spite of the duty.

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Mr THOMSON

- I have heard a good deal said about Italian and other hats', but I find that only four hats were imported into Victoria from Italy last year, and that most of the others came from the United Kingdom. The honorable member for Melbourne Ports asked why no hat factories had been established in Sydney, and the answer is that we believe that the best reward for both the employer and the employee is to be obtained in the development of the natural industries of the country - primary industries in the first place. Around these primary industries manufactories will be established by natural growth. If industries cannot be maintained without the support of protective duties, the cost to the workers, who get no 'protection, becomes too great, and that is why there has been no attempt to establish hat factories under protection in Sydney. The honorable member for Melbourne Ports, speaking of trusts, has expressed the opinion that unbridled competition is not desirable, and that the wage earners employed under trusts get higher wages than those otherwise employed. Therefore, he rather favours trusts. Does he not see, however, that it is only the wage earners employed by the trusts who benefit by these high wages. The trusts force up prices and very properly pay a high wage to those employed by them, but the article they place on the

market is sold at a higher price in consequence, and the rest of the community are injured rather than benefited. I think that the admixture of these duties is very undesirable, and that we ought to get rid of it once and for all. In the selection of fixed and ad valorem duties, we should be guided by the circumstances in each particular case. Where goods do not vary much in value, fixed duties can be properly applied, but where values fluctuate and qualities have a wide range, as in the case of hats, the ad valorem duty is the best to impose. In imposing composite duties, the Ministry have departed from the very principle they have advocated, because the fixed duty imposes the heaviest tax upon the lowest priced article. The exact extent of the duty should, be set out straightforwardly in the schedule, and that is all that is desired by the Opposition.

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Mr PIESSE

- We are very much indebted to honorable members for the information which they have given to the committee, and the honorable member for Melbourne Ports is to be congratulated on the way in which he has presented his case. We have to consider what is the proper thing to do under all the circumstances. We find that the duties proposed by the Government range from 37£ to 150 per cent., without taking into account the import charges, which average about 30 per cent, more. Over the greater part of the Commonwealth the duties on hats have hitherto ranged from 15 to 25 per cent., whilst in New South Wales' there has been no duty at all. Under Inter-State free-trade the hat making industries which are established in Victoria will have an extended market for their products, and, whilst I am prepared to avoid doing anything which would unduly hamper them in the carrying out their work, which they have brought to an admirable state of perfection, I cannot consent to the imposition of rates which will give them such a large measure of assistance as the Government propose. It is stated that the hat-making industry has not prospered to such a great extent as it should have done. I have been looking at the balance sheet of the company, which has been previously referred to, and I find that it discloses a thoroughly sound and healthy state of affairs. The balance-sheet appears to have been honestly prepared, but I was somewhat surprised to find that the factory building, which is of large dimensions, is valued at only £1 1,000, and that the whole of the machinery is set down as being worth £4,000. Either the company have been very fortunate in securing their buildings and plant at such a low cost, or they have applied some portion of their profits to the writing down of values. They certainly have made a very good beginning, and if they receive a protection .of a 25 per cent, duty they should be able to profitably exploit the extended market which will now be open to them. That is all the help that I am prepared to give them, and I shall oppose the composite duty proposed by the Government ?

Sir WILLIAM McMILLAN (Wentworth). - I think it would be well for us to confine ourselves to the consideration of the character of the duty we are now discussing. We have had a great many' marvellous developments in connexion with this Tariff, but this proposal for a composite duty upon hats is the most marvellous of all. Men's wool felt hats are to be subject, in the first place, to a fixed duty of 10s. per dozen, and 15 per cent, ad valorem. This amounts to an impost on the lowest priced hats of 134 per cent., and on the highest priced hats of 45 per cent. That seems to deal with the poor man in a rather topsy-turvy way. The fixed duty on the lowest priced hats amounts to 110 per cent., and on the highest priced hats to 30 per cent. Surely, on the face of it, that is ridiculous. The Government have, apparently, created a ridiculous system in the first instance, -and then, apparently considering that it would not operate fairly, they have attempted to counterbalance it by adding ad valorem duties. The ad valorem by itself upon the lowest priced hat is ls. 3d., and upon the highest priced hat 5s. 7d. Here is the absurdity of the composite system. Instead of adhering to an ad valorem duty which is a right principle to adopt, the Government begin, with a bad system, and afterwards try to rectify it. This is how it operates upon the man in the street. He purchases a hat, which is perhaps imported at 8s. 6d. per dozen. The Government say to him - " We will impose a duty of 100 per" cent, upon that, but in order to equalize your position with that of the rich man we will charge you ls. 3d. more by means of a 15 per cent, ad valorem duty." Surely that man will say - " I do not care if you impose a duty of 5s. 7d. mora upon the wealthy man ; what I object to is that you should levy an extra ls. 3d. upon me." The proposal upon the face of it is absolutely ridiculous. I believe that the sense of the committee is against this fixed duty. There is no difference between hats and any other article with which we have been dealing. No doubt very improved machinery is required to make them, but, on the other hand, hats are exceedingly bulky, and I think they cost at least

15 per cent. - probably 20 per cent. - to import. Why then should we make the essential difference which it is proposed to make between hats and blankets, or any other goods ? The ad valorem principle is a very good one. It is mobile in that, exactly as a man purchases a dearer article, so he pays the higher duty. Yet in this schedule we find ten prices charged upon one class of hat. Surely a fixed duty upon prices ranging from 8s. to 34s. is upon the surface of it absurd ! I ask my right honorable friends opposite to see if they can not give way upon this matter.. By doing so they will not bind themselves to a 15 per cent, ad valorem duty. They would certainly be acting wisely by yielding to what I believe is the feeling of the committee.

Mr KINGSTON

- The Government are very reluctant to abandon the fixed duty. Honorable members will note that, in view of the value of some hats, if we had simply an ad valorem duty, the amount to be collected in protection of the local industry would be infinitesimal, and the impost would be absolutely wanting in its protective power.

Sir William McMillan

- This is a prohibitive duty.

Mr KINGSTON

- It is not. It prevents the foreign manufacturer from having command of the market, and calling upon the local manufacturer to compete with the imported goods at prices at which it is impossible for him to manufacture with the most reasonable profit.

Mr Thomson

- The local article is selling at 1s, 1 ld.

Mr KINGSTON

- But when hats are imported, which cost only 8s. per dozen, it is impossible for our manufacturers to compete with them and live. I think that the debate which we have had in this connexion has been most interesting and instructive. At various times in connexion with the question of freetrade and protection theories have been advanced and disputed. The suggestion is that if we impose protective duties the local manufacturer at once raises the price, and the public are plundered. What have we had to-night ? In one of the most important industries we have had men speaking with absolutely accurate knowledge of the subject, assuring every one who heard them that they were simply deposing to actual facts. What is the result ? In Victoria where this industry has been effectually protected, it has been shown that so far from there being any imposition by the manufacturer upon the consumer, good hats are produced at prices which astonish honorable members - prices which by their reasonableness must establish the fact that if we give Australians generally the power which Victorians have had and wisely exercised, we shall have a most important industry in our midst. If we give to Australia a measure of the protection which has been given to Victoria we need have no fear of the result, because it has been to the intense good of this State in that it has established a most important industry, and the consumers have procured their goods at prices which we could not possibly desire to see modified. We have often heard comparisons instituted regarding different States. I do not wish to indulge in them unnecessarily. But we should be doing worse than wasting our time if we did not institute a comparison between New South Wales and Victoria in regard to this industry ? There can be no doubt that in Victoria the industry has been protected. In New South Wales there has been absolute free-trade. What has been the result? Some honorable members have said that there is not a hat manufactory in New South Wales, and I am inclined to think that they are about right in the ordinary sense of the term. Certainly they have not a hat manufactory of the character of those which exist in Victoria.

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Mr JOSEPH COOK

- Is that the result of the Tariff?

Mr KINGSTON

- I venture to think that there is no doubt about it. It is the result of the Tariff and nothing else. If we turn to the official records, we see that even grouping to the credit of New South Wales manufactories, which are really not hat and cap manufactories, but are places of a different character, there are altogether employed in the industry 93 males and 183 females, or a total of 276. On the other hand there are employed in Victoria 430 men and 540 females, or a total of 970. New South Wales requires to import to the value of £220,000 ; while Victoria is satisfied with £150,000. New South Wales has no exports to

speak of, £100 representing the export of local manufacture, while Victoria exports between £14,000 and £15,000 worth, of which £10,000 represents local manufacture. Thus we see that there are 700 or 800 people more employed in Victoria than in New South Wales in this particular industry. In Victoria none of those employed are sweated, but they are enjoying the very best of wages. The consumer is not injured, and honorable members have been startled by the facts laid before them by persons connected with the trade. We have been shown that the consumer gets the best article at as low a price as could be or should be obtained in any part of the world. What are the advantages of continuing the system which obtains in Victoria ? If we continue the industry, we continue the employment, and we continue the enjoyment by the public of cheap goods. On the other hand, if we take another course, what will be the effect upon the industry? I do not, perhaps, take quite so gloomy a view as some honorable members ; but when it is proposed to cut down the protection, independent of the fixed duty, by at least two thirds of that which obtains in Victoria, and we are met by the assurance that we are thereby imperilling the industry, I venture to put it that we should not be giving effect to our policy of endeavouring to secure "revenue without destruction" if we did not ask the committee to pause in the interests of the large number of people directly employed, and of those dependent upon them. I do not propose to say anything more upon the subject at this particular moment, but in view of the importance of the question I should, not have been justified in saying less.

Sir WILLIAM McMILLAN (Wentworth). - Now we know exactly where we are, and I am glad the Prime Minister is in. his place:

Mr Barton

- I have heard the honorable member make the best .part of fourteen, speeches to-night !

Sir WILLIAM McMILLAN

- That is the first time I have drawn the right honorable gentleman's attention to the fact that I wanted to address him, and surely he has scarcely met me in a courteous way.

Mr Barton

- Is it not rather discourteous to call attention to the fact that the Prime Minister is now in his place, when he may have been often here and not observed by the honorable member.

Sir WILLIAM McMILLAN

- If the right honorable gentleman had waited, he would have seen the application of what I have said. Previously, when I have brought forward figures with reference to> these duties, and have said that they are of a prohibitory character, I have been met with a fiat denial. I have shown that in this case the duties will shut out 85 per cent, of the importations into New South Wales, and now on the part of the Ministry all shuffling has been put aside. The Minister for Trade and Customs tells us that he has put on this duty as an absolutely prohibitive duty.

Mr Kingston

- I have not said anything of the sort.

Sir WILLIAM McMILLAN

- The Minister for Trade and Customs has asked us to look at the effect of ' shutting out this commodity. He has said that although the high duty has absolutely shut out the foreign commodity:-

Mr Kingston

- I have not said anything of the sort.

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Sir WILLIAM McMILLAN

- The Minister for Trade and Customs said that, although the foreign commodity is shut out, we are getting this particular article cheaper than we should get it if there- were free importation, and he has asked us whether that is not a good result. Now, I should like to know from, the Prime Minister where is " revenue without destruction?" The Minister for Trade and Customs has unblushingly told us that which it was scarcely necessary to tell us, namely, that he has proposed a duty with the absolute intention of, as in Victoria, making impossible the importation of a. certain class of goods. This duty runs up to 134 per cent.; but 1 will take it at 50 per cent. In 1889 there was imported into New South Wales £180,000 worth of hats and caps, which at 50 per cent. would yield a duty of £90,000, whereas the Government expect to receive under this Tariff £20,000. The estimate of the Government shows that 78 per cent. of the importations into New South Wales will be stopped, and, in view of that fact, how much more will be

stopped with duties of 100 per cent. or 150 per cent.? This is the most unblushing thing that has been done in the whole course of the Tariff. Never before has a Minister had the temerity to say that the Government have, by this ingenious mode, put on a duty which, instead of being a compromise, absolutely ignores the other States, particularly New South Wales, and shows that Ministers are determined, not merely that certain manufactures in Victoria shall have moderate protection, or not be destroyed, but that the whole of Australia shall be bound absolutely to get their goods from those particular manufacturers.

Mr KINGSTON

- The honorable member for Wentworth has altogether misrepresented me in saying that the (government are proposing total prohibition. We could not do anything of the sort. Under the Victorian Tariff, there was £50,000 worth of hats and caps imported, and considering that the Victorian rate was three times that which is now proposed, I do not see how we can be charged with advocating prohibition.

Mr. BARTON (Hunter- Minister for

External Affairs). - I have asked the honorable member for Wentworth to continue his remarks to-morrow. We have to meet early to-morrow morning, and I think the kindest course is to allow honorable members to catch their trains.

Progress reported.

ADJOURNMENT

Friday Sittings

Minister for External Affairs

Mr BARTON

. - I move -

That the House do now adjourn.

It is only fair to intimate that I think we shall have to continue the sitting to-morrow a good deal later than the ordinary hour.

Mr CONROY

- I should like to know definitely whether it is intended to sit sifter four o'clock?

Mr Barton

- Yes.

Mr CONROY

- That course will deprive New South Wales and South Australian members of the opportunity of returning to their States to look after their own business, and if we sit after four o'clock, I think we might as well carry on the business until twelve o'clock on Saturday night. After our 33 hours' sitting the other day, I rather regretted that we did not continue straight ahead instead of adjourning at 11.30 in the evening. I think the Ministry should give at least a week's notice of their intention to sit after four o'clock on Friday afternoons. (House counted.) It should be remembered that we are now sitting every day in the week, and that this week we have had one sitting of 33 hours' duration.

Sir WILLIAM McMILLAN

- I do not think the Prime Minister is quite fair. What I understood him to say on a previous occasion in regard to Friday sittings was that, if sufficient progress had not been made by four o'clock, the Ministry would find it necessary to continue the sitting, and I indorsed that statement. I think we might let the understanding remain at that for the present, instead of coming to an absolute decision to continue our sittings after four p.m.

Mr. BARTON(Hunter- Minister for External Affairs). - What I said on a former occasion was that if sufficient progress was not made we should have to sit later on Fridays, as well as on other sitting days. It must be remembered that we are now within two or three weeks of Christmas. Some time ago I stated that, owing to the pass to which public business had come, we should have to sit later on Fridays. I am not deterred by the threats uttered from a certain quarter, and I am sure that they are not made with the concurrence of the leader of the Opposition.

Sir William McMillan

- The right honorable member said definitely that he would sit after four o'clock to-morrow.

Mr BARTON

- Yes, but if a satisfactory amount of progress is made before that hour I shall not object to an

adjournment. When I said that we should probably have to sit late, I was speaking from a calm retrospection of our proceedings hitherto. If we can adjourn at four o'clock I shall be very happy. Question resolved in the affirmative.

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23:33:00

House adjourned at 11.33 p.m.