

<url>https://www.historichansard.net/hofreps/1901/19011017_reps_1_5</url>
1901-10-17

House of Representatives.

Mr. Speaker

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

SERVICE AND EXECUTION OF PROCESS BILL

Royal assent to this Bill reported.

MOTION OF CENSURE

Debate resumed (from 16th October) on motion by Mr. Reid -

That this House cannot accept the Financial and Tariff proposals submitted by the Government -

Because they would place the finances of the Commonwealth and the States upon an unsound and extravagant basis.

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

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

That the foregoing resolutions be conveyed, by address, to His Excellency the Governor-General.

<page>6134</page>

Mr THOMSON

- In addressing myself to this question, one of the most important to the Commonwealth of Australia, I do not fail to recognise the difficulties which Ministers have had to meet in arriving at a Tariff which would adequately consider the interests of all the States by providing a total revenue equal to the requirements of the Commonwealth, and at the same time giving a distribution as nearly as possible the same as that previously obtained from customs and excise duties by each of the States. The Ministry have failed to solve that problem, and, in my opinion, they have failed in two ways. They have failed to solve it where I think it was soluble, and they have failed where I think any Ministry would have failed - in providing an amount of Customs revenue for each State something in keeping with what it previously possessed. The sympathy which I feel for Ministers is, perhaps, somewhat reduced by the fact that most of them had an opportunity of solving this question before the accomplishment of federation. At the Premiers' Conference the financial difficulties, and the very bookkeeping clauses, to which the Minister for Trade and Customs has such a strong and proper objection, were brought under criticism, and there was then an opportunity to alter the financial provisions of the Constitution as other provisions were altered before it was referred to the people. That opportunity was not taken, and we have, therefore, to accept the position as it is. Whilst, for the reasons I have given, I think there should be no hypercriticism of the Financial statement, I am disappointed in both the manner and the matter of it. As to the manner, I do not think the Budget-twin arrangement at all a desirable one. "We know that each of the Ministers who dealt with the question was capable of placing before us an able and lucid exposition of the proposals of the Government ; but when both of them dealt with it they left gaps which neither of them seemed to think it his duty to fill, and because of which honorable members failed to fully comprehend the figures placed before them. The Minister for Trade and Customs is, we know, an Athenian - he is always seeking something new. No doubt, the composite duty he imposed upon the Treasurer and himself was due to that wonderful invention of his, the composite duties in the Tariff, which he thought should first be applied to the two Ministers who placed it before the House. I must join in the protest that the promise made by the Prime Minister at Maitland has not been fulfilled. Both the Prime Minister and the Minister for Trade and Customs sought to show to this House that the statements of intentions put before the country at Maitland had been carried out by the Ministry. I shall refer to some of those statements, and I think the House will admit - if honorable members are not already satisfied - that the Budget proposals of the Government are no proper fulfilment of the promises which were made. Here is one extract from the Prime Minister's Maitland speech -

There must be a large revenue from customs , but I do not see that there should be one penny more

raised than is required.

I think I shall be able to show directly that more is asked for than is required. How much was required, according to the Prime Minister 1 -

The figures I received yesterday, up to December 31, reached the great total of £ 7,8(M,04G, as the total of Customs and Excise revenue of the States of the Commonwealth.

Those figures have been reduced by about £200,000 ; I suppose by drawbacks that had not been allowed for at the time. -

You have to make provision to collect the whole of that as far as you can ; that is to say, if you do not want to leave any of the States in a difficult and an onerous position, you must collect this large sum of money.

That is to say -

If by the junction of internal and external duties they raised £8,000,000 of revenue, the duties may look larger to the pocket of the taxpayer than they were before, but, in reality they will not be larger, because the total sum now taken out of the pockets of the taxpayer is £8,000,000.

Are they not larger now, when £8,900,000 is asked for 1 The right honorable gentleman continued -

But you will have to do something more than this. You will have to provide for the new expenditure of the Federal Government, which some variously set down as varying from £300,000 to £750,000. It has not been possible to make an exact estimate as to this cost. All I can tell you is that, so far, the cost has been on an economical scale. You will have to add this cost, which, in the course of a few years would amount to hundreds of thousands of pounds, to the loss of intercolonial duties; but in doing so your sum total of taxation will not be greater than it is now.

What does that mean, if it means anything ? It means that to the actual revenue collected by the States in 1900 there was to be added the actual expenditure upon new Commonwealth enterprises. And that means that a Tariff of about ±8,000,000 would be the limit if his promises in the speech were to be fulfilled.

Mr Kingston

- Did he not indicate £8,500,000 1.

Sir George Turner

- The difficulty is that you have to raise up New South Wales.

Mr THOMSON

- That must not be overlooked, but I shall come to it directly. So far as I can learn, from any report of his speech, the Prime Minister at Maitland did not name £8,500,000. At subsequent stages of the campaign he did name £8,500,000, and towards the end he got to nearly £9,000,000.

Mr Kingston

- I think the honorable member is wrong about the Maitland speech.

Mr THOMSON

- It is not mentioned in the reports. In a further portion of that speech the Prime Minister said -

You could not make up the huge Customs revenue required by any such Customs proposals as are proposed by those who have gone into opposition.

That is to say we could not raise the amount on free-trade principles. I venture to say that anything you can raise on protectionist principles you can raise on freetrade principles. How can you, by excluding articles from import - which is the only effective protection - raise a larger revenue than if you allow them to come in and become subject to taxation ?

Mr Watson

- That is why we say this is not a protective Tariff.

Mr THOMSON

- Who should be a better judge than its author ? Surely my honorable friend will allow the Minister to name his own baby. The Minister has declared that the name he is going to give his baby is Protection.

Mr Kingston

- I can assure my honorable member that my personal aim is revenue.

Mr THOMSON

- The Treasurer was very careful in his speech not to say too much about protection, but the Minister for Trade and Customs kicked over the traces and let us see that it was protection which was aimed at.

There are other Tariffs, which even from the Ministerial stand-point could have yielded a similar amount. For instance, the Dibbs Tariff, which was imposed by a protectionist Government, but which, being in New South Wales, was not so strongly protective as is this Tariff, raised over £2 8s. per head of the population, and the amount required from that State under the Treasurer's estimate is £2 7s. odd per head. Here was a Tariff of 10 and 15 per cent, duties which although based on protectionist principles raised the amount required per head in New South Wales.

Mr Piesse

- But that did not cover InterState free-trade as well.

Mr THOMSON

- That does not matter. Supposing that New South Wales had been an island, everything which was brought in would have paid duty just as it does coming into the Commonwealth. X quite admit that you have in other ways to allow for the loss of the Inter-State trade. But in comparing the State as a separate community imposing a duty on all imports with the Commonwealth under similar conditions the per head comparison is perfectly fair.

Mr Piesse

- The Dibbs Tariff could not so easily raise the revenue in New South Wales.

Mr THOMSON

- I think the Dibbs Tariff would raise more revenue per head in New South Wales at the present time. The honorable member must remember that the revenue collected on the border was not a large amount.

Mr Watson

- A lot of intercolonial imports came in by Sydney, for instance, sugar.

Mr THOMSON

- Undoubtedly there were some, but I venture to think with the difference of 1s. per head that Tariff would raise to-day in New South Wales the amount required by the Treasurer - £2 7s. per head, It is, however, a matter of opinion, and I shall deal with other means of raising the sum required when I come to touch on the Treasurer's figures in the Budget. Here is another statement by the Prime Minister. I am quite sure that he does not intend to fulfil the promise in it or he would vote for this motion. He says - Prohibition or excessive protection would lead to the prevention of that excess of revenue which is absolutely necessary for the proper, government and the security of the Commonwealth. If you desire revenue destruction, then you must look for another representative, and the Australian Parliament must look for another Ministry.

Have we not got revenue destruction by the admission of the Minister for Trade and Customs 1

Mr Kingston

- I do not think so.

<page>6136</page>

Mr THOMSON

- Did not the right honorable and learned gentleman say that there would be £5,000,000 of suppressed imports 1

Mr Kingston

- £5,000,000 of extra local production and industry.

Mr THOMSON

- Under the Tariff; but there is the destruction of revenue.

Mr Kingston

- Do not you get increased revenue 1

Mr THOMSON

- £5,000,000 will be lost, destroyed, according to the Minister's own words.

Mr Kingston

- Will not that increase the coal industries, and stimulate Customs revenue 1

Mr THOMSON

- If it will stimulate Customs revenue, why does not the Treasurer take credit for the revenue 1 As the Treasurer is not taking credit for it, how can his colleague say that he anticipates that it will stimulate Customs revenue?

Sir George Turner

- I said so. It will stimulate the yield of revenue duties.

Mr THOMSON

- The Treasurer has not taken credit for any stimulation.

Sir George Turner

- I did.

<page>6137</page>

Mr THOMSON

- From the estimate of £34,000,000 the Treasurer has deducted £13,000,000. including the £5,000,000 lost for revenue purposes, and as the actual imports for 1899 were valued at £34,000,000, he has not taken credit for an increase under that head. For several reasons I do not intend to question the estimates of revenue made for him. In the first place it is a matter of uncertainty. The conditions are new, and it is very difficult indeed to estimate from the experience of the past what will be the effect of new conditions. Further, it would be a most elaborate task to go through all these estimates, to increase this, to reduce the other, and, finally, to criticise every figure. That could only lead to confusion in treatment. On some items I think there should be a reduction in estimated yield, and on others I think there should be an increase. I am prepared for calculation purposes to accept the Treasurer's estimate of his revenue ; but I cannot accept his estimate of expenditure. I do not see that there is any need for the immense sum of £8,900,000 that is proposed to be raised by the Tariff. It must be remembered that the Treasurer deals as to his expenditure with an abnormal year, whilst as to his estimates of revenue he deals with a normal year. One year, however, does not afford a proper basis for calculating the probable requirements of the States. Most of the Ministers were members of the convention, and they will know that the convention always took the figures of three years for the purpose of making their estimates. They recognised that if one year's revenue happened to be abnormally high it would be ridiculous to estimate the requirements of the States on that basis, and they also recognised that if, through some unfortunate circumstances, the revenue in one year proved very much less than the average, it would be very improper to limit the States to a corresponding expenditure. Now, however, the Treasurer's estimates of expenditure are based on a very heavy year, and he has added £900,000 to his calculation of ordinary expenditure. But I am not at present going to place the Treasurer at a disadvantage by taking the lower average of several years for the purpose of estimating the expenditure. I shall base my estimate on the requirements of 1900, which he has adopted, but I desire to point out the very strong necessity there was for his declining to raise an unnecessarily heavy revenue during the first years of the federation. He now has the responsibility which previously rested on the Treasurers of the States. The State Treasurers have now no responsibility. They are willing to accept any income as long as it is sufficient. If it is excessive they are perfectly ready to take it - they will be only too glad to receive it. If the people complain that they are being taxed to an unnecessary degree in order to provide revenue, the State Treasurers will simply say that the revenue is provided by the Federal Treasurer, and that if it is excessive the fault is his and not theirs. There is no State check upon undue extravagance now, but the whole responsibility is thrown on to the Treasurer of the Commonwealth. There is this additional reason why I think the Treasurer should have been very careful not to raise unnecessary revenue at this stage. He strikes the keynote in this Budget for the future finances of Australia. If we give a State Government £900,000 more than they actually need, will they not require the same amount in the next year; will they not ask for something more even than that, as an equivalent of an increase of : their population? Therefore having started- £900,000 a year too high, we shall remain that much too high in the years that follow, until some crisis occurs and stern necessity arises for falling back to smaller figures. I think I shall be able to show that the Treasurer has not given any good and sufficient reason, as far as we have heard, for an £8,900,000 Tariff. As far as I know, the Prime Minister is the only one who has clearly stated reasons. He said that the extra revenue was required to meet the exigencies of the States in the first place, for distributing as nearly as possible the proportions of revenue previously collected by the States, and, further, because of the need for a fund from which they could be assisted if necessary. Now, , with regard to the distribution, £900,000 will provide only £170,000 for Tasmania and Queensland, the two States that will go short of their ordinary revenue - Western Australia, of course, has her Inter-State duties to fall back upon. And yet to provide that £170,000 which gives Tasmania only an additional £35,000 as her share, the Treasurer proposes to tax the whole of the Commonwealth to the extent of £900,000. He will not balance his accounts then, as

those States will be considerably short of the sum required. He will only get nearer to the balance by £35,000 in Tasmania, and by a proportionate sum in Queensland. There will still be a shortage of £135,000 in Tasmania to be dealt with in some other way, and we might as well deal with the other £35,000 in some other way, too. It must be remembered that although Tasmania does not raise that £170,000 the money is in the pockets of her taxpayers, and that therefore she has that source of taxation left to her.

Mr Kingston

- Tasmania is pretty well taxed.

Mr THOMSON

- Yes ; but if we cease to take £170,000 from the people in the shape of customs duties, does not that reduce the taxation by a like amount?

Mr Kingston

- But how are they going to get it?

Mr THOMSON

- I am quite certain that if the Minister for Trade and Customs were the Treasurer of Tasmania, he would soon find a way to get it. However, I should very much like to see the finances of Tasmania balanced under our federal accounts. I might point out also that if we raise £900,000 we shall have only £225,000 available for the assistance of the States, because three-quarters of the £900,000 will have to be distributed to the States.

However, we shall not need this £900,000 as a fund for assistance. The Treasurer has shown that there would be £500,000 surplus out of which assistance could be given, but that 500,000 does not represent all the surplus. The Treasurer has deducted the Custom-house expenditure before the distribution, and that leaves a balance of over £500,000. But if he deducts the expenditure of the Custom-houses, I am sure that he will admit he must also deduct the interest payable on the capital invested in the Custom-house buildings. He cannot calculate it now because he does not know what is the value of the buildings. But if he deducts the expenditure, he must deduct that which stands in the place of rent, namely, the interest on the buildings. And when he does deduct that, out of every £100 of the sum he so deducts he will get £75 as a further addition to this fund of £500,000 odd, which he has already got for extending assistance to Tasmania and Queensland, if these States need assistance, and will take it. I was rather amused by a remark of the Prime Minister in reply to the criticism of the leader of the Opposition. The Prime Minister said that the leader of the Opposition had found all sorts of faults with the financial proposals, and asked why he did not propose a Tariff himself. Can the Prime Minister be so inexperienced as to expect the House to be deceived by such a proposition ? The leader of the Opposition has none of the responsibility of the Government, and none of the opportunities of the Government. It has been stated by the Government that they have laboured themselves to death, working night and day, and that they have had a staff of officers from all corners of the Commonwealth to furnish them with this Tariff. Yet they expected the leader of the Opposition, within about three days after he had seen the figures, to provide, without any difficulty or labour, a substituted Tariff.

Mr Kingston

- Within three minutes after he had seen the figures, the leader of the Opposition found something that was not right.

<page>6138</page>

Mr THOMSON

- All I can say is that such an expectation is a great compliment to the leader of the Opposition. But I have not the responsibility of that right honorable gentleman, who, if he did put forward any substituted figures, would have to do so in the name of his party. I, on my own behalf, and independent altogether of party, can bring before the House figures which I think will show that, even on the Ministry's own lines, they could provide much lower taxation, especially on those the least well-off in the community. I do not put forward my suggestions as a Tariff which a free-trade Government would propose, and the House need not be alarmed, because I am not going into details. I shall deal with the totals of the Ministry, but in dealing with these, I make proposals which will exclude from duty entirely many absolute necessities, and will reduce by one-half the duties on tea, kerosene, and jam.

Mr Chapman

- And sugar.

Mr THOMSON

-I have not dealt with sugar. The Prime Minister taunted the leader of the Opposition with being a protectionist because the latter had agreed to the proposal of the Government, and because he left a duty of £3 per ton on sugar in New South Wales. I say that if the State alters its duties, and if industries have been established under those duties - that is, if it can be clearly shown that there is some claim for moderate consideration - I see the Minister for Trade and Customs is looking at me--

Mr Kingston

- I see the honorable member coming along.

Mr THOMSON

- I dare say the right honorable gentleman is wondering what my attitude will be when I come to deal with their proposals, nominally based on the same arguments, but which, as I shall show, are different.

Mr Kingston

- The honorable member's attitude is one of modified repentance.

<page>6139</page>

Mr THOMSON

- Having never occupied the position of Minister of Customs I have nothing to repent of; and in that I am not like the right honorable gentleman, who is repenting for a good deal. If it is felt desirable and proper by the State to confer some compensation for injuries done, the State has a perfect right to give that compensation in such a way, and for such a limited period, as may be deemed necessary under a proposal such as that accepted by the leader of the Opposition. As necessities I exclude articles such as bacon, ham, biscuits, candles, fish salted and dried, fruit and vegetables, preserved milk, onions, potatoes, salt, and soap, and reduce the duties by one-half on jams, jellies, and kerosene. I also exclude from duty agricultural supplies, such as vehicles, twine, reapers and binders, axle grease, and agricultural machinery and implements. That surely would be a relief to the least well-to-do of the community, and also to the agricultural and pastoral industries. I accomplish that in this way. The Treasurer estimated that from narcotics and stimulants the revenue would be £2,975,374 ; fixed and composite rates, £2,020,471 ; ad valorem duties of 10 percent., 15 per cent., 20 percent., and 25 per cent., £2,362,211 ; excise, £1, 554,345 ; and miscellaneous, £30,000. If that Tariff be reduced by 10 per cent., we get £8,048,161, which effects a saving of £894,000. As an illustration of what the Ministry could do, additional duties might be placed on luxuries, and a few of the free list items, in order to bring in £150,000. The Government could raise the beer excise 1d. per gallon, and the tobacco excise 3d. per pound, yielding together £230,000, and I shall give figures to substantiate that opinion. Then the Government could greatly reduce the ad valorem rates to 10 per cent. and 15 per cent., instead of 20 per cent. and 25 per cent. With such a reduction, there would not be the same suppression of imports that the Treasurer has provided for to the amount of £5,000,000, and such suppression could well be kept at £2,500,000 under the reduced duties I have indicated. With ad valorem rates on this increased import of £2,500,000 at 10 per cent. and 15 per cent. - half of each, or 12 1/2 per cent. on the average - there would be a further reduction of £312,000, making a total difference of £1,596,000 between such a tariff and that of the Government. What use could be made of that difference? The estimated value of the goods on which ad valorem duties are charged would, by the removal of agricultural implements and machinery to the value of £233,000, be reduced to £12,350,000. Ad valorem duties of 10 per cent. on half of that amount, and 15 per cent. on the other half, would mean £1,543,000, or a reduction on what the Government propose to collect of £818,000. Look what could be effected by this reduction of the ad valorem duties. The great proportion of the objectionable items on which the leader of the Opposition passed such proper strictures - those items which come most heavily on those who have very little money to meet them with - would be reduced very considerably. In addition, there would be a reduction of 365,000 of certain fixed and composite duties on necessities and agricultural supplies. There would then be a further sum of £403,000 with which to effect reductions wherever it might be thought desirable - either in the ad valorem duties or the fixed rates. Those reductions total £1,586,000. That is the difference between the two Tariffs.

Sir George Turner

- The honorable member reduces our Tariff by a million and a half?

Mr THOMSON

- No ; I do not reduce it by a million and a half ; I reduce expenditure by £S94,000. Then I add duties which I have already mentioned, on luxuries and a few other items, amounting to £150,000; beer excise 1d. per gallon, and tobacco excise 3d. per lb., amounting to £230,000 ; I ; allow a further increase, owing to the larger imports under the lower duties, of £2,500,000, giving a further £312,000 of ad valorem duties. There is £894,000 of requirements reduced ; that is to say, expenditure to that amount is saved, and the balance of the £1,586,000 is additional revenue raised by other duties.

Sir George Turner

- So that the honorable member would provide for £8,000,000?

Mr THOMSON

- For £8,048,000.

Sir William Lyne

- The honorable member would run the States short.

Mr THOMSON

- I will deal with that shortly. I do not see how the States will be any shorter under such a Tariff than under the Treasurer's Tariff - which from the first year raises only £8,009,000 - except in the first year, for which special provision can be made.

Mr Salmon

- But the honorable member assumes that the increased excise on tobacco would not be followed by a decrease in the amount of tobacco manufactured.

Mr THOMSON

- We know what is being done in connexion with excise on tobacco now.

Mr Salmon

- But the honorable member does not know what occurred in Victoria in 1895.

Mr THOMSON

- I will give honorable members the figures directly.

Mr Salmon

- We have had some experience in Victoria on this subject.

<page>6140</page>

Mr THOMSON

- A great advantage is being given in some of the States as between excise and import duties. There is an alternative - or, rather, there are several alternatives - to the scheme I have outlined.

I will give one. Suppose it were not deemed desirable to impose further excise duties. Then the requirements would be £894,000 less, plus the £150,000 additional duties on luxuries and a few other items now on the free list, and plus also the ad valorem duties on £2,500,000, which I have estimated would be obtained in addition to the imports estimated by the Treasurer. That would be £312,000 ; or a total difference of £1,356,000. That could be used to reduce the ad valorem duties in the way I suggested

- half of the imports being admitted on ad valorem duties of 10 per cent., and half at 15 per cent - a reduction of £818,000. The abolition or reduction by one-half of certain fixed and composite duties on agricultural machinery, implements and necessities of life would amount to £365,000. There would then be a sum available under that alternative, without any increase of excise duty, of £173,000, to be taken off wherever it might be deemed most desirable. That is another variation, and one which would provide relief in many directions. It would relieve the agricultural and pastoral industries, and also relieve the working men from heavily increased expenses under the Government Tariff. These are the differences between the Treasurer's proposals and those I venture to put forward on the same lines. The Treasurer, it will be noted, has duties of 10, 15, 20, and 25 per cent. As the leader of the Opposition has pointed out, however, the great bulk of the money raised is by means of the higher duties of 20 and 25 per cent. So that the average of the ad valorem duties proposed by the Treasurer is about 19 per cent. He has also high rates of fixed and composite duties. I reduce the fixed and composites very materially, and the ad valorem duties from 19 to 12¹/₂ percent. In order that the Treasurer may be under no misapprehension as to the imports on which these figures are based, I will give them. The Treasurer based his estimate on total imports of £34,000,000. I have done the same. The Treasurer has deducted a free list of £6,000,000. I have done the same. I recognise the necessity for a large free list. Then as to sterling and specie, and

goods of the Government, £2,000,000 has been deducted by the Treasurer. The same amount has been de-; ducted by .myself. Goods now imported which would not be imported under the Commonwealth Tariff amount to £5,000,000- on the Treasurer's estimate. Under mine they amount to £2,500,000. The taxable balance is £21,000,000 on the Treasurer's estimate, and £23,500,000 on my estimate. Then the Treasurer will say, naturally - " How will that affect the distribution to the States?" Here is the effect. The Treasurer's proposed Tariff for a normal year - not for the present year, for which he provides only £8,000,000, but for a normal year - is £8,942,000. I point out to the right honorable gentleman that if he can raise any objection to the £8,000,000 Tariff which I have suggested as a substitute based on his own methods, the same objection rests against his own Tariff of £8,000,000 for the first year. If I cannot distribute what would meet the requirements of the States under the suggested Tariff of £8,000,000, neither can he under his Tariff of £8,000,000. If there were a reduction of revenue below requirements caused by a drought or any severe depression, a deficiency would appear equally in the Treasurer's own Tariff and in the substitute, so far as the first year is concerned. Is not the first year the most important ? Will it not be then that the States will find a difficulty in so altering their financial arrangements as to make the requisite provision? If they can get over the first year, they will be able, no doubt, to make provision for future years. Let us take the figures relating to Tasmania, as they are smaller and more easily handled than those relating to Queensland's proportion. In future years Tasmania will have to provide for £170,000 under the Treasurer's £8,942,401 Tariff, and surely if she can provide £135,000 for the first year, she will find no difficulty in providing for the additional £35,000 after she has received nine months' notice.

Mr Piesse

- She would find a difficulty.

Mr THOMSON

- If she did she could get assistance from the Treasurer.

Mr Piesse

- We do not want it in that way.

Mr THOMSON

- If Tasmania does not want it, she need not take it, but in any case the taxpayers will have the £170,000 in their pockets to provide for State taxation. I am willing to give Tasmania assistance, although I admire the spirit which prompts the objection to receive it.

Mr Piesse

- We prefer to pay what we have to pay.

Mr THOMSON

- But Tasmania cannot receive the amount she previously obtained from Customs.

Mr Piesse

- We shall try to do so as well as we can.

Mr THOMSON

- She cannot receive her previous revenue under the Treasurer's Tariff.

Sir William Lyne

- Tasmania does not want to go cap in hand to the Treasurer.

Mr THOMSON

- The Minister for Home Affairs should confine his attention to matters nearer home, and not go so far abroad as Tasmania. Although he is a native of that State, and may be able to speak for it to some extent, what do his remarks amount to? He says that Tasmania does not want to come cap in hand to the Treasurer, and therefore my proposals are not feasible. But the Treasurer provides for a financial distribution, under which Tasmania will have to come cap in hand to him, unless she refuses assistance. Practically he provides for the very same amount as I do. I give a little more to Tasmania in the first year of the distribution, and to that extent my proposal is all the better for the State. Still the difference is not worth speaking about. The £8,048,161 Tariff would mean that New South Wales would gain £1,120,721 as compared with her previous revenue, while Victoria would gain £9,545. South Australia would be a little unfortunate, as she would lose £23,320.

Mr Glynn

- But the poor of that State would gain?

Mr THOMSON

- Yes, her people would benefit by it. I think South Australia would be quite willing under those circumstances to refrain from asking that the poorer people of Australia should be taxed £900,000 in order to make up that little difference. Queensland would lose £342,844, and Tasmania would lose £171,056. I have no doubt that Queensland, as her revenue-producing power is very considerable, could make up the difference. If not, there is the assistance which the Treasurer is prepared to extend to her.

Sir George Turner

- How much would Tasmania lose under your Tariff?

<page>6141</page>

Mr THOMSON

- £171,056. That is the amount which she would lose for the first year under the Treasurer's proposals. Sir John Forrest. - No.

Mr THOMSON

- Will the Minister for Defence say that when the Treasurer provides a Tariff of £8,009,000 for the first year, while I provide a Tariff of £8,048,000 for the year, Tasmania will not get a little more under my distribution than under that proposed by the Government ?

Mr Reid

- The Government dodge that question of the normal year revenue and the £9,000,000 expenditure.

Mr THOMSON

- It is an extraordinary tiling that the estimated revenue is made up from the returns for a normal year, and that care has been taken to deduct immense sums from the revenue, while the expenditure is based on an abnormal year. Now we come to the position of Western Australia. The Minister for Defence will be interested to learn that, under my proposal, that State would lose for the first year just as she would lose under the Treasurer's Tariff.

Mr Conroy

- The people would not lose it.

Mr THOMSON

- No. The State Treasury would lose, but the people would get the benefit. Western Australia would lose £307,000.

Sir John Forrest

- I suppose that is nothing %

Mr THOMSON

- She has an intercolonial Tariff which produced last year £260,000. That is sufficiently near to square the accounts.

Sir John Forrest

- Out of her own pocket 1

Mr THOMSON

- Where does the other revenue come from but out of her own pocket1! The people have to pay out of their own pockets whether they have Inter-State duties, or duties on goods from abroad, unless the duties on goods from abroad are paid by the foreigner. If the foreigner pays for them, then the other States must be paying the Inter-State duties. As regards the customs and excise on beer and tobacco, which I have mentioned already, I shall give my reasons for thinking that an additional amount could be raised without the least injustice to those engaged in the industry. The difference between the State Tariffs and the Commonwealth Tariff in regard to the excise on beer in bulk - on bottled beer, there is an additional advantage to the brewers - is as follows : - In New South Wales the gain to the brewer is 6d. per gallon, and in Victoria it is 11/2d.. per gallon.

In Queensland and South Australia there is a loss of 3d. per gallon, in Western Australia a loss of 4d. per gallon, and in Tasmania a gain of 1d. per gallon. That is the difference between the advantage obtained by the brewers under the old Tariff - the difference between the import rate and the excise rate - and the advantage which the brewers get under the present Tariff.

Sir John Forrest

- In Western Australia there was an import duty of 1s. on bottled beer.

Mr THOMSON

- Under the Western Australian State Tariff there was a duty of 1s. 3d. per gallon on bulk beer, and of 1s.

6d. on bottled beer. The excise duty in Western Australia was 2d. per gallon. The customs duty was 1s. 3d. That represents an advantage of 1s. 1d. per gallon on bulk beer to the local brewer. The Commonwealth Tariff levies 1s. per gallon customs duty on bulk beer, with an excise duty of 3d. per gallon. That means an advantage of 9d. per gallon to the local brewer.

Sir George Turner

- What about the sugar 1

Mr THOMSON

- I allow later for that. Therefore the local brewer in Western Australia suffers a loss of 4d. per gallon under the present Tariff as compared with the old State Tariff. Of course, there are duties imposed upon hops, malt, and sugar. But these duties were already in existence in some of the States, though not in others.

Mr Kingston

- Is the honorable member proposing to increase the excise 1

Mr THOMSON

- Yes.

Mr Kingston

- Up to what amount ?

<page>6142</page>

Mr THOMSON

- I would raise it 1d. I have taken the trouble to secure expert advice upon the effect of the duties. If the brewers in all these States had to pay duty on the whole of the malt, hops, and sugar which they use - a thing which they will not have to do - the advantage to the brewer in New South Wales, as compared with the old duties, would be 4¹/₂d. per gallon. The advantage in Victoria would be 2 ¹/₂d. a gallon, the loss in Queensland would be 2d., in South Australia 2 ¹/₂d. in Western Australia 4¹/₂d., and the advantage in Tasmania 1s. per gallon. These figures are based upon the present excise of 3d. per gallon. I will tell honorable members what that advantage means in figures. The difficulty with protectionist duties is that we practically farm, out taxation. By their imposition, we shall be giving an opportunity to the manufacturers - whether it is used or not - to obtain the full difference between the import rate and the excise rate. That means, taking the returns provided by the Treasurer, that if my figures are correct - and I have taken every means to insure their accuracy - in New South Wales the brewing trade will have an advantage, as regards bulk beer, which they can use or not as they choose - and whether they do use it or not depends largely upon whether they combine - of no less a sum than £267,000 per annum. "Upon the same basis Victoria will gain £154,000 per annum, and Queensland may lose £47,000 per annum, although, of course, whether that loss would obliterate the profit, I cannot say.

Mr V L SOLOMON

- A loss upon what?

Mr THOMSON

- Upon all the bulk beer brewed.

Mr V L SOLOMON

- The former excise was only 2d. per gallon. The Federal excise is 1d. per gallon more.

Mr THOMSON

- I have allowed for any difference in my calculations. The brewers in Queensland will lose that amount under the Commonwealth as compared with the State Tariff which has operated hitherto. Then there would be a loss of £30,000 in South Australia, a loss in Western Australia of £75,000, and a gain in Tasmania of £3,000. Deducting these losses from the gains, there is a total advantage of £272,000. That means, if correct, that in addition to the margin the brewing trade as a whole had previously we are handing over the power of taxation to the extent of £272,000.

Mr Reid

- How much does it amount to for the two populous States?

Mr THOMSON

- For those two States it represents £421,000.

Sir William Lyne

- The brewers are against the Tariff.

Mr THOMSON

- I can only say that I am quite willing to hear the Treasurer prove my figures wrong. I do not give them all upon my own authority, but I have referred to an expert who ought to know the effect of the malt, hop, and sugar duties in relation to the quantities used per gallon. If my figures are wrong I shall be glad for that fact to be demonstrated. At the same time I think it can be readily seen that in the two large States where the returns from the brewing trade have, upon the whole, been exceedingly profitable, there is a gain of 41/2d. per gallon in the case of New South Wales, and of 21/2d. per gallon in the case of Victoria.

Sir George Turner

- What does the honorable member mean by a "gain" ?

Mr THOMSON

- I mean an additional advantage, if the Treasurer prefers to put it in that way. To make the matter perfectly clear let us suppose that the Treasurer was engaged in brewing. Under the old Tariff the advantage which he would gain- that is, the difference between the excise duty and the import duty - would be 3d. per gallon. That would be his advantage as a brewer in New South Wales. He would have to compete with the importer, who had to pay 3d. per gallon more.

Sir George Turner

- The importers had to pay 71/2d. per gallon more in Victoria, and 1s. per gallon more in Queensland.

Mr THOMSON

- Let me take the case of Victoria. The excise here is 2d. and 3d. per gallon.

Sir George Turner

- There are only 500,000 gallons brewed upon which 2d. excise is paid, and 12,000,000 gallons upon which 3d. is paid.

Mr THOMSON

-I have allowed an average of 21/2d. per gallon. As the Commonwealth duty is 1s. per gallon customs and 3d. per gallon excise, it confers an advantage of 9d. as against 71/2d. per gallon upon the local brewer. Is there any necessity to hand over this vastly increased power of taxation to that trade ? I have no desire to treat any trade unjustly. These arguments, however, apply to a great many of the proposed duties. I wish now to deal with tobacco. In New South Wales the duty levied upon the leaf and the excise duty together represent 2s. 3d., as against 3s. import duty under the old State Tariff. The advantage in that case was 9d. per pound to the local tobacco manufacturer.

Mr.Reid. -If they used imported leaf.

<page>6143</page>

Mr THOMSON

- I am taking 1s. per pound upon all the leaf, and 1s. 3d. per pound excise. Under the Commonwealth Tariff there is an advantage of 1s. per pound.

Mr. THOMSON. - I have the other State figures, but find a discrepancy as to two of them, so will withdraw them, and confine myself to New South Wales. The advantage is 3d. per lb. in New South Wales on the previous Tariff. The industry in New South Wales without that additional advantage has been one of the most prosperous in that State ; and it must be remembered that there will be a very much larger production of colonial leaf in the future. The industry having been one of the most prosperous industries in New South Wales without that advantage of 3d. per lb., surely, under the same conditions, it should be equally prosperous in every other State of the Commonwealth?

Sir William Lyne

- We know that the tobacco duties in New South Wales were brought to those in Victoria just before federation.

Mr THOMSON

- Only the excise duty, and it was a temporary provision.

Sir William LYNE

--It was not intended to be temporary at all.

Mr THOMSON

- It was only temporary, and to be in force until the Federal Tariff was announced. The reason for it was that the excise in Victoria was much lower, and immediately federation was accomplished, as no duties could be collected in the transference of excise goods from State to State, tobacco could have come into

New South Wales on a much smaller duty. The provision was only intended to last until the Federal Tariff was announced.

Sir William Lyne

- That was the rate until the Federal Tariff was brought in.

Mr THOMSON

- That is so, but it was only a temporary rate, and the New South Wales tobacco manufacturers will make a large sum of money out of it, because they have been producing all they could under that arrangement, and the Federal Tariff having been imposed, they will have such stocks in hand that they will not require to pay the increased duty for a very long time. As with the difference in duty to which I have referred, firms were able to build up such a prosperous tobacco manufacture in New South Wales, others ought to be capable of doing it under similar conditions in the other States. If that is so I do not see why we should give this heavy additional power of taxation.

Sir George Turner

- What does the honorable member propose as the alternative excise 1

Mr THOMSON

- I propose 3d. per pound extra. It may have been my fault in not having explained myself clearly at first, but I have delayed somewhat in answering interjections to more clearly explain my meaning. I shall try now to hurry on and finish what I have to say. The Prime Minister, in his Maitland speech, which has already been quoted, stated that he would not place the incidence of taxation on the cottager and the artisan. I think he has done that. It has already been pointed out, and I am not going into the details of the matter, that he has done it very severely in the Tariff proposals of the Ministry. For instance, of every four pounds of cheap tea that the poor man buys, he will have to give one pound to the Government. Of every four pints of kerosene he will have to give one pint to the Government. Of every four bottles of certain medicines he may require, he will give one to the Government. I quite admit that if we have to raise a very large revenue, we cannot let the least well-to-do class of the community, who are the largest in number, altogether escape. We may wish to do it, but we cannot do it. But I do say that so far as is possible it is a good principle, and it is a humane principle, to put the weight of taxation on people's shoulders somewhat in proportion to their strength to bear it. And it is a wise principle from the Treasurer's point of view, because by no other means can he raise per head the same amount of revenue. I say that has not been done. I do not know whether I misunderstood the Prime Minister, but I was rather surprised that he should claim that federation having been accomplished, it cost, I understood him to say - and I wish to be corrected if I am wrong - from 1s. to 1s. 6d. per head less than the burden previously on the people. I asked the right honorable gentleman whether that was what he said, but he would not answer the question. If he did say that, I cannot see how he arrives at the conclusion.

An Honorable Member. - By lumping the populations altogether.

Mr THOMSON

- But how can a revenue of £7,600,000 from Customs and Excise, which sufficed for last year, be 1s. or 1s. 6d. more per head than a revenue of £8,900,000, which is provided for under the new Tariff? If the Prime Minister did not say that, I can only repeat that that is what I understood him to say, and what honorable members on this side understood him to say. If he did not say that, of course I am wrong.

<page>6144</page>

Sir William McMillan

- The right honorable and learned gentleman said -

The Federal Tariff in a normal year would yield £9,126,541, that is, if the average taxes were £2 8s. 5d. per head. But the average proposed by the Bill is £2 7s. 6d., and the result will be that the people of Australia get Inter-State freetrade at the price of a saving of 1s. per head all round.

Mr THOMSON

- "At the price of a saving of 1s. per head all round, "and this saving of 1s. per head is effected by paying £8,900,000 instead of £7,600,000! That is extraordinary arithmetic. These imposts weigh considerably upon the primary industries, which cannot be protected from cheap labour. I heard the honorable member for Melbourne Ports say last night that to tax imports was only part of the doctrine of protection, that the other part was to make laws to raise the wages of those employed in the protected industries. What dust that is to throw in the eyes of the agricultural and pastoral labourers of Australia ! The honorable member

said that duties are put upon imported articles so that the persons employed in manufacturing similar articles within the Commonwealth shall not have to compete with the products of cheap alien labour, because as long as they have to compete with that labour those articles could not be manufactured here except in conjunction with low rates of wages. Now the pastoral and agricultural industries, as they are exporting industries, send their goods to all the markets of the world, and have to compete there with cheap alien labour ; and if there is anything in the argument of the honorable member, we cannot raise the wages of persons employed in those industries because they are in competition with that labour.

Mr Mauger

- In what proportion are their productions in competition with those of alien labour, after the home market is deducted ?

Mr.Reid. - What home market is there for wool?

Mr THOMSON

- Almost the whole of our wool is exported, and does not the honorable member recognise that, with such a large area of land as we have in proportion to our population, one of the effects of federation will be the greater development of agriculture. That will mean a larger and larger exportation, and the fixing of values to a greater and greater degree by the outside markets of the world.

Mr Mauger

- I think that the effect will be quite the opposite.

Mr Reid

- Then federation will diminish agriculture and wool-growing !

Mr THOMSON

- The honorable member cannot be correct in both of his contentions. He cannot be correct in the statement that we cannot give good wages so long as we are in competition with alien labour, and also in the statement that we can raise the wages of the pastoral and agricultural employes, whose products have to compete in the markets of the world with the products of cheap alien labour elsewhere.

Mr McColl

- The policy of the honorable member for North Sydney would prevent our producers from getting a home market.

<page>6145</page>

Mr THOMSON

- Certain duties have been placed on the Tariff as a sop to agriculture. Those duties will be absolutely inoperative at most times, because in all the leading lines of agricultural production the Commonwealth will produce sufficient for its own use, and probably some for export. But what will be the conditions under which they will be operative ? They will be operative in times of drought and scantiness, in times of crisis and difficulty, when employment will be scarce. Then, by means of these duties, we shall increase the price of flour and other necessities of life to persons who can ill afford to pay for them, even at the cheapest rates at which they could be got. This sham protection for the agriculturist will then be a great burden upon all other sections of the community. I notice that the manufacturers of Victoria are almost as dissatisfied with this Tariff as are the free-traders in New South Wales. We have to anticipate that there will be, and we have been told that there will be, strong efforts to increase the advantages which have been given to manufactures under the proposed Tariff. I do not think that under the standing orders any honorable member will be able to propose increases ; but if they are to be made, honorable members on this side will have to resist such increases, unless gross injustice has been done. This is a statement by one of those who are connected with the society or league to which the honorable member for Melbourne Ports belongs -

Unfortunately there were some people here who called themselves protectionists, who believed in moderate duties, and were afraid of going too far. Our experience in the past had proved that our duties had not been oppressive, that they had not taxed the people unnecessarily, and that the workers had received better wages under them.

He goes on to say that efforts must be made to increase these duties. Another party threatens to go to Japan, and a third party is very uncomplimentary to the Government, because he says that they have failed through ignorance, and that it is the duty of the manufacturer to enlighten them. We may, therefore, anticipate that efforts will be made to keep whatever advantages have been given, and to increase those

advantages where sufficient has not been obtained to satisfy the manufacturers. The Minister for Trade and Customs said that his definition of free-trade was trade between those subscribing to the same conditions of life.

Mr Kingston

- Certainly not.

Mr THOMSON

- If the right honorable member will refer to Hansard, he will find that he is reported to have said that that is the kind of free-trade in which he believes.

Mr Kingston

- I did not make that

Statement as a definition of free-trade*

Mr THOMSON

- Notwithstanding that statement, the honorable member, when Premier of one of the States, imposed protective duties against people living under the same conditions of life as the people of that State, and he is one of a Ministry who are now proposing to impose similar duties against New Zealand. The Commonwealth is likely to suffer in some respects by this action.

Mr Kingston

- I fought as much as any one to remove the barriers between the States. New Zealand has erected barriers against us.

Mr Reid

- But the right honorable member put up barriers against New South Wales, although that State had no barriers against the sister States. South Australia has lived upon Broken Hill.

Mr Kingston

- I was the only Premier to make a reciprocal agreement with New Zealand.

Mr THOMSON

- I wish, briefly, to object to some of the definitions of free-trade which have been given during this debate.

Mr Watson

- It is a common fault on both sides to give wrong definitions.

Mr THOMSON

- I agree with the honorable member. I want to clearly state my position in connexion with these duties. It is said that a free-trader would not tax imports at all. Whilst a free-trader might desire not to tax imports at all, he is quite prepared to do so if necessary for revenue purposes, but always in such a way as not to interfere with the channel or direction of trade. You can dip the revenue bucket into the river of commerce, so long as you do not exhaust it or divert its course, and the object of a free-trader in imposing duties would be to leave trade free, or to so impose them as not to injuriously affect the natural flow in the channels of trade.

Mr Mauger

- Making it all-round taxation without any benefits.

Mr THOMSON

- Here is another definition. The honorable member says that is what a free-trader would do. I have heard it stated by the Prime Minister - who ought to know better, because he was a free-trader - that a free-trader must put duty on raw material as well as the partly or fully manufactured article. Nothing of the sort. That is not free-trade - that is protection - and a worse sort of protection even to a freetrader, because it is protection to the outside manufacturer.

Mr Mauger

- That all depends on what the raw material is.

Mr THOMSON

- If the raw material is charged by weight, and the weight is larger than that of the manufactured article, which is usually the case, then to put the same duty on that material as on the manufactured article - and the Ministry have done it, I believe, in some cases here - is a protection, but a protection to the outside manufacturer. I have no objection to the prosperity of manufacturers. I speak as an ex-manufacturer. Like everybody else, my leanings towards the line of business in which I have been engaged are considerable.

When I entered manufacturing I had no political views, and it is from my experience as a manufacturer that I have adopted free-trade principles. In Australia, in all except exotic industries, which are not worth while encouraging-

Mr Mauger

- What are they 1

Mr THOMSON

- There are many of them, which I shall not delay the House by enumerating.

Mr Mauger

- Tell us one or two of them.

<page>6146</page>

Mr THOMSON

- Nails, if you only put the ends and heads on them. In all except exotic industries it is desirable that we should have manufacturing, and we can have it under free-trade without those complications which hamper manufacturers under protection. I am not speaking of the manufacturer of to-day. You can benefit the individual of to-day by some duty which farms out to him certain taxation, which he levies or not as he chooses. I am speaking of the future manufacture of the Commonwealth, and I believe that it will be best cultivated and its future best promoted by freedom of trade. I am not going into some of the abstract arguments which have been used in this debate. According to some of those arguments, it seems that the best invention to which human ingenuity could be applied would be something that would syphon off the oceans, and leave an impenetrable barrier between different countries. That would be the simplest method, if it were possible, of accomplishing what seems to be the desire of some speakers. Another argument made it appear that the Creator had made a mistake in confining certain possibilities of production to certain climates and soils, and that all those things should have been provided in one spot.

Mr Mauger

- Surely the honorable member does not contend that the Creator intended that matches should be made at Ild. a gross.

Mr THOMSON

- What that has to do with climate or soil I do not know. It is illumination the honorable member wants. It has been said that this Tariff is a fair compromise between the varying policies of the States. I cannot see how that is. It is nearer the Victorian Tariff than any other, but it actually raises in many cases the Victorian duty. I have gone through the groups of duties. In 81 cases the duty is the same as the Victorian duty. In 120 cases the duty is varied, and the effect is uncertain, because when fixed duty is substituted for ad valorem it depends a good deal on the value at particular times, or viceversa In 145 cases the duty is reduced, and in 193 cases there is an increase.

Mr McCay

- Give us one or two cases ?

Mr THOMSON

- I could if I went through the Tariff.

Mr McCay

- Does not that include a very large number of revenue producing duties which are acknowledged not to be protective 1

Mr THOMSON

- No doubt it includes some. I am not saying that the protection is increased.

Mr McCay

- Many of the increases are on duties we like as little as do honorable members on the other side.

Mr THOMSON

- I have just said that some of the duties appear to have been placed on raw material in such a way that there is a protection to the outside manufacturer. In 193 cases, whatever the effect maybe, the duty is raised j in 145 cases it is reduced ; and as regards the rest, the duties are the same or varied.

Mr McCay

- Remember the enormous free list we had in Victoria.

Mr THOMSON

- The added duties will affect the Victorian people just as the new duties affect our people in New South

Wales. It seems to me that due consideration has not been given to the fiscal system of New South Wales. One honorable member said last night that the debate is confined to the effect of the Tariff upon New South Wales and Victoria. I am not going to put one State against the other. Any prosperity in Victoria I rejoice in. When we were separate no prosperity could take place in one State without benefiting the other. And now that we are united the reflex action will be quicker and greater. In the comparison I am about to make I am not going to compare other lands different from our own - to compare America with England, for example, and to meet the objections which would be raised as to that comparison. I am going to make a brief comparison between two adjoining States under very similar conditions. If one has the advantage of territory, the other has the advantage of condensation and a larger proportion of good arable land and is more easy of development, because all portions of her territory are within a shorter distance from the sea-coast, and are more within the rain belt.

Mr JOSEPH COOK

- Victoria also has a more equable climate.

<page>6147</page>

Mr THOMSON

- Yes ; and that is a further advantage. It was recognised that it was necessary to give consideration to the other States in the union. The Prime Minister twitted the leader of the Opposition with having said that a high Tariff would be necessary, and that that was recognised as one of the sacrifices that New South Wales would have to make, but it becomes a question as to the height of that Tariff, and, in my opinion, it has been raised unduly. The Prime Minister spoke of the action of the leader of the Opposition in regard to the sugar duties of New South Wales, as affording a reason why we should show consideration to other manufacturers. The leader of the Opposition reduced the sugar duties, but did not abandon them - he brought the duty down from £5 to £3 per ton, and then he recognised that it would do such injury to an industry that had been- established under a Tariff created by the State, if the duties were immediately abolished, that he allowed £3 per ton to remain for a time. Therefore, he took off two-fifths of the duties. Now, New South Wales has two-fifths of the population of the federated States. If we take the policies of the other States we shall find that many of their duties more closely approach to those of New South Wales than to the Victorian duties, but apart from that, the population of New South Wales, as representing two-fifths of the population of the Commonwealth, were surely entitled to two-fifths of the consideration shown in the framing of the Tariff. If that consideration had been extended it would have involved the adoption of 15 per cent, duties instead of the Victorian 25 per cent, duties. I am sure that every manufacturer will agree with me, that one of the greatest advantages that could be given to them has been given by federation, and that is an enlarged market. The Minister for Trade and Customs said - They will have the advantage of a larger market and a greater output, and consequently a cheaper output.

Very well, that is a great advantage to all large industries. Given that enlarged market they can reduce their cost of production and can get that benefit without the imposition of increased duties or the retention of high duties. It must not be thought that every industry in Victoria is really protected by this Tariff. In many cases industries supposed to be protected are not. That is one of the complications of a protectionist Tariff. Take the case of pickles. There is a duty of 6d. per dozen on pickles imported in packages of certain sizes, but bottles are subject to a heavy duty and so are labels and corks.

Mr Mauger

- All those are made here.

Mr THOMSON

- But the honorable member does not mean to say that the local producer charges as low a price as the imported article could be obtained at without duty ?

Mr Mauger

- Certainly, I do.

Mr THOMSON

- Then the honorable member says what is not correct, for I am pretty well acquainted with these matters. Why is the duty required if the local manufacturer can compete with the importer. It is the same thing with vinegar, upon which there is a duty of 6d. per gallon, as a still greater duty has to be paid upon the bottles used for placing the vinegar upon the market. I am only alluding to Victoria and New South Wales in my

present comparison, because we can get no better examples in the world of the respective effect of the two policies of free-trade and protection. I am not including the other States in the comparison, but it is not because I ignore them, as I desire to arrive at a policy that will be best for all the States. They, however, do not offer the same opportunities for making a comparison as do New South Wales and Victoria, which for the past 30 years have been carrying on their affairs side by side under two distinct policies, the effects of which may be easily compared. No better basis of comparison' can be offered than is afforded by population. I do not mean to say that the comparison should be based only on the increase of the population, because there is something in what has been said as to the larger territory of the State of New South Wales. I only intend to show the effect of the protectionist policy upon the male population of Victoria for the last 30 years. The population of Victoria in 1871 consisted of 401,000- males, and 330,000 females, or 55 per cent of males and 45 per cent, of females. The proportions were the same in New South Wales in that year, and they remained the same in 1881, and up to 1891. In Victoria however, in 1881 - that was before any boom, and before any financial crisis - the effects of ten years of protection were becoming visible. The percentage of males had then been reduced from 55 per cent, to 53 per cent, and the proportion of females had risen to 47 per cent. That is to say, that there were 53 males in the 100, as against 55 in the previous years.

Mr Mauger

- That was due to climatic and not to fiscal influences.

Mr THOMSON

- In 1891 the effects of which I have spoken had been accentuated, because there were only 52 per cent, of males as against 48 per cent, of females.

Mr Sawers

- Does not the honorable member know that Victorian energy opened up the greater part of New South Wales and Queensland ?

<page>6148</page>

Mr THOMSON

- Of course we know that ; but what was there to prevent the Victorians from taking their wives and children with them 1

Mr Sawers

- The honorable member would not care to take his wife and family to Wilcannia.

Mr THOMSON

-Did not the Victorians return to the land of promise? Has not every State contributed to the development of other States ? How many men went from New South Wales to Queensland and New Zealand, and, at a later period, to Western Australia. I admit that more men went to Western Australia from Victoria than from New South Wales, but the fact remains that the male population of Victoria has decreased during the period which I have mentioned. Coming down to 1901, we find that in Victoria there were practically 50 per cent. of males and 50 per cent. of females. In New South Wales, which in many ways, both as to climate and otherwise, is not so attractive as regards a large portion of her territory as Victoria, we find that the male population remained at about the same percentage from 1871 to 1891, although many men went from New South Wales to assist in the development of the other colonies.

Mr Mauger

- And the others were too hard up to get away.

Mr THOMSON

- They were just as well able to get away as the Victorians. That fact cannot be gainsaid. I remember the years 1867-8, when the great argument vied on platforms in Victoria was : " Let us establish industries under protection ; let us find work for our boys, and keep our manhood in the community." In 1901 New South Wales had 53 men and 47 women per hundred of the population. It has been said that this state of tilings is accidental, or that it is due to loan expenditure. But the movement has been too permanent to be accidental, and too much without reaction to be due to loan expenditure. I have here the loan expenditure of each colony, as set forth in the Treasurer's own statement. The loan expenditure per head in New South Wales is £52 10s. 6d., and in Victoria £51 16s. 9d. These figures include all expenditure.

Mr HUME COOK

- What about the last ten years ?

Mr THOMSON

- The figures are not given for ten years ; the period I am taking is 30 years, and during that period Victoria has borrowed as much per head as New South Wales. The honorable member is thinking of Government loans only, but I am speaking of the whole indebtedness.

The Minister for Trade and Customs said that New South Wales produces in manufactures £1 16s. 2d. per head less than does Victoria, but the right honorable gentleman forgot to add that New South Wales produces in the whole of her industries, £2 2s. 3d. per head more than Victoria, and, therefore, must in other than manufacturing industries produce about £4 per head more than Victoria. I will give an abstract of a return which, on the motion of the honorable member for Kooyong, was laid on the table of the House, and which perhaps will be recognised as some test of the state of manufactures in each colony. In that return we are told that the total number of people employed in the New South Wales factories is 50,265 males, and in the Victorian factories, 44,541 males.

Mr Wilks

- What year is that?

Mr THOMSON

- This is a return placed on the table of the House within the last month. The females employed in New South Wales number 10,398, and in Victoria 18,415. It will be seen that 8,017 more females, and 5,724 fewer men are employed in all the manufactures mentioned in the return in Victoria than there are in New South Wales.

Mr SAWERS

- What does that prove?

<page>6149</page>

Mr THOMSON

- It does not prove that there is any great advantage in protecting those industries. Omitting industries in which there is no protection in either State, and those industries the products of which are dutiable in each State, we have in the remainder some 60 industries, which are not protected in New South Wales, but which are protected in Victoria. What is the result then? Certainly there is an advantage in favour of Victoria. In New South Wales there are 33,561 males employed in these industries, and 35,654 in Victoria, while there are 9,473 females employed in New South Wales as against 16,789 in Victoria. The difference is 2,100 males and 7,300 females in favour of Victoria ; and that is really all 'that Victoria has to show for the protection which she has imposed. These males are fully accounted for, and two-thirds of the females are accounted for, by a few industries. Butter-making, cheese-making, tanning, coach-building, and hat and cap making account for an excess in Victoria of 2,131 males, and clothes-making, dressmaking, hat and cap making, shirt-making, and boot and shoe making account for 5,963 extra women. Some of these industries are natural industries, which would exist without any protection ; others are artificial industries, and those in which the employes are most sweated. But it has been stated by the honorable member for Melbourne Ports that the wages are very much better in Victorian industries than in the industries of New South Wales. If that be so, and it is the result of protection, it no doubt affords reasonable argument in favour of ' that policy. But, as a matter of fact, returns have been published in the papers lately which show that that is not the case. The honorable member for Melbourne Ports questioned the statement of the honorable member for Macquarie in reference to some figures quoted by him yesterday. But it was shown that the honorable member for Macquarie was correct. I cannot understand why the honorable member for Melbourne Ports should have questioned that statement when he had the facts before him. The figures I am about to quote were prepared for the Victorian Factories Commission.

Mr HUME COOK

- Is the honorable member quoting the figures published yesterday in the Argus?

Mr THOMSON

- Yes.

Mr Mauger

- They are not worth the paper they are printed on.

Mr THOMSON

- We shall see.

Mr HUME COOK

- On inquiry from the secretary of the commission, he says that those figures are not full, and are not to be relied upon.

Mr THOMSON

- The figures were prepared at the request of the Factories Commission. The Victorian figures were furnished by Victorian authorities themselves, whilst the New South Wales figures were supplied by Mr. Coghlan from the factory returns and papers in his department. That is the position. More than that, it seems to me that the figures were furnished to the Victorian commission by Mr. Ord, who questions them to-day.

Mr Mauger

- Mr. Ord had no knowledge of them whatever.

Mr THOMSON

- If the statement of the Age is correct, they were prepared specially for the commission; The Age says - The Act has only been recently extended to the remaining 23, and at the time when Mr. Ord compiled the statistics which form the Victorian basis of comparison there were no figures available as to the average standard of wages which prevailed in these trades.

The Age states that Mr. Ord compiled these statistics. Probably he did so when the commission asked for them.

Mr Mauger

- No.

Mr THOMSON

- The details show that in the trades under wages boards in Victoria, the average wage paid to males is £1 13s. 10d. per week.

Mr Mauger

- How many trades are referred to?

Mr THOMSON

- Twenty-four or twentyfive.

Mr Mauger

- As a matter of fact, there were only six trades under boards at that time*

Mr THOMSON

- The honorable member is seeking to escape by a quibble. These trades were gazetted in 1900.

Mr HUME COOK

- But no determination was arrived at by the boards.

Mr THOMSON

- The honorable member may be perfectly right in saying that the wages had not been fixed or decided in all the trades at that time. But have seen statements made both in evidence and in the press, that the effect of bringing those industries under the wages boards was to raise the wages of those engaged in them because it was known that the trades would have to come under revision. The average wage paid to male hands of the age of nineteen years and upwards employed in Victoria in those trades was £2 0s. 5d. The average wage paid to all hands was £1 13s. 10d. In New South Wales the average wage paid to males over nineteen years of age was £1 18s. 10d. ; the average wage to all hands was £1 13s. 6d.

Mr HUME COOK

- Will the honorable member give the figures for all those employed over the age of eighteen years, and the figures for all under that age?

<page>6150</page>

Mr THOMSON

- The number of those of nineteen years and over in Victoria was 13,516, and in New South Wales 10,755. The females of nineteen years and over employed in those trades in Victoria received on an average 18s. 6d. per week. The average for all female hands was 15s. 3d. Females of nineteen years and over in New South Wales received, on an average, 14s. 10d. The average for all hands was 12s. 5d. In to-day's 'paper Mr. Ord states that, even taking these figures, and taking the same number of males and females employed in these industries in Victoria, as compared with New South Wales, the males in Victoria would receive a total of £41,944 per annum, whilst the females would receive £23,151 per annum

more than in New South Wales. The proper way to take the figures is this : Take every 100 workpeople. What do we find then? There are only 65 males, as against 35 females, in every 100 work people employed in Victoria. There are 75 males and 25 females in every 100 workers in New South Wales in the same industries. Multiply those figures by the different rates of wage, and it will be found, instead of Mr. Ord's calculation being correct, that every 100 workers in those industries, and the families providing those workers - which will be practically equal in the two States - receive £8,558 in New South Wales, whereas in Victoria the amount received is £8,513 - an advantage of some £45 in favour of New South Wales, or practically the same.

Mr Wilks

- And living is cheaper in New South Wales.

Mr THOMSON

- Of course the New South Wales workers have the advantage of lesser cost of living, in some things at any rate. That is the true comparison.

Mr Isaacs

- Is the honorable member speaking of factories or manufacturing industries ?

Mr THOMSON

- I am speaking of the industries in the list of trades gazetted in Victoria as being under wages boards. When we turn to other industries the effect is very different. In those industries which are not under wages boards the advantage is altogether in favour of New South Wales. I do not say that in a disparaging way towards Victoria. I merely say it in order to show what is the true comparison in reply to the reflections upon the effects of free-trade policy of New South Wales. I now give the figures relating to trades not under wages boards, which were provided for the Factories Commission. In Victoria the average wage paid to males in trades not under wages boards is £1 13s. 3d. per week. In the same trades in New South Wales, with practically the same number of males employed, the average wage is £1 15s. 4d. per week. There are 12,822 male employes in these trades in Victoria, while there are 12,630 in New South Wales. In Victoria the number of females engaged in the same trades is 8,402, while there are 4,273 employed in New South Wales. The average wage received by these females is the same in both States, namely, 12s. 9d. per week. Let us see how these figures workout. Taking 100 employes, I find that in these trades in Victoria there are 40 females and 60 males per 100 employed, and 25 females and 75 males per 100 employed in New South Wales. Thus, working out the wages received by males and females, we find that the weekly wages sheet for a factory employing 100 hands in these proportions in Victoria, is £131 10s., while in New South Wales it is £140 12s. 6d. I am sorry that I have delayed the House, but I thought it only right to bring forward these figures in reply to those bearing a different complexion, and supported by different arguments, which have been brought forward by the other side. As a representative of New South Wales, I might take exception to the Tariff on the ground of its injustice to that State. I do so as a representative of New South Wales, but I take a wider ground, and say that in my opinion, in the interests of Australia, the Tariff is an undesirable one. I believe that if the Government had let some fresh air into the industries of Australia - that if, whilst giving consideration where it was absolutely necessary, they had allowed the long-established industries of Australia greater freedom, it would have been better for the industries, and better for Australia. The Prime Minister said that the rise in prices which this Tariff might create would not be permanent. If it is not likely to be permanent, why should the duties be permanent? Surely 30 years of protection in Victoria ought to have made these duties unnecessary? When protectionist duties were first introduced in Victoria, the statement was made that they would be required only for a time which has long since expired. Now we are trying to make the duties permanent. By his statement, the Prime Minister admits that they should not be permanent. I have read in the newspapers that the right honorable the leader of the Opposition has been described as a " political pirate "--

Mr Crouch

- A brigand.

Mr THOMSON

- The application should have been made to the leader of the Government.

<page>6151</page>

Mr Barton

- Thanks !

Sir George Turner

- I used to be called " the amiable brigand, " when proposed a land tax.

Mr THOMSON

- The right honorable gentleman will understand that I mean a political pirate. Like the piratical move of running up the ensign first and then the skull and cross-bones, he obscured the protectionist flag by the free-trade flag when he was asking for the suffrages of the people of New South Wales.

Mr Barton

- I find the skulls are on the other side.

Mr THOMSON

- The right honorable and learned gentleman said that a Tariff would be brought in in which protectionists and free-traders could equally unite. When the Tariff was introduced, however, his own Minister for Trade and Customs said - " It is a protectionist policy. We were sent here by the people to support that policy, and we place it before you in the strength of our majority."

Mr Barton

- The side of the House on which the honorable member sits shows that he knew what I meant.

Mr THOMSON

- I know exactly what the right honorable and learned gentleman meant, but he has not fulfilled what he meant when he made that statement.

Mr Barton

- That is very unjust and unkind.

Mr THOMSON

- The Prime Minister was absent from the House when I quoted his Maitland speech and compared it with certain figures that have been laid before us by the twin Budget Ministers. I do not wish to impose, in any way, the needs of New South Wales upon the rest of the Commonwealth. I do not say that New South Wales should receive sole attention ; indeed, I should be quite willing to extend reasonable consideration to other States ; but when the only approach which the Tariff makes towards New South Wales conditions consists of some light concessions, I do not think that State has been treated fairly. However, I should not mind the injury to an individual State if I felt that it would benefit ultimately under the policy which had been adopted "as the policy of Australia. But when I believe that the policy proposed by the Government is one which will not tend to the best interests of Australia ; that it will, as the Minister said, place pronounced protection on the statute books, and that it may, at any rate, lead towards that increase Of duties which is common to protection, I think that it is demanded of me that I should oppose the Ministerial policy, and support the motion moved by the right honorable the leader of the Opposition.

<page>6152</page>

Sir GEORGE TURNER

- I do not propose to attempt to follow my honorable friend at such great length as that which has characterized his speech. He has given us a large number of statistics, but honorable members will realize the difficulty of following them as uttered without having an opportunity of checking them, and ascertaining the basis upon which they have been worked out. My honorable friend, all through his address, has been somewhat unfair to my colleague, the Minister for Trade and Customs, in the quotations he has made from his speech. The Minister for Trade and Customs, whilst saying that this was a protectionist Tariff, distinctly stated that our main consideration was to produce sufficient revenue to keep the States solvent. That is one of the first duties we have to perform, because we have taken away from the States the management of their own Customs departments t is, therefore, incumbent upon us to be very careful that we do not place them in such a position that they will be wanting money for the purpose of carrying out their necessary works. The honorable member for North Sydney said also that on behalf of New South Wales he might fairly take the objection that the interests of that State had not been considered in the preparation of this Tariff. If I were to speak as a Victorian - but I think we should not speak as representatives of any one State - I should say unhesitatingly that the interests of Victoria had not been considered to the extent they ought to have been. The protective duties upon many items have been largely reduced, in addition to which necessity has compelled us against our own desires to impose duties upon the raw materials of particular industries. As an example let us take one industry in which a

large number of our females are employed. I refer to shirt-making. That industry has hitherto been protected to the extent of 35 per cent., and the material was free. The protection given in that case has been reduced to 20 per cent., and a duty of 10 per cent. is imposed upon the raw material. Surely honorable members will see that that is hitting our manufacturers at both ends. I do not know what effect the reduction of duty will have upon this industry. The honorable member for North Sydney also said that we were imposing a permanent Tariff. I hope, for the sake of all portions of the community, that this Tariff when passed will not be altered for a number of years.

Mr Thomson

- I was referring to the Victorian duties as having been permanent for 30 years.

Sir GEORGE TURNER

- I understood the honorable member to refer to this Tariff as being a permanent one. Certainly it ought to exist for a number of years. I will, however, deal with the question of its permanency at a later stage. The leader of the Opposition must realize that that matter is one which is altogether in the hands of Parliament. Although we may pass this Tariff to-day, in a year or two Parliament in its wisdom may choose to alter it, and Parliament is subject to the will of the people of the Commonwealth. Honorable members of this House will have to go before their constituents in a little over two years at the latest, -and the constituencies will have full power to pronounce judgment upon their actions. I am not afraid to go before my constituents, and I do not represent a manufacturing district. On the other hand, the district which I have the honour to represent leans far more towards free-trade than it does towards protection. But people here and in the other States desire, when once a policy has been established, that it shall not be too lightly disturbed. However, they will have the opportunity of pronouncing judgment, and I venture to say that, before the next election arrives, the people of New South Wales will be far more protectionist in their ideas than they are at the present time. Speaking at one of the conventions in New South Wales, I expressed the belief that within five years that State would receive most of the benefits of this federal union. I believe that those benefits will come to New South Wales far more quickly than I then anticipated. What is being done now ? Do we not know that large factories are being erected - a great number of them - in the city of Sydney ? Do we not know that the people of that State are getting ready for what they knew was inevitable? They knew full well that there must be a protective Tariff, and they are determined to take advantage of it. Looking at the natural advantages which they possess, surely - as my honorable friend said - it would be only a lunatic who would for a moment believe that Victoria was going to take the lead of New South Wales even under a policy of protection. With the natural advantages enjoyed by New South Wales - and there is no denying the fact that that State possesses all the advantages with which it is possible to endow her - there is no doubt whatever that within the next two or three years she will manufacture, and manufacture very largely. -I believe that when the next Parliament meets here we shall find that a majority of the representatives from the mother State will hold protectionist views.

Mr Reid

- Victorian people will turn round the other way then.

Sir GEORGE TURNER

- No ; they will not. As Australians we are perfectly prepared to compete with our brother Australians in any part of the Commonwealth. We do not object to that. We recognise that we have a small territory as compared with New South Wales, but we have the energy and the determination to fight fairly. We do not object to competing with any of the other people of the Commonwealth ; but we do object to competing with the cheap labour of many parts of the world, and also with the immense output of America and Germany. We know very well that where the output is very large the cost of production on each particular item is greatly reduced. We realize that in these larger countries there is over-production, and that they are perfectly prepared to send their surplus goods to any outside market, and sacrifice them, rather than sacrifice their home market.

An Honorable Member. - Is that what Victoria does ?

Sir GEORGE TURNER

- Of course we do. Every protectionist country does the same thing.

Mr McCay

- And every free-trade country, too.

<page>6153</page>

Sir GEORGE TURNER

- These countries never sell at such a price as to ruin their home market ; but they will send their goods out of the country and sell them at a loss elsewhere rather than get rid of them at a lower rate at home, and thus spoil their own market. In framing this Tariff my colleague and myself have not looked at it from a State point of view. We have looked at it from the point of view of what we think will be most beneficial to the whole of the Commonwealth. We have had to labour under great difficulties. If we could have been appointed a board with power to take evidence upon oath I think we should have ascertained some startling facts, not from importers alone, but from all classes. I believe that we should have ascertained some very startling facts from the importers in regard to the immense profits which they make. But we have had to discharge our task as best we could. We had a large number of recommendations sent in to us, some of which were in favour of goods being placed upon the free list whilst others again asked that certain industries should be protected. We received a good many from New South Wales. Unfortunately, we could neither go nor send to any of the manufacturers or importers in order to make inquiries, because if we had done so we should probably have disclosed to them to some extent what we proposed to do. We had, therefore, to work to a very great extent in the dark. I am not going to say that this Tariff is perfect. I admit, in the light of the information which I have received since it was submitted, that it contains many blemishes which we are prepared to rectify. If that information for which we have asked from those interested shows us that we have made a mistake in regard to any particular article, and that what we propose is likely to injure any industry, we do not intend to continue to do wrong merely because we have done so up to the present. We are perfectly prepared to ascertain the views of the various parties interested, and then, if we think it wise, to modify or alter any of the anomalies which may possibly exist.

Mr Poynton

- Are the Government prepared to adjust the incidence of their taxation?

Sir GEORGE TURNER

- We think we have done that very well indeed. Up to the present time we have not received from the Opposition members any indication of what Tariff they would bring in. The last speaker has apparently adopted our Tariff. He has cut off a piece here and added a piece there, and reduced from 10 to 15 per cent, still round.

Mr Wilks

- He has reduced the taxation upon the poor all round.

Sir GEORGE TURNER

- Does the honorable member call putting 1d. per gallon extra upon beer, and an additional 3d. per lb. upon tobacco, taking the heavy imposts off the poorer classes?' From the speech of the leader of the Opposition, I gathered that he would give us nearly everything free. Our food, of course, ought to be free. He referred to the poor unfortunate swagman, earning his living in the far-off parts of the country, and asked why he should be called upon to pay duty ? In the opinion of the right honorable and learned member he ought not to pay duty.

Mr Mahon

- That swagman will express his opinion about this Government presently.

Sir GEORGE TURNER

- We are not afraid of the verdict the country will give when it has had a fair experience of the working of the Tariff. We know that there is always an inclination to make a change and that people get dissatisfied. Whenever a Tariff is brought forward, what do we hear ? A howl of indignation from those whose pockets are touched.

Mr Cameron

- The right honorable gentleman touches everybody.

Sir GEORGE TURNER

- I daresay my honorable friend will later on give us his opinion of what we ought to do.

Mr Cameron

- And a straight one, too.

Sir GEORGE TURNER

- I am perfectly certain my honorable friend will do that. We cannot get from the Opposition any detailed

Tariff; but we have got it from their mouth-piece.

Mr Reid

- Then the right honorable gentleman has got it ?

Sir GEORGE TURNER

- From the press. We have got it from the journal, which, so far as they are concerned, occupies the position, which they allege that one' of the important journals of this State occupies, with regard to ourselves. I think there is no man whose name is more respected throughout Australia than the financial, editor of the SydneyDailyTelegraph,Mr. Nash.

Mr Reid

- I say "query" to that.

<page>6154</page>

Sir GEORGE TURNER

- Let us see what he says ought to be done. The freetrade organ in Melbourne and the freetrade organ in Sydney both recognise the necessity of raising nearly £9,000,000 if we are to do our duty and keep the State's. solvent. Now, what does Mr. Nash propose ? He proposes a duty of 4d. per lb. on tea, and on coffee and cocoa, 3d. and 4d. per lb. respectively.

Mr McColl

- What is the date of that ?

Sir GEORGE TURNER

- 6th September, 1901. He proposes, further, a duty of 5s. per cental on rice ; sugar, per ton, £8.

Mr Reid

- Who is Nash ? What have we to do with Nash ?

Sir GEORGE TURNER

- He proposes on jams and jellies a duty of 11/2 per lb.; currants, 2d.; raisins, 3d. We do not find much difference in those items* from our own Tariff. Foods, preserved and prepared, 1d. per lb. Pickles and sauces, 11/2d. per pint.

Sir William McMillan

- Is the right honorable gentleman going to adopt the Tariff he is giving us now ?

Sir GEORGE TURNER

- No.

Sir William McMillan

- I thought it was a new Tariff the right honorable gentleman was announcing.

Sir GEORGE TURNER

- It supports my contention that what we want is a Tariff that will produce a revenue of £9,000,000.

The SPEAKER

- It is impossible for the Treasurer to make his speech with these continual interruptions. I must once more ask honorable members not to interrupt.

Sir GEORGE TURNER

-The duty proposed in this suggested Tariff on oils, linseed and olive, is 6d. That does not differ very much from our own. Now, what about the poor unfortunate farmer?

An Honorable Member. - What about the swagman ?

Sir GEORGE TURNER

- The swagman uses candles, and they are dutiable under this proposal. But what about the unfortunate people throughout the length and breadth of the country ?We are condemned because we propose to put 3d. on their kerosene. We put that 3d. on because we cannot help ourselves.

Mr Page

- The right honorable gentleman takes 3d. off in Queensland.

Sir GEORGE TURNER

- We do, unfortunately.

Mr Page

- Fortunately, I think.

Sir GEORGE TURNER

- Unfortunately. What is the duty under this proposal ? The duty proposed here on kerosene is 4d. We put

kerosene in because we wanted to get revenue, and because we hope it will enable the mother State in time to produce a considerable quantity of kerosene.

Mr Reid

- Oh dear, oh dear !

Sir GEORGE TURNER

- My right honorable and learned friend has apparently a very poor opinion of the industry in that State.

Mr Reid

- I have some knowledge of what kerosene shale we have got. They gave up the industry years ago.

<page>6155</page>

Sir GEORGE TURNER

- With regard to these revenue duties I confess I do not like them. We have not got them to any very great extent in Victoria, but we had to consider the interests of the other States. If we had considered the interests of Victoria alone we need not have put many of the revenue duties on. But we had to consider Queensland and Tasmania, and we found that they had in one case a duty amounting to 6d., and in another a duty of 3d. We could not go the full length, but we had to assist them, and in order to do so had to put on these duties. The duty on rice and the duties on a number of other articles were put on, because we were anxious to assist these States, and because we knew that other States must be prepared to make some sacrifices for the benefit they would obtain from Inter-State free-trade. This proposed Tariff further suggests these duties. - Candles, soap, starch, and blue, 1d. per lb. ; fancy soap, 3d. ; confectionery, 2d. ; fish (preserved), 2d. ; all grain, 1s. per cental ; flour, meal, 2s. ; salt, per ton, £1. We also find, no doubt, to assist our great wine industry, a proposal to put on an excise duty of 8d. per gallon. That, of course, is to assist an industry which we are glad to know is in a flourishing condition in many of the States. On what are called softgoods, of every description - boots, hats, clothing - the levy proposed is 15 per cent. Jewellery, watches, musical instruments, and plated ware 15 per cent ; metals, machinery, and hardware 15 per cent. Paints, varnish, turpentine - used in so many of the industries, and which we have left free for that reason - drugs, chemicals, china, and earthenware ; glass, furniture, timber, cement, slates, and other manufactures, 15 per cent. Then we come to the proposals for a duty of 10 per cent. And they cover mining explosives, cyanide - cyanide with us, I think, is free - unwrought metals, tools, agricultural implements, sewing machines, and materials for manufactures. There is a free list proposed - including printing paper - amounting to £3,200,000. That is not a very large free list, compared with ours of £8,000,000. The summary shows that narcotics and spirits are expected to produce £4,130,000 ; specific duties, £1,950,000 - and most of them on those articles I have referred to, and which are used in nearly all our households. The 15 per cent, ad valorem duties are expected to produce £2,747,000, and the 10 per cent, duties £185,000, or a total of £9,012, 0.

An Honorable Member. - That is what one would call a "national Tariff."

Sir GEORGE TURNER

- That is a Tariff framed by a gentleman who knows and realizes the difficulties, and who desires to keep our various States free from insolvency.

Mr Chapman

- When he pulls the string they all jump over there.

Mr Conroy

- As Australians, ought not the people to be considered before particular States ?

Sir GEORGE TURNER

- It is a revenue Tariff to a considerable extent.

Sir Edward Braddon

- There is no ad valorem duty in that proposal above 15 per cent.

Sir GEORGE TURNER

- Not above 15 per cent. Now I have always been puzzled to know what was the real policy of those who lately were free-traders and who have now called themselves " revenue tariffists." A revenue Tariff, as I think the honorable member for Wentworth explained it, is one that gives to the Treasurer the amount of money required, but does not give any protection to any industry. Why, therefore, should we have a free list of any articles that are used in manufacture ?

Mr Thomson

- Because it would be protection to' outside manufacturers if we had not.

Sir GEORGE TURNER

- Then my honorable friend believes in putting a duty on raw material 1

Mr Thomson

- If we did it would be protection to the outside manufacturer.

Sir GEORGE TURNER

- Then my honorable friend admits the principle of protection 1

Mr Thomson

- No.

Sir GEORGE TURNER

- Undoubtedly.. If the duties are to be for revenue, and revenue only, and the least burdens are to be put upon the people, and only those absolutely necessary, there should be no distinction.

Mr Thomson

- Does not the right honorable gentleman notice that I allowed a £6,000,000 free list ?

Sir GEORGE TURNER

- The honorable member adopted our free list.

Mr Thomson

- I said that it should not be reduced.

Sir GEORGE TURNER

- Therefore I say that my honorable friend is a protectionist. He has not come the whole way yet, but I hope to see him sitting a little nearer next session, and that after the next election he will be found supporting us, having learned by experience the benefits of a reasonably protective Tariff. It is all very well to talk about theories ; but I am a protectionist because I find that nearly the whole civilized world is protectionist. If protection is the great curse which we are told it is, if it ruins all the countries which adopt it, how is it that those countries progress and prosper 1 We talk about the progress and prosperity of Great Britain, and as part of the Empire we are proud of it, but we must not forget that it was under a system of rigid protection that Great Britain attained her prosperity, and the figures which were, quoted last night show clearly that she is not maintaining her position. In her own colonies, where the people are anxious to deal with the motherland, Germany, the United States, and other heavily protected countries are cutting out her trade very quickly. Our iron imports and many other things which ought to come from Great Britain, if it is necessary for us to import them at all, come very largely from Germany and the United States, the fact being that those countries manufacture to such a large extent that they are able to undersell the mother country in her best markets.

Mr JOSEPH COOK

- But they are not cutting out the mother country.

<page>6156</page>

Sir GEORGE TURNER

-If my honorable friend studies the statistics as I have done, he will find that America is cutting out the mother country in many lines, and especially with regard to iron and boots. Why did Mr. Chamberlain ask a few years ago that inquiries should be made in each of the States as to the effect of this foreign trade, in order to put a stop to the loss which Great Britain is sustaining ?

Mr Henry Willis

- That action was taken in reply to the " Made in Germany " agitation, which has been exploded.

Sir GEORGE TURNER

.- It is of no use to deny that English trade is being lost in the colonies, and we, who are loyal to the old country, seriously regret it.

Mr Wilks

- Then why did not the Government bring in a preferential Tariff?

Sir GEORGE TURNER

- We considered the advisability of introducing a preferential Tariff, but we found that such Tariffs have not answered as they were expected to answer. We found that Canada has had the markets of a large number of countries shut against her because of her preferential Tariff, and we were not prepared to take the responsibility of advising the House to adopt such a Tariff until we had ascertained from quarters in

which we are making inquiries that it would be of benefit to us.

Mr Barton

- Germany has deprived Canada of the advantage of the " most favoured nation" clause in her treaty, solely because of her preferential Tariff.

Sir GEORGE TURNER

- The honorable member for North Sydney would seem to think that we take a delight in raising more money than is necessary, but surely honorable members must realize that our task is hard enough, and that we were not likely to make it harder, by proposing to raise more money than is required. Mr. Nash, in the issue from which I have already quoted, says -

Now, if the Federal Government accept a list of duties practically upon these lines, they will not secure £9,000,000 of revenue in the current financial year. That is impossible. But in future years they may probably count upon doing so. It will be in the main a 15 per cent. Tariff.

That, of course, is the great difficulty. The honorable member for North Sydney wants us to have an £8,000,000 Tariff at once. He says that the aggregate Customs revenue collected in 1900 was about £7,800,000. The amount, if I recollect it aright, was something like £7,772,000. If that was the amount we had to raise, there would be very little difficulty; but my honorable friend has overlooked the fact that at least £1,000,000, if not more, has to go to New South Wales to level her up to the position of the other States. If it were not for that unfortunate difficulty, there is no doubt we could get on very well with a Tariff producing considerably less. But we have to recognise that federation brings with it intercolonial free-trade - except so far as Western Australia is concerned - by which we lose at least £1,000,000 of revenue, and a large amount of revenue will also be lost by reason of the fact that goods will be made here instead of imported. I pointed out that both the great journals which have dealt with the total required, have admitted that from £8,750,000 to £9,000,000 will be absolutely necessary. I have no hesitation in saying that a smaller sum than we propose to raise would not keep the States in their present position. The honorable member says that our Tariff will destroy the revenue. I cannot see how that will be, if we are going to raise far more than he thinks is necessary. We think that any Tariff, framed on purely free-trade lines, must necessarily destroy all our industries. That is where I am puzzled with regard to the attitude of my friends opposite. They either believe that free-trade is the right policy, and will give us prosperity, or they do not believe it. If they believe it, they ought to have no discrimination. They are against protection of every kind, and, therefore, they should not give any protection at all. They should have one uniform duty, except upon a few items, such as narcotics and spirits, which every one recognises should be liable to heavy duties.

Sir Edward Braddon

- Should no distinction be made between luxuries and necessities?

Sir GEORGE TURNER

- You may, of course, tax luxuries higher ; but the lists we have seen, and the proposals put forward, do not attempt to discriminate between luxuries and necessities.

Mr Barton

-does Mr. Nash call kerosene a luxury?

<page>6157</page>

Sir GEORGE TURNER

- I should not think so, yet it is proposed by him to put a far heavier duty on kerosene than we propose. If you are going to have a pure revenue Tariff, you ought to impose duties on all things alike. When you make a difference of 5 or 21/2 per cent., your proposals are protectionist, just as they are where the discrimination is greater, though they do not go far enough to assist the various industries which they affect. Let us look at the matter from this point of view : We raise a certain amount of revenue from our Customs, and the cry is - " Reduce your duties, and the revenue from Customs will be increased." I fail to see how that is going to be done, because we are told by our honorable friends from the mother State that if we reduced our duties to what they suggest - 10 and 15 per cent. - our industries would not be injured ; that we should do just as well as we should under the higher Tariff. One of two things must happen. Say that you reduce the duties on any articles by one-half : to get the same revenue you must import twice the quantity of those articles. If you continue to import the same quantity of articles you lose one-half of your revenue. To tell us that you can reduce all these duties very largely without injuring our

industries, is telling us something which, if it is considered at all, we must see is clearly impossible. We have made reductions where we thought the duties were too high, and possibly we have not got now the same amount of revenue as we should have done if we had kept the higher duties on, because the higher duties are paid on the higher priced articles. It was necessary to make the Tariffs somewhat approximate, and in the case of many of our duties we had to do so. But if they are to occasion, as some fear they will, a very large increase in the imports into our State, that must necessarily mean a very large reduction in the amount of our production, and a large loss of spending power on the part of our people.

Mr Cameron

- If a duty is imposed on an article which is produced in the State, what is the advantage of that duty to the Treasury 1

Sir GEORGE TURNER

- Certainly you do not get the revenue.

Mr Cameron

- Hear,, hear ; that is just what we are driving at.

Sir GEORGE TURNER

- But we do better, we produce the article-

Mr Cameron

- And put the money in the pocket of the manufacturer.

Sir GEORGE TURNER

- Not necessarily so.

Mr Barton

- If the manufacturer could make everything himself without workmen, that would be true.

<page>6158</page>

Sir GEORGE TURNER

- The cry has been raised that all this money goes into the pockets of the manufacturers. I quite admit that where there is a corner among manufacturers, just as there is among importers, they will charge higher prices. But I do not desire to support any industry which is a monopoly or a ring. If it is possible to include in our Tariff Bill any proposal which will put an end to these rings and monopolies, it will receive the hearty assent of the Government. It has been tried in Canada, and it is well worthy of consideration whether it ought not to be tried here. But so long as you put on a protection which allows fair competition between the importer and the manufacturer, or competition amongst the manufacturers, then you do not increase the price; The competition has been strong enough in many industries in the States. Do we not all know that in all these large lines there will be the keenest competition between the States ? Do we not know that in the various States travellers are now endeavouring to get the local business? While we are against any of these monopolies, while we shall do all we can to put them down and prevent them, we hold that the true policy is, so far as we justly can, to protect our industries so that they may be able to compete fairly against each other. That is my answer to my honorable friend's question. We get the revenue on the articles which cannot be made here because there is not a sufficient market for them, and we give employment to our people. Instead of sending our money out to other countries to be spent there for the pleasure of importing their goods, we give it to our own people. They spend the money on articles which bear revenue duties, and by that means we get a considerable amount of revenue, as is shown by our Victorian Tariff. I cannot see why we should send our money away to other States to be expended there when we can manufacture here, and have a large wage fund, amounting to millions, enabling our people to be fully employed and to spend money. Preserving the home markets to the farmers and the market gardeners is the best possible thing which we can do for them. We are told that, if the people cannot find employment in the manufactories, they can go on the land and produce. We are also told that the farmer can hardly make enough to keep himself, as the prices are so low. Therefore, we are asked to take away from the people who are here the means of earning a livelihood, and to tell them to go on the land, and at the same time we are taking away from the farmer and the market gardener his best class of customer - the artisan. We all know well that when the artisan is employed, and is getting fair wages, he buys the product of the farmer. By that means the farmer gets a benefit; he has the home market. But we do not stop there in any State. While it may be that we cannot give as much protection to the farmers as we give to the artisans and the manufacturers, have we not in every State done everything we possibly

could to assist the farmers? Have we not given them land on reasonably long payments, provided water supply and railways, and regulated the freights on the railways so that their goods are often carried at a loss? And who has borne the burden of all that? The general public, and I venture to say that none more freely pay what little extra taxation is necessary to give these benefits to the farmers than do the workers in our factories. A protective duty raises revenue and may possibly increase the price of goods; it certainly does give employment to a very great extent. A revenue duty undoubtedly increases the price of goods; that was shown by my honorable friend the other night with regard to starch, when he said that the moment the duty of $\frac{3}{4}$ d. was imposed, 1d. or $\frac{11}{4}$ d. was put on the price of the manufactured article. While at first protection may increase the price, ultimately as the goods are made here, internal competition brings about the lowest possible price at which they can be sold with a reasonable profit. But even if it does increase the price, will honorable members tell me that it is wise to increase the purchasing power of a man's money and at the same moment to take away from him the means of earning that money? It is far and away better for our people - and I do not believe they pay any more on the poorer class of goods - to pay a little more for their goods and spend their own money in our Commonwealth than not to have money to spend at all. With regard to the amount which is asked for, all our figures have been carefully arrived at after the fullest consideration by our expert officers who have worked loyally and have no ends to serve. If we wanted to say anything at all in that respect we might say that the gentleman who mainly prepared the figures was Mr. Lockyer, of New South Wales. He is an able man, and I have been astounded at the interest he has shown and the trouble he has taken in his work. Whenever he found out that he had made an error, he was only too ready to correct it, even though it may not have been pointed out to him. I believe the calculations he has made are absolutely genuine, and as correct as calculations can possibly be made. We have allowed for a large falling-off in the imports - £5,000,000. We have certainly taken into consideration the fact that we have imports of raw materials, but honorable members must realize that under the Tariff we have framed, and the figures we have given, we depend upon a normal year, and not upon the figures for this particular year or for that particular year. We have taken as our basis 1899, which undoubtedly was a normal year, and it is a peculiar thing that Mr. Nash, in his calculations, has also brought out almost exactly the same figures as we have. Therefore, I think that, allowing for a normal year, our figures as to imports are as correct as possible. Now, I am told that I have largely increased the expenditure, because I have based it upon the figures of 1900. Surely honorable members know full well that the receipts in 1900 were only £400,000 more than those of the previous year, and that this increase is partly accounted for by the higher prices ruling in the markets of the world. Surely we know that the States have expended - I think in every instance - up to the full extent of their receipts, and I would ask whether we are now to suddenly come down and say that we will only give them the revenue they received in 1899. I venture to say that if we attempted to give them, for this year only, the same amount as they collected two years ago, they could not possibly carry on, and one of the greatest responsibilities which rests on this House would not be faithfully carried out. Therefore, whilst I took 1899 as a proper year on which to calculate the imports for a normal year, I felt that I was in duty bound to give back to the States something like the amounts they received in 1900. The other course would have been a far easier one to take. If we had cut off £300,000 or £400,000, it would have enabled us to have kept out some of the items that we do not altogether like to see in the Tariff, but, at the same time, we should have landed the States in such a position that they could not possibly have carried on. I do not know whether it is thought - of course it cannot be thought - that we are to vary our Tariff from year to year. We started to frame what was a reasonable and proper Tariff for a normal year. Now, I am told by my honorable friend who last addressed the House that £8,000,000 would be a sufficient amount of revenue for a normal year. He admitted that that would leave Queensland short to the extent of £342,000, and Tasmania short by £170,000, whilst Western Australia would have a deficiency of £307,000. Will honorable members for one moment say that if we followed that course we should be carrying out the pledge we made throughout the Commonwealth that we would protect the solvency of the States?

Mr McDonald

- How would that affect the solvency of the States?

Treasurer

Sir GEORGE TURNER

- I think that if we left Queensland with a permanent deficiency of £342,000 per annum it would affect her

solvency.

Mr McDonald

- We should only be taking that much less from them in the form of taxation. Could they not put on direct taxes that would yield a similar amount for themselves 1

Sir GEORGE TURNER

- I will deal with that point presently. I am afraid that the honorable member has as yet had no experience as a Treasurer, whereas I have. If we had provided for only £8000,000, of revenue in a normal year, we could expect to get only £7,000,000 this year, for the reasons which I have explained - namely, the loading up which has taken place, and many other things. We only expect to get £8,000,000 altogether this year, but if we were to base our Tariff upon a revenue of £8,000,000 for a normal year, we should only get £7,000,000 for the current year. Have honorable members considered what the position of Queensland would be in such a case ? If Queensland would have a deficiency of £342,000 under our proposal, how could she possibly carry on with a further reduction of £150,000 of revenue, such as would result if our total income were reduced down to £7,000,000 for the current year 1 She could not do it ; we should leave her £500,000 short ; and, more than that, we should be breaking faith with the people for whom we are the trustees.

Mr McDonald

- They were £500,000 short last year in Queensland, and the Treasurer said it was a mere nothing.

Sir GEORGE TURNER

- Yes, but he is now trying to make that up by some form of direct taxation, and I will ask if it would be right for us to call upon him to make up another £500,000 as well? It is all very well to say that this money is in the pockets of the people.

Mr Cameron

- So it is.

Sir GEORGE TURNER

- No doubt it is ; but if the honorable member had had any experience as a Treasurer he would have found that there is nothing more difficult than to get money out of the pockets of the people when they once get it there. The only way in which you can get that money without causing the people to growl very much is by collecting it through the Customs.

Mr Wilks

- They do not understand that.

Sir GEORGE TURNER

- No; they do not understand it. I remember that, On one occasion when we had a deficit, I proposed a land tax, with an exemption up to £100. That exemption, however, was increased to £500, and I lost all interest in the proposal, because I thought that in the amended form it amounted to class taxation. I recollect very well that some of my constituents told me that it was a splendid tax, only that I was to leave their places out of it. It was a splendid tax so long as the exemption of £500 was sufficient to cover their properties. When you attempt to impose direct taxation, people always say, " You must take it out of somebody else's pockets, and not out of ours." No doubt they have reserves of taxation in Queensland, but we do not know but what they may require to call upon those reserves for Other purposes. Then again, look at the position in which Tasmania would be placed. She is heavily taxed, and has no land that she can sell, and so raise £2,000,000 a year to help her revenue.

Mr Wilks

- What State does that?

Sir GEORGE TURNER

- New South Wales derives a revenue of over £2,000,000 a year from rentals and sales of land. I have been asked what New South Wales ought to do with the extra money she will receive in the form of customs duties under the new Tariff. W hen I was in Sydney I told them unhesitatingly that they could very well place £1,000,000 a year to a sinking fund for the purpose of paying off their national debt.

Mr JOSEPH COOK

- Every penny of the money has already been hypothecated.

<page>6160</page>

Sir GEORGE TURNER

- I submit that there has been no extravagance in the framing of the estimates of revenue and expenditure. The expenditure of the States had been increasing year by year, but, as I have shown honorable members, we have stopped short . and have cut the expenditure clown. I venture to say that if the States had gone on during the current year in the same way as they were expending money prior to the transfer, our expenditure in connexion with the transferred departments would have been fully a quarter of a million more. The requisitions made upon me amounted to fully a quarter of a million more than I have asked the House to provide for, but I have cut the requirements down. I have not shirked my duty, but I would ask honorable members what time I have had. I venture to say that, when I have time to go thoroughly into all the details of the expenditure, I shall find other opportunities of making savings, and that by the end of the year our expenditure will not be so large as is at present provided for, unless some special demands have to be met. If we had followed out the proposal of the honorable member for North Sydney, and raised a revenue of only £8,000,000 in a normal year, and £7,000,000 this year, some of the States would have found it very difficult to provide for their requirements. Queensland might have done it, and Western Australia, with the assistance of increased duties upon Inter-State products, might have managed somehow, but Tasmania could not possibly have carried on.

Mr Cameron

- I say that it is the best thing that could happen to Tasmania.

Sir G EORGE TURNER

- It is our duty and responsibility, no matter what individuals may think, to keep the States perfectly solvent as far as we possibly can, and I regret to say that, even with our proposals, we are putting a larger burden on the shoulders of Tasmania than I should like her to have in view of her deficit at the end of the year.

Mr Cameron

- Tasmania wants no charity ; she can pay her debts as she incurs them.

<page>6161</page>

Sir GEORGE TURNER

- I am satisfied that Tasmania will ask for no charity. Anything we give Tasmania will not be charity ; it will be what she is entitled to for her loyalty to the federal cause. It is peculiar that the States which have been most loyal to federation are those which are to receive the least consideration. I provide only £8,000,000 for expenditure this year, and that will, I hope, be ample, as we cannot raise more, owing to the fact that we do not receive so much this year, for reasons I have already stated, as we shall in a normal year. The first year, as has been said, is the most important, and the year in which we as far we possibly can, propose to help the States. If we had to deal with only the aggregate amount of taxation our task would be easy. Some £7,000,000 or £7,500,000, or perhaps £7,750,000 would be enough ; but honorable members must try to realize the fact that not only do we lose Inter-State duties, but we have to provide £1,000,000 or £1,250,000 over and above the present income, in order to give back to New South Wales the amount to which that State is entitled. This has been the great stumbling block all through. If it were not for the bookkeeping clauses, we should not have to do that ; but we are bound to carry out the Constitution and to raise a far larger amount than we should otherwise be compelled to raise. I do not want to enter into these matters at any great length ; and I have already trespassed over the line I intended to take. My intention was to deal only with figures quoted, because the Minister for Trade and Customs, who has charge of the Tariff, will have an opportunity of replying on the general question. I have, however, been drawn once or twice into expressing my own opinion. In regard to the excise on beer, I listened very attentively to my honorable friend, and I failed to understand the figures which he quoted. According to him, by increasing the excise we shall receive a larger amount of revenue. That probably will be so, but we shall either have to take it out of the pockets of the consumer, the pockets of the publicans, or the pockets of the brewers. No doubt a considerable amount of profit is made in this particular line ; but do honorable members know many breweries, more especially in Victoria, which have been paying dividends lately ? As a matter of fact, the present tax is a very heavy one, namely 12s. 6d. per hogshead of beer which is sold at £3. Then, with regard to tobacco, we have considerably increased the excise and the duty on the leaf, the excise in Victoria having been brought up from 9d. to 1s. Some years ago, for the purpose of getting revenue, I raised the excise in this State from 6d. to 9d.;but what was the effect ? So far as I could glean, the manufacturers simply said to the growers - " We have been

giving 6d. for your leaf in the past, but we have now to pay 3d. extra excise, and we shall give you only 3d. in future." That killed the growth of the leaf in Victoria. But tobacco growing is an industry that ought to be encouraged, and under the present Tariff proposals, we give the grower a preference of 1s. 6d. We charge 3s. 6d. on the imported manufactured article, and 1s. 6d. on the leaf; and that 1s. 6d. is the protection which we give to the grower. If we increase the excise, we reduce the protection, and that is a course to which I think the House would not agree.

Mr JOSEPH COOK

- Has the right honorable gentleman considered gentlemen who smoke three-and-six penny cigars ?

Sir GEORGE TURNER

- I have considered those gentlemen who smoke three-and-six penny cigars. I consider that gentlemen who smoke three-and-six penny cigars ought to be able to pay a little more to the revenue than gentlemen who can afford to smoke only sixpenny cigars. The more of these cigars the honorable member for Parramatta smokes the better it will be for the revenue, and I hope he will smoke a large number of them. I do not wish to refer to questions which have been raised as between the States of Victoria and New South Wales ; but I have heard a very large number of figures quoted with regard to the people who, during the last ten years, have left Victoria. I have not yet heard, however, anybody speak of the immense number of people gained by the other States. It has been said that the protective policy of Victoria starved these people out. But what do we find? In Queensland, during the last ten years, there has been an increase of 14,000 by immigration over emigration ; and this is probably accounted for to some extent by the raining industry. I shall not read the figures for Western Australia, because these, no doubt, will be dealt with by the Minister for Defence, who represents that State. But no honorable member will say that New Zealand is a free-trade colony. Yet we find that in New Zealand, during the last ten years, there has been an increase of 29,000. We have the recent census returns, and what do we find in the great free-trade State of New South Wales? We find that her immigration over emigration amounted, during those ten years, to only 864.

An Honorable Member. - What are the figures for Victoria for the same time ?

<page>6162</page>

Sir GEORGE TURNER

- In Victoria the figures went to the bad, because tens of thousands of people came here in the boom times, and when the boom unfortunately, or fortunately, broke, we had no means of employing them. I believe that in our boom years, at least 160,000 people came here. They did not, however, come here to settle permanently, but simply because they could get better employment, or higher wages, than in other countries, or the other States; and when we failed to find employment for them, they naturally left us. But if it be desired to draw comparisons between Victoria and the other States, what have Victorians been doing all through with their small territory? Have they not been investing money in, and developing great parts of, the large States. Some left Victoria because of our distressed circumstances, which cannot be said to be due to protection. No one can say that the boom was brought about by protection ; but the unfortunate circumstances in which we were placed compelled many of our breadwinners to go to the other States for the purpose of earning a living. They went to Western Australia, and they went to South Africa, taking some of our money with them to start with, and I am very pleased to say that they have done well. Many have come back, as may be seen on reference to our returns during the last few years. These returns do not, as in the past, show a decrease, but an increase. Many Victorians, I am glad to say, have settled down in the sister State of Western Australia, and in Queensland, and, so far as the figures are concerned, the comparison shows Victoria to be in a very fair position. There are many circumstances which have to be taken into consideration. When honorable members talk about the loss of population in Victoria, they must not put that loss down to our protective policy. Look at other States, where there is also a protective policy. Look at New South Wales, who, with her free-trade policy, has only increased by immigration over emigration in ten years by 864. If honorable members will take the figures as supplied to me by the Victorian statistician, they will find that in the last fifteen months, New South Wales by excess of emigration over immigration, has lost over 11,000 of her population.

Mr F E McLEAN

- I do not know where the right honorable gentleman got those figures from. They do not agree with Mr. Coghlan's.

Sir Edward Braddon

- New South Wales has retained her natural increase.

Sir GEORGE TURNER

- But one would have thought that if she were progressive and prospering she would be on a par with the protectionist States of Queensland and New Zealand, and that she would have a far larger increase of immigration over emigration. What the actual facts are I have shown in the figures which I have circulated. I want to say that, with regard to the financial portion of the subject, I have acted with caution. I am not going to say that the estimates I have put forward are too high or too low. I believe that the amount will be fully realized. I hope and trust that it will be. But the amount that we propose for a normal year is only sufficient to keep the States in a fairly solvent condition. It forces on many of them direct taxation or retrenchment, to a certain extent. But if we are to attempt to cut down the £9,000,000 to £5,000,000, we shall put three or four of the States in such a position that they cannot possibly carry on. It is no part of our duty to do that. It is our duty, according to the Maitland speech, and it is the duty of Parliament, to pass such a Tariff as will give a fair amount of protection to all the established industries, and will also conduce to the establishment of new industries, if possible. That has been our desire, for instance, in regard to the iron works in New South Wales. I am perfectly certain, from what I know of honorable members, that they are not going to take any action which will ruin many established industries, and which would make many thousands of employers and tens of thousands of employees bitterly regret the day when they so loyally and so trustfully entered into the federal bond. I am certain that honorable members, whatever their fiscal views may be, will vote in order to raise such an amount, by some means, or other, through the Customs - because we cannot raise it by any other means - as will put the States in a proper condition, and not press hardly upon any industry. As soon as we get to the details, in committee, I trust that we shall deal with them as quickly as possible. I have said " that the Government are prepared to listen to all the suggestions that can be made. We are not prepared to throw the Tariff on the table and allow honorable members to worry it ; we are going to stand by the main principles of the Tariff. But at the same time, if evidence can be given that any of the details of the Tariff will do injury, and if good reasons can be given for alterations, the Government will act reasonably, and if we come to the conclusion that alterations ought to be made we are not going to be afraid to make those alterations. What I claim ought to be done is only what has been done in New South Wales. When it was seen that a free-trade policy there would ruin some of the established industries, did the free-traders dare to damage those industries? When they came to the limit which the sugar-growers said would, be a sufficient protection for them, the free-traders stopped. They would not go on in the course which they had proposed, because further information showed them that they would ruin the sugar industry. Therefore they continued the protection on it. Did those honorable members who talk so loudly about reducing our duties and increasing our revenue, when they were in power follow out that practice ? They increased the duties wherever they could get extra revenue, and the free-traders in New South Wales would not ruin the sugar industry by taking away from it a fair measure of protection. All we ask for the other States is that that same policy shall be pursued with regard to them ; and that wherever it is considered by honorable members that a severe reduction of duties in the protected States will injure their industries they will stop at that point which will enable those industries to be profit ably carried on by our people in the f future

<page>6163</page>

Sir EDWARD BRADDON

- The right honorable the Prime Minister, in the course of his speech on Tuesday night upon this question, challenged the members representing Tasmania, Queensland, and Western Australia to justify themselves in voting for the motion now before the House. Speaking for myself, as a representative of Tasmania, and also 'as a free-trader who was elected by that State as a free-trader, I say hat I should fail in my duty to my constituency, and in my duty to myself, if I did not support the motion which has been proposed by the right honorable the leader of the Opposition. Now, the honorable member for Tasmania, Sir Philip Fysh, has represented officially to the people of Tasmania what their position will be under the Tariff which is now before us. In this letter he claims that he has secured a Tariff as little as possible disturbing to Tasmanian finance. The loss to the State Treasurer on the transferred revenue - earning departments he limits to £30,000 a year. On the assumption that the imports into Tasmania during 1901

will be equivalent to those during 1900, the loss on customs and excise on the Tariff now submitted would not, the honorable member says, exceed £30,000 ; for the full year, 1902, £100,000; and, similarly, for subsequent years, £120,000. Now, I do not profess to follow accurately those figures, or to say how far they are or are not reconcilable with each other ; but I do say this : that the Tariff which is presented to us is not one which justifies the view of the honorable gentleman. He says -

I have much hope - I trust on good reasonable grounds - that you will be able to agree with me that the uniform Tariff is likely to be less embarrassing to your revenue than has been expected, and that it bars the necessity for any early consideration by you of a renewed appeal to that final fiscal resort, the re-imposition of a system of direct taxation, which has been tried and repealed in Tasmania ; and that in the meantime the Tariff provisions will enable you to maintain the financial credit of the State. If so, I shall not have given my services fruitlessly to the arduous duties in assisting to form the first uniform Tariff for United Australia, and shall gain my reward in having secured a continuance of that good-will so pronounced in my favour on many occasions by the electors of Tasmania.

That, at any rate, might be said to go a long way towards placating the people of Tasmania. Further, the honorable member, Sir Philip Fysh, has said that the Tariff fulfils the conditions of the West Maitland manifesto of the Prime Minister -

That neither the free-trader of New South Wales nor the protectionist Tariff of Victoria could prevail, but that a Tariff sufficiently high for revenue purposes, must rule, and I claim that it discovers in many parts a complete redemption of my electioneering pledges.

In "many parts," be it observed, not everywhere, the honorable member says it contains a " complete redemption " of those pledges. Well, I shall come later on to what those election pledges were, as I understood them. After all these representations, made through the State Government to the people of Tasmania, what is the result? On Monday a meeting of business men was held in the town hall, Hobart, for the purpose of discussing the Tariff. At that meeting the Treasurer of the State said that - In view of the published Tariff he withdrew all that he had said in favour of the benefit of federation to the people, and frankly admitted that every penny of the new taxation would be an extra burden as the proposed duties afforded no relief.

That was an opinion expressed and vociferously applauded by the representative men at that meeting. Further, I am proud to say the meeting strongly applauded the sentiment that there should be no appeal for aid to the Federation, it being more dignified to suffer the injury inflicted by the protectionists.

Mr Cameron

- Of Victoria.

Sir EDWARD BRADDON

- What were the election pledges made by the honorable member for Tasmania, Sir Philip Fysh ? Did he not stand as a freetrader who had been consistent in that one policy throughout the whole of his career? Was it not as a free-trader that he was returned in Tasmania by a people believing, the great majority of them, in free- trade ?

Sir Philip Fysh

- Why did the right honorable member oppose me ?

Sir EDWARD BRADDON

- I did not oppose the honorable member in particular any more than I opposed any one else.

Sir Philip Fysh

- The right honorable member posed as a free-trader. I was not.

Mr Cameron

- - -The honorable member, Sir Philip Fysh, was a wobbler.

Sir EDWARD BRADDON

- The honorable member pronounced himself to be still a free-trader. Although he wobbled and consequently lost a considerable measure of support, he persisted to the end of his canvass in announcing himself to be a free-trader ; but a free-trader who had come to see that one could not draw a sharp line between protection and free-trade, and could not pledge oneself to 2£ per cent, either way. There were five members returned by Tasmania, of whom only one stood as an avowed protectionist, and was returned.

Mr Kingston

- Second on the poll.

<page>6164</page>

Sir EDWARD BRADDON

- Second on the poll, but not as a protectionist. He was supported by the local press as a local man. He was returned on the splendid policy of the parish pump. A local man would have been returned whatever his fiscal principles or any other public policy might have been. The honorable member will admit that as freely as any one.

Mr O'Malley

- The right honorable member is labouring under a multiplicity of delusions.

Mr Cameron

- There can be no mistake about the West Coast vote.

Sir EDWARD BRADDON

- There is the fact, as I see it, in respect of the pledges made to Tasmania by the honorable member, Sir Philip Fysh. Yet he says that the Tariff brought before us is such that free-traders can consistently support and accept it.

Sir Philip Fysh

- It is such as the right honorable member ought to accept.

Sir EDWARD BRADDON

- It is such as no free-trader could accept. There is no sort of question as to what is intended by it. Has the honorable member dropped entirely his free-trade principles? I will not ask whether he has sold his principles ; but has he leased his principles for the time being, and given up the policy of a lifetime?

Sir Philip Fysh

- I shall reply presently.

Sir EDWARD BRADDON

- There can be no question as to what this Tariff means, after the speech made by the Minister for Trade and Customs. The right honorable and learned gentleman speaks with no uncertain sound.

Mr Kingston

- I said that revenue was the first consideration.

Sir EDWARD BRADDON

- The right honorable and learned gentleman said - " This is a protectionist Tariff, with revenue incidental to protection."

Mr Kingston

- I put it in the reverse way.

Sir EDWARD BRADDON

- I understood the right honorable and learned gentleman to challenge the House ; to throw down the gauntlet to the free-traders, and say - " Come one, come all ! " -

These are clan Kingston's warriors true,

And Saxon -I'm the Regular Do.

He asked the free-traders to come forward and do battle with the protectionists. I think that is clear.

Mr Kingston

- That is not what I said, but still it does not matter.

Sir EDWARD BRADDON

- Was not that what was meant ?

Mr Kingston

- It is near enough for the right honorable member.

Sir EDWARD BRADDON

- The right honorable and learned gentleman is somewhat vague in his statements ; in regard to some of them he wants that accuracy that one would like to see.

Mr Kingston

- The right honorable member is giving me credit for something that I did not say.

Sir EDWARD BRADDON

- I find in the right honorable and learned gentleman an absence of that perfect accuracy which one would like to have when statements of importance are made on the floor of the House.

Mr Kingston

- I am generally 99 per cent. nearer accuracy than the right honorable member is.

Sir EDWARD BRADDON

- No. The right honorable and learned gentleman has at times his flights of candour, and in one of those flights he charged the leader of the Opposition with doing a most extraordinary thing, with soaring on the apex of the height of his absurdity.

Mr Kingston

- No, I spoke of the right honorable the leader of the Opposition's audacity. The right honorable member has got it all mixed up.

<page>6165</page>

Sir EDWARD BRADDON

- In this connexion it is often thrown at Tasmanians that they have had a heavy protective Tariff. No doubt they have had a heavy Tariff, a Tariff which, for the most part, consisted of 20 per cent. ad valorem duties. But those duties were imposed at a time of great stress and pressure, for revenue purposes only, and absolutely without any protective discrimination. They were imposed by the honorable member for Tasmania, Sir Philip Fysh, as a member of my Government - imposed with the distinct understanding that as soon as we could possibly reduce them they should be reduced. The honorable member will bear me out in saying that it was our full intention to reduce those duties which had been raised from 12 1/2 to 20 per cent. as soon as we possibly could. He knows also that an attempt was made two or three years ago to reduce them. What was the position of Tasmania when they were imposed ? We had fallen upon evil times, such as those which had struck down Victoria. We were at our wits' ends to make our revenue and our expenditure meet. We had a constantly increasing deficit, and what could we do ? We sought at every point to obtain the necessary revenue to meet our obligations in the emergency. We imposed for the first time a heavy income tax ; we doubled the land tax - already the heaviest imposed in any portion of the Commonwealth - and we added this large amount of Additional customs duties to our Tariff. But that was done at a time of abnormal difficulty. They were never intended to become permanent when times should have improved, and when we should be in a position to make a change.

Mr Kingston

- When were the duties raised from 12 1/2 to 20 per cent. ?

Sir EDWARD BRADDON

- In 1894. Although we imposed these additional duties, we still allowed to come in under our free list much of the raw material for manufactures, and many of the articles upon which it is proposed under this Tariff to impose duties.

Sir William Lyne

- There were 9 per per cent. only of the imports which came under the free list of Tasmania.

Sir EDWARD BRADDON

- If the Minister for Home Affairs will kindly possess his soul in patience, and tell us something about Tasmania which he really knows to be a fact, instead of what he imagines, I shall be much obliged. I shall prove directly that this Tariff imposes duties upon many tilings which, in Tasmania, were admitted duty free, even when we had a widespread net of Customs taxation ranging up to 20 per cent. The honorable member for Tasmania, Sir Philip Fysh, who was then my colleague, was as firm a believer as I was, and am, in the fact that it is not by high duties that we can raise the maximum revenue, but by moderate duties - 12 1/2 to 15 per cent. duties -

Such as were advocated by the Minister for Home Affairs.

Mr Kingston

- Why did the right honorable member raise them to 20 per cent, in order to get revenue?

Sir EDWARD BRADDON

- Because at that time the purchasing power of the people had fallen far below its normal strength and because the scope of their purchases was so seriously reduced that we had to take every thing we could get out of them for that balance of purchasing which remained.

Mr Kingston

- Then the 20 per cent. duty did take more out of them than the 12 per cent.?

Sir EDWARD BRADDON

- It took more because of the abnormal condition of things which prevailed. But in ordinary times the higher rates of duty must necessarily have the effect of reducing the revenue. The Treasurer has just admitted that if we have high duties operating there must necessarily be some reduction in the amount of the importation of dutiable goods.

Sir George Turner

- And more production here.

Sir EDWARD BRADDON

- As to that point the Treasurer gives us a very fine explanation. He says that these goods, if not imported, will be manufactured within the Commonwealth, and that the Customs revenue thus lost to the Commonwealth will be recouped by an increased consumption of dutiable goods on the part of those engaged in the manufacture of those goods.

Sir George Turner

- Dutiable goods which are not made here.

Sir EDWARD BRADDON

- The Treasurer says that he will be recouped by the revenue derived from customs duties upon articles consumed by those who manufacture goods within the Commonwealth.

Sir George Turner

- To a very large extent.

Sir EDWARD BRADDON

- I should like the Treasurer to work that problem out upon a black-board.

Sir George Turner

- They will have more money to spend then.

Sir EDWARD BRADDON

- Does the Treasurer seriously contend that the amount lost will be entirely recouped?

Sir George Turner

- Not entirely.

Sir EDWARD BRADDON

- Does he contend that it will be anything like recouped?

Sir George Turner

- To a very large extent, yes.

Sir EDWARD BRADDON

- If the Treasurer works the matter out he will find that what he says is absolutely impracticable. The Treasurer also said that in five years New South Wales would be a protectionist State. In England some eight years ago, Sir Howard Vincent ventured to make a similar prophecy in regard to the House of Commons.

Sir George Turner

- Some one said that all Europe would be free-trade in a few years.

<page>6166</page>

Sir EDWARD BRADDON

- Will the Treasurer allow me to give my illustration ? Sir Howard Vincent said a few years ago that in five years the House of Commons would be a protectionist House. Yet we saw only the other day - not five years, but eight years after this prediction was made - that Sir Howard Vincent in moving, some very moderate protective resolution, succeeded in getting a following of twelve others. There was just a baker's dozen out of the 670 members of the House of Commons prepared to follow him/ The Treasurer also made a remark which I think he will admit rather weakens the cause of protection than anything else. He said that protectionists will never sell at such a price as to spoil their home market. They will sell at a loss outside, but they will make their own people pay to the uttermost the tribute to the manufacturer which goes with protection. I do not think that that is a benevolent act to the people of one's own country.

Sir George Turner

- It is carrying the matter a long way further than what I stated.

Sir EDWARD BRADDON

- Concerning the prospect of America and Germany cutting England out of the trade with these States, I

think the Treasurer will find upon inquiry that Germany is going back very considerably, and that a great many of the goods from that country which were formerly received here are now being rejected. I know from information derived from traders that German ironware is not being received now. I suppose that these traders know their own business.

Mr Kingston

- They had enough of German material in Western Australia lately.

Sir EDWARD BRADDON

- A great deal is made out of the increase in the volume of the trade of Germany, France, and the United States, as compared with that of England. Protectionists exclaim - "Look! England is now in her day of decay, with her industries paralyzed and her trade practically ruined."

Sir William Lyne

- In New South Wales we imported iron from Scotch firms, and when it was found to be defective, we took down the bridges which were built of it and found that it was made in Belgium. My remark applies to nearly the whole of the iron imported for the Government of New South Wales.

Mr Wilks

- When was that ?

Sir William Lyne

- It was when I was last in the Government. It was discovered through the faults in the Aberdeen Bridge.

Sir EDWARD BRADDON

- That has little or nothing whatever to do with the subject of which I am talking. The Minister for Home Affairs is a hundred horse-power engine in the way of making statements; but hardly a donkey engine in the way of explaining what they mean. I was talking about the state of trade and commerce in England, and I deny utterly that England is in that position which some of the protectionists - who apparently will be disloyal to England in order to be protectionists - have delighted to pronounce her. There is the indubitable fact that the countries of Europe, Germany, France, and Belgium have made immense strides in their industrial pursuits within the last 30 or 40 years. But is this mainly due to protection, or because England is a free-trade country ? Not one bit. They have done, and wisely done, what England has largely neglected to do. They have gone in for technical teaching, by which their artisans and mechanics have had their labour improved, to a vast extent, and have been enabled to a great degree to compete, and compete favorably, with English artisans. There is another thing these countries have done, which England has not done, is not now doing, and probably, relying upon her own strength, will not consent to do. They have been doing the " bagman " business all over the world.

Mr Kingston

- England is doing the "bagman" business also.

<page>6167</page>

Sir EDWARD BRADDON

- Not to the same extent as Germany has been doing with absolute loss, which at the present time is paid for by Germans in the interests of an extended industrial world. No doubt they succeeded at the outset in gaining a great deal which might have been monopolized by England if she had consented to pursue the same course. But has England been standing still - England which last year had a volume of trade more than equal to that of the United States and Germany put together, a volume of trade, with her 40,000,000 people, considerably more than equal to the volume of trade of the United States and Germany with their 120,000,000 people? We have had weak arguments showing the virtues of protection, but we have the best possible evidence of the merits of free-trade close at our doors. A great deal was made last night out of the alleged pauperism of a large body of the people of England. Again and again, I ventured to remark by way of interjection - -though my interjections were not quite so lengthy as those of the Minister for Home Affairs--

Affairs--

Mr Kingston

- Not so much to the point.

Sir EDWARD BRADDON

- More to the point I think. I ventured to remind honorable gentlemen by interjection that tens of thousands of these paupers who are credited to England are foreigners, Germans, Poles, Russians, Belgians and

others ; that in the east end of London they form a city within a city - a city which is as little English as is a great part of the continent of Europe, which has its own language, its own foreign employers - Polish Jews for the major part - which has its own systems, and which in the police courts has its proceedings conducted through its own interpreters. To say that the existence of these tens of thousands of paupers and cruelly sweated operatives in the east end of London is any reflection upon English labour conditions, or the condition of the English people, is to talk utter nonsense. We heard a great deal yesterday from the honorable member for Melbourne Ports in explanation of the difference between the conditions of labour in the "United States and the conditions of labour in England. The honorable member has apparently got this in his heart, or, at any rate, in his head, and always travels on the same beaten track. He will not be brought to make a comparison between the labour of England and the labour of Germany, and other protective continental countries.

Mr Mauger

- Because they have not like conditions. What about the conscript system in Germany?

Sir EDWARD BRADDON

- Yes, and what about the protective system in Germany ?

Mr Mauger

- Compare like with like.

Sir EDWARD BRADDON

- The protective system is followed there with the result that their labour is so cheap that the honorable member wants to shut out the products of that labour because of the cheapness of it. As to the comparison between the labour of England and of America," I should like to give the opinion of some of those who are deemed high authorities. These are Mr. James MacDonald, Secretary to the London Trades Council; Mr. Keir Hardie, Mr. John Burns,

Mr. Inskip,

Secretary to the National Boot Union, and

Mr. Ben

Tillett. Now, who are these men? They are representatives of the people who know what they are talking about, and know of it from personal experience, personal observation, and from a life lived in the country of which they speak.

Mr Mauger

- Just six weeks ago John Burns said that there were 2,000,000 of people in London on the borderland of starvation.

Sir EDWARD BRADDON

- Mr. James

MacDonald said -

There is as much sweating and injustice in New York, Philadelphia, Chicago, and Boston as in little free England.

Mr. Keir

Hardie says

What difference there is seems to me to rest in favour of the Britisher. There is not the same rush here as there, and strange as it may appear, there is more personal freedom. Wages in most cases, not all, are higher in America, but it costs more to live, and whilst the standard of living is higher, there are more solid comforts this side of the Atlantic.

I have been furnished with the protectionist catechism, or rather with a portion of it, which condenses very much what is to be said in favour and in defence of protection, and explains to a large extent the attitude of protectionists.

Mr McColl

- Who is the author?

Sir EDWARD BRADDON

- Necessarily, the protectionist authorities. Protection, as the honorable member will no doubt admit, is with Victorians something more than a superstition or a fetish - it is a religious faith.

Mr McCay

- We think that faith without works is dead.

<page>6168</page>

Sir EDWARD BRADDON

- The works of the protectionists do not come up to their faith, but their faith would be beautiful to observe, were it not tainted, to the minds of free-traders, with that ignorance which generally goes with bigotry and superstition. The protectionist creed is distinguished by a liturgy composed of protectionist fallacies, and a catechism largely made up of misused statistics. This is as much of the catechism as has been furnished to me -

- What is the effect of protective duties upon prices paid by consumers ? - A. - To lower them.

- How do they do this? - A. - By increasing the cost of local production, and preventing the importation of goods made by the cheap labour of other protectionist countries.

- . Does protection foster employment, and keep up the standard of wages? - A. - Yes, as a natural and inevitable result: and wages boards exist to prevent this consequence going so far, so as to give labour too large a share of the profit of the local manufacturer, whom we should first consider.

- If protection is so favorable to the workingman, how do you explain the exodus of 200,000 of Victoria's manhood from the State? - A. - Those 200,000 were philosophers, who could not tolerate the excessive luxuries of princely wages, palatial residences, and aldermanic living.

- What are we to think of the unfavorable evidence adduced by Coghlan and other statisticians ? - A. - That, being the unsophisticated representation of figures conveying bare and unqualified facts, they should not be seriously considered.

- Where shall we turn for acceptable protectionist statistics? - A. - To the Age. Statistics made on the premises out of the best material - the protectionist inner consciousness, fresh every day and fit to meet every occasion.

Mr McCay

- Will the right honorable member lay the document upon the table?

Sir EDWARD BRADDON

- If the honorable member will move for a return of the whole catechism I shall be very glad to support him. There can be no doubt that this Tariff question is the most important that can by any possibility occupy our attention this session.

Mr Wilks

- Or during a good many sessions.

Sir EDWARD BRADDON

- Its effect will be seen through a good many sessions. It is the greatest and most important question to be dealt with at the present time, and the greatest that could be brought before us. When I first saw this Tariff produced, after many months of promise and patient waiting - which was "being considered," "just completed," "would be ready next week," and "had only to be considered by the whole Cabinet"--

Sir William McMillan

- They could not satisfy the honorable member for Tasmania, Sir Philip Fysh. It was that that caused the delay.

<page>6169</page>

Sir EDWARD BRADDON

- Possibly that explains some portion of it. My first thought on seeing it was that it had been prepared by Ministers very much in the way in which, in the island of Laputa, the philosophers in the great school there wrote their books, by putting words into a barrel, and drawing them out at random ; or as prayers are distributed in Thibet, where they are placed on a wheel, and dealt out to the devotees as chance may direct. After careful thought, and an earnest endeavour to find out the principles that might underlie the proposals of the Government, I could only arrive at the conclusion that the Tariffs of all the other States are to be suppressed, and that of Victoria is to predominate ; that everything is to be guided and directed by the protectionist policy of Victoria. We have heard so much this session, and before Parliament met, as to the necessity of taxing those who can afford to bear it, and of as far as possible relieving the necessities of life from taxation, that it is difficult to understand how a measure so imperfect as this is, in those respects, should be brought before us. During the brief time permitted to any one to consider the Tariff - although Ministers seemed to think that the leader of the Opposition should have been prepared with a new Tariff to supersede it - it was only possible to ascertain some of its leading defects, and it

became a duty, therefore, to expose them. Designedly or undesignedly, as the case may be, there has been an attempt on the part of Ministers to introduce something like an intentional complication. We have in the Tariff not only a simple division between specific duties and ad valorem duties, but composite duties made up of specific duties plus ad valorem duties, and package duties plus ad valorem duties. There is a wonderful provision that reapers and binders are to be exempt from duty until a date fixed by proclamation. We find that minor articles, to be specified in departmental by-laws, for use in the manufacture of goods within the Commonwealth are to be exempted. Then we find another mysterious entry - that other machinery is to be dealt with as referred to in the proclamation. Here we have a mixture of composite duties, proclamation duties, specific duties, and ad valorem duties, which might very well puzzle the intelligent people who have studied Tariffs for years. In this introduction of package duties, we find also a distinct leaning to Victorian methods. Everywhere else package duties have been abandoned, and very properly so. I am proud to say that it was part of my duty as a representative of the people of Tasmania in the Parliament of that State to do away with package duties. Here we have this revival, and it is very difficult to understand why it is done, except to conceal the fact that some of the necessities of life - some of the articles of consumption passing into the use of those least able to bear taxation - are subjected to very heavy duties by the introduction of this composite method. I now turn to the anomalies in the Tariff as between luxuries and necessities, as between those articles which are charged the maximum duties and those which are charged lesser duties. To begin with, medicines - which are a disagreeable necessity - the necessity of every household which comes to be afflicted with sickness - are taxed 25 per cent; and perfumery, which, I presume, may be classed as a luxury, and nothing else, 20 per cent. Fancy goods, card cases, glove stretchers, ivory and ornamental figures bear a duty of 20 per cent., while all woollen goods, all stationery and rubber boots - the boots worn by the miner, which might well receive some consideration - are taxed 25 per cent.

Mr Kingston

- The miners' gum boots are exempt.

Sir EDWARD BRADDON

- Are they ? Flannelettes - unfortunate flannelettes ! - are charged 20 per cent. Flowers, feathers, embroidery, silks, velvets, furs, lace - all essentially luxuries, which the consumers should not use unless they can afford to pay for them - are taxed at the lower rate of 15 per cent.

Mr Mauger

- Does not the right honorable member see that the consumers will have to pay on those, but that on the others made in Australia they will not have to pay?

Sir EDWARD BRADDON

- If the others are all made in Australia, what is the use of fooling us with a proposition that we are to raise revenue by this taxation ?

Mr Mauger

- I did not say all.

Sir EDWARD BRADDON

- It does not alter the case in the slightest degree. Here woollens are taxed 25 per cent. - woollens which must be admitted to be necessities which pass into the consumption of the people, whom we most desire to serve, as a matter of their every-day life - are taxed 25 per cent., and the consolation given to us for this is that not all of the woollens consumed will be imported, but that a great many will be manufactured in the States, and have their prices raised by reason of this 25 per cent, duty on the imports.

Mr Mauger

- If my right honorable, friend wants to buy Australian blankets and tweeds, he need not pay a penny tax.

Sir EDWARD BRADDON

- :-That is the effect of these duties which are imposed on commodities, some portion or the bulk of which will be manufactured locally. Will the House bear with me while I give the evidence of one who is wholly unbiased - a journalist of great distinction and of considerable observation, who, when he deals with American affairs, deals with the affairs of a country in which he has a personal interest, and to which he is personally attached? I refer to Rudyard Kipling. The honorable member for Melbourne Ports laughs, but in this matter I should prefer the evidence of Rudyard Kipling to that of Cardinal Manning. Rudyard Kipling, in his book From Sea to Sea - from which I think the Prime Minister gleaned that eloquent phrase - "The

pattering of bare feet" - speaking of a journey he took by train, says : -

A man sat at my side, and began to talk what he called politics. I had chanced to pay about 6s. for a travelling cap worth 1s. 6d., and he made of the fact a text for a sermon. He said that this was a rich country, and that the people liked to pay 200 per cent, on the value of a thing. They could afford it. He said that the Government imposed a protective duty of from 10 to 70 per cent, on foreign-made articles, and that the American manufacturer consequently could sell his goods for a healthy sum. Thus an imported hat would, with duty, cost £2 2s. The American manufacturer would make a hat for 17s., and sell it for £1 15s.

Thus they were bleeding the people to the extent of the difference between 17s. and £1 15s., and of course the article which, with the import duty, would cost £2 2s., would not pass into consumption. He continues -

Everything that I have yet purchased costs about twice as much it would in England, and when native made, is of inferior quality.

Mr Isaacs

- The rest of the world does not say so.

Mr Reid

- Is the honorable and learned member the rest of the world ?

Sir EDWARD BRADDON

- I prefer the evidence of an expert journalist like Rudyard Kipling, who has visited and studied these countries, and who has partially made his home in America, to that of even the honorable and learned member.

<page>6170</page>

Mr HUME COOK

- According to the honorable member's own account, he was only quoting some one else.

Sir EDWARD BRADDON

- He quoted what some one else said, but he drew his own deduction. He proceeds to say -

Moreover, since these lines were first thought of, I have visited a gentleman who owned a factory which used to produce things.

Now he comes to the great argument of the protectionists, that protection fosters labour and gives employment to the people -

He owned the factory still. Not a man was in it, but he was drawing a handsome income from a syndicate of firms for keeping it closed in order that it might not produce things.

Mr McColl

- Is that in a work of fiction?

Sir EDWARD BRADDON

- It is in a work which gives facts and the results of personal observations, and Rudyard Kipling can well afford to leave all fiction outside his own particular department to the protectionists. Now, how far does this Tariff in its incidence afford any sort of relief to the agriculturists or the miners ? I have gone through the index to free goods and have honestly endeavoured to see all that it contains of the goods used by those who follow agricultural or mining occupations. As far as I can make out the miner benefits only to the extent that his hats come in free. The Minister of Customs says that his gum boots also come in free, but his machinery does not. As to machinery, no doubt the Minister of Defence will have something to say when he explains away the fact that machinery orders which had been issued to the extent of £250,000, in Western Australia, have been cancelled on account of the imposition of duties under this Tariff.

Mr HUME COOK

- They are going to have the machinery made in Victoria.

Sir EDWARD BRADDON

- Unfortunately it is alleged that this machinery cannot be made in Victoria ; but, even supposing that it could be, are we to shut out the produce of the world in the case of everything that can be made in Victoria ? Is the whole world, as well as the whole Commonwealth, to be made subservient to the interests of the Victorian manufacturer? That is very much what this Tariff will reduce us to throughout the different States of the Commonwealth, and the honorable member for Bourke would, no doubt, like the same position made for the Victorian manufacturer throughout the whole of the universe. This index to

free goods, at the outset, holds out some little hope to those of us who desire to see a large free list, in these words - " All goods to be free if not included among dutiable goods." Unfortunately, however, there is a mysterious arrangement of letters - n.e.i. - which appears all over the Tariff, and which unostentatiously sweeps so much into the category of dutiable goods that very little is left untouched.

Mr McColl

- There is a similar phrase in all Tariffs - "Not otherwise enumerated."

Sir EDWARD BRADDON

- The term "not otherwise enumerated" is used in most cases as one general statement, and is not dotted all over the Tariff.

Mr Kingston

- Oh, yes; it is.

Sir EDWARD BRADDON

- It maybe in the South Australian Tariff, but it is not in the Tasmanian Tariff. I find that axes are on the free list, but that the Government cannot go the length of making axe handles free, although they have been on the free list in New South Wales, Tasmania, and Western Australia up to the present time.

Tasmania, with all its heavy duties, has admitted axe handles free hitherto. Then they have on the free list -

Cornsacks, cream separators, and testers, discs, plough and harrow, drills, flour bags, forks (digging, hay and stable), grindstones, gunnies, hames, hoes, reapers and binders (until date fixed by proclamation), hay knives, manures, true vegetable parchment for packing butter for export, rabbit traps, hand rakes, salt-brown rock, scythes, sickles, spades, tomahawks, whetstones, wire netting, and woolpacks.

We find in the free list also such articles as fur and other skins, undressed, which do not stand on the same plane as agricultural necessities. We also find works of art, statuary, paintings, and windows for churches and public institutions, under departmental by - laws ; but we do not find amongst these exemptions, agricultural, horticultural, and viticultural machinery and implements, which are charged 15 per cent., though all have hitherto been free in New South Wales, Queensland, Tasmania, and Western Australia.

Mr McColl

- The duty used to be 35 per cent. in Victoria.

Sir EDWARD BRADDON

- Then more shame to the honorable member !

Mr McColl

- I helped to get it reduced to 15 per cent.

<page>6171</page>

Sir EDWARD BRADDON

- I wonder the honorable member has lived to be able to say what he has just said, or how he can say it without blushing all over. Plough plates and sheep-shearing machines are charged 15 per cent., and yet these and other similar articles mentioned in the Tariff used to be free - except sheep shearing machines in Tasmania - in New South Wales, Queensland, Tasmania', and Western Australia. Then we find that axles, which have been free in Queensland, New South Wales, Tasmania, and Western Australia, are subject to a duty of 25 per cent., and that sheep washers, also free in the States I have mentioned, have to pay 15 per cent. Sheep, cattle, pigs, and poultry, except those imported for the improvement of breeds subject to departmental by - laws, are made to, say, a duty of 20 per cent., whereas these used to be free in New South Wales and Queensland, and Tasmania. Reaper and binder twine, which used to be free in New South Wales and Tasmania, and paid 8s. a cwt. in Victoria, Queensland and Western Australia, has now to pay 20 percent. That is the way in which a few of the most important items to the agricultural industry have been most unmercifully dealt with in this Tariff. There is the consolation to the agriculturist that he may get a manicure set on the payment of a duty of 15 percent, so that if he cannot afford to cultivate his fields, he can cultivate his nails. There is also the great comfort to him that he is to get protection in the shape of 6d. per dozen on eggs, so that if every tiling else fails, eggs may possibly pull him through. As to Tasmania's position which has been variously represented by the honorable member for Tasmania, Sir Philip Fysh, our Government statist, and others, I acknowledge, as Tasmanian people generally acknowledge, that we require a very considerable Customs revenue to cover our necessities.

But we do not require a Tariff of this sort to raise the revenue necessary for our requirements. The Treasurer for one moment gave just a glimpse of reason, when he recognised the fact that high duties do not necessarily make for revenue. Obviously, as Treasurer, he has to admit that if we impose heavy duties, we restrict, if we do not actually prohibit, importations. When we do that, where is the revenue to come from? I am confident, as the honorable member for Tasmania, Sir Philip Fysh, has been confident in the past, that a 12 per cent, to a 15 per cent. Tariff would give to Tasmania the great bulk of the revenue she requires.

Sir Philip Fysh

- Is the right honorable member quoting from anything which he thinks I have said?

Sir EDWARD BRADDON

- I am quite certain I am quoting what the honorable member has said.

Sir Philip Fysh

- The right honorable member is evidently much misquoting me.

Sir EDWARD BRADDON

- So far as my memory serves me, and my memory is not very treacherous, the honorable member, as my colleague, has said these things on the floor of the Legislative Assembly of Tasmania.

Sir Philip Fysh

- I thought the right honorable member was speaking of the Commonwealth revenue.

Sir EDWARD BRADDON

- I am quoting now what the honorable member has said, namely, that lower duties would realize the revenue which Tasmania requires more effectively, for all time, than higher duties.

Sir Philip Fysh

- The right honorable member is assuming that I said that in reference to the Commonwealth Tariff.

Mr SPEAKER

- The honorable member for Tasmania, Sir Philip Fysh, will have an opportunity presently.

Sir EDWARD BRADDON

- If ever the honorable member for Tasmania, Sir Philip Fysh, gets an opportunity of twisting himself out of his present position it will be very surprising. That honorable member has said, as I have said on the floor of the Tasmanian Legislative Assembly, that high duties do not necessarily mean a large revenue, but that in normal times, the maximum revenue is to be obtained from the minimum of taxation. That was said by my honorable colleague for Tasmania, one of the four free-trade representatives of that State in this House.

Mr HUME COOK

- Does the right honorable member propose to reduce the duties in order to get more revenue?

<page>6172</page>

Sir EDWARD BRADDON

- Yes; I say that lower duties would realize certainly as much revenue, and probably more than will be obtained under this Tariff, because to the extent that duties prove restrictive or prohibitive they fail to bring in a high revenue. I wonder if anything in the world will drive that truth into a protectionist's mind. I wonder whether anything in the world will make a protectionist understand that prohibition, which prevents importation, must prevent the raising of revenue on articles which happen to be in the prohibitive list.

Mr McCay

- Then the poor man is saved from paying duty on them.

Mr Chapman

- Can the right honorable member explain that?

Sir EDWARD BRADDON

- It is not for me, but for protectionists to explain how they propose to raise revenue by means of prohibitive duties, when, necessarily, prohibition must result in the entire effacement of revenue.

Mr BRUCE SMITH

- Protectionists prefer to pay their taxes to the manufacturer, not to the Treasury.

Sir EDWARD BRADDON

- That is what protectionists will not see. It was a subject of boast on the part of the Age newspaper, which, I believe, is a protectionist journal, that while in Tasmania customs duties to the extent of £2 10s.

per head were levied, in Western Australia £6 per head, and in Queensland between £4 and £5 per head, the amount in protectionist Victoria was only £1 19s. per head. There was only £1 19s. taken out of the pockets of the people for the service of the Treasurer and his brother taxpayers, but there was probably another £1 19s. taken out of the public's pockets for the use and benefit of the manufacturer.

Mr McCay

- That is just where the right honorable gentlemen makes the mistake.

Sir EDWARD BRADDON

- I know that it is of no use to adduce any sort of argument. No argument whatever will prevail, except the argument of the ballot box by and bye, when the Commonwealth shall have been converted, where conversion is necessary, to that pure system of trade advocated by free-traders. I have no doubt in my own mind that that day is not far distant, not beyond the next general election for this House. And it is because I feel that so strongly - because I feel how much depends upon it, not only as to the fate of the particular State which I represent, but as to the fate of the agriculturists, the miners, the working classes throughout the Commonwealth from end to end - that I speak on this question at all, and that I shall vote as I shall do. Whatever the result of this motion may be, I am convinced that we of the free-trade cause will carry victory with us to the poll at the next general election ; and that this debate, although it may end in the defeat of the motion moved by the leader of the Opposition, will have a large educational effect, and will open the eyes of the people, and let in a flood of light where, hitherto, there has been nothing but darkness and misleading.

<page>6173</page>

Sir PHILIP FYSH

- I hope, Mr. Speaker, that honorable members will recognise in the quiet attitude I have observed throughout the somewhat long debates that have heretofore taken place, that I have been more considerate to them than to myself. I have listened with extreme pleasure to many of the discussions that have taken place, although I have not joined in them. Ministers have thought it more advisable to keep back and direct the business of the country and of the House, rather than give more texts upon which honorable members might hang other arguments and speeches . in addition to the many which have already been delivered. But there are occasions, sir, when a man is compelled to speak. Possibly I might have been silent on this occasion - even though I remembered that not once or twice, but thrice or more, has one or another honorable member very inopportunistically and without occasion for it, as I thought, mentioned me - had it not been for the speech of my right honorable colleague, Sir Edward Braddon, who has just resumed his seat. He has charged me with having changed my principles, and has said that he has not known where to find me on certain questions. On another occasion, Mr. Speaker, I remember that I was introduced to those who were strangers to me heretofore except by name, as one who had certainly been a preacher of the gospel of free-trade ; and I think that the right honorable member, the leader of the Opposition, said that he had read with pleasure my writings and speeches on the subject. The speech to which we have just listened is one to which I must reply ; and perhaps I shall best consult that which is fitting if I do take occasion to disabuse the mind of the right honorable member, and if I prevent those honorable members whose opinions I respect and who sit around me, from entertaining the very false impression which they would gather if I left entirely unanswered the attack which has been made upon me. But in order to do that I shall have to make allusion to personal matters. I regret it, but I shall have : also to follow the provincial course and allude to provincial matters to which so much reference has been made by my colleague. I think, sir, that the right honorable member, Sir Edward Braddon, has belittled himself and belittled the discussion by the introduction of these personal matters. We are here for higher and nobler purposes than the discussion of the differences which may be found existing between two men who have been leashed together as Ministers in a neighbouring State for so many years. I am exceedingly astonished that such a necessity should arise. During the speech of the right honorable member, so much time in the early portion of its delivery was occupied by personal allusions to myself, that - regretfully I say it - it must have been observed by honorable members to have been delivered for the purpose of attempting to belittle me. I am therefore compelled : not only to refer to my own past career, but also to a portion only of the past career, from the fiscal point of view, of the right honorable member. It is perfectly true that I have been acquainted with the Cobden leaflets, and have prided myself on a knowledge of what has been going on in the world. It is true that I watched with considerable interest

what was taking place in regard to the protectionist policy of Victoria, and in connexion with the free-trade period of New South Wales, and that I was interested also in the period of protection which died out with the Dibbs Government. It was my privilege, time after time, to express an opinion with respect to the enlightened policy of a Government which had £2,000,000 of territorial revenue 'behind it, and which necessarily, therefore, did not go in for a Tariff for revenue purposes. Mr. Speaker, I can say what my right honorable colleague from Tasmania cannot say, that I have made personal sacrifices to maintain my opinions. A long time ago - as far back as 1873 and 1874 - I endeavoured to alter the 'fiscal policy of Tasmania. I carried through the House of Assembly measures which would have altered that policy. But failing after two years, I resigned my portfolio, and made the sacrifice of whatever pecuniary advantage or disadvantage it may have been. I did not because of that, Mr. Speaker, turn to the opposition benches and direct towards my own friends whatever opposition I could, but for another two years . I endeavoured to help them through the difficulties they had to encounter in trying to face what was a very serious and perplexing problem in 1875. But although I favoured the introduction of direct taxation, it was for the purpose of securing revenue to cover interest upon the public debt, which at that time had only accumulated to the extent of £80,000. I have been associated almost ever since with the progress of that State, except in years when I have visited England. I have scarcely been out of Parliament; I have scarcely been out of office. But during the whole of that period we have run up our responsibilities from £83,000 a year to £320,000 a year for interest. When I hear my colleague, speaking with stentorian lungs which I hardly knew he possessed, but upon the possession of which I congratulate him, in his venerable years, and raising aloft his hand and crying for free-trade, I am reminded of what my own reflections were when he was lately wooing a constituency for his seat, and talked of free-trade as though free-trade would make good the financial necessities of Tasmania or of any other State in the Commonwealth except New South Wales. During all this period - finding the necessity for more revenue arising more and more every year - we made Tariffs for revenue purposes. My right honorable friend may not have learnt, as I have learnt, that as we have increased our Tariff, so we have increased our ability to consume dutiable articles. Last year, the highest amount that had ever been collected from customs and excise was collected on the highest Tariff that has ever existed in Tasmania. Originally these Tariffs were proposed for revenue purposes. But we have learnt that the fiscal problem is a tentative science. I do not like to say that of all politics. We have to do, not what we desire to do, but what we can do, and what we are compelled to do by the emergencies and exigencies of the State. Under the exigencies of the State of Tasmania, from year to year, I had to help to build up a Tariff, because we found that the direct taxation was insufficient to meet our purposes. In connexion with the building up of that Tariff, we have had the assistance of the right honorable member who has just resumed his seat. He went hand in hand leashed with a man who calls himself a free-trader in Tasmania, but to whom the unenviable notoriety attaches of having proposed a duty of 40s. on cattle, 2s. on sheep, and per cent. primage heaped upon what were already heavy primage duties. This gentleman cried free-trade in Tasmania. Then the right honorable member, Sir Edward Braddon, following in the trail of the leader of the Opposition, who found it convenient to visit Tasmania for electioneering purposes, cast the glamour of his speech over some of the people and led them to follow, crying " free-trade," when they did not know what they were calling for. The cry for free-trade in Tasmania, had it ever received sanction, would have meant the confiscation of a large amount of the property of the people. During that period, I remembered what had been my own course. I was a month behind in my election campaign, owing to my absence in England, but I sent out my manifesto. I called on the people with all the earnestness which my knowledge of the English language would permit, to return members to this Commonwealth Parliament who should be pledged to realize from customs and excise as much revenue as possible, in order to maintain the credit of the State. I took up that position all through my election. I never spoke of freetrade, or if I did, it was to own a liking for it, which I regretted the position of Tasmania and the colonies generally would not permit me to gratify. On the very first occasion that I spoke in Launceston, upon my return from England, my colleague, the Minister for Trade and Customs, was on the platform. I did not anticipate that my speech on that occasion would have produced upon some of the gentlemen present the result that it did. I spoke to the audience, as I am speaking now, calling their attention to the necessities and the possibilities of the great future into which they were entering, and begging of them to consider well the men whom they were to send to represent them. I begged them to see that they were men marked by the possession of judgment and

some erudition, and able to read the signs of the times. I said - "Tome the signs of the times are strongly in favour of such a revenue Tariff as you have been having yourselves, incidentally protecting the interests of the manufacturer and of the producer." I told them of the producers and the manufacturers who had been built up in that place, and of the capital that had been drawn into Tasmania. I told them of the hundreds of men who were earning a living in the factories, of the pattering of clogs along the streets, and the ringing of factory bells, which we knew not of 20 years ago. Telling them all these tilings, I said - "These interests give employment, and I shall be no party to their destruction. I honestly beg of you to return men who will pledge themselves to keep down the expenditure of the Commonwealth, but who, at the same time, will be prepared to maintain a high revenue Tariff." As a result, much to my astonishment, I was, from that time forth, taken in hand, apparently, by protectionists. I did not bid for their assistance ; I did not ask for it. I meant to have gone on my own independent course, but because on that particular platform men came to the front, and said - "We accept Sir Philip Fysh as our candidate" - although I did not ask to be so accepted - I was denounced in other portions of the country where the glamour of these free-traders' speeches had fallen on the people. I was denounced by my right honorable friend, Sir Edward Braddon, who had been my co-Minister and colleague for 10 years.

Sir Edward Braddon

- . I never denounced the honorable member.

Sir PHILIP FYSH

- Oh, yes, the right honorable member did. I heard of it, and I heard of it very regretfully. I think I may now get away from my own personal position, but I may say, that to my mind, my right honorable friend, Sir Edward Braddon, has not properly explained the object of our Tasmanian Tariffs. Surely he has forgotten them. He has thought more, perhaps, of their purpose than of their results. I do not know what causes this aberration of mind on his part, but he tells us now that the Tasmanian duties were imposed absolutely without discrimination.

Sir Edward Braddon

- Without protectionist discrimination, I said.

Sir PHILIP FYSH

- "Without discrimination" were the right honorable member's words. He said that in respect of a Tariff which included a duty of 40s. per head on cattle, 2s. on sheep, and 2s. 6d. on pigs.

Mr Cameron

- Is not the right honorable member aware that that duty has been repealed ?

<page>6175</page>

Sir PHILIP FYSH

- What has that to do with the matter? When the honorable member has some sensible remark to make I shall be very happy to reply to it.

That cattle Tariff was repealed for one year during the Braddon-Fysh administration. It was not a case of "Whereas we have discovered our error and are desirous of introducing free-trade in meat into Tasmania," hut it was a case of "Whereas the number of fat cattle is so short, be it known that it is necessary for a year to reduce this Tariff." The Tariff was accordingly reduced, but by effluxion of time it again came into operation. Thus we had from the freetrader who has just been speaking a duty of 40s. per head upon cattle. Yet, according to the right honorable member, there has been no discrimination in the Tasmanian Tariff. Why, timber in the log has been admitted free ; timber sawn has carried one duty, timber plain another duty, and timber in architraves still a different duty. Spices which were whole have been taxed at one rate, and spices which were ground at another rate. Candles, which of course could be made in that State, carried a duty of 2d. per lb., and a similar tax was levied upon imported biscuits. Stearine which could not be made locally was admitted free for the protection of the candle makers. These are facts which I should not have introduced had not the right honorable Sir Edward Braddon so thoroughly misunderstood or misrepresented me. His action, however, compels me to remind him how he has sat with me, and agreed that certain raw materials in connexion with saddlery, upholstery, bootmaking and hat malting should be admitted free, whilst there should be a duty imposed upon the finished articles for the purpose of encouraging local manufacturers. I found myself when I returned from England thoroughly in accord with the manifesto issued by the Prime Minister at Maitland. I found that although he had been associated with protectionists, lie at any rate had the breath of free-trade upon him in New South Wales,

and was under a certain influence which caused him to say - "We cannot have the free-trade Tariff of New South Wales or the protectionist Tariff of Victoria, but we must have a high Tariff for revenue purposes. In connection with that high Tariff for revenue purposes we must meet the necessities of the weaker States, and I pledge myself that except in the hour of the greatest stress and emergency my Government will not call upon the people for direct taxation."

It was because I believed I was going to secure a higher Tariff for revenue purposes, and was thus going to protect the weaker State of Tasmania from that direct taxation, more of which she could not bear, that I joined the Government, and have been associated with them in an endeavour, first, to find a sufficiency of revenue for the weaker States ; secondly, to see that we do not destroy that which we cannot build up ; and, thirdly, to try and redeem those pledges which were made on behalf of the Ministry by its leader. I claim that we have redeemed our pledges. I do not say that in every respect this Tariff is perfect. What is our object in going into committee? It is to see wherein we differ in regard to details. If we accept the principle we shall get into committee and possibly amend in detail.

Mr Conroy

- What principle ?

<page>6176</page>

Sir PHILIP FYSH

- The principle of obtaining a sufficiency of revenue for all purposes and of preventing the destruction of any existing industry. In Victoria alone, irrespective of what we have in Tasmania, there are £12,000,000 invested in various manufacturing industries. I am not one of those who say that there are no " vested interests." Let those who make this declaration apply it to the various public houses throughout the land, and see if they can break down the cry of " vested interests." Vested .interests may be seen in all directions. Victoria has particularly invited the investment of capital within its borders. Tasmania has invited manufacturers to build up warehouses, employ labour, and invest capital, and having done so these men are now thriving. They are thriving not to the disadvantage of some one else, but with advantage alike to themselves and to the people. I am addressing myself to a subject with which I am personally acquainted. I have been an importer for 52 years. I was an importer in England for ten years, and a resident importer in Australia for 42 years. The duties imposed in Tasmania are - as I have pointed out - very high, and yet last year they yielded the largest amount of revenue ever received by that State. Those duties have enabled the manufacturer's of boots, blankets, flannels, woollens, candles, and various other articles to keep me as an importer out of foreign markets. Where fifteen years ago I annually imported these articles by hundreds of cases, my son, who now has my business, does not import one case. The whole of these goods such as the heavier classes of men's boots, all woollen blankets, flannels, woollens for trouserings, and ladies dresses are now made in Tasmania, and sold at prices which prevent us from importing from Lancashire any one of them. They are superior articles, and are recognised as such.

Mr CAMERON

- Where does the revenue come from?

Sir PHILIP FYSH

-I have already pointed out that the high duties imposed resulted in Tasmania securing last year the largest amount of revenue from customs and excise ever collected by that State. The fact is that we have given to a larger population a higher wage, and have so improved their position that they can buy a larger portion of the world's commodities. Although, if I had resided in New South Wales I might have seen its progress under different circumstances, I must say that so far as Tasmania is concerned she would not have been in the progressive position which she occupies to-day had we not through our revenue Tariff given this incidental encouragement to local manufacturers. I think that I may now pass from my right honorable friend and from matters connected with Tasmania to a few general observations upon this motion. I am sorry that the leader of the Opposition is not present, because it is always more pleasant to speak in the presence of a man than it is to talk behind his back. I wanted to say that all through this speech I had a feeling that I knew where I could put my hand upon some description of some one else which would be very much akin to the description I should have given of the right honorable gentleman and his speech. I remember that in Justin McCarthy's volume No.4, somewhere about the middle of the volume, he tells us about Gathorne Hardy, of whom he says that his speech was of a rattling, declamatory

kind, stirring as the rolling drum, as flowing as the sand in the hour-glass, which is always flowing; but as empty as the drum, and as dry as the sand in the hour-glass.

An Honorable Member. - The right honorable member was not dry.

Sir PHILIP FYSH

- I wish the right honorable gentleman were present, but if he was not dry, there was this feeling which was observed by members of the House. Members of the State Legislature came to listen, and when the right honorable and learned gentleman entered the other day, one was heard to say, "George, give us some fun." Now, I do not come here for fun ; I should very much prefer spending my time at home. Upon this the most important occasion of the session, when we might have expected the right honorable and learned gentleman to apply himself rather to a thorough shredding to pieces of what was to him a most objectionable Tariff, I was unable to take down more than three or four points which needed any special answer. One occurs to me immediately with respect to a grocer, who evidently had been taking a rise out of " Georgie."

Mr SPEAKER

- Order ! The honorable Minister must not refer to another honorable member in that way.

Sir PHILIP FYSH

- I am very sorry, and I beg pardon. I do not often slip in that way. Some one has been taking a "rise" out of the right honorable and learned gentleman, who is known to be so thorough a free-trader. We know how it is with people outside, and we know that the man on the corner always wants to give us some tips. He gave the right honorable and learned gentleman some tips, and said he had been all day marking up 100 articles in his warehouse by reason of the rise in prices due to the Tariff. I have gone over them, and I find that there are seven on one side which he could raise in price, whereas there are thirteen on the other side the price of which he would have to reduce. I say that is a very fair specimen of the criticisms we have had of this Tariff. It is high in its aggregate, but we require to look through the items and compare them. We must draw a big black line down New South Wales first.

Mr Conroy

- A State with one-third of the people of Australia.

<page>6177</page>

Sir PHILIP FYSH

- We must draw a big black line down the free-trade country first, and then look to the Tariffs of the other five States, and we shall find that there has been an extraordinary compromise - to say the least of it - in favour of those States which are demanding more revenue and less protection. So far as protection is concerned, I shall just take two items, hats and boots. Was it possible to expect that nine gentlemen could meet in Cabinet representing the incongruous elements of six separate States, and by any method at all, by ballot or otherwise, frame a Tariff which should not only gratify them individually and collectively, but gratify also this House and the people? I have had some pleasure in framing Tariffs before. But I have never gone into Parliament with a Tariff without knowing that I should have a great many voices in opposition, and that I might have to make some concession to those who, sitting on one side or the other, might make good their objections. We could not expect that these nine gentlemen, under these circumstances, and finding the necessities of their States so widely different, could agree unanimously to all the articles in any one Tariff: Had we not to consider; so far as New South Wales was concerned, that whatever we did must give to her a revenue altogether disproportionate to the needs of the State? But New South Wales came into federation with the rest of us. The right honorable the leader of the Opposition told the people in February, 1890, that the price New South Wales was to pay for federation was the abandonment of her free-trade policy. Is that not a fact? I read it, and I admired him for saying it. It was telling his people the straight-out issue which they had to meet. They met it, and returned my right honorable colleague and leader at the head of the poll.

Mr Conroy

- It is exactly what the Prime Minister did not say.

<page>6178</page>

Sir PHILIP FYSH

- What the Prime Minister said is recorded in black and white, distinctly, and I have read it on more than one occasion. The question as to a high or a low Tariff is a question of degree. Fifteen per cent: might be

a very high Tariff for New South Wales, while 20 per cent. would not be a high Tariff in Tasmania, where such a Tariff has been in existence for some time. Twenty per cent. on shirts in Victoria, with 10 per cent. charged on the raw material, which heretofore paid nothing, is a vast concession for Victoria from the previous 35 per cent.; and no duty payable on the raw material. So far as hats and boots are concerned a great concession has been made, and we have there a reduction of 50 per cent. When they had to take into consideration Victoria, which is represented here by almost as many members as New South Wales, and also to take into consideration Queensland and Tasmania, where the Tariff is incidentally protectionist, how is it possible to presume that nine men in their senses should produce a Tariff very much dissimilar from that laid upon the table? In connexion with our imports of goods of a value of over £13,000,000 which pay ad valorem duties, not one-fifth is chargeable with so high a rate as 25 per cent. With respect to narcotics and stimulants. I need not offer a word of apology, because all the States, just as has been done in other countries, have loaded up the duties upon stimulants and narcotics as high as they possibly could to secure revenue, while avoiding inducements for smuggling on a large scale. Dealing with the specific duties, those who attack the Tariff ought also to acknowledge lines where the specific duties have been to a considerable extent diminished, and per contra we shall be able to show that, where there has been one increase of any importance, there have been very many decreases of very vital importance in the value. I take sugar for example. Where; except in Western Australia, £5 or £6 has been the ruling rate, and in Queensland £3, in the course of the next six years there will be, so far as sugar is concerned, a free breakfast table for the people of Australia. Tasmania had a duty of 6d. upon kerosene, but in future her people will have to pay a duty of only 3d. In the same way I might take the House through all the lines of the Tariff, and show that if we are to have revenue at all we must maintain these specific duties. They are duties which have been imposed by the States almost without challenge, not for protective purposes, because the articles were hardly manufactured here at all, but to give revenue. I think, therefore, I may pass away from that consideration to another, and a very serious one - whether it would have been possible, under the provisions of the Constitution, for any Ministry to bring forward other proposals than those contained in this Tariff. In a normal year, the proposed duties will return a revenue of £9,000,000 sterling. The difference between that amount and the revenue collected in 1899 - which was, roughly speaking, £7,500,000 - is £1,500,000. Nearly the whole of that amount will come from New South Wales that is to say, it will be collected from the people of that country; and returned to them to be used for their own purposes. But the Commonwealth has another responsibility, and the people were told of it by those of us who for the last 20 years advocated federation. They hailed with much satisfaction our purpose to break down the barriers between the various States and to give to trade between the States that free course which we were so desirous to obtain, but which so many resolutions of the various Parliaments, and so many agreements between Ministers, had failed to secure. From the moment of the introduction of this Tariff we had the blessings of freedom of trade between the States: We have not put our seed into the ground in the expectation of its germinating within a week or a month, and we are not like children to pick it up from time to time to see if it is growing. We know that there is vitality in it, and so far as Tasmania, which is the State with which I am most connected, is concerned, I am satisfied that; whatever sacrifice of revenue may be made, whatever the loss to the Treasury may be, the people will gain, because of the market opened up for their products among 3,500,000 people. But the removal of the Inter-State barriers has laid upon us the responsibility of finding £1,000,000 of additional revenue. That was a point respecting which I waited for honorable members to show that fairness which we might expect from those who claim a desire to help Ministers by making a concession in regard to this serious difficulty; but they did not do so. In addition to that, we have to find revenue to pay for new departments, and the new expenditure of the Commonwealth generally. Surely honorable members are not likely to ignore that other responsibility which comes to us through partnership with people who are financially weaker than ourselves. Surely, they will bear in mind the fact that the interests of those people are Commonwealth interests, and that the destruction of the credit of Tasmania, Western Australia, South Australia, or Queensland, would be a blow to the credit of the Commonwealth. How is the Commonwealth to maintain the credit of those States - except by returning to them, as nearly as possible, the amount of revenue which they received before joining the union? It is true that in doing this we must give New South Wales more than she requires, but that is only incidental. Even when £9,000,000 per annum is raised by the Commonwealth, Tasmania will lose £135,000 a year;

together with other losses, and increased expenditure.

Mr Cameron

- Losses such as "Tattersall's."

Sir PHILIP FYSH

- Yes.

Mr Cameron

-. - Then why did not the honorable member try to retain "Tattersall's " ?

Sir PHILIP FYSH

- There is another point; which the honorable member for Tasmania, Mr. Piesse, referred to, when speaking on the address in reply - the inability of some of the weaker States to consume proportionately the same quantity of stimulants, narcotics, and luxuries, as is consumed by the larger States. If, therefore, a Tariff is raised, equal to 40s. per head upon the population of the Commonwealth, the distribution to Tasmania will not be equal to 40s. a head. Although we are gradually creeping up to the consumption of the other States in the consumption of these articles, we shall find it difficult to overtake the consumption of States like Queensland and New South Wales. The consumption of these articles by Queensland is very great, no doubt by reason of her large male population and the number of people engaged in mining there, while the consumption of New South Wales is no doubt due to the wealth of her cities, and the large number of persons interested in pastoral and other pursuits. In dividing the £9,000,000 of revenue amongst the States, Tasmania, although her population represents 5.05 per cent., will retain only 3.95 per cent., the measure of the power to consume. 3.95 per cent., which is practically. 4 per cent., on a Tariff of £9,000,000, amounts to £360,000, which means a loss to Tasmania of £135,000 a year. If the House could get rid of that provincialism which I am sorry to find still exists throughout the States, and of which we have an exhibition here from time to time; if honorable members will forget what was done in the Convention, and take account! of what we are learning day by day, that the time must soon come for a federation of our financial systems - for the federation of our common purse - we shall get rid of, once and for all, the difficulties which surround Ministers in framing a Tariff. If now we could frame a Tariff for £7,000,000, and that were found enough for New South Wales, and would give to Tasmania and the weaker States their proper proportion per population, I should have, at 5 per cent., £350,000 instead of £360,000 out of £9,000,000.

Mr Cameron

- Is not the honorable gentleman ashamed to beg for Tasmania?

<page>6179</page>

Mr SPEAKER

- Order!

Sir PHILIP FYSH

- When the honorable member can interject something which is worthy of a member of this great Legislature, I shall reply.

Mr Cameron

- The honorable gentleman will find it out when he goes back for election.

Sir PHILIP FYSH

- That is the point I have been trying to keep before the people for years past. I am very pleased that the leader of the Opposition has entered the chamber, because I want to refresh his mind in respect to it.

Mr Reid

- The honorable gentleman will never refresh my mind.

Sir PHILIP FYSH

- It may not be at the moment on the right honorable member's mind, and certainly my conclusions are not on his mind. If I can bring home to honorable members my conclusions then, - not this session, but, I hope, very early - they, giving attention to the result of such a change in our Constitution may support the Administration in bringing about so desirable a result as a division of the revenues of the States per capita instead of giving back the amount which was collected therein. This was an astonishing claim to put forward. I dare not put forward such a claim in the convention.

Mr Reid

- Nor now, either.

Sir PHILIP FYSH

- I am not putting it forward as a claim now. I hope that directly New South Wales finds that she has to raise so much more than is immediately necessary, and that she only needs to raise it because the weaker States are compelled to ask for this much more j she will consider the position, and help us at an early date to amend the Constitution, so as to get rid of the bookkeeping clauses. I own that I am as much responsible for the bookkeeping clauses as is any one. For seven days, in three separate conventions, the Treasurers sat to consider this question, but "we always had before us the prime principle on which we were entering into federation - that there should be no abandonment by any State of its rights, properties, or interests. Starting from that basis, we never could get as far as we would like until on one occasion, the right honorable and learned member who leads the Opposition here, after agreeing to our proposals in committee for the first or second time, went into the convention, and instead of backing up the minutes of the committee which he had indorsed within the hour, made what we hoped would be a proposal which might possibly assist in getting us out of that difficulty - a proposal somewhat similar to that which has been made, so far as Western Australia is concerned - to level up and down the collections within the various States. Tasmania was collecting only 3.5s.- per head, while New South Wales was collecting 45s. per head. His proposal was that during five years Tasmania should be levelled up to the 40s. per head, and New South Wales levelled down to the 40s. per bead. But no sooner did he discover that it meant to New South Wales a loss of not less than £800,000 per year, than he naturally was obliged to abandon it. When we remember that Western Australia in those days was collecting about 17 per head through her Customs, while New South Wales was collecting only about £1 5s. per head ; we shall see that there was no other course open to the committees - try as much as they could, and knowing that the press and the people, and every one in the convention, were opposed to the bookkeeping principle - but to continue in the Bill as finally framed .a provision almost similar to that which appeared in the first draft of the Bill of 1891. So that we are driven by the Constitution into the position of raising a much larger revenue than is necessary. Now that my right honorable friend has left the. chamber again, I do not know that I shall trouble to go over the various points to which he referred. I did allude to the grocery matter, and now I shall allude to the man who paid 6s. duty a dozen on caps, and who hereafter will have to pay only 3s. a dozen. Surely that was wide enough for any protectionist body to reduce the duty at one fell swoop. The. right honorable member said just now that the manufacturer would have to pay 20 per cent, on his imported woollens and 20 per cent, on his trimmings and bindings. His informant was only " having " him, for most likely the caps are made of the odd pieces of Ballarat wool. At any rate all the bindings and trimmings are absolutely free of dutv. Let us boil down the £63,000,000 "of imports for 1899 to see how much is to be exempted from duty. I think honorable members will discover that we have in that amount reached the maximum which we could afford to exempt at the present time. . I-f- ;we add . to the, £29,000,000 for. intercolonial- products and interchange of trade the 'taxable amount ' of £21,000,000, which produces the revenue of £9,000,000, we get £50,000,000. In view of the high values of last year's imports and the great loading up of stock during this year, my right honorable colleague has thought that he should allow £5,000,000 or thereabouts for shortages, and thus we have the very large sum of £8,000,000 worth of goods which are absolutely exempted from duty. When any one looks up the Tariff and turns to the exempt lists, and asks what meaning is to be attached to those words "all articles not stated in the Tariff are to be absolutely free," I call his attention to the fact that he can study for himself and discover that not less than £8,000,000 worth of imported goods will now be free of duty. I do not think I need occupy the House with further observations on the subject. I have been drawn on more than I had intended, but I think I have said enough to show honorable members that I have been perfectly in earnest. I hope I have been conscientious in the discharge of my duty. I have done that which I believe is the best to be done for the Commonwealth, and I am quite sure that it is the best that could be done for Tasmania, whose interests I feel more immediately associated with. We have expected a deficiency there, variously estimated at from £100,000 to £260,000 per annum. I have always stated it at about £100,000. I wrote to the Premier of Tasmania a few days ago to call his attention to the fact that, seeing that the Tariff comes into operation so late in the year, I believe his loss for the year, including his loss of about £6,000 on the importation of cattle, if he loses that, will not be more than £30,000.

Mr Cameron

- Is not the honorable gentleman aware that the duties were repealed twelve months ago 1

Sir PHILIP FYSH

- The cattle duties were collected last year. I also called the attention of the Premier of Tasmania to the fact that I believe during the coming year his loss may be £100,000, and that it will not reach more than about £120,000 in a normal year. If that be the result, I shall claim as far as Tasmania is concerned, at any rate, that she has had a hand in framing a Tariff which will not be detrimental to her own interests, but which I hope will operate to the advantage of all the States. I trust, further, that New South Wales herself will presently take a very large hand in meeting the necessities of her own people, and that we may have, not only in connexion with one thing, but in all things, a united and self-contained Australia.

<page>6181</page>

Mr WILKS

- I think that you, sir, and the House must have marvelled at the wonderful self-control of the representatives of New South Wales throughout this debate in regard to a Tariff which has imposed such burdens upon the people of that State. A protest has been raised not only in New South Wales, but it has also been heard from the representatives of Tasmania, South Australia, and Western Australia ; and even one representative of Victoria has complained of the pernicious character of this iniquitous Tariff. We have been told that we should extend the sentimentalities that were indulged in at the time that we were being appealed to to join in forming a United Australia. We are asked to extend our horizon, and take a broad and comprehensive view of the possibilities that lie before us as a united people, but we find that we" are expected to expand our mental view to a horizon that is ever extending southwards to Victoria, and to accept freely and willingly a Victorian Tariff. It is with difficulty that any man from New South Wales can even contemplate such a prospect, and even at the risk of being considered provincial, I feel that it is my duty to fight for the rights of the State I represent. The right honorable gentleman who last addressed the House, in his opening remarks, led us to believe that his sole desire was to promote the interests of the Commonwealth as a whole, but he did not forget, towards the close of his address, to tell us that the most important matter in his mind was the interest of Tasmania. From his own stand-point he appeared to be satisfied, and he has a perfect right to his opinions, but I take it that I am called upon, equally with the right honorable gentlemen, to see that State interests are not sacrificed. I know that there are very many men who can well uphold the interests of Victoria without the assistance of any. one from New South Wales, and I must enter the lists and fight as strongly as I can for the people of nly' own State, who strongly disapprove of the financial policy of the Government. The whole of the people of New South Wales are practically in a state of rebellion. This feeling has not been worked up by any newspaper agitation, and is not confined to any one. class of- the- community, but prevails among, all classes, from the merchant' to the mechanic ; and if the people of that State had the power to obtain a. divorce from this Constitution, that power would, in the present state of feeling,, be exercised against the Commonwealth. This- Tariff is not merely a temporary scheme of taxation, but it will involve serious consequences for- many years to come, and if- it is carried in its present form, it will practically mean confiscation for the people of' New South Wales, and particularly for those who are least able to bear it. We have been told, that we do not know what vested- interests mean, but we do know what, they mean, and we fear them in consequence. We- recognise that this Tariff has been framed very largely as the result of the influence- exerted by vested interests in Victoria, and - it is because we know that under a system of high Tariffism you create vested interests, which exercise a power inimical to the- best' interests of the general public, that we fight so strongly. It is well known that this battle will extend beyond the walls of this House, and that it will be fought upon the platforms throughout the whole length and breadth of Australia, and we, the representatives of New South Wales, will stand up, not only for our own State, but in support of an equitable adjustment of the burdens of taxation, such as the people of New South Wales have benefited by, and recognise as truly just. They expect us to fight for them in this matter with all the strength with which we are capable; and that is the reason why we feel so concerned about the proposals of' the Government ; that is why it is- difficult for us to restrain ourselves when we are speaking upon this matter so as to. avoid being offensive. I have not yet been personally offensive in my attitude in this House, and I do not wish to be so now, but if I should be carried away into making remarks that might bear the colour of offensiveness, it is only because I feel strongly and regard it as my duty to speak strongly in defence of'

that policy which I have helped to mould, and for which I have fought under the leadership of the leader of the Opposition. It is this policy that the people in the district I represent have realized the full benefits of, and they expect me to uphold it here as fiercely as I have maintained it in the past. I trust this House will not regard me as egotistical when I tell them that I represent the strongest industrial electorate in the whole of Australia. The magnitude of its industries, the powerful influences they exert, their stability and the thousands of operatives employed in connexion with them, make the district I represent unquestionably the most important manufacturing centre in the whole of the Commonwealth. I am now speaking with the force of conviction, and with the greatest earnestness in support of the policy we have earned out there, and as the representative of such an important centre, my words must carry a certain amount of weight. It has been my privilege to represent for many years a district in which the electors are mainly composed of the artisan classes: They have returned me not by small majorities or by any catch votes, but by absolute and decisive majorities. In presenting facts and figures to honorable members, I will not draw upon the statistical journals, as many other honorable members have done, for information, but upon my experience as the representative of a constituency composed of men for whose special benefit the Government policy is supposed to have been framed and formulated. My constituents have persisted, not by small but by absolute majorities, in affirming, in the interests of their own welfare, a policy directly opposed to that of the Government. That is surely a refutation of the arguments used by some honorable members who have addressed the House from the Government side during this debate, and a refutation which ought to have some weight with the community. Surely the people there, who have been for years engaged in iron-working and similar industries, are well able to judge of what policy they are prepared to live under. On the question of revenue we have heard no better speech than that of the honorable member for North Sydney tonight, when he, with his critical faculty and commercial knowledge, followed to the bitter end the consequences which will flow from the Budget and Tariff now presented. The honorable member gave this House a criticism which has not as yet been reversed; and I may here show how two members of the Ministry contradict each other on this question of revenue. The honorable member for Tasmania, Sir Philip Fysh, referring to his experience in that State, contended, that high tariffism, while it had kept out certain commodities, had given the people there more constant and regular wages, and had enabled them to buy more largely of the world's goods. Early this evening the Treasurer said that a high Tariff had the effect of keeping out the world's goods, but that, while goods might be dearer to the people of Victoria, they had with their money purchased their own local goods.

Sir George Turner

- Not at all. What I said was that, by having the work done and the wages paid here, the people were able to purchase a far larger quantity of imported goods.

Mr WILKS

- That the people were enabled to purchase more imported goods?

Sir George Turner

- Imported revenue producing goods, that we do not manufacture here:

Mr WILKS

- I certainly must have misunderstood the right honorable gentleman. But it will be remembered that the Treasurer said that, while the people in Victoria paid a little dearer for the goods locally manufactured, they were able to sell those goods in the outside markets at a cheaper rate. Thus we discover that the years and years of high tariffism in Victoria have been at the expense of the taxpayers of that State - that the people inside the protected area have had to pay higher rates for locally manufactured goods than were paid for these goods elsewhere when exported.

Mr. Joseph Cook. - But the protectionists strenuously deny that fact!

Mr. WILKS.- The Treasurer said this afternoon that while goods produced in Victoria have been sold in New South Wales and elsewhere at a cheaper rate than in the local market, the people of Victoria have had the compensation of the knowledge that they have benefited the community. During the debate on the address in reply the Prime Minister said that the need of revenue for the various States stood higher than any fiscal theory. The statement made by the Prime Minister was that he considered revenue before fiscal theory; but the Minister for Trade and Customs said that he considered protection before revenue.

Mr Kingston

-i did not say anything of the sort !

Mr WILKS

- That was the inference from the right honorable gentleman's remark when he threw down a challenge and said, " We stand here and hold our majority on the pronouncement of the principle of' protection." The right honorable gentleman has forgotten that; when speaking, he said it was the intention of the Ministry to give bonuses to certain industries, and that when these industries had produced sufficient to earn the bonuses, they would be carried on afterwards under a protective Tariff. The right honorable gentleman was so reported in Hansard ; and if that be his view, I ask him now whether he does not consider the fiscal before the revenue aspect.

Mr Kingston

- No.

<page>6183</page>

Mr WILKS

- We are told by the Prime Minister that he inquires revenue, subject to the condition that "substantial" industries are not destroyed. That, I think, is the position taken up by the Prime Minister - that revenue must be collected, but not at the expense of what are termed "substantial" industries. "Industries shall not be ruthlessly destroyed" is, I believe, another phrase that was used by Ministers during the electoral campaign, or within the walls of this chamber. At any rate, they say that " substantial " industries must not be sacrificed. I want to know what is a " substantial " industry. Are the Ministry concerned only with the " substantial " industries of Victoria, or are they concerned also with the " substantial " industries of another State? We have substantial industries in New South Wales, the effect of protection on which would be their destruction. According to the Government, destruction would follow the removal of protection from certain industries in Victoria. I am endeavouring to show that the Tariff, not only in its form, but in its incidence of taxation is, according to the Minister's- own representations, purely in a Victorian direction and under Victorian influence. If to remove the protective duties from certain industries in Victoria is to destroy them, then I reverse the position, and say, what I shall be able to prove, that to impose protective duties on certain New South Wales industries would certainly mean the destruction of the latter. When honorable members are asked to record a vote on a question of' this character, they are naturally concerned to know the exact meaning of the word " substantial." If industries in Victoria, after 30years' coddling at the expense of the taxpayers, still require further assistance at the hands of the Commonwealth- Parliament? and the Commonwealth taxpayer, and the people of Australia, are to be asked to carry on the work of charity and generosity hitherto carried on by the taxpayers of Victoria, those industries can no longer be called substantial. If those industries are substantial there is no necessity to tax the people of the whole of Australia in order to support them. In the electorate which I have the honour and privilege to represent, there are industries employing thousands of men. Those industries are absolutely dependent on commerce and shipping, and are dependent on the free importation of the tools, appliances, and material used by those engaged in them. If it be right to protect the industries of one State, it surely is right to protect the industries of another State. The industries I have mentioned have become staple and powerful at the expense and in consequence of the enterprise and energy of those engaged in them. The people of New South Wales have not been called upon to contribute one penny, either by means of Tariff or bonuses, for the support of those industries ; and should like to ask the Ministry whether they are prepared to take the broad Australian view that no industries must be . destroyed or crippled. Are they prepared to* consider the industries of New South Wales, which will materially suffer if the present proposals are carried out ? The incidence of this taxation can be told in language, which I cannot command, by the people of New South Wales, who feel the burden, and are expressing, hour by hour, the fear of the results which will follow the imposition of this Tariff. We are told by the Government that this Tariff of an ad valorem character is not an unfair one \ but I submit that an ad valorem Tariff taxes people not according to their ability to pay, but according to their power of consumption. Mechanics under this Tariff are taxed on the necessities of life. A week ago the Tariff of New South Wales contained 49 taxable articles : to-day it contains over 1,000 taxable articles, most of which are consumed mainly by the masses of the community. We find from this list that high taxation is imposed upon food, apparel, machinery, building materia], and upon nearly everything that goes to make the surroundings and the comfort of the mechanic, as well as of the ordinary y citizen of the community.

The ad valorem taxes in their incidence press equally upon the mechanic and upon the millionaire. Most millionaires at the present day have attained their position by the most rigid and austere principles of life. If a millionaire does not consume high class wines, and does not indulge in the highest class of narcotics, it is more than possible that under the Tariff of the Barton Government, brought in by the Minister for Trade and Customs, who has been represented by his friends to be the leading radical in Australia, he will not be more highly taxed than the mechanic. I will also bring another point under the notice of the House. It is that the bachelor, under this Tariff, will pay less than the married man with a family. These taxes fall purely upon the artisan and his family ; and in a country like New South Wales where the taxation has hitherto been only £1 6s. fid. per head, it will be in the future £2 7s. fid. per head - an increase of £1 1s. per head. According to ordinary statistical authorities, we may accept the average family as consisting of five. In my own electorate people are not generally so delicate-looking as I am, and have larger families than that. You are aware, Mr. Speaker, with your political knowledge and your business experience, that when taxes are imposed upon goods imported into a country, not only are imposts levied upon the people through the Custom-house, but additional charges are made in respect of those goods by the middlemen and merchants. But taking it simply according to the extra amount paid through the Customs, this Tariff means to every family in the community, and especially in New South Wales, where they have hitherto had an equitable adjustment of taxation, an additional burden of from half-a-crown to three shillings per week. That may seem to be a small sum, but later on I shall ask honorable members to compare that half-a-crown or three shillings with the extra cost of living, as against the wages rates as cited in this House last night as a reason for adopting the Victorian policy. I am not one of those who would say that taxation is a crime. We know that we must have taxation. We also know that the freetraders of New South Wales had to make a sacrifice on coming into the Federation. They themselves knew that. But they did not believe for one moment that a Tariff would be introduced that would to such a great extent tax the masses. Hitherto, it must be remembered, New South Wales has been one of the least taxed communities in the world, and the incidence of its taxation has been the most equitable in the world. But New South Wales stands to-day, owing to the tabling of the Tariff resolutions, as the third highest taxed State in Australia ; and as far as the incidence of taxation is concerned her people will be amongst the most highly taxed people in the world.

Mr Isaacs

- Did not the leader of the Opposition tell the New South Wales Assembly that there must be a high Customs Tariff ?

Mr WILKS

- He said there must be high duties relatively to the duties in New South Wales, which were low. He said that there must be a revenue Tariff.

Mr Kingston

- He said a very high Tariff.

Mr WILKS

- I shall show that this Tariff, instead of being, as it is represented to be, a revenue producing Tariff, will be in many directions a revenue destroying Tariff. I believe that some of the Victorian advocates of protection, who favour the fiscal policy of this State, will be only too glad to discover that it is not revenue producing but revenue destroying. The Victorian politician in this House who believed in the fiscal policy of this State in the past will not be satisfied, according to his own admissions - we have the admissions of the honorable member for Gippsland, and the honorable member for Melbourne Ports to that effect - with the duties as they stand, but will desire in committee not to decrease those duties, but to increase them. They do not regard the Tariff as sufficiently protective for them. I believe that if amendments are carried in the direction they desire, the Tariff will become less and less revenue producing and more and more revenue destroying. If we are to have a protective policy for Australia, I would rather have the issue stated plainly in favour of protection. If the issue were put plainly before the people of Australia, I do not think it would require either speeches in this House or from the platform to prove to the people that their interests do not lie in the direction advocated by the high tariffists, but in that recommended by those who favour low tariff inclinations. I suppose that under this Tariff the Treasurer hopes to get revenue from those articles that are in general consumption and demand by the mass of the people. It is a peculiar commentary upon the policy of the Government that the reasons given by the advocates of indirect

taxation are that money can be more easily extracted from the people by indirect taxation than by a more open course, or by a low Tariff and an equitable adjustment of taxation. I am not making an attack upon the Treasurer. The position he holds, and the financial requirements of the country have, to a great extent, forced him into the present position. But if we find on both sides of the Chamber that there is an opinion that the constitutional requirements and the financial machinery of the Commonwealth require that the Government should extract a higher revenue from the people than is required for the purposes of the Commonwealth, then it may be considered whether it is not our duty to remove this machinery which compels the Government to take that course of action.

Sir George Turner

- If New South Wales would vote with us we might get the country to do it, but it could not be done by this Parliament.

Mr WILKS

- If New South Wales is shown that it is because of that financial machinery that excessive taxation has to be wrung from the people of Australia, and that the Tariff is made higher than is required for the purposes of the Commonwealth, it would not require much persuasion to induce the whole people, not only of that State but of the Commonwealth, to cast their vote in favour of removing that constitutional objection.

Sir George Turner

- I should be very glad to see it done.

Mr. WILKS. - The honorable member for North Sydney, with infinite credit to himself, has presented to the House not a mere collection of statistics compiled by others, but a scheme which is the result of his own commercial training and knowledge of finance. Taking the estimated revenue as presented by the Treasurer he has adjusted the burdens of taxation more equitably than the Government have done. Under his scheme a smaller demand is made upon the people, and he shows that a smaller revenue will be sufficient.

<page>6185</page>

Sir George Turner

- The honorable member would leave the States insolvent under his scheme.

Mr. WILKS. - No, he provides against that. I am glad the right honorable and learned gentleman has referred to that matter. When the honorable member for North Sydney was speaking he forgot to explain his scheme for making good the shortage which might exist for one year under his proposals. It occurred to me at the time that he had omitted to make reference to that provision, and he explained to me afterwards that the £900,000 shortage which would result from the calculation of the normal as against the abnormal year, would be met by a primage duty of 5 per cent.

Sir George Turner

- But the shortage of £900,000 occurs every year. In the first year it would be double that amount.

Mr WILKS

- The honorable member proposes to meet that shortage in the way I have stated. That is the explanation he has given to me, but he has a better knowledge of the subject than I possess, and I do not intend to pursue the matter further. I wish to drive home the point that not only the artisans, not only the industrial classes, but the commercial classes of New South Wales also will suffer under this Tariff. With the exception of one or two peculiarly interested protectionists, it would not be possible to find one elector in New South Wales ready to say a kind word for the Government proposals.

Mr Chanter

- Why, the secretary of the National Protectionist Association of New South Wales sent over a telegram of congratulation.

Mr WILKS

- The interjection made by the honorable member reminds me that I have not yet seen on the table of the House a copy of the figures presented to the Government by the secretary of the National Protectionist Association of New South Wales as the result of the deliberations of the Chamber of Manufactures in Sydney. Those figures were sent under seal to the Collector of Customs to assist him in framing the Tariff. I urge respectfully that they should be laid on the table of the House. We must admit that the Ministry have given us an enormous amount of data to enable us to follow their proposals, and deal with them in debate. They have omitted, however, to lay before us the recommendations not only of the

Chamber of Manufactures of New South Wales, but of the Chambers of Manufactures of the whole of Australia, representatives of which met at Sydney and forwarded to the Government an intimation of their desires. I should like to have them before us so that I might be able to deal with them in the interests of the public. No matter how this Tariff may be twisted about, whether it is disguised by high-sounding phrases, or whether it be the Minister for Trade and Customs who speaks upon it or not, one cannot fail to learn from it, and the speeches and demeanor of those who support it while honorable members are fulfilling their duties as representative men, and keeping in view the national idea, they do not neglect the interests of their respective States. I am sent here with others to watch over the interests of my State, as well as those of Australia generally. The people of New South Wales are so much incensed that I question whether the Prime Minister could obtain a favorable hearing in any part of New South Wales.

Mr Chanter

- Oh !

Mr WILKS

-I make that statement for what it is worth.

Mr Crouch

- The honorable member is inciting that feeling.

Mr WILKS

- The people are so incensed by the character of the burdens proposed to be placed upon them, that they require no incitement. People who have been accustomed to have just and equitable taxation placed upon them will not readily take upon their backs such enormous burdens as this Tariff will impose. The honorable member for Tasmania, Sir Philip Fysh, says, that, drawing a black line across New South Wales, the other States receive an advantage.

Mr Crouch

- Does the honorable member say that the desire for free-trade destroys the desire for free speech?

<page>6186</page>

Mr WILKS

- I say that the burdens of taxation are so overpowering, and that the Prime Minister has departed so seriously from the pledges which he made when seeking the suffrages of the electors of New South Wales, that the people there are incensed. From whatever point we may view the Tariff, it will be found that it is simply one of " Pay, pay, pay." It does not require those to pay who should do so, but makes demands on those who are not entitled to carry the heavy burdens of taxation which it imposes. Although this argument applies with greater force in regard to the people of New South Wales, it is equally true of the electors of Australia as a whole. It has been said that certain industries of to-day must not be destroyed.

If it is light that certain established industries - I will not say staple or strong industries - should be assisted by means of taxation imposed on the people of Australia, I should like the Minister for Trade and Customs to say why other industries which are likely to be created should not also receive similar consideration. The Government have simply provided for what is termed the vested interests of to-day. That fact appeals to my mind with great force. There is a deliberate disregard of those industries which may and will be established under this federal union. Only the industries and energies of to-day receive attention. In reply to statements which have been made by certain honorable members, I should like to show the House that we have espoused freetrade in New South Wales as the result of tests that are undeniable. If we are looking round for tests, there are many which will occur to us. There is the population test, the wages test, the income test. If I can establish the fact that the population of the State from which I come has always increased under free-trade at a much greater rate than the population of Victoria under protection ; if I can show that the wages in New South Wales are higher, that the purchasing power of wages is greater ; and that incomes are greater, then I think I shall have shown sufficient justification for adherence to that policy under which New South Wales has become the premier State. No better example of the advantages of a free-trade policy can be afforded than that which is supplied by the comparative progress made by New South Wales and Victoria. The people of these States have the same aspirations and the same interests. Yet, what do we find? In 1871 Victoria boasted a population of 250,000 in excess of that of New South Wales. In 1881 that excess had diminished to 110,000, whilst in 1891 it had decreased to 8,000. A decade later - and during this period New South Wales enjoyed six years of the most absolute free-trade -

that State had not only made up the deficiency in her population as compared with that of Victoria, but had actually outstripped the latter by 300,000. During the period referred to many thousands of Victorian artisans, operatives, and business men settled in New South Wales. After a brief residence there, they are endowed with the franchise. Is it not reasonable to suppose that if protection had been such a beneficent policy as was represented by the honorable member for Gippsland, these people would have exercised their influence through the constitutional medium of the ballot-box in favour of the adoption of that fiscal faith ? They have had the power of so doing, but, notwithstanding this fact, year by year the free-trade majority in the mother State has become stronger and stronger.

Mr Kingston

- They went down like skittles at the last election.

Mr WILKS

- The last election was not decided on fiscal lines. I wish that it had been. During a period of 30 years, on two occasions only has New South Wales for a very brief period departed from her freetrade policy.

Mr. Kingston. - She has only had two lucid intervals.

Mr WILKS

- In both instances that departure was the result of a political accident. On one occasion the Ministry, of which Sir Patrick Jennings was the head, fastened upon the country behind the backs of the people a Tariff to which they were opposed. As a result, popular indignation was so thoroughly aroused throughout the entire colony that a dissolution of Parliament was forced, and the country upon being appealed to declared unmistakably against the Government. The second departure from free-trade lines was made in 1893, when the Dibbs Government, of which Mr. Barton was the Attorney-General, imposed a much lower Tariff than the one under discussion. It was a Tariff such as the Minister for Home Affairs recently declared himself in favour of at Cootamundra - namely, a 10 or 15 per cent. ad valorem. In that electorate the Minister told the people that he could not advocate a higher Tariff than that which I have indicated. Yet, despite that distinct and definite declaration, the same honorable gentleman, in referring to this Tariff the other day, said that it was not high enough.

Mr Chanter

- The honorable member is misquoting the Minister. I would not interject but that the Minister is absent.

<page>6187</page>

Mr WILKS

- I will wait till the return of the Minister, and then question him upon the matter. In 1892, I repeat, the people again declared against protection. The Minister for Trade and Customs says that the electors of New South Wales had two lucid intervals. This noble radical has the effrontery, when an honorable member is defending the policy which has been adopted in the State from which he comes, to retort in the debonaire air of the aristocrat, that the people have had "two lucid intervals." This is an age in which the people enjoy the advantages of an enlightened press, and in which avenues of instruction are freely open to all. Yet, I am told by this boasted radical that the people whom I represent have "lucid intervals." The only possible inference is that the electors of New South Wales were in ignorance when they voted for the policy of free-trade. Let me assure the right honorable and learned gentleman that they are equally as acute as he is upon political matters. Indeed, the masses of Australia are more educated, politically, than are the leisured classes. It is well known that when a man, even of the highest attainments, addresses the electors, he always finds that their political education is so advanced that it is impossible for him to talk above their heads. I am glad that they have such a keen appreciation of their duties as citizens. It is because of this that I believe the battle which has been started in this Chamber will be taken up throughout the length and breadth of the Commonwealth, and I am sanguine that the result in the near future will be the displacement of the present Ministry and the adoption of a just and equitable system of taxation. It is because of the political training and knowledge of the masses that I believe they will exercise their power in regard to Tariff reform in the direction of free-trade.

Mr Kingston

- They did it at the last election.

Mr WILKS

- I wish now to deal with the New South Wales factories. I find that during the six years in which that State has enjoyed the benefits of a free-trade policy, which was to destroy industry and drive capital out of the

country, there has been an increase in the number of hands employed in her factories of 17,000.

Mr Poynton

- And that is during six years of the worst drought, too.

Mr WILKS

- Yes. In 1895, which was a year before the Reid Tariff was introduced, 43,000 artisans were employed in manufacturing industries. At the end of 1900, there were 60,000 persons so employed. That was the result during this dreadful period of free-trade, which was to destroy all the industries and emasculate the energy and enterprise of the people. In Victoria, in the year 1889, ten years before, with all the assistance of the encouraging and invigorating policy of protection there were 5,000 more males employed in the factories than in 1899. These figures are taken from their own Statistical Register. I am talking about the same period for the operation of one policy and of the other, and these are the results.

Mr JOSEPH COOK

- These are the figures up to date?

Mr Mauger

- They are not up to date, and the honorable member is not comparing like with like.

Mr WILKS

- I now take the exodus of the population of Victoria for the last three years. Surely, this is up to date, and I am speaking practically of the period in which we are living ? In Victoria, during the last three years, the number of departures exceeded the number of arrivals by 1 17,000 souls. People left Victoria in spite of all the benefits and inducements of the industrial policy of protection,

Sir George Turner

- For the last three years ! The figures are only 111,000 for the last ten years.

Mr WILKS

- Yes, for the last three years.

Sir George Turner

- Will the honorable member give us the figures for each year that we may be able to 'check them ?

Mr WILKS

- I have given the figures. We know the statistical factory has been working night and day, and I need not give details. I give the broad statement. Take now the census returns, and surely the member for Melbourne Ports and the Treasurer will not dispute the census returns ?

Mr Mauger

- It all depends.

Mr WILKS

- Am I to understand that the census returns taken by Coghlan are not to be accepted, while the census returns taken by the Government Statistician of Victoria are to be accepted? I assume that the census returns compiled in one State are as reliable as those compiled in another. There is no inducement or desire to mislead in these matters. We find from the census returns that the population of Sydney and district increased during the ten years from 1891 to 1901 by 100,000 souls. They retained the natural increase of births over deaths, and had more arrivals than departures.

<page>6188</page>

Sir George Turner

- There were 800 more arrivals in New South Wales in the ten years.

Mr WILKS

- I repeat that there are 100,000 more souls in Sydney and district to-day than there "were ten years ago, - while in Melbourne and district - and I say this without any desire to gloat over the fact, but simply as a test of the efficiency of their policy - there are only 3,000 souls more than there were ten years ago. It must be remembered also that in the case of Melbourne and district there is an area of something like 75 square miles upon which to make the calculation, a very much larger area than the area of Sydney and district. Fancy a city of about 490,000 souls only increasing her population by 3,000 in ten years !

Sir George Turner

- Does not the honorable member see that he is unfair in comparing with 1891, which was just the height of our boom?

Mr WILKS

- We had our boom and troubles in New South Wales also, and I shall come to that directly. Here is a city with 490,000 people, which only increases her population by 3,000 in ten years, and does not even keep up the natural increase of births over deaths, while in Sydney and district the population in the same time has been increased by 100,000. I do not gloat over these figures, but if the policy of New South Wales is a destroying one, how is it that the people stop there and increase ; and if the policy of Victoria is so good, as has been suggested, why is there not a different result in the great city of Melbourne? I shall now deal with the matter of wages, and in doing so I shall endeavour to introduce fresh light and shall not follow on the lines taken by other honorable members. In dealing with the question of wages, surely it will be admitted that the wages of Government operatives or semi-Government employes are greater than the wages of persons employed by private individuals?

Mr Mauger

- They are lower. Our engineers on the railways only get 9s. per day, while engineers outside get 10s.

Mr WILKS

- I am proposing to deal with persons in a more humble rank than that of engineers, and I am taking my figures in this instance from the Age. The figures are for the 10th June, 1896, in the case of Sydney, and 7th July, 1896, in the case of Melbourne. I think that will be considered recent enough. Honorable members will admit that aldermen can exercise power to increase wages, and are asked to do so more frequently and effectively than is the case with private concerns. I am referring now to the wages of municipal labourers, and I should like the radical representative of South Australia, the Minister for Trade and Customs to hear that, according to the Age, the ordinary municipal labourers in Sydney at that time received 43s. per week, while in Melbourne the ordinary municipal labourers received only 28s. 6d. per week. These are not my figures, or the figures of a statistician. They are the figures of the directing organ of the protectionists, the Age, of Melbourne. The same authority adds that the wages in Sydney for a man with a horse and cart were 10s. 6d. per day, while they were only 7s. 8d. in Melbourne. Now, I test the question in the matter of incomes. I am taking the last returns up to about three months ago. With a total population of 1,300,000 in New South Wales, the total incomes were £63,500,000, or an average of £47 7s. In Victoria, with a total population of 1,170,000, the total incomes amounted to £48,900,000 or an average income per person of £42 5s. So that the average income in New South Wales, the country of low wages and distress, and which has been destroyed and ruined by free-trade, the average income per head is £47 7s., as against £42 5s. in Victoria.

Sir George Turner

- That is because your importers make such immense profits.

Mr WILKS

- The right honorable gentleman speaks of our importers making immense profits, but I am going to give the figures also with respect to incomes under £200 per annum. Surely the right honorable gentleman will not call £200 per annum enormous importers' profits ? That is about the wage which an artisan ought to receive, and the minimum which the member for Melbourne Ports should advocate. In New South Wales, the incomes under £200 a year amounted to £45,500,000, and in Victoria they amounted to £39,750,000. In New South Wales 38.14 per cent. of the population were receiving incomes of under £200 a year, and in Victoria 36.13.

Mr Mauger

- Who has worked out this information?

Mr WILKS

- It is taken from Coghlan's Seven Colonies.

Mr A McLEAN

- Coghlan, points out that a great deal of the New South Wales incomes belong to. Victoria and South Australia.

<page>6189</page>

Mr WILKS

- I might go a little further and say that a great deal of the Victorian incomes belong to Great Britain ; and when honorable members talk about the great losses of Victoria when the boom burst, I might say that the loss of Victorians was nothing compared with that of the British investor. Coming to the statistics relating to Savings Banks, which are a test of the prosperity of the artisan class, because they rarely are

able to save enough to be able to deposit their money in the ordinary banks, I find that in New South Wales the increase of depositors between 1891 and 1899, a period of ten years, was 102,400, and in Victoria 74,280 persons, while the increase of amount of deposits in New South Wales came to £4,727,000, and in Victoria to £3,295,000.

Sir George Turner

- In New South Wales the Savings Banks were paying interest at the rate of 4 per cent. while we gave only 2 and 21/2 per cent., because we found the money coming in too fast.

Mr WILKS

- The interjection does not affect the fact that the deposits in the Savings Banks are a test of the financial position of the poorer classes of the community. In New South Wales the average per head of new deposits during the period I have mentioned was £46, and in Victoria £44. The honorable member for Gippsland spoke in defence of the position of the Victorian farmer, and he wishes to apply the Victorian protective system to all Australia. I would, however, draw his attention to the wages which, according to the Victorian Statistical Register for last year are paid to agricultural employes in Victoria: In 1889, a Victorian ploughman received 22s. 3d. per week, while in 1899 he was receiving 17s. 8d. a week, or 5s. a week less, and less than is received by a ploughman in Scotland, who in 1892 was receiving an average wage of 18s. 10d. a week.

Mr Kingston

- Where does the honorable member get that information?

<page>6190</page>

Mr WILKS

- From table 2, part 7, of the Victorian Statistical Register for 1899- 1900. I could give fuller information in regard to the wages of other farm employes, but I do not wish to unduly take up the time of the House. The honorable member for Melbourne Ports last night contrasted the number of unemployed in New South Wales with the number of unemployed in Victoria. There is no one but must feel sorry that so many persons are out of employment in New South Wales, Victoria, and every other part of the globe. But the honorable member occupied a dual position. As secretary to the Protectionist Association, we find him one day advocating the benefits of protection, and extolling the encouragement which it gives to capital, while the next day we meet him as the secretary to the Anti-Sweating League, pointing out that, without the assistance of the wages boards, operatives can obtain only miserable wages. There has been in this discussion, I will not say a concealment of facts, but a neglect of them, and the honorable member forgot to inform the House that in 1899 he was president of a board appointed to inquire into the unemployed question in Victoria. When the Victorian Government Statistician was under examination by that board, he, in answer to questions by the Rev. A. R. Edgar, a member of the board, gave the following astounding information : -

Is it not a fact that 1891 was a very prosperous time, that is when the census was taken ? - Yes, fairly so. It was about the time that the boom ended ? - I take the collapse of the land boom to have been about the end of 1888, but we did not suffer much from the effects of it till about 1893.

Do you think there is very much difference between the colony to-day - that is, 8th June, 1899 - and in 1891 ? - Yes, in the economic conditions.

If there were 23,000 unemployed in 1891, would there not be a greater number of the same class today ? - Most decidedly. I fancy the unemployment would be greater in the cities, say, in the number of clerks, for instance, and I do not think it would be less in the country, considering, of course, the numbers thrown out by a stoppage of railway work.

So, in your opinion, the number announced - 20,000 - as being out of employment at the present time is well within the mark? - I think there are at least as many as at the census. We must remember that a great many have gone to Western Australia, which has, to a certain extent, reduced the number. That is the evidence of a witness who was a Government official, who was not moved by political bias, or affected by fiscal views. In case that may not be reason enough, I would like to give the honorable member some information from the Age, of the 28th June, 1901, and surely he will never accuse the Age of being biased in favour of freetrade doctrine, and inclined to represent the figures in stronger colours than ought to be done. On that date the Age published an article headed " Distress in Sydney ; Nearly 10,000 unemployed ; Appalling destitution."

The only facts revealed in the article, were that, from" September1,1900, to May 31, 1901, i.e., nine months, 9,323 persons had registered at the Sydney Labour Bureau as wanting employment, of which 2,381 had registered during the last three months. On the same day an inquiry made at the Labour Bureau, Melbourne, showed that during the same nine months no less than 14,402 persons had registered there as unemployed, and of these, 4,940 registered during the last three months. Fifty per cent, more unemployed, and their number increasing, while in Sydney their number fell off.

That is not the remark of a biased advocate of free-trade in New South Wales, but the remark of the Age on the 28th June of this year, admitting that the unemployed in Melbourne, regretful as it is, exceeded by so many thousands the unemployed in Sydney. It would not paint Melbourne in its worst colors. It simply presented the culled statements from two labour bureaus, which showed that Melbourne had 14,000 unemployed as against 9,000 unemployed in Sydney. There is another test which we can apply in industrial struggles, and which was referred to by an honorable member. No one can blame the citizens of Victoria, simply because their lot was so hard, and work so difficult to obtain. But on every occasion on which we have had a strike in New South Wales the men to supply the places of the strikers have been culled from the ranks of the unemployed here. I do not place any stigma on the citizens of Victoria, because it was simply their hard lot which compelled these men to take that course. The same thing occurred in the Broken Hill strike, the boot strike, and the Lucknow strike in that State, and in the strike in Queensland. It is a remarkable fact that every time there has been an industrial difficulty in the mother State, Victoria, by reason of her surplus of unemployed, has always been able to furnish labour to take the place of the strikers. As if the comparison were not sufficient between New South Wales and Victoria, with comparatively equal conditions, and peopled by men of similar nature, the honorable member for Melbourne Ports has on the other side gone further afield. He asked us to look at the position of Great Britain and that of the United States. He quoted from official literature of the society of which he is the secretary, and in support of the doctrine of protection he quoted from the Fabian essays, when, as a matter of fact, there is not one Fabian essayist who is not an avowed free-trader. Every one of them, though lamenting the conditions in Great Britain, in the most recent work, Fabianism and its Empire, has refused to revert to the protectionist doctrine. The honorable member cannot cite one Fabian essayist who is a protectionist.

Mr Mauger

- I did not quote them as protectionists.

Mr WILKS

- The honorable member cannot show me in the Fabian writings one suggestion that the people of Great Britain, or of any other country, should adopt a protectionist policy.

Mr Mauger

- I never said so.

Mr WILKS

- Then why did the honorable member quote them 1

Mr Mauger

- To show the condition, and the number of paupers, in London.

Mr WILKS

- I shall show the honorable member directly the condition of paupers in protectionist America. The inference to be drawn from these leaflets issued to the electors of Victoria and to honorable members is, that because the Fabian essayists have said that certain doctrines and pauperdom, which we are all ashamed of, have existed in England for a great many years, it was owing to the fiscal policy, and. that the way to cure the evil was protection. Why did the honorable member make the quotation if he had not that idea in his mind ?

Mr Mauger

- I said distinctly that it was not quoted for that reason.

Mr WILKS

- I shall make one or two quotations from men who are not professors of economy, but who are professors in regard to matters of industrial trouble, and represent the artisans Of Great Britain. I know it is not palatable to honorable members opposite, but I intend to quote Sir William Vernon Harcourt, a well-known liberal, Mr. Thomas Burt, a labour member in the House of Commons since 1874, Mr. John

Burns and Mr. Keir Hardie. If we are asked by honorable members to reverse the policy that exists in New South Wales and which obtains in Great Britain, I look not to narrow statistics but to the custodians and guardians of the interests of the workers of Great Britain to see whether they advise me, by the light of their own experience, to adopt the policy of protection.

Mr Mauger

- What is the honorable member about to quote from 1

Mr WILKS

- From speeches in the House of Commons, from the secretary to a Miners' Mutual Provident Association, and from the Age.

Mr Mauger

- That is good.

<page>6191</page>

Mr WILKS

- The honorable member was in doubt when I said that I was going to quote from a House of Commons report. The noble defender of the unions and wages boards was in doubt when I said I was going to read the official letter of the secretary to a labour organization. But immediately I said I was going to quote from the Age he was no longer in doubt.

Mr Mauger

- We have heard that letter read so often.

Mr WILKS

- We shall hear it read again. We have not heard it read so often as we have had the honorable member's pamphlet presented here. In June, 1897, Sir William Vernon Harcourt made these remarks in the House of Commons : -

I can remember when the people of this country were neither prosperous nor contented - when disorder was rife amidst the masses of the people, who were impatient, suffering, and intolerant at their miserable lot. Any one who knows the social history of this country, I should say, in the first six years of the Queen - from 1837 to .1 843 - can remember what sufferings there were in the great towns, and perhaps still more in the rural districts, and will be able to form some conception of the marvellous improvement that has taken place in the condition of the nation - in the growth, not only of its numbers, but in the health and wealth, in the moral no less than in the physical fibre of the people. That is the general distinct feature, to my mind, of this auspicious reign. The people are better fed, better clothed, better housed, better educated - -crime diminished taxes decreased. These form the solid basis on which this Empire rests. Under this Federal Tariff people of New South Wales will not be better housed. It imposes such an enormous tax on building material that the artisan who to-day has the greatest difficulty to obtain a home, will be absolutely prevented from doing so ; the speculative builder will not be able to pursue his operations, and in their turn the building trades which never can receive protection, will be unable to follow their occupations. The carpenter, the brickmaker, the stonemason, and the plasterer cannot receive any benefits from the Tariff, but they will feel the full disadvantages, of a Tariff under which building material is taxed. This is what Mr. Thos. Burt says with reference to the effects of the free-trade policy in England -

For myself, I am a convinced free-trader, believing that such a policy is advantageous, not only to the community generally, but especially to the workers. On the Tariff controversy now proceeding in Australia, I offer no opinion.

Mr Mauger

- He is quite right.

Mr WILKS

- Then why did the honorable member offer any opinion as to the condition of affairs in Great Britain 1

Mr Mauger

- I offered no opinion.

Mr WILKS

- The honorable member said that certain-conditions in Great Britain were the direct result of the fiscal policy in operation in that country. Mr. Burt proceeds -

But when opponents of free-trade refer to the abject poverty of the wage earners of this country as being

due to free-trade ; and when, as in the extract from a newspaper leading article which you enclose, they cite the Cradley Heath workers as being typical of the workers of this country, they are simply indulging in grotesque caricature, and are presuming upon the ignorance of those whom they are addressing. Could any one speak in stronger terms! This testimony does not come from a capitalist, but from a man who has represented the working men of Great Britain in Parliament for 27 years.

Mr Mauger

- That statement was made in response to a letter from the Free-Trade Association of New South Wales.

Mr WILKS

- Does the honorable member wish it to be inferred that a gentleman of the character of Mr. Burt would draft his reply according to the letter he received?

Mr Mauger

- Let me send him a letter and I will get a different answer.

Mr WILKS

- Would the honorable member have us believe that Mr. Burt would shape his reply in accordance with the letter he received? Am I to understand that the honorable member has the indecency to insinuate that Mr. Burt, the secretary of the Northumberland Miners' Association, representing hundreds of thousands of "men, would shape his reply according to the desire conveyed to him ?

Mr Mauger

- I do not say that.

Mr WILKS

- Am I to accept the testimony of this representative of the working men of Great Britain for many many years, against whom not one word can be said, or am I to reject it because doubts have been thrown upon the accuracy of his statements by the honorable member for Melbourne Ports ?

Mr Mauger

- I did not say that I doubted his statements.

<page>6192</page>

Mr WILKS

- Now, I have a statement by Mr. Keir Hardie, who is not a professor of economics, but a trusted representative of the workers of Great Britain. He writes from his knowledge of the workers of America a3 follows : -

I have had an opportunity of studying the condition of the American workman on the spot.

He has not derived his information from books or from letters sent by such people as the honorable member for Melbourne Ports, but gives us the results of his observation after studying the American workmen on the spot. He says -

And I unhesitatingly declare that in spite of his protection - perhaps because of it - his condition is immeasurably worse than that of the British worker. The position of the workers of this country has improved considerably since the inauguration of the free-trade policy.

There is a powerful sentence - there is a sentence that I should like the protectionists to answer.

Mr Tudor

- That was not the case when I worked there, and that is not many years ago.

<page>6193</page>

Mr WILKS

- The Age of December 6th, 1894, contained the following cablegram : -

Mr. John

Burns, M.P. for Battersea, made some candid remarks on the condition of the poorer classes in New York, when addressing a mass meeting in that city yesterday. In the course of his address,

Mr. Burns

told his hearers that his observations in New York had shown him that the houses in Whitechapel itself - the poorest quarter in London - were clean, wholesome, and luxurious compared with the horrible tenements in which lived the workers of the chief city of the United States.

I would like the honorable member for

Gippsland, who referred to the tents and hovels of New South Wales, to note these words, written by a man who has a thorough knowledge of London, and who has fought his way from the humblest position in

the ranks of the workers of Great Britain. He says that, bad as the conditions were in London, they were far worse in New York. Now, I desire to quote a statement made by Mr. Sidney Webb on the 1st November, 1900, Surely the protectionists will not doubt what he says. He writes : -

Your inquiry as to my opinion upon the results of free-trade in England comes at an appropriate moment. We are just completing ten years of the greatest material prosperity that this country has ever known in all its history. We have been pursuing a free-trade policy (that is, Tariff for revenue only, without protection to native industry) for over half a century. During that time (as I have described in detail in my little book, Labour in the Longest Reign) the condition of the wage-earners has greatly and persistently improved. This House was led to believe that pauperism was caused by the free-trade policy of Great Britain. He continues -

Wages have risen, food and clothing have become cheaper, the working day has become shorter, and employment has become more regular. There is not the ghost of a chance of the English trade unions asking for a protective tariff.

There is a fine sentence for use in fiscal controversy. Mr. Webb is an advanced thinker, who is in a position to speak on behalf of the English trades unions, and yet he says that there is no disposition on their part to ask for the protection which is said to be so necessary for the operatives and artisans in Victoria. In Great Britain, where the conditions of labour are well known, and with Germany on the one side and France on the other, it is said on behalf of the great trades unions, that there is not the ghost of a chance for protection. I take the trouble to place these facts before the House, because the honorable member for Melbourne Ports one day advocates protection from the side of capital and the establishment of industries, and the next day runs round the streets saying that there must be anti-sweating leagues and wages boards. I admit, with the honorable member for Melbourne Ports, that protection does not begin and end at the Custom-house. I know, as a free-trader, that it begins at the Custom-house and follows a man to the grave. It touches a man in his home, and in his hour of distress, and when he is buried, the monumental mason, in consequence of a protective Tariff, is able to put a further burden on the dead citizen's family. In regard to this battle of direct and indirect taxation, I would like to point out that if a Custom-house officer stood at the door of the grocer's shop or the draper's shop, and told the artisan's wife that she had there and then to pay him 5s. in the pound for governmental purposes the people of Australia would soon be keenly awake to the disastrous effects of legislation of this character. In the past strength has been given to protection, because in their incidence the imposts were not in many cases traceable. But. now the public are being made well aware of the fact that a visit to the grocer's or draper's means a demand of 5s. in the pound on behalf of the Government. As to the United States, I would like to read the following extract from the New York World of 19th June, 1894-

The census of the tenement-house districts of the city has just been completed by the Health department. It shows a population of 1,332,773 living in 39,138 tenement-houses, of which 2,346 are rear houses. Of this swarming population, 180,359 are babies under five years of age, of whom nearly 9,000 live in rear houses.

I read this in order to show that protection does not raise men in the social condition, even in the boasted high-taxed country of America. Statistics show that in the United States, with a high system of fiscalism, customs and excise took from the people last year a total sum of £70,000,000 in duties mainly imposed on articles from Great Britain. That is an enormous sum, but even more than that was paid by the people of the United States in the increased cost of the articles.

Mr Tudor

- That is about £1 per head.

Mr WILKS

- Is that not an enormous amount in a country where the McKinley Tariff, which is the highest in the world, is supposed to build up industries? The figures I have quoted show that this high protective policy of America does not keep out the manufactures of Great Britain, but does cause the people to pay £70,000,000 in customs and excise. The New York World, in the same article, proceeds : -

Do our readers know what a " rear " tenement house is ? A building shut in by other buildings, without sunlight, without fresh air, without proper ventilation, without proper drainage, subject to the foul odours and nuisances of its neighbours as well as its own, and crowded with the poorest of the poor tenement house population. An average of a little over 34 persons to each house, and about five babies under five

years old among them.

That is not a description of abject freetrade Great Britain, but of America, where the boasted policy of protection is in force. I make these facts a present to the honorable member for Melbourne Ports, who last night tried to induce the House and the country to believe that, in consequence of free-trade, the social condition of Great Britain was very bad. We find, however, that the conditions I have described prevail in America under the McKinley Tariff.

Mr Mauger

- Terrible !

Mr WILKS

- It is terrible, and it proves that protection is not a cure.

Mr Ronald

- Neither is free-trade.

Mr WILKS

- No man contends that free-trade is a panacea ; but I do contend that a low Tariff enables the masses to better fight the battle of life. That is the position taken up by free-traders in New South Wales.

Free-traders do not advance the idea that a mere revenue reform is a moral force, but they do say that an equitable adjustment of the burdens of taxation is the correct policy. When the masses are freed as much as possible from taxation, they are so far freed from obstacles which prevent them fighting more easily the battle of existence. The protectionist policy is in the interests of a few, only one out of ten receiving any benefits from such legislative assistance. That fact has been shown by the loss of population in Victoria, and by every test that can be applied. The establishment of wages boards is an admission that protection is a failure. It was once said that when protection was installed the demand for artisans would be so great that wages would be kept up. But, as a matter of fact, in Victoria the supply of labour has been far greater than the demand, and now further artificial assistance is asked for. Those engaged in the building trade, clerks, and thousands of others cannot receive any benefit from protection ; and, after all these years, the only result of this fiscal policy, for which the people have paid, is that the honorable member for Melbourne Ports has to agitate for wages boards. It is a remarkable fact that in New South Wales, without the assistance of those wages boards, the wages of the workmen, even according to Victorian statistics - I cannot be more generous than that - are only a few pence per week lower than those paid in the trades of Victoria for which wages boards have been appointed. Furthermore, the artisans of New South Wales have the advantage that they are the most lightly taxed men on the face of the globe, and are able to obtain the necessaries of life at lower prices than the Victorians. Even in the city of New York, according to Professor Felix Adler, writing in the New York Times, there are thousands of children living in tenement houses who perish annually during the summer months owing to the miserable condition in which they live. I could give a great many more facts of the same kind, but I think I have quoted sufficient for my purpose. I would say to the Prime Minister plainly that, at the federal elections in New South Wales, with which he had a great deal to do, the strength of the free-trade party was best shown in the Senate elections. Not only the city of Sydney, but the whole population of the State demonstrated, not the popularity of any particular candidate, but of free- trade principles. Only one candidate who was an official protectionist was returned to the Senate from that State. I refer to the Honorable Richard O'Connor, the representative of the Government in the Senate. I am simply showing that this House has an unmistakable mandate from New South Wales of the belief of that State in a free-trade policy.

<page>6194</page>

Mr HUME COOK

- Take the mandate of all Australia.

Mr WILKS

- Those honorable members who talk so much of a wider horizon simply wish us to direct our attention southwards to Victoria. Although apparently we may now be in the toils of Victoria, it will be found that the free-trade party in this House will not only fight here, but will continue to fight in the country, and that the interest of Victoria will be made subservient to the interest of Australia. We have had an experience of free-trade in New South Wales, with the result that the protectionist Ministry recently returned to power there takes care not to reverse the fiscal policy of that State.

Mr JOSEPH COOK

- They have pledged themselves not to.

Mr WILKS

- Yes ; they have pledged themselves not to do anything of the kind. The Prime Minister may talk sentimentally about the development of Australian ideas and a national life, but he knows as a constitutional lawyer, and as a parliamentarian, that although we are sent here with Australian ideas and desires, we have at the same time to give representation to the fiscal views of the various districts we represent. I honestly believe that if to-morrow an election took place in New South Wales, there would not be more than two or three Bartonians returned. It is of course a matter of opinion, and I state my view for what it is worth. I do not wish the right honorable gentleman any harm personally, but I think that he has made revenue subservient to protection. When the right honorable gentleman speaks about the destruction of Australian industries by free-trade, let me remind him of industries like the Mort's Dock Engineering Company in Sydney, which employs 2,000 men. Is not that an Australian industry? -Is it not an industry to be proud of ? It has not been built up at the expense of the people. It has not taken one farthing out of the pockets of the taxpayers. I would also suggest enormous chemical works, which Victoria cannot equal - works like those of Elliott Brothers, and oil works, like those of Lever Brothers, who employ 400 people, and whose capital, I suppose, represents £140,000. These are powerful industries. When the right honorable and learned gentleman talks about destroying protected industries, I ask him why his love and attachment are not as great towards .free-trade industries like those? The Minister :* for Trade and Customs has practically invited a fight in regard to the Tariff, and the Treasurer has also encouraged it. They have practically invited the protectionist members to increase duties in committee. But I ask the Prime Minister, who poses as an Australian, and appeals for an Australian field in politics, whether he is going to murder and throttle the freetrade industries of New South Wales? I am not speaking on behalf of the commercial classes of that State. Their position has been ably represented by the honorable member for North Sydney. The moderation with which the New South Wales representatives have addressed themselves to this question is remarkable. The Prime Minister, whose memory is good, remembers the fate of the Dibbs Government, and I am satisfied that the people of New South Wales will not be content with a Tariff for the benefit of Victorian industries, but will fight for a Tariff for Australia.

Mr McColl

- How does supporting one industry destroy another ?

Mr WILKS

- Let these industries establish themselves without State assistance, as they have done in New South r Wales. It is a remarkable thing that in Victoria, after 30 years of assistance from the taxpayers of that State, the protected industries should desire the taxpayers of the whole of Australia to support them. The New South Wales industries have flourished without State assistance, and do not ask for Commonwealth assistance. That is my opinion. Dealing with the sugar duties, I must say that so far as I am concerned, I do not see why any provision should have been made for the differential treatment of the sugar grower in order to buy off the kanaka. I am prepared to vote for the abolition of kanaka labour, because it is objectionable to the people of Australia; but I am not prepared to vote for the differential treatment of the sugar grower proposed by the Government.

Mr HUME COOK

- Then the honorable member will not vote with his leader.

Mr WILKS

- I am free to vote as I like. I am not like the honorable member who spoke in one way on a certain question and voted in another.

Mr HUME COOK

- The honorable member's leader did that, but I am too clever to let the honorable member get over here.

<page>6195</page>

Mr WILKS

- It is remarkable that while the Government propose to pick out an- industry to ' the north of New South Wales as well as the industries of Victoria for Commonwealth assistance, they neglect the industries of New South Wales. If the removal of protection will be injurious to the manufactories of

Victoria, the imposition of protection will certainly be injurious to the manufactories of New South Wales. Some honorable members say that commerce and shipping will be affected, and I would point out there are industries on Port Jackson which depend mainly upon the shipping trade for their existence. A great deal has been said in regard to the exchange of goods, and it is a remarkable fact that, while Australasia purchased last year £3,000,000 worth of goods from pauper-labour countries, she sold them £9,000,000 worth. In New South Wales, we not only preach the doctrine of free-trade, but we practice it, and it is strange that after all the years during which there has been every opportunity for the dumping down of goods produced by foreign pauper labour, no injurious results of that policy are to be found. The people of New South Wales are, therefore, much concerned in fighting for their policy. I know that I have occupied the attention of the House for a considerable time, but I knew that the Government would, in all probability, allow the next speaker to move the adjournment of the debate, instead of calling upon him to go on at this late hour, and I thought that it would not be a matter of much concern, if I did keep the attention of the House for a few minutes longer than I intended, in order to place my views fully before honorable members. On an occasion such as this, no apology is needed for making a long speech. The fight is a strong one, and we should have every opportunity for presenting our arguments before the House. I have presented, as strongly as I can, the views of the people with whom I have lived all my life.

Mr Barton

- Does it hurt 1 The honorable member looks as if it does.

Mr WILKS

- The Government policy will hurt the people, and although the people of New South Wales would not do any personal injury to the Prime Minister, they will hurt him in a political sense.

Mr Barton

- I will take my chance of that.

Mr WILKS

- I know that in the districts around Sydney where mechanics predominate, I have the confidence of the people. I have, been returned to this House, and in the past to the State Parliament, not by chance votes, but by absolute majorities. I was returned to this House, notwithstanding the strong opposition offered, not personally, but politically, by the Prime Minister, then in the heyday of his popularity; but with all the power at his back he could not manage to direct the artisans and mechanics of Dalley to vote against me.

Mr Barton

- I never troubled myself about the honorable member, either one way or the other.

Mr WILKS

- I am not putting this forward in a personal sense. The people of New South Wales will not accept this Tariff, and I P,m satisfied that it will be fought more vigorously than any of the State Tariffs have been. There is one other matter to which I should like to refer before I close my speech. The Treasurer said that he did not believe in the inflation of the Defence Estimates, and I think it is for the committee to reduce that inflation. I believe that under the complicated financial sections of the Constitution, the defence expenditure will be used in the near future as a pretext for securing a higher Tariff. The necessity for expensive fortifications and such works will be urged, as it has been urged before in protectionist countries as an excuse for more taxation.

Mr Barton

- All the guns will be like free-trade maxims ; they will not go off.

Mr WILKS

-Whether that will be so or not, I am satisfied that the people will not have this Tariff. If the Prime Minister could only realize the rebellious spirit which has been aroused in New South Wales by his Tariff proposals, he would be very much concerned, not only for the condition of the people of Australia, but for his own political welfare; he would not take matters so calmly as he pretends to do. I -regret that it is proposed to impose upon Australia taxation which, I fear, will not be of a temporary character. I entertain that fear because, in 1886, after the Victorian protectionist Tariff had been in operation for some time, the Commissioner of Customs made 300 distinct applications for new duties. I am afraid that after these iniquitous proposals have been in force for three years - if they do come into force - there will be more than 300 applications for increased duties to assist various industries.

Debate (on motion of Mr. Joseph Cook) adjourned.

<page>6196</page>

23:55:00

House adjourned at 11.9 p.m.