

<url>https://www.historichansard.net/hofreps/1901/19011022_reps_1_5</url>
1901-10-22

House of Representatives.

Mr. Speaker

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

MOTION OF CENSURE

<page>6235</page>

Debate resumed (from 18th October) on motion by Mr. Reid -

1) 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.

Mr. CAMERON

(Tasmania). - I desire to express my sincere thanks to the Prime Minister for the great courtesy he displayed towards me on Friday last in allowing me to continue my speech to-day. I shall not attempt to take undue advantage of that kindness. I shall curtail my speech for two reasons - first, because only a comparatively small number of honorable members have spoken; and secondly, because I do not suppose that anything I may say is likely to have any influence one way or the other. When the House adjourned on Friday last I was referring to an attack by the honorable member for Tasmania,

Sir Philip

Fysh, on a certain statement of the leader of the Opposition, which he turned into ridicule, or which he asserted was not correct. He said that the leader of the Opposition had met a grocer who took a rise out of him, and that an analysis of the Tariff showed that whilst a grocer might raise the price of seven articles, there were thirteen articles on which he would have to decrease it. And when I was proceeding to point out from a price-list that that statement was not in accordance with facts, the honorable member for Echuca interjected that it merely showed 'the dishonesty of the merchant. Unfortunately for his interjection, the price-list I now hold in my hand is the price list of a Victorian manufacturer, and not of a Victorian merchant. The firm in question are Parsons Brothers Proprietary Limited, having mills and offices at 581 and 587 Collins-street, Melbourne. Comparing the price-list for this month with that for last month, I find that' on an average the increase per lb. on the various articles they quote ranges from 1d. up to 2½d., and occasionally more. I also find that there are no less than 94 separate articles on which an increase has been charged. That must substantiate the truth of the assertion of the leader of the Opposition, and prove conclusively to honorable members that it was the honorable member for Tasmania,

Sir Philip

Fysh, who made the mistake. That honorable member then went on to make an appeal " on behalf of Tasmania for assistance, stating that she had sacrificed a good deal to come into the Federal Union, and that, as her pecuniary position was not good, she should receive assistance from the other States.

Sir Philip Fysh

- Pardon me. I think the honorable member is making a mistake. I made no reference to any appeal on behalf of Tasmania.

Mr CAMERON

- Here is the report in the Argus, and if the honorable gentleman wants further proof, //award, I believe, is available. I am very pleased that he now disclaims any intention of making an appeal on behalf of Tasmania.

Sir Philip Fysh

- I am not aware of having done so.

Mr CAMERON

- If the honorable gentleman has not done so he has been incorrectly reported. If he has done so, I, for one, repudiate any such idea. I look upon this, not in the light of a partnership for better or worse, but as a commercial undertaking into which the States, just like men, have entered. Men put a certain amount of money into a firm or company with the idea that they are going to benefit by so doing. If they do, well and good ; if they do not, one partner does not go to the others and ask for assistance. If Tasmania has made a mistake in entering into this Union, she must put up with the consequences. I shall be no party to asking for assistance for her. The honorable and learned member for Bendigo, who, I regret to observe, after having delivered his speech seems to have retired, made a very strong appeal on two subjects. One appeal was on behalf of the farmers of the Commonwealth. I, as a farmer, tried on Friday last to put their side of the case, and to point out that a protectionist policy was not going to benefit them. I now come to the appeal on behalf of the manufacturers of mining machinery. I should like the attention of the Minister for Defence to what I am going to say, as I believe there is no State in the group which will suffer more from this protective policy, if it is the will of the Parliament, than Western Australia.

An Honorable Member. - And Queensland too.

Mr CAMERON

- And Queensland too, very likely. The honorable and learned member for Bendigo said that at Ballarat they could make machinery equal to that made in any part of the world, and gave us what he called proof of his assertion. I propose to take one of the best mines in the Ballarat district, namely, the Glenfine South, which is no doubt well-known to honorable members. About a year ago the very best machinery manufactured in Victoria was erected on that mine. They have 40 head of stampers which crush some 2,500 tons of stone per month, giving an average of two tons per day per stamper, while at Kalgoorlie, in Western Australia, the mines equipped with the Frazer and Chalmers' batteries put through an average of four tons per stamper per day. It may be said that the stone in Western Australia is more friable, and, therefore, more easily crushed than is the stone at Ballarat, and I am perfectly willing to concede that the Ballarat stone may be harder, and that there may be a slight difference in the capacity of the batteries on that account.

Mr Poynton

- The Glenfine South stone is not hard ; I know that.

<page>6236</page>

Mr CAMERON

- When I find, however, that the Frazer and Chalmers' batteries erected on the Rand at Johannesburg, where the stone approximates to that at Ballarat, also put through a higher average quantity per stamper, I can only come to the conclusion that the honorable and learned member for Bendigo is entirely wrong in his statement that the Victorian machinery is equal to that made by Frazer and Chalmers. There is another item in this Tariff that will press very severely on the people of Western Australia, and that is the duty on condensed milk. I do not, however, desire to deal with the items in the Tariff which more particularly affect the people of Western Australia, as I believe that the honorable members who have been returned for that State are quite competent to look after their interests. It was understood that free-trade was to take place between the various States as soon as this Tariff was tabled ; but I find to my extreme regret - and I am speaking in the interests of Victoria - that the intercourse between the States is not so free as we were led to expect it would be. Although this matter has not very much to do with the Tariff, it may be of some importance to the Minister of Trade and Customs, and I desire to call his attention to the fact that in Tasmania certain wharfage charges are levied at the various ports. I find that flour manufactured by local millers can be sent from Hobart and Launceston to the West Coast ports, such as Strahan and various other centres, and be landed free of wharfage dues ; but that flour sent over from Melbourne to Devonport is subject to a wharfage duty of 5s. per ton.

Mr Kingston

- That is a matter that we have nothing to do with ; it is in the hands of the State.

Mr CAMERON

- I am merely directing attention to it, so that the Minister may, if he thinks fit, endeavour to remove the difficulty.

Mr Kingston

- What the honorable member speaks of is not due to any action on the part of the Government.

Mr CAMERON

- No, but I merely direct attention to the matter, in order to show what is really an import duty is still levied on Victorian flour going into Tasmania. If that sort of thing is to be permitted in Tasmania, Victoria may very well retaliate.

Mr Kingston

- I expect the High Court will stop that sort of thing.

Mr CAMERON

- The Treasurer, when he addressed the House the other evening, said that if the motion were defeated the Government would be prepared to consider the various items in the Tariff in detail, and that if good reasons could be adduced for increasing or decreasing the various duties, the Government would alter them. For myself - and I hope this view will commend itself to the members of the Opposition generally - I emphatically protest against any such thing being done. It seems to me that really the only plank on which the Government ought to stand or fall is their fiscal policy, and therefore they should stand by their Tariff. The statement of the Treasurer is nothing more nor less than a sop to Government supporters, some of whom may wish to increase certain duties, whilst others may desire to decrease them. I consider that if the motion is defeated we members of the Opposition should not have anything more to do with the Tariff in detail, but should allow it to go enbloc to the Senate. Honorable members must remember that the Senate are in a totally different position from that occupied by the Legislative Councils of the various States, because the Senate really and truly represents the people.

The SPEAKER

- The honorable member must not refer to the other House.

Mr CAMERON

- May I not refer to it as "another place?"

The SPEAKER

- The honorable member must not refer to the Senate in so thinly veiled a manner that all members may understand him to be doing so.

Mr CAMERON

- What I desire to point out is that honorable members in another place are elected on a more popular basis than are the representatives in this Chamber. Whilst honorable members in this House represent various districts in the States, the members of the Senate were elected by the people of the various States voting as a whole. Therefore it seems to me that the Tariff should be allowed to go up to another place, and, if it is not carried there, that the people of Australia as a whole should have an opportunity of expressing their opinions through a general election. I always welcome an appeal to the people, and I think we should consult the people regarding this Tariff, because when it is settled it should be allowed to remain undisturbed for many years to come.

Mr McCOLL

- We have just had a very refreshing free-trade speech from an honorable member, who I understand was a few years ago a strong protectionist - who assisted to impose 20 per cent duties upon goods imported into Tasmania, together with a 20 per cent, drag-net provision. Some remarks have been made by the honorable member with regard to reaper and binder twine and, mining machinery, which I will deal with later on. There is no doubt that this debate is probably the most important that we shall have here for many years. It will be an historical debate, and I do not think, therefore, that too much exception should be taken to the very fullest expression of the views of honorable members in all parts of the House. We have come to the parting of the ways, and have to decide what is to be the fiscal policy of Australia for some years to come. We have to determine whether we shall adopt a policy of stagnation, under which all colonial industries will languish, or pursue a policy of development.

Mr McDonald

- Give us something new - the Age has been at that for the last decade.

<page>6237</page>

Mr McCOLL

- We have to make up our minds whether this Common wealth, consisting of six States, is to be ruled by

the policy which has obtained in five of those States, or by the policy which has ruled or rather misruled New South Wales. Of course, we cannot complain of honorable members from New South Wales endeavouring to impress their views upon us; but it would be too much to expect the representatives of all the other States to accept their proposals. The honorable member who has just sat down made a most extraordinary remark. He said that if this motion were lost, it would be the duty of the free-trade party to take no further hand in the consideration of the Tariff, but to leave it to be dealt with somewhere else. That is an extraordinary position for any representative to take. A Tariff is always in the form of proposals, which are considered in committee in order that honorable members may shape them in the light of fuller knowledge which debate affords. To say that a great party, such as that to which the honorable member professes to belong, will willingly throw up the sponge and leave the work to be done by another House, is an extraordinary statement.

Mr BRUCE SMITH

- The honorable member need not be anxious about that.

<page>6238</page>

Mr McCOLL

- I am glad to have the assurance of the honorable and learned member. Some day we may have a conflict, but it is not necessary to precipitate it in this particular manner. The thanks of honorable members are due to the Minister for Trade and Customs, and the Treasurer for the very full information they have given the House in regard to the Budget and the Tariff. The Treasurer and his colleagues have, it seems to me, spared no pains to give members the clearest and, I believe, the most accurate information. They have not attempted to cloak, or to keep anything back, but desire a full and fair discussion. A good deal has been said as to whether the Prime Minister has broken faith with Australia in bringing in a Tariff of this description. The statement has been reiterated by members on the other side that a pledge was made that nothing in the shape of protection would be introduced, but that we were to have a purely revenue Tariff - that a Tariff such as that now before us, was not to be expected. I have read carefully the speech of the Prime Minister at Maitland, and it seems to me that in the Tariff which he has brought in, he is acting strictly in accordance with the letter of his remarks on that occasion. We have had from time to time certain disjointed statements of a few lines put forward as representing the views of the Prime Minister, and I think it is only fair that we should have placed on record in Hansard at greater length the actual remarks made by the right honorable gentleman. At Maitland, the Prime Minister said - Revenue we must have. That is the all important consideration, because without that revenue the States will not be advantaged but cursed with federation. The Commonwealth must pay its way, help the States to pay their way, study their every detail, distribute the burden justly, and do no mischief. That is the task now before my honorable friend Mr. Kingston. He is capable of performing it, but it cannot be performed by any such notion of a revenue Tariff as we have been hearing of in all the capitals of Australia.

Where is there any promise of a revenue Tariff there?

The situation forced upon us can be forced upon any Government. Do not mistake me when I say that the situation forces itself upon us. I am a protectionist and so are nearly all my colleagues.

There is nothing about a revenue Tariff in that statement.

But if we are to raise the great revenue for the security of the federation then we cannot be prohibitionists, and our protection must be moderate, because prohibition or exclusive protection would lead to a prevention of that access of revenue which is necessary for the proper Government of the country.

Australia has known Tariffs for many years. In all the States there has been more or less protection. Even in New South Wales there is still £3 a ton on sugar. Who left it there? What is it there for? Are we to abolish that protection now, and begin the prosperity of the union by ruining our northern farmers?

Free-traders have refused to do it. Are we to say that while we are to do that for ourselves we are not to apply the same argument to our neighbours who have grown up with us?

There is nothing there about a revenue Tariff.

We must take the situation as we find it, and whether we are allied protectionists or revenue Tariffists are we not bound to fill our Treasury? We must have revenue without destruction. Remember those words - Revenue without destruction; a Tariff maintaining employment and not ruining it. By this constitution a complete intercolonial system of trade begins with the Commonwealth Tariff. No Australian who has the slightest regard for his country can consent to a state of things which means the destruction of industries,

and which means that the celebration of Australian nationality would be accompanied by the pattering of the bare feet of the people driven out of employment. That must not be, gentlemen. We cannot run the Commonwealth in that way. And this Ministry will not dream of instituting the first Tariff of the Commonwealth in such a way as first not to raise the revenue that is needed, and next to impose direct taxation, which will cripple the component States ; and, thirdly, to so construct the Tariff as to leave the people barefoot and homeless. We will leave that to others. In this tax there must be no rule of thumb. No Tariff that is now in force can claim to dictate to or exclude its fellows. No duty is to be adopted, because it is the lowest, and none because it is the highest. Each Tariff will be considered, and decided on its merits. By this means, we hope to present to you a business-man's Tariff, a practical working Tariff, and a really Federal Tariff ; and by that means we shall avoid disaster, suffering, bitterness, and, with those things, the antagonism to union which has made them possible. Men of all opinions who hope for the good of their country first, and their own policy second, can agree that the first Tariff of Australia ought to be considerate, preservative of existing production - liberal in its attitude towards those engaged in production.

There is nothing about a revenue Tariff there.

Will anyone tell me that the farmer, losing part throughout Australia of any protection that he had, is to be made better and safer after intercolonial free-trade by losing the remnant of protection that will remain to him? Is the farmer so safe that he can afford to dis sever himself from the responsibilities of all other industries ? I think not. He has only to turn his eye to Western America on the one hand, and to the enormously increasing employment of cheap labour in Argentina on the other, to picture to himself what it is to suffer under a revenue Tariff. Surely it is necessary to him that the protection left him under intercolonial free-trade should be maintained now. I wish to combat another policy which has not yet become a popular policy. I have not come here to conduct a protectionist campaign, though under other circumstances I should have been prepared to do so.

Mr Barton

- " Crusade " was the word.

<page>6239</page>

Mr McCOLL

- The right honorable gentleman continued : -

I do not, for the reason that there is now an opportunity for federalists of all shades of political opinion to unite in a national policy, which is dictated by the fact of the circumstances of the time.

That is a very full statement of the Prime Minister's views, and there is nothing in it about a revenue Tariff, or anything approaching a revenue Tariff. I believe that the Prime Minister and his colleagues have honestly, in the Tariff submitted, endeavoured to carry out the pledge given at Mainland. Of course, the Tariff consists of mere proposals. The Cabinet - a few men working together to a certain extent in the dark - have not the opportunity of getting the fullest information with regard to various matters ; and there is no doubt that, with the fuller light which members, who have had an opportunity of going thoroughly into details, will afford, many modifications will be made in committee. It is the custom in this debate, on the part of free-traders, to represent the manufacturers of Australia as a set of robbers, who are " sweating " and robbing the people, and enjoying the great profits of ill-gotten gains. Is that a fair way to treat a class who run the risk of competition, and who expend their money, not in the buying of goods cheaply in one country - in which they would always have 20s. in the pound - and bringing them here, secured by insurance, for the sake of a mere turn-over, but who spend their money in establishing factories, and in endeavouring to stimulate production and the employment of labour throughout the land ? It is not a fair way to characterize a body of men who are employing their time and their wealth in such a manner. I hold that a small producer who raises a new article, whether from a mine, from the soil, or who makes such an article in a workshop, and thus creates an industry, worth from £100 to £200 a year, is an infinitely more important man, and a much better citizen in every way to this great Commonwealth, than is the richest importer in our midst. I have never yet been an extreme protectionist. I have all through my political career been a seeker after fiscal truth. I have studied the question fairly and honestly ; I am neither a manufacturer nor an importer ; I have nothing to do with either branch of business, but I have endeavoured in the light of history, and of my sixteen years' experience of politics, to determine what is the best policy for this particular country, and everything has seemed to me to point to the fact that a

policy of moderate protection is that which we ought to adopt. With regard to this particular Tariff, no one, not even the framers, can claim that it is perfect. But does not the very fact that a clamour is raised against it, amongst all classes of the community, show that the framers have endeavoured to be impartial?

An Honorable Member. - But we all have to suffer.

Mr McCOLL

- If only a portion of us were to suffer, it would not be a fair Tariff. The Government have endeavoured to do their best, according to their lights, and they have had a most difficult task. It is all very well for glib-tongued orators to stand up on the platform, and talk about the rights of the working man and the poor farmer. Pretty friends they have been to the poor farmer and the working man in the past! It is not to them that the working man and the " poor farmer " will turn in times of distress. It is all very well for the free-traders to put up the " poor farmer " as a stalking horse for the purpose of helping the foreign traders, but the people of this Commonwealth are much too wise to be led away by any such talk as that.

Mr Page

- Let the honorable member wait until the next election and see.

Mr McCOLL

- I am quite prepared to wait until the next election. I have represented farmers for the last sixteen years.

Mr Page

- I did not mean the honorable member in particular.

Mr McCOLL

- When the honorable member referred to the next election he seemed to refer to myself, personally. I have been put up for election a good many times, and have always been returned. I have never had to change my seat. With regard to that matter, I may point out that the whole of the northern district of Victoria, from east to west, is represented in this House by honorable members who have had to face probably the leading free traders in this State, with all the money and all the influence of the free-trade party and the importers at their back. We have here the honorable and learned member for Indi, the honorable member for Moira, the honorable member for Wimmera, and myself, who had to face four of the principal free-traders in this State, backed up by all the wealth and strength of the free-trade party. Yet, in purely farming constituencies, we beat them easily. We are therefore quite as well prepared to wait for the next election as is the honorable member for Maranoa himself. If we are to progress in this great Commonwealth, we must do so by means of all kinds of industries. The idea of the free-trader seems to be that in a great continent like this we should devote ourselves to producing the raw material, and that the primary industries are the only industries that should be encouraged. They seem to think that we should export our raw material to other parts of the world to be manufactured and brought back in the shape of finished goods. No country was ever great that devoted itself entirely to such industries ; and certainly Australia with its wonderful advantages of soil, climate and minerals, and with its infinite capacity for production, can never be great if that idea is to prevail, as honorable members opposite would like it to do. They ask us to adopt free trade in this country, knowing well that almost every nation on the earth with which we should do any trade at all is, with the exception of one, strongly protectionist. We have Germany, France, Canada and the United States taxing our wheat 6d., 10d. and 1s. a bushel, imposing a duty of 2d. a lb. on our beef and mutton, and taxes on our other products with the exception, perhaps, of wool. Yet we are told that we should be free-traders and that those protectionist countries that ruthlessly shut their ports against our commodities should be allowed to send their goods here and destroy the industries of our own people.

Mr Poynton

- We shut out English goods also.

Mr McCOLL

- There are good reasons for that.

Mr Poynton

- But it is in England that we sell our wheat.

<page>6240</page>

Mr McCOLL

- Honorable members opposite desire to work not for the benefit of our own people, and for the young

people who are coming after us, and who will make this a great nation. They wish us to work for other people ; for they desire that the higher branches of industry should be pursued by foreign nations, and that we ourselves should be simply " hewers of wood and drawers of water " for them. That is the free-traders' idea of a perfect country ! Now, I should like to make certain propositions. One is that no country has ever attained to commercial greatness, in modern times, by means of free-trade. Every country that has attained to commercial greatness has done so by means of protection; and no country but one, has been commercially progressive under free-trade, and that is Great Britain, whose circumstances are so different from ours that she is certainly not an example for us to follow. The experience of countries under similar circumstances to our own and. under similar conditions to our own, points irresistibly to the fact that if we desire to progress we can do so only by the adoption of protection.

Sir William McMillan

- What about New South Wales?

Mr McCOLL

- I am speaking of a country and not of a State. Those who have studied fiscal history must know that for the last three or four hundred years no country in Europe has progressed commercially and industrially under a policy of free-trade, and that every country on the continent of Europe has had to adopt that policy before it could make any progress at all. Up to some 400 years ago the great seat of manufacturing industries was in Western Europe ; and we know that in the early periods of English history, under such laws as our free-traders would have us pass now, all the raw material produced in England was sent to the Continent, and came back in the shape of finished goods, whilst English people were not allowed to make up finished implements and articles of clothing for themselves.

<page>6241</page>

Mr Poynton

- That was before the flood.

Mr. McCOLL. - Never mind ; it is all experience, and we can learn from it. It seems to me that we should not depend simply on the experience of ten or twenty years of the immediate past, but should study the facts of history as they come to us, relying upon them to guide us aright. In the reign of Queen Elizabeth a policy of protection was adopted. The Great Chancellor, Bacon, for the first time in English history, caused laws to be passed, such as the Statute of Labour, the Poor Laws, and enactments for the protection of agriculture and manufactures, and for the encouragement of shipping and foreign trade. From that time in the year 1656 until 1846 that policy was perpetuated and continuously strengthened. In the latter year free-trade was inaugurated in England. Her position then as the centre of the world's manufacturing industry was such that she was the great workshop of the world. She had the whole world at her feet. The continent of Europe had been devastated by ruinous wars for 40 years, and the industries of continental countries had almost completely died out. Consequently, England had the world for her market, and as the policy of free-trade suited her she adopted it - not for philanthropic motives, but simply because she desired to keep her command of the industrial markets of the world. Upon the Continent there have certainly been fluctuations of fiscal policy. At one time continental countries have been free-trade or revenue tariff countries, and at other times they have been protectionist. They discovered that lapses to freetrade had . the effect of destroying their industries. Consequently they reverted to a protective policy, and now, with the exception of England and Turkey, which have revenue duties, there is not a country in Europe which is not a strongly protectionist country. We are eternally told that we should adopt free-trade in Australia because Great Britain is a free-trade country, and has made progress under that policy. But it seems to have been forgotten that our circumstances are entirely different from the circumstances of Great Britain. We know that the manufacturers of Great Britain are leading the world, whilst our manufactures have yet to be developed. Further, Great Britain is a creditor nation, having her debtors in every part of the civilized world, whilst we are a nation carrying a load of debt of something like" £200,000,000. Great Britain is a nation commanding the seas, whilst we have not a single inter-ocean going vessel - or, at any rate, very few. She has a small and thickly populated territory, while we have only a population of one and a-half to the mile. She had 300 years of protection under which to develop her industries, while we have but just started on our career. She is a customer for food and grain, while we export three-fifths of our own produce. If we desire to make comparisons between Australia and other countries we should look to those nations which have occupied positions similar to that occupied by

the Commonwealth to-day ; we should look at the United States of America, and take lessons from her experience, because we are passing through a similar experience now. When the Union was formed, and for long afterwards, free-traders were continually dinning into the ears of the American people that their duty was to raise raw material, and to send it to other countries to be made up. Their theoretical politicians, their university politicians, their lawyers, their bankers, and foreign traders generally put that continually before the people. They were the Reids, the McMillans, and the Camerons of to-day. They said, "Be satisfied with producing raw material, and let other people make it up; develop your territory in that way. Your export trade is by far the best trade you can have." We all know that Brother Jonathan was much too shrewd to be guided by that advice. The people of America recognised, as we shall have to recognise, that if their country was to become great, they would have to adopt an entirely different policy. What was the result of the adoption of free-trade there 1

At the close of the revolutionary war Great Britain was in the midst of that protective period which had been so vigorously pursued since the time of Elizabeth. During the so-called period of confederation, from 1783 to 1789, we find for the first and perhaps the last time in the recent history of the world, a nation under absolute free-trade. It took but little time to demonstrate what such a system will bring upon a country. In three years' time nearly all the country's money had passed into the pockets of British merchants and manufacturers, and we were almost without the means to make or raise anything for ourselves. With no tariff whatever, our shores were heaped with the products of every nation, of such kind and description that we could not make even a feeble attempt to establish any competing industries of our own.

These are the words of an American historian, and they show the position to which our friends on the Opposition side would endeavour to reduce this country if they had their way. What is the position of America to-day as the result of the protectionist policy which she adopted after this experience? Henry Clay said early in the last century - "What we have to do is to get a home market," and that is their policy to-day. Those who say that protection is going to ruin agriculture, are answered by the fact that America now exports only one-sixth of the production of her soil ; she uses within her own borders the remaining five-sixths. That is an effective answer to those who say that protection is going to ruin agricultural industries here. We have to remember also that the encouragement of her manufactures by means of protection has stimulated the inventive genius of her people. A country that is devoted entirely to primary industries can never be an inventive country. The attention paid to manufactures and the encouragement of industry in America has stimulated the inventive genius of the people of that country, with the result that the agricultural implements produced there are now foremost in the world, and the nation itself is in the very front rank of manufacturing countries. Not only are her farming implements the best in the world, but her other manufactures are now beating those of Great Britain herself in markets where hitherto Great Britain has ruled. No doubt with the growth of America, and the inducements offered for people to settle down there, she will, at an early date, export none of her produce, but use it all herself. What would have been her position to-day had she accepted the advice of her free-trade friends 50, 60, or 70 years ago ? I do not think any one will say she would have occupied anything like her present place. In the opinion of American politicians in the early days, the keynote of success was the creation of a home market. The policy of England was to prevent her making anything. As Lord Chatham said, " Not a hob-nail or a horseshoe shall be made there if I can help it." That -was the feeling in England in those times. It is not the feeling of England towards, the Commonwealth to-day, but it represents the desires of the foreign traders amongst us. Some honorable members on the Opposition side are very inconsistent. They did not hesitate to flout Mr. Chamberlain, or to run the risk of involving the Empire in very serious difficulties in connexion with the provisions of the Immigration Restriction Bill, but at the same time they would not hesitate to bring this great continent under the control of the big English importing firms. Daniel Webster said, in the course of a speech made at Buffalo in 1833-

The protection of American labour against the injurious competition of foreign labour, so far at least as respects general handicraft productions, is known historically to have been one end designed to be obtained by establishing the Constitution.

In supporting the adoption of the Commonwealth Constitution, the people of Victoria never dreamt for one moment that the Commonwealth would think of going back to freetrade. It was to help our own people and our home market that we desired to enter federation. Running through the utterances of such men as

Webster, Washington, Jefferson, and Madison, we find that from the very inception of the Constitution of the United States it was recognised that if America was to become great, her industries must be stimulated. Their foremost endeavour was to give America a home market for her productions. The result of that policy was that from 1789 to 1833 a fairly high Tariff ruled in America. The free-traders then made a move and obtained some concessions from Andrew

Jackson, who was then President. The result was that lower Tariffs ruled till 1842, but with those lower Tariffs came distress and financial embarrassment. Free-trade was found to be a failure, and in 1860, protection was brought in with the result that between 1865 and 1870 the national debt was reduced from 2,381,000,000 dols. to 2,046,000,000 dols. The crowning triumph of protection has taken place under the McKinley Tariff. There are many mistaken ideas in regard to that Tariff. A committee of the Senate consisting of both republicans and democrats, free-traders and protectionists, presented a report on the Tariff which was unanimously accepted by them, and in which the following passage occurs : -

During the 28 months from June 1st, 1889, to September 1st, 1891 - the Act took effect on October 6th, 1890 - average retail prices of 2.14 articles of common consumption among the people declined -64 per cent. ; wholesale prices of the same articles declined '33 per cent. ; prices of agricultural products advanced 18-67 per cent., and wages advanced on the average "75 per cent.

The ' following brief summary of the McKinley Bill and its results is given by Mr. D. G. Harriman in his "American Tariffs, from Plymouth Rock to McKinley," page 73 : These facts show what were the results of that protective Tariff. Increased duties were imposed on about 115 articles, and reduced duties on approximately 190 articles. The duties upon 249 articles were left unchanged. The effect of this Tariff was that within eleven months the foreign trade of the United States had increased by £14,953,727, the free imports by £22,402,616, and the free imports had risen to 55 per cent, of the total imports. The contention here has always been that the imposition of Customs duties stops importation. The free-traders persistently ignore the obvious fact that by stimulating industry and increasing the wage earning power of the people, we enable them to consume other goods which can be produced locally in a much larger quantity than would be possible without the aid of protection. The experience of Canada and America is conclusive upon this point. The McKinley Tariff reduced the duties from Customs by £8,279,283, increased the cost of no necessity of life, reduced the price of many, stimulated business, and thereby tended to make the population busier and their earnings more certain, if not larger. Similar results will follow here if we adopt a wise system of protection. As showing how this matter was viewed in England, I may mention that Fair Trade, in discussing the merits of the McKinley Tariff, gave four points in its favour. They were as follows : -

The manufacturers of Great Britain do not like the McKinley Tariff Bill. The manufacturers of Germany do not like the McKinley Tariff Bill. The manufacturers of France do not like the McKinley Tariff Bill. The Anglo maniac free traders of the United States do not like the McKinley Tariff Bill. These facts furnish four excellent reasons why the Bill should become law.

These are the people who would be opposed to any protective Tariff that might be brought forward at the present time.

Mr Barton

- The Germans are starting one of their own, but do not want us to have one.

<page>6243</page>

Mr McCOLL

- I do not want to trouble the House with many figures. I simply wish to show what the effects of protection have been in countries similar to our own. What has been the result of protection in America? From 1850 to 1880, we find that the farm lands increased from 113,032,614 acres to 357,616,755 acres, the number of farms from 1,449,073 to 4,564,641, and the farm values from £654,315,085 to £2,655,850,529. The total agricultural products increased in value from £265,338,265 to £492,021,490, the value of farm implements, machinery, &c, from £30,317,527 to £98,849,493, and live stock values from £108,836,103 to £441, 753, 51 4. These figures show the progress made in the United States of America under a policy of protection, and yet we are told that the application of a similar policy to the Commonwealth will ruin the farmers of Australia. At the present time, the American farmers export only one-sixth of their products, and the home market takes all the rest. The keynote struck, by Henry Clay and others has secured the home market for America. Of course we all recognise that at the present time

we cannot get the McKinley Tariff. We are bound by our circumstances and conditions. We realize that no one party can have its way. It is only by mutual compromise that we shall get a Tariff' which will be suitable to the present needs of Australia. The position which we have to face- is a most difficult one. We have to raise £7,500,000 from customs upon £21,000,000 worth of imports. If in committee a duty is taken off one article, I think it will be necessary to find some other article upon which to impose that duty. Possibly the Treasurer may be allowing himself a little more revenue than he needs - a few hundred thousands of pounds to come and go upon - but as a general rule I think it will be recognised that if duties upon certain articles are remitted they must be imposed upon other articles. Slight changes in the incidence of the taxation will make very little difference to the people. Of course, we have to start according to our means, and as time goes on our course can be shaped as circumstances dictate. Looking at another great federation whose circumstances have been very similar to our own - that of Canada - we find that there' has been a number of Tariff changes there. In every case the reduction to low revenue duties was followed by disaster, just as it was in the United States. The first protective Tariff was imposed in 1879. The result was that a previous deficit of £5,000,000 was reduced in two years by £580,000. The effect of that policy was to increase the production of cotton, leather, and woollen materials by £1,300,000, whilst the number of workers increased 17 per cent, during that short period. The price of goods fell considerably, and the agriculturist, in consequence of the encouragement given to local manufacturers, was paying from 5 to 27 per cent, less for his implements. The farmers' markets had also improved. As evidencing the manner in which Canada prospered after the imposition of a protective tariff, I wish to point out that in 1878 the securities of New South Wales were the highest colonial securities in the English market. They were 4 to 5 per cent, above those of Canada. In 1880 the Canadian 4 per cents, increased from £89 to £104 in value. They then became 1 per cent, more in value than those of New South Wales. Next year they were 2 per cent, more in value, and realised the highest of all colonial securities in the English market. This fact goes to show that protection in Canada built up the whole of the country, and did not do so at the expense of its foreign business and reputation. It even strengthened the value of the securities in foreign markets. Whether we look at the continent of Europe, with its older nations and civilizations, or at the New World - at Canada and the United States, whose circumstances are similar to our own - we shall find that the policy of protection has been an absolute success, and that any departure from it has brought about disaster and distress. The statement is frequently made that protection and agriculture cannot succeed in the same countries. But experience has shown that in every country where protection has succeeded in establishing manufactures, agriculture has also succeeded. Under the operation of a free-trade policy agriculture has languished, whilst under a protective policy that industry has flourished. In England in 1846 there were 11,000,000 acres under cultivation, and in 1895 only 8,000,000 acres. When we look to the protectionist countries on the Continent, what do we find ? We find that 50 per cent, of the land in France is cultivated, and is the best cultivated land in Europe. We find that in Russia, in a period of some 30 or 40 years, they have increased their land under cultivation from 100,000,000 acres to 167,000,000 acres. In Germany they have doubled the area under cultivation. In Austria half the land is cultivated. In Sweden, in 1812, they had 1,360,000 acres under cultivation, and in 1887 they had 12,200,000 acres cultivated. In the United States in 1850, they produced 867,000,000 bushels of grain, and in 1889 the production had risen to 3,454,000,000 bushels. The value of the production in 1850 was £97,000,000, and the value in 1889 was £263,000,000. In Canada, also, it will be found that agriculture has increased with the increase of manufactures. In 1871, in Canada, there were produced 84,000,000 bushels of grain. In 1884 the production' had risen to 172,000,000 bushels, and in 1887 the annual value of agricultural production in Canada was £35,200,000, and of animal products £20,900,000, or a total of £56,100,000. These are results which prove that universally in modern times protection and agriculture go hand in hand, and that one is the complement of the other; yet people tell us here that we cannot assist the manufacturer and the farmer together, because the manufacturer robs the farmer. I desire to address a few remarks to the House on the Tariff from the farmer's point of view. We had a speech last week from the honorable member for Gippsland, who represents an essentially farming constituency. The honorable member was in the ' State Parliament the leader of the country party, and to him for many years past the farmers of Victoria have looked for guidance and council. They trust him probably more than any other man in the country, and he is not the man to come here and advocate a system of protection unless he believed it

was for the best interests for the people who have sent him into this Chamber. We are told in the press and by free-trade speakers from every platform that the duties imposed in this Tariff are a burden to the farmer, and that the duties put on for his benefit are a delusion, and that he can get no benefit from them. It is worth while seeing whether or not the farmer has been studied in this Tariff. First of all, with regard to the duties which have been omitted, has the farmer been studied in connexion with these? It is represented that he will have to pay for everything that he uses, and that his pocket will be cut into on every hand. It is represented that he has had no consideration whatever shown him. What are the facts 1 We find the following articles on the free list - augers and bits, axes, branbags, seeds, canvas, chisels, cornsacks, cream separators, disc ploughs and harrows, drills, fellows, flour bags, forks (digging and stable), shears, gunnies, hames, hatchets, hessian, hickory, hoes, hubs, iron in the rough, reapers and binders, piping under 6 inches, hay knives, spraying chemicals and compounds for destroying insect pests on trees, manures, rabbit traps, rakes, rennet, rock salt, scythes, shafts and poles, shovels and spades, stirrups, sheep-wash tobacco, wire netting, and woolpacks. " Every one of these things are absolutely essential to the farmer, and they run into an enormous amount of money. They are placed on the free list, and in that respect the farmer is considered by the Tariff.

Mr.Reid. - Does the honorable member think it an advantage to the farmer to have them on the free list?
Mr McCOLL

- Does the right honorable and learned gentleman think that the farmer would be advantaged by having a 20 per cent, duty placed upon these articles?

Mr Reid

- I asked the honorable member a simple question. He need not answer it, of course.

Mr McCOLL

- I endeavoured to ascertain what the value of these imports was, in order to discover what the farmer would have to pay if, as some have suggested, we adopted a drag-net which would put a duty on all these articles. I find that in connexion with a number of smaller articles no record is kept as to the value. But in connexion with bags - bran, corn and flour, gunny, woolpacks, cream separators, manures, reapers and binders, rock salt, shafts and bars, poles, seeds, and wire netting, an estimate of the value can be formed, and the value of the imports of these items alone amount to £456,586. That is the value of these articles imported annually, and a duty of 10 per cent, upon that value would mean that we should take out of the farmers' pockets £45,658 upon articles which, under this Tariff, will come in free, and which we cannot well produce in this. country at the present time.

Mr Cameron

- We are producing wire netting in Sydney.

<page>6245</page>

Mr McCOLL

- I am speaking of articles that it is proposed to admit free. Wire netting comes in free now. It is said that the farmer is taxed 15 per cent, on his. machinery and implements, but the whole of the light implements used in connexion with farming are absolutely free. Disc ploughs and harrows, drills, forks, shears, hatchets, hoes, hay knives, rabbit traps, rakes, scythes, shovels and spades, spraying compounds, and sheep-wash tobacco, and a number of other things, come in absolutely free of duty, and it is shown that the farmer has been considered in every possible way under the free list introduced by the Minister of Customs. Now, with regard to the duties that are put on the farmer's products, we are told that they are absolutely illusory, and that he will get no benefit whatever from them. First of all, in looking at division 4 of the Tariff - agricultural products and groceries, it will be seen that nearly the whole of the articles there included are such as are raised from the soil ; with the exception of some three or four items contained in the free list everything the farmer can produce has a duty put upon it. As to animals introduced for the purpose of improving our breeds, and in the case of isinglass, rennet, rock salt, and manures, it will be found that these articles are included in the free list. Almost everything the farmer produces is subject to a duty, and on the question as to whether or not these duties will be worth much to him, when I deal with their value presently, it. will be seen whether the farmer has been ignored or overlooked in the preparation of this Tariff. We are told that these duties are of no use to the farmer, but if that is so, how is it that there is such an outcry in New Zealand at the present time? The day after this Tariff was announced in this Chamber, a telegram was received from New Zealand containing the following : -

Mr. McKeuzie,

speaking in the House of Representatives, said that the effect of the Federal Tariff would be absolutely to debar New Zealand producers from the Australian trade. The Tariff, in the average, would put about 22 per cent, on to the cost of exports from New Zealand, and producers are almost certain to lose an enormous portion of their trade ?

Who gains by that loss ? Is it not the farmers of the Commonwealth who will gain by the loss of this produce from New Zealand ?

Mr Cameron

- It is only a question of oats and potatoes.

Mr McCOLL

- I shall show the honorable member directly what the imports amount to. He need not come here posing as a farmer. He is a squatter pure and simple ; a few years ago he was a protectionist squatter - and a very strong one - who assisted to put a duty of 40s. a head on cattle. It is of no use for him to come here and pose as the farmer's friend, because we know that he is the squatter's friend. The Argus of the 11th October says -

Among the traders, the general view of the Federal Tariff, judging it by the information to hand, seems to be that this colony has been specially singled out for heavy imposts, and that the result will be to practically kill the export trade in a number of lines of produce. Mr. Beau champ, who was a member of the Federation Commission, unhesitatingly declared that the Tariff was a direct aim at New Zealand. Weighing the question whether, in view of the new Tariff, this colony should seek a remedy by federating, Mr. Beauchamp remarked that what we had to consider was whether the advantage of having trade with Australia, even up to the extent of 15 per cent, of the total exports, was worth the sacrifice of our political independence.

It shows that 15 per cent, of the total export trade of New Zealand was with the Commonwealth, and every ton of stuff which came here from that colony was something of which our own producers were deprived. The Wellington Post says -

If the Tariff proposals are adopted, New Zealand must look forward to a considerable shrinkage of its Australian trade in the near future. A careful examination of the figures shows that the Tariff is expressly framed with a view to the exclusion of New Zealand products. As the politicians of this country have shown such indifference to the problems connected with Australian federation they have only themselves to blame if they awake too late to the facts of the situation. The Commonwealth cannot be expected to show especial tenderness to the colony that studiously held aloof from the fiscal discussion which led. to Australian unity.

In the Argus of the 12th October I find this report -

The Federal Tariff has caused great consternation in the Poverty Bay district, where one of the chief products is maize for the Australian market.

Again, on the 14th October we have this statement -

In the House of Representatives to-day further references were made to the new Federal Tariff. Several members declared that something would have to be done by New Zealand to meet it. Mr. Seddon said that New Zealand would, for a little while, be inconvenienced by the new Tariff, and suffer some loss, but the colony would have to seek fresh markets, and get steamers to carry produce to these markets.

If these duties are of no use to the Australian farmer, why is there such an outcry from the places which have been sending their produce to the Commonwealth for so many years?

Mr.F. E. McLean.-I suppose, if New Zealand had entered the Federation, the farmers here would have been ruined.

Mr McCOLL

- Do not let us suppose anything which is unlikely to happen. We can meet the position when it comes.

Mr G B EDWARDS

- What does the Treasurer estimate to receive from these duties ?

Mr Fuller

- £9,700.

Mr McCOLL

- I shall show the honorable member directly the amount of jam which came into New South Wales a year

or two ago. To show whether these duties will be of any use to Australian producers, and to prove how shamefully New South Wales producers have been wronged by . the fiscal policy of the last few years, I propose to quote a few figures. In the years 1897, 1898, and 1899, of the produce of the farm, the dairy, and the orchard - I strike out sugar and rice - nearly the whole of which could have been raised in New South Wales, there was imported no less than £11,851,689 worth.

Mr F E McLEAN

- And we found a market for a lot of Victorian stuff.

<page>6246</page>

Mr McCOLL

- We found a market for some of our stuff. I am showing how New South Wales farmers have been robbed and deprived of a market by this policy, and the same party are now endeavouring to establish that policy in the Commonwealth, and rob our people in the same way that they have allowed their own to be robbed for so many years.

Mr F E McLEAN

- Where did the produce come from ?

Mr McCOLL

- I have not the details, but not one tithe of that enormous amount could have come from other colonies.

Mr F E McLEAN

- The bulk of it.

Mr McCOLL

- We know very well that an enormous quantity came from New Zealand, the Argentine Republic, California, and other places in America. I shall just give a few leading items. In stock alone there was imported into New South Wales in those three years £2,400,800 worth. The Argus the other day reported a farmer - I think at Nhill - as scoffing at a duty on eggs. I suppose nothing short of a 2,000 acre paddock would suit that man. He did not recognise that what we have to do is to try to get our people to adopt diversified farming, and that these small products of the farm are not by any means to be despised.

Mr Kingston

- They are minor industries.

Mr McCOLL

- Yes ; but they go a long way towards the keeping of a family and the making of a competence. In those three years there was imported into New South Wales no less than £46,190 worth of eggs from China and Japan.

Mr Fuller

- The great bulk of that quantity went to Broken Hill from South Australia.

Mr McCOLL

- These figures are absolutely correct, and are signed by the Government Statist. The sum of £46,190 would not have been a bad little item in the hands of the housewives and farmers of New South Wales during those three years. Although New South Wales can grow maize as well as any country in the world, yet we find that in three years £565,716 worth of maize was imported. No wonder New Zealand is lamenting the loss of this trade; but that feeling of loss will be turned into a feeling of joy amongst the maize growers of New South Wales. In potatoes, New South Wales imported £621,745 worth; in fresh vegetables, £108,660 worth ; in fresh fruits - surely she can grow enough fruit for herself- £664,521 worth ; in hay, chaff, and straw, £839,991 worth; in meat, canned, potted, and preserved, £290,573 worth. In butter - the great butter industry, in which New South Wales is held to be going ahead of "Victoria - she imported in those three years £138,039 worth ; in cheese, £322,118 worth; in milk, condensed and preserved, £215,081 worth; in flour, £1,173,989 worth. Yet, with all these enormous figures, we are told that protection will do the farmer no good, and that the New South Wales farmer is satisfied and is flourishing.

Mr McCay

- All the New South Wales farmers are protectionists.

Mr Fuller

- They are nothing of the sort. There are four farming constituencies in the federal electorate I represent, and they sent four free-trade representatives into the State Parliament.

Mr McCOLL

- When they get these figures they will become protectionists.

Mr Cameron

- Mere assertion, like the honorable member's statement that I am a squatter.

<page>6247</page>

Mr McCOLL

- I apologize, if the honorable member is ashamed of the name I have given to him. In those three years, in dried fruit, New South Wales imported £89,083 worth. Of raisins and currants, there were imported £266,154 worth ; and of canned and bottled fruits, £44,513 worth. The next item, " jams and jellies," is one which affects the honorable member for South Sydney, and no doubt he would be glad to see the duty imposed. The value of jams and jellies imported was £126,950. No one can deny that every one of these things could be produced in New South Wales. The total value of raisins and currants, canned and bottled fruits, and jams and jellies, was £526,700. Of bran and pollard there was imported £106,746 worth. Altogether we find, as I said before, that there was imported into New South Wales during that period produce to the value of £11,851,689, or at the rate of nearly £4,000,000 a year; and all of these commodities might have been produced by the farmers of New South Wales. We find also that there was imported into Victoria produce to the value of no less than £5,000,000. The Federal Parliament ought to assist the farmers not only with regard to the primary products, as they may be termed, but by stimulating them in every possible way to produce the articles which I have enumerated, under a diversified system of farming which should overlook nothing, but, as in Canada and in the United States, enable us to supply all our own wants. It is all nonsense to say that these duties are delusive or illusory. We know that in California there has been immense competition in connexion with the production of some of the goods which have been largely imported into Australia. In California they already have 8,000,000 acres under irrigation, and there are some millions more in connexion with which the works are not yet complete. We find that raisins, which some years ago were selling in the markets in California at 8 cents per pound, are now produced for 1£ cent per pound, which yields a good profit to the grower. Prunes, which brought from 24 to 30 cents per pound, are now produced at 6 or 7 cents per pound, and also yield a good profit to the grower. If we were to open our ports to the fruit-growers of California and other similar places, how could our growers possibly compete with their products at such rates as I have quoted ? In the Argentine Republic, and in California and in the East, we should find very serious competitors if we were to throw our ports open. So far as wheat is concerned, an import duty would protect the wheat-grower only at very rare intervals, but I have not the least doubt that the Commonwealth Government will see the necessity of studying the requirements of the wheat-growers, by finding for them the best markets for their produce, providing facilities for exportation, and by making arrangements for giving them cheap transit both by sea and land. The best way, however, in which we can help the wheat-grower, is by bringing population into the country, and thus giving him a home market for his produce, and rendering it unnecessary for him to send it abroad. We cannot bring this population here and maintain it here unless we diversify our industries. I think, I have said enough in connexion with the New South Wales imports to show that protection will benefit the farmers of New South Wales, and that they need protection as much as do any other class in the community. With regard to the duties which the farmer will have to pay, I have mentioned that all the smaller things which he uses are free. He will, certainly, have to pay 15 per cent, duties on his implements and machinery, but looking at the matter from the Victorian point of view, he will have to pay less than formerly, because a few years ago the duty on implements and machinery was 35 per cent., and it was the Attorney-General and myself who were largely instrumental in securing the reduction down to a percentage which we contended then, and which we submit now, is only a revenue duty. The result of helping the manufacturers of agricultural implements is this : that we have stimulated the industry, and have now workshops able to produce articles which are better suited to the needs of the country than those manufactured in other parts of the world. The farmers come into touch with the manufacturers, and are able to procure implements which suit the soil and the particular circumstances under which they have to work, whilst if repairs are needed, or anything goes wrong with the machinery, the workshops are handy, and everything can be set right readily and inexpensively. The establishment of these workshops amongst us had also had the effect of placing upon the market a number of new implements. The inventive genius of implement makers has been stimulated, and they have given us a

number of implements specially suited to our needs. Should we have had the mallee stump-jumping plough or the scrub roller, or a variety of similar implements specially suited to our requirements, if it had not been for the facts I have mentioned] Should we have had, produced by local manufacturers, harvesters which are able to compete with the reapers and binders, and by means of which a farmer, with the aid of one man, can reap 200 acres or 300 acres of wheat, and put it into the bags straight away? All these things tend to show that by stimulating our inventive geniuses and our manufacturers, we are giving the farmer substantial help. So far as the question of reapers and binders is concerned, that example has been quoted because it is such a glaring one. Where we have not put on a duty the farmer has had to pay exorbitant prices, but where we have put on a duty local manufactures have been stimulated and the farmer has been enabled to get, at a cheap rate, an implement suited to his requirements. Not only American trusts, but English trusts have combined to keep up the prices of reapers and binders. A friend of mine went to Hornsby's office in London and gave them his cheque for £27 for a reaper and binder. They asked him where it was to go to, and when he said that he wanted it sent to Victoria they told him they were very sorry they could not do business with him, and that he would have to buy his machine from their agent in Victoria. Although he had actually bought the machine in London he had to take back his cheque, and come out here and pay £56 for a machine. That was some years ago.

Mr Kingston

- That was under freetrade.

Mr McCOLL

- Yes, that was under free-trade so far as reapers and binders were concerned, and just as we extend the free list so shall we extend such monopolies. We require competition from outside and from inside, in order to give the farmer the best and cheapest machinery. The price of reaper and binder twine exercised the mind of the honorable member for Tasmania, Mr. Cameron.

Mr Cameron

- It did not exercise my mind at all ; I was merely stating the facts.

Mr McCOLL

- If the honorable member says he does not exercise his mind I would not impute it to him. The honorable member said that last year he bought Victorian reaper and binder twine in Tasmania at 5d. per lb. whilst the people of Victoria were paying 7d. per lb. That is one of the statements that is sown broadcast and is regarded as true by those who know nothing of the facts. As a matter of fact, reaper and binder twine was selling at different rates in Victoria last year. New Zealand flax twine made by Miller & Company was selling at 5 l-8d. per lb., whilst Russian twine was selling as high as 8£d. per lb. The price of Miller's good twine was 7d. per lb., and the article was sold at the same rate in Tasmania, because the carriage to Tasmania by sea is somewhat less than the carriage by land to Ballarat or Bendigo. I did not go to the manufacturers for this information, but I saw a tradesman in Bendigo, who had over £2,000 worth of this stuff pass through his hands. He showed me samples of the twines, and also told me of the business that he had done. He stated that it was nothing to him whether he sold imported or colonial made twine, but he represented to me that the colonial twine was as good as could be made anywhere in the world. The honorable member for Tasmania, Mr. Cameron, when he stated that he had bought Victorian twine in Tasmania for 5d. per lb., should have stated whether it was Manila, mixed Manila, or New Zealand.

Mr Cameron

- If I prove that the same quality of twine was sold in Victoria at 7d., and in Tasmania at 5d. per lb., will the honorable member vote for the motion 1

<page>6249</page>

Mr McCOLL

- The honorable member poses as a farmer, but I should like to know what area of ground he cultivates, so that honorable members may be able to judge as to the enormous extent of the burden that this duty on binder twine imposes upon him. I do not propose to go into the details of the Tariff at this stage, because I think that they may be more effectively dealt with in committee. At the same time I may say that I am not prepared to declare myself a supporter of the duty on reaper and binder twine as submitted. I think the manufacturer ought to be able to do with less duty than is now proposed. The honorable member for Tasmania sought to belittle colonial mining machinery. The honorable member did not state the whole case. He said that in Western Australia the imported machinery crushed ever so many more

tons than colonial machinery - that the imported machinery could put through many more tons per stamper than the colonial machinery. But the honorable member gave only half the facts. The amount of stone that can be put through a battery depends first of all on the character of the stone, and then on the weight of the stampers. The honorable member did not say that in Victoria the stampers used are 6001bs. and 7001bs. weight, while in Western Australia they are 1,2001bs. weight, and in the Band of the same heavy weight. In Bendigo, with one kind of quartz, only 13 tons per stamper can be put through in a week, while 23 tons of other quartz in the same district can be put through stampers of the same weight. These one-sided statements, made in ignorance of the facts, are crammed into honorable members by men who know as little as do honorable members themselves, and are unworthy of credence. Similar statements were made last week by the honorable member for West Sydney, whose speech I must say I did not admire. The way the honorable member abused 'his fellow labourers in Victoria was very discreditable. He seemed to be recreant to his class ; and surely he does not expect to popularize himself here by such an attitude. These statements as to crushing machinery are entirely wrong, and I invite the honorable member for Tasmania, Mr. Cameron, the honorable member for West Sydney, or any other honorable members, who do not place credence in my statements, to go to Moolort, near Maryborough, and inspect the machinery there, English and Australian. They will find ' that for strength and efficiency, the English plant is not in it with the Australian article. Honorable members may also go to Ascot, near Ballarat, and there see machinery manufactured by Thompson, of Castlemaine, and at the Ballarat Foundry, and compare it with imported plant, and they will find that the plant sent out is not so suitable or so good as that supplied in the States. It stands to reason that people on the spot know exactly what is wanted, and can make, and are making better and cheaper and more suitable machinery than can be imported. In regard to reaper and binder twine, it must be remembered that before the factories started in Victoria our farmers were paying 10d. per lb., whereas now they are paying 7d. per lb.

Mr Cameron

- Russian twine is not manufactured here.

Mr McCOLL

- -All sorts of twine is manufactured here. I believe that Russian twine is very dear, 8£d. per lb., and is not a whit better than that manufactured in the State. I am informed by the Bendigo tradesmen to whom I referred, that twine manufactured here, 650 feet to the lb., is equal to any that comes into the country. Forsyth, of Sydney, procured machinery for making this twine ; and the result was that the American Twine Trust -sent out 500 tons of the article, with orders that it was to be sold at whatever it would bring in order that Forsyth's twine might not be allowed to go into use. There would be a similar result in all other industries. If manufactured articles were allowed to come in, free of duty, from countries where there was cheaper money, labour, and appliances, the factories here would be wiped out, and then the goods would be sold at .any price the foreign manufacturers liked to fix. I know as much of representative farmers as any one, and I never yet found those of Victoria against a fair and reasonable protective duty, which is all that is asked for here. The farmers are .always in favour of such a Tariff; but duties do not trouble them very much, so long as they are given a fair water supply and have fair seasons. I hope the Federal Government will look at the matter from that point of view. What the farmers want is to get into direct touch with their consumers, and that can be best attained by having a home market. One way of getting farmers into touch with their customers would be by endeavouring to abolish the middle men, who are so dear to the hearts of our freetrade friends, and who are the " caterpillars" who spoil the farmer's profit. The Commonwealth Government can do much in the way of helping the farmer in regard to the export trade and outside markets. Their proposals with regard to bonuses for production are admirable. This plan has often been spoken of before, but it has not hitherto, been possible of achievement, owing to the markets being so circumscribed. We cannot expect that manufacturers of agricultural implements, or any other articles required for production, will come out here and establish factories, if they are to compete against the world ; and the proposal to give a bonus on the production of iron, reapers. and binders, and other patent machinery and implements, is one which I think will work well for the Commonwealth.

Mr Fuller

- But it is proposed to give a protective duty, as well as a bonus.

<page>6250</page>

Mr McCOLL

- The protective duty is not to be given at first, but only when the industries have attained such -a position that they are able to supply the Commonwealth with machinery. But that is a question which this House will have to consider. A duty will not be put on without the consent of the House ; but if a duty be put on without consent, the House can stop it, and see that none is imposed until the industries are fairly and properly established. In Victoria no Government have ever turned a deaf ear to the farmers' requirements, but all have helped them in every possible way by providing cheap land, and holding over rents. In times of fire, flood, or drought farmers have never come to the Government without receiving fair treatment, and that will, no doubt, continue. If we are not to have these duties, how are we going to raise money? There is no doubt that we have to raise £7,500,000 on imports. By shifting the incidence, we do not shift the tax, because the people will still have to pay. If gentlemen on the other side of the House desire to change the Tariff very much, they will have to look forward to a federal income tax and a land tax. It must not be forgotten that it is not the Commonwealth, but the needs and the necessities of the States, which is causing the expense. If the Commonwealth does not raise the money it will have to be raised by the States Governments, and the people will still have to pay. We have been told of New South Wales, but from what I can see of the way matters are drifting there, that State will require the surplus revenue just as much as will any other State in the Commonwealth. New South Wales cannot go on borrowing for ever, or, like a spendthrift, be selling land continually, but, to meet her new expenditure, will have to get money in some other way. It seems to me that the Treasurer of New South Wales will be as glad of the £1,500,000, or whatever the sum may be, as will the Treasurer of any of the other States. I should like to ask again what good free-trade can do the farmer ? I have asked that question at meeting after meeting, and have never yet had a reply, much less a satisfactory reply. Free-trade will not raise the price of the farmers' produce one fraction, and he will have to compete in the same markets.

Mr JOSEPH COOK

- Protectionists say that protection does not raise prices.

Mr McCOLL

- Free-trade will not raise the farmers' prices, nor will it cheapen the goods he uses. In Victoria, before this Tariff was introduced, the . ordinary necessities of life were as cheap, or cheaper, than ever they were before, and the fact that prices have been raised is due, not to the Tariff, but to the manipulations of importers and others. When the Tariff was announced, the travellers of the whole of the importing houses were called to Melbourne, and their books were re-cast and their prices changed, not in order to sell at a profit on what had been paid for the goods, but at an increased prices, fixed according to the Tariff. That was done all over the country, and the very importers who have gone day after day complaining to the Argus, are the men who have been making their thousands during this last week or two out of the Tariff which they so much condemn.

Mr McDonald

- What about the Colonial Sugar Refining Company, who raised the price of their sugar £2 per ton the day after the Tariff was announced ?

Mr. McCOLL. - If the honorable member does not want a duty on sugar, I am sure the House will be glad to accommodate him, because it is only out of consideration for him and his colleagues that the Government have been induced to put a higher duty on sugar than they otherwise would have cared to impose. The honorable member for North Sydney, in the very excellent speech he delivered last week - and he is always a fair man - proposed to reduce the duties by 5, 10, and 15 per cent. Do honorable members think that the consumer would get his goods at 1d. less if those reductions were made ?

Mr cameron

-Of course he would.

<page>6251</page>

Mr McCOLL

- Have the importers and others reduced the prices of those articles as to which duties have been reduced? Because, so far as Victoria is concerned, there have not been increases of duty on the whole. The great bulk of the new duties have been reductions. Duties of from 30 to 35 per cent, have been reduced to 15 and 20 per cent. Have the importers reduced their prices upon those articles upon which the duties have been reduced 1 Nothing of the kind ; and if Parliament further reduced the duties tomorrow the consumers would not get the articles 1d. cheaper. The farmer will have a wider market for

his produce under the Commonwealth. What the Government ought to do for him is to further extend his markets. As I have shown, New South Wales is nearly £4,000,000 a year short, and Victoria nearly £2,670,000 short in production for their own requirements. Therefore, if the Government wish to help the farmer they should assist him to find wider markets for his productions. To whom does the farmer in the State of Victoria owe much of his prosperity to-day? He owes his cheap land, his water supply, and the grants in aid which have been frequently made to him, not to the free-trade and conservative party, but to the protectionist and liberal party, who have given him those advantages in the very teeth of opposition on the part of those who are now professing to be his friends. I ask again - if the duties on the goods used by the farmer are further reduced, will he get them any cheaper, and will he be any better off than he is now? I reply that he will not. My attention was called the day after the Tariff was introduced to an article in the Argus, headed: - "Rough on the Farmer." I must say that since the Federal Parliament first met, the attitude of the second leading organ in Victoria has been in my opinion, anything but creditable to it. The Argus was a good friend to federation before the inauguration of the Commonwealth, but it has done nothing since then except to nag and nark at the Government at every possible opportunity. Nothing the Government could do was right, and every miserable little point that could be seized upon was seized, to make things appear black against the Commonwealth Government. The object of the Argus has been for years past to get a free-trade Premier, and to see a free-trade policy adopted in Victoria. It wanted to instal the leader of the Opposition as Prime Minister of Australia. If that were done, the Argus would be happy. It has not scrupled to adopt any means, no matter how deceitful or underhand, to bring about that result. For my own part, I should look with great consternation upon the prospect of that gentleman occupying the position of Prime Minister of this Commonwealth. We can judge of men only from what they have done in the past, and surely the career of the leader of the Opposition as Premier and Treasurer of New South Wales for four or five years was not of such a character as to warrant Parliament in placing this enormous country under his charge for any length of time. We have the authority of the gentlemen who are now the right honorable member's colleagues as to his conduct of the finances of New South Wales. I am not one of those who would look up old Hansards in order to condemn a man, but they contain speeches prolific in condemnation of the financial reputation of the right honorable member. A committee of outside accountants was appointed by Parliament to consider his balance-sheets, and they brought up a condemnatory report, showing how he had turned deficits into surpluses.

Mr SPEAKER

- Does the honorable member think that has anything to do with the question 1

Mr McCOLL

- I will only say that honorable members can ask the present colleagues of the leader of the Opposition as to his financial abilities, and I do not think they will find the reply very satisfactory. As I have just said, on the day after the Tariff was introduced, an article appeared in the Argus headed - "Rough on the farmer - Duties he must pay." The obvious intention of those headings was to create a prejudice against the Tariff before the farmers and the people of the country had time to study it and to know what was in it. In the list under that heading the Argus included the item "reapers and binders, provisional, 15 per cent." To-day in the Argus it is reported that reference was made at Kyneton, yesterday, to the duty on reapers and binders, as if a duty were being enforced, whereas they are as free now as ever they were. In the same article reference was made to articles in common use, just as if they were dutiable, whereas there is no duty at all upon them. I find that some 74 things are mentioned in this article. Out of these, there are not ten which are exclusively used by farmers. The whole of the rest of the goods are used by most people in the country, whether they are farmers or not. Yet, we find these 74 articles mentioned as though they were entirely used by the farmer, and it is represented that the farmer is, in consequence of the Tariff, made to pay more for them than he paid before. Nevertheless, I find that out of the 74, reductions of duty have been made upon 35 articles. Upon those articles the farmer ought to be paying less now than he paid before. Upon 20 articles, the duties are the same as previously in Victoria. Upon only 16 have there been increases, and in some of those cases the increases are for the benefit of the farmer.

Mr Fuller

- Is the honorable member speaking of the genuine farmer 1

Mr McCOLL

- I am speaking about the farmer because I represent him and know him, and because this paper is

endeavouring to produce a prejudice against the Commonwealth Government and against the Tariff in the minds of the farmers. On the 11th instant another article was published headed " Gulling the Farmer." It was a very proper heading to use, because the Argus is gulling the farmer. The article tried to make it appear that the duties on articles produced by the farmer are of no benefit to him at all. Of course, so far as Victoria is concerned, the duties have hitherto had the effect of stopping produce from coming in ; but let honorable members opposite remember the effect they will have in the interests of New South Wales farmers. They will then see whether the duties will not be of some assistance to the farmer.

<page>6252</page>

Mr Cameron

- How can they help the farmer to get better prices for his cattle and sheep 1

Mr McCOLL

- The honorable member made a good deal of the duty on cattle when there was an impost of 40s. per head upon them in Tasmania. When he was a member of the Lower House of that State he assisted to put a duty of 20 per cent, on a large number of articles, and also a 20 per cent drag-net.

Mr Cameron

- I rise to a point of order. The honorable member for Echuca has made one or two references to me which are gross exaggerations.

Mr SPEAKER

- That is not a point of order.

Mr Cameron

- The honorable member has stated first of all that I was a squatter and not a farmer.

Mr SPEAKER

- That is not a point of order.

Mr Cameron

- I wish to make an explanation.

Mr SPEAKER

- The honorable member cannot do that until the honorable member for Echuca has finished speaking.

Mr JOSEPH COOK

- The honorable member for Tasmania, Mr. Cameron, has given an unqualified denial of statements made by the honorable member for Echuca, and I think it is a rule of Parliament that when an honorable member denies a statement his denial must be accepted and the statement must not be repeated.

Mr SPEAKER

- I see no point of order in what the honorable member has said.

Mr McCOLL

- The honorable member for North Sydney made certain proposals last week which the free-trade organ has advised the Government to accept. But what do those proposals amount to 1 They simply amount to reducing duties some 10 to 15 per cent., to bringing in £2,500,000 worth more imports to be competed with by our own producers, and to putting another 1d. excise on beer, and another 3d. on tobacco.

Sir George Turner

- And 3 \ per cent, primage.

<page>6253</page>

Mr McCOLL

- Yes. I was a member of a Government which proposed a primage duty of 1 per cent., and if there was one matter which made that Government more unpopular than any other, it was that. The honorable member, however, proposes to impose a 3£ per cent, primage for the whole Commonwealth. Much as I respect the honorable member, and give him credit for sincerity, I do not think his scheme, will do. His idea is that we should reduce duties by 10 or 15 per cent. ; put 1d. more excise on beer and 3d. on tobacco, and be content with £1,000,000 less revenue. Taking the Government proposals and comparing them with the Tariff which has prevailed in Victoria tip to the present time - and I am speaking now as a Victorian - I find that there are 82 increases in the Commonwealth list, and, as far as I have been able to discover, there are some 78 reductions. There are very large reductions indeed upon articles of ordinary use. Some 30 items are unchanged, or but slightly altered, while, in addition to many of the reductions, 16 increases are in favour of the farmer. I am afraid I have not put my views very clearly before the House,

but I want to say that while I do not agree with this Tariff in all its details, I believe that the Government have made an honest and fair attempt to carry out the promises contained in the Maitland speech. They have had a most difficult task to perform in reconciling the varying policies, the varying conditions and prospects of the several States. I am sure that the Treasurer and his colleague, the Minister for Trade and Customs, would not care to go through the work again. After all, these are proposals only. The Tariff is not submitted as a perfect scheme, but is put before us in order that we may exercise our judgment, and in order that the light of discussion may be thrown upon it, so that, under the circumstances of the Commonwealth we may produce a fairly good Tariff. We cannot hope to produce one that will give satisfaction to every one, or even to any one ; we can only try to consider the needs of the present hour. While honorable members are entitled to give full expression to their views, yet when this discussion is over I hope we shall be able to go into committee right away and enter upon the consideration of details. We are promised, however, by the leader of the Opposition, that if he is defeated in the opening engagement he is going, like the Boers in South Africa, to wage a guerilla warfare from every kopje, and to test every detail line by line, and even stump the country. He looks to another power behind him to thwart the will of "Parliament. Meantime business is being complicated by the uncertainty which prevails. Business people want to have the question settled one way or the other, and they prefer to take a Tariff with which they do not agree in many respects rather than be kept in a state of uncertainty. I trust we shall be able to go into the details of the proposed Tariff as soon as this discussion is finished.

Mr Cameron

- I wish to make a personal explanation. The honorable member for Echuca asserted in the course of his speech, that I am a squatter not a farmer. My answer to that statement is, that I have 600 acres in Tasmania under the plough every year, and that I employ ten ploughmen! That should be a complete answer to the honorable member's statement. Another assertion made by him is, that as a land-owner I advocated in the Tasmanian Parliament the imposition of a duty of 40s. per head upon cattle, and some 3s. per head upon sheep. My answer to that statement is, that I was the only member of the House of Assembly who voted for and advocated continually the repeal of the stock tax, some five years "ago. SirPhilip Fysh. - After the honorable member had voted originally for the tax.

Mr Cameron

- I have not voted at any time for the imposition of taxation on farmers.

Mr FOWLER

- After listening as I have done very patiently to his lengthy speech, I cannot quite follow the honorable member for Echuca in his desire that this debate should close summarily.

Mr McColl

- I did not say that. I said I hoped that at the close of this debate we should be able to go into the details of the Tariff, and not have the discussion repeated.

Mr FOWLER

- I must say that I sympathize with those would-be leaders of public opinion in this State who are so anxious that, as soon as possible, the mouths of free-trade members should be shut. No doubt, they have the feeling that free-traders are poaching unduly on their preserves. They have had things all their own way in this State for a number of years, and naturally they object now that light should be let in, and that some information, to which hitherto they have not had access, should be supplied to the Victorian public. I am not sure that I should have inflicted a speech on the House at this juncture if the Minister for Trade and Customs had not, in his usual emphatic manner, thrown down the gauntlet of protection.

Mr Isaacs

- There is no need for an apology for speaking upon this question.

<page>6254</page>

Mr FOWLER

- It behoves all who cannot accept that policy to set forth, at the present time, their protest against its adoption. The debate has proceeded on "somewhat academic lines. That was inevitable under the circumstances ; but I think it is an advantage to the whole of the Commonwealth that we should have . it this juncture a debate on the respective virtues, or demerits of the two fiscal policies. There is no doubt but that the scope for the operations of either a free-trade or protectionist Government is somewhat limited, under the circumstances. But even with these limitations there is sufficient freedom of action to

involve a very grave principle indeed, and there are at the same time conditions that are closely related to the welfare of the people of the Commonwealth. For my own part I am willing to admit that under no fiscal policy can we create ideal conditions. Under any fiscal policy we have the exploitation of the masses by capitalism, and that, I consider, should always be carefully kept in view by those who are discussing this question. If we remember that fact I think we shall be deterred from introducing a great deal of irrelevant matter. It will be my duty to point out that in some respects much matter has -been introduced into this debate that has no real bearing upon the issue. Before doing so, however, I may say that one reason which impels me to speak at this particular stage is, that the public of Victoria have been informed by the protectionist organ that so far as I, and one or two other labour members are concerned, our political platform does not . appeal to be very clearly defined, and that our motives and sympathies are matters of pure conjecture at the present time. Before I sit down I hope to be able to show what my policy is, and, whatever my motives may be, they certainly will not be a matter for conjecture. To some extent this debate has been one between New South Wales and Victoria. That was inevitable again. I shall try to avoid speaking as the representative of any particular State, at any rate as regards a considerable part of what I have to say. So far as Victoria and New South Wales are concerned, I will unhesitatingly say at the outset that my sympathies are rather with the former than with the latter State. When I came to Australia I settled in Victoria. I spent some years here. I have dear friends here. I have been associated with those friends to a slight degree in matters of public importance. At first I was attracted by the glamour of protection, and it was only after considerable investigation that I was able to emerge from the meshes of what is, on the surface, a very attractive theory. But it is, nevertheless, a theory which, the more it comes to be considered, will be seen to be detrimental to the best interests and the true development of the Commonwealth. I have listened very patiently to the repetition of all the stock arguments that have appeared in the protectionist organ of this State during the last 25 years. They have been reproduced with a fidelity to that great authority, which, indeed, does credit to those feelings of gratitude which undoubtedly protectionists owe to the newspaper which has done such very great service to their particular policy. But I wish to refer to a few of those arguments - only a few - because it is quite impossible for any one to follow the protectionists into all the culs-de-sac which they are so inclined to enter, and in which they find themselves ultimately running against a stone wall. We are told in Victoria that the whole of the modern world, with the exception of Great Britain, is protectionist. This statement is repeated with a great deal of emphasis even in this House. Great Britain has undoubtedly led the world in many respects. The modern world owes very much to Great Britain, and I believe that in the near future it will also owe its fiscal policy to her. As a matter of fact, not very long ago the whole of Europe was prohibitionist. We find, however, that prohibition is utterly discredited now, and that several of the countries of Europe have followed Great Britain so far, that their Tariffs in many respects approximate to free-trade. I need only mention Sweden, Norway, Belgium, and Holland as evidence of this fact. There are indications throughout the whole of Europe which lead me to conclude that, before many years have passed, we shall see an out-and-out free-trade policy developed in some of these countries.

Mr McColl

- What about the new Ger- (man Tariff? ;

<page>6255</page>

Mr FOWLER

- I shall refer to that , later on. Another of the stock arguments | that we hear is that England is decaying. This cry is repeated with a gusto that I for one cannot understand. If there were anything to justify it, I should credit those honorable members who use it with uttering it, perhaps, somewhat regretfully. But when, so far from England being in a state of decay, we know that she was never more prosperous than she is at the present time, I am led to wonder whether the wish is not father to the thought, and whether, .after all, those honorable members who, during a recent debate, were boasting so loudly of their loyalty, have not feelings of a very different complexion when they come to be analyzed. We are told also that Great Britain had at least three centuries of protection. The honorable member for Echuca went back into ancient history much further than that. I do not propose to follow him all that way. It is not necessary for me to do so. I need only point out to him and other honorable members that protection as it existed in Great Britain during the whole of that period was exactly of the opposite kind to that which we understand is necessary to the development Of a country. The .protective tax in Great Britain was, in nearly every

instance, a tax upon raw materials. We find that the manufacturers and traders of Great Britain repeatedly petitioned Parliament for some relaxation of the duties upon raw materials which were impeding their progress. I may remind honorable members that the Parliament of Great Britain during the protective period was a Parliament of landlords - a Parliament composed of representatives of the aristocracy of that country. Their policy was to protect raw materials - to exploit the manufacturers and the masses. They did it as long as they could, and I am indeed surprised, in view of notorious facts in history, to hear honorable members argue that protection of such a kind was of any advantage to the development of British industries. We have also heard a good deal about the state of the masses in free-trade England. I wish to say something upon this matter because I think it comes particularly within my province as a labour representative. There is no doubt that in Great Britain the position of the masses is not what it ought to be. Neither is it what it ought to be in any other civilized country on the face of the earth. In Great Britain we can trace a good many of the evils which afflict the masses directly to the protective period. I find that a good many of the references made by the honorable member for Melbourne Ports were made with a considerable amount of hardihood. That honorable member depicted the horrors that exist in Great Britain as being identified with freetrade, and quoted a series of authorities with regard to those conditions in such a way as to lead his hearers to imagine that the authorities were in favour of a return to protection. Such is not the case. There is not a single one of the authorities the honorable member quotes, but credits the unfortunate state of affairs in Great Britain to that policy of protection - which has left its evil heritage behind it - and so far from advocating a return to that policy, they are one and all doing their best at the present time to prevent the people of England being misled by the plausible theories that a few protectionists are putting forward. One honorable member of- this House also, a gentleman for whom I have the highest respect, as an argument against free-trade, spoke of the amount expended on behalf of the poor in England. Undoubtedly a large sum per head is expended in that way, but in England provision is made by law for that expenditure; the other countries to which the honorable member referred have no such provision, and consequently no reference to it appears in their statistics. But I wish to remind the honorable member that whatever relief may be afforded under the Poor Law nowadays in England it is nothing to what it was in the old protectionist time. I find a writer, H. deB. Gibbins, a gentleman who has dealt very fully in various volumes with the social, industrial, and economic conditions of Great Britain, quoting Sir Robert Giffen, the celebrated statistician, as follows : -

It is a matter of history that pauperism was nearly breaking down the country half a century ago. The expenditure on Poor Law relief early in the century, and down to 1830 and 1831, was nearly as great at times as it is now. With half the population in the country that there now is the burden of the poor-rate was the same.

In view of such statements as that, I fail to see that any argument in support of protection can be derived from the provision made for the poor in Great Britain. On the contrary it supplies an overwhelming indictment of the old protectionist conditions, and it gives us at the same time an indication of the gradual improvement of the masses that has been taking place from the time when the protective burdens were removed from their shoulders. The honorable member for Melbourne Ports has also referred to an expression used frequently in books dealing with social reform - the "submerged tenth." The expression which would have been applicable in the- times to which I refer, is not the "submerged tenth," but the "submerged half" of the population. That would come nearer to the truth, and yet again we find that this "submerged tenth" is only part of the heritage handed down to us from that protective period. It cannot be denied but that the position of the masses in Great Britain is steadily improving. I shall not take an English authority, to make a comparison between America and Great Britain. I quote an American writer on this subject, as showing the result of his investigations upon the spot. Some few years ago, the Pittsburg Despatch, an important paper, published in an important industrial centre in America, sent a special correspondent to investigate the condition of labour in England, and here is a quotation from one of that correspondent's letters : -

And now let me say briefly, and once for all, that a careful investigation of the localities where working people most do congregate in this wonderful world of manufactures-

He is referring to the manufacturing districts in the Midlands. - has proved to me, as it will prove to any one taking similar pains, that here, where one expects to find "pauper labour" by comparison with America, there is a condition of comfort in habitation clothing, and food which could not be excelled in any

American manufacturing locality.

He goes on to say -

This may be treason, but if it is, my protectionist friends are at liberty to make the most of it.

Mr Mauger

- Who writes that 1

Mr FOWLER

- A special correspondent of the PittsburgDespatch, an American journal.

Mr Mauger

- That is very indefinite. These special correspondents are remarkable men at times.

<page>6256</page>

Mr FOWLER

- There is one unvarying assertion continually put forward in Victoria, an assertion that has been repeated so often, and with so much insistence, that I suppose a majority of the people of Victoria have come to accept it as correct. That is the statement that British agriculture has been ruined by free-trade. I am reminded in this connexion of a story told of a Scottish king who was fond of occasional amusement with his courtiers. One day he propounded a question : He asked them how it was that, if a fish were put into a vessel full of water, no water would flow over. There were a number of conjectures made, and one of the courtiers standing aside and expressing no opinion was asked by his sovereign what was his explanation of the curious thing. The old courtier looked at the king quietly, and then expressed himself thus-" Sir," he said, " I doot the fact." And I take it that, when a sweeping assertion of this sort is made, it behoves us, before we accept it without reservation, to consider whether it is not advisable sometimes to "doot the fact." In speaking of agriculture it may be necessary for me to explain that I am not talking without some knowledge of the subject. I was born and brought up amongst those who were closely associated with agriculture. In my earlier years, I took a keen, practical interest in this branch of production, sometimes against my will ; and ever since then I have followed it with a good deal of interest. With regard to the assertion that British agriculture is ruined by free-trade, there is not the least doubt but that the good old times which the farmers and landlords talk about were put an end to by the abolition of the Corn Laws. Those good old times were the times when the masses had to pay a shilling for- a loaf of bread, when half of the community was on the verge of continual starvation. Undoubtedly they were good old times for the landlord and for the farmer, but for no one else. But national ruin is a very different thing. One would imagine that Great Britain at the present time was lying waste, and that there was nothing being done with its land. What do I find in reference even to wheat production on turning to reliable statistics ?

Coghlan gives us the information that that comparatively small area of the United Kingdom produced no less than 67,000,000 bushels of wheat in 1899. Figures like these, taken by themselves, of course, do not go very far ; we have to bring them into relation with other figures. Let me compare such figures with the production of wheat in Australia. Coghlan states that the total production of wheat not in Australia, but in Australasia - that is the Commonwealth and New Zealand- is 48,000,000 bushels, as against 67,000,000 bushels in the United Kingdom. I wish to institute another comparison. We hear a great deal of Germany, and the remarkable progress she is making under a protective policy. It is contended amongst other things, I presume, that she is a long way ahead of Great Britain in agriculture. What are the facts?

Germany, in the same year, produced 137,000,000 bushels of wheat. The area of Germany is 211,000 odd square miles, but the area of the United Kingdom is 121,000 square miles - that is, roughly, about half. When one considers the amount of wheat grown in the United Kingdom, as against that grown in Germany, in relation to the area of the land, the proportion is just about the same.

Mr A McLEAN

- Will the honorable member take the total agricultural products of each country ? That is only one.

<page>6257</page>

Mr FOWLER

- We have heard about the ruin of the wheat industry in Great Britain. I am dealing with that matter, and I trust the honorable member will realize that I can deal with only one matter at a time. The monopoly of wheat growing in Great Britain being at an end, the farmers turned to other means of production. None but the best wheat lands are producing wheat, and other lands that at one time produced wheat - under the old monopolist system - are being used for those industries for which they are better suited. The

farmers are engaged in stock raising to a much greater extent than they formerly were under protection. Mulhall states that between 1840 and 1870, 2,000,000 acres of land which was devoted to wheat growing has been turned into pasture land, and that cattle farming has progressed steadily from 1850. The production of meat they have increased since that time 35 per cent. I would remind honorable members that the conditions with regard to all products are not altogether favorable to the farmer. The question of rent, and a number of other matters enter into the consideration of whether or not farming can be made profitable. It has been indicated frequently by those who wish to see the old condition of tilings revived as regards agriculture, that if any change is needed it is in the direction, not so much of protection as of a re-arrangement of rents, and of those old' feudal conditions that pressed so heavily on the productive capacity of the United Kingdom. We have seen recently an agitation set afoot, demanding protection for Great Britain. The "Made in Germany" style of book which has been so popular in Victoria, has for its object simply an attempt to bring the country back to those conditions which were of so much advantage to a certain class, and so opposed to the interests of the whole people. We have heard the same cry at intervals ever since the repeal of the corn laws, and it is to be remarked that the cry is never from the manufacturers, whom the protectionist agitators profess to regard but from those people who previously enjoyed a monopoly of production from land, and is intended for their benefit alone. As indicating the opinion of the general public on this question, I wish to read from the Clarion of the 3rd August, 1901, a paragraph from an article written by Robert Blatchford, one of those authorities on social matters so frequently quoted by the honorable member for Melbourne Ports, and quoted in such a way as would lead one to suppose that people were anxious for a return to the old policy of protection.

Mr Mauger

- Oh no, I never said that.

Mr FOWLER

- That is the inference that may be drawn from the way in which the honorable member quotes these authorities. Speaking of the condition of affairs in Great Britain, the writer of this article says - By far the ugliest sign of the times is the fact that of late years two words which have for half a century been tabooed in British politics are now, after some whisperings and stealthy hintings, beginning to be spoken trippingly on the tongue. These words are "Protection" and 'Conscription.' They are words of abomination and desolation, words that, being openly spoken, should be resented by the people as an insult to their understanding and a threat to their liberty.

Mr Harper

- Who says that ?

Mr FOWLER

- That is an expression of opinion by one of the champions of the masses in Great Britain.

Mr A McLEAN

- Is he still at large ?

Mr FOWLER

- He is at large; and I trust he will long be at large. I wish to God that there were many more of his sort, not only in Great Britain but in Australia. Germany has been held up to the people of Victoria for years as a marvellous instance of the advantages of a protective policy. We have not heard so much of that the last few months. Germany has suffered a serious collapse ; it is notorious that her manufacturing industries are rapidly being shut up. The banks are failing and general disaster is overtaking the country.

Mr Kingston

- Perhaps the honorable member will tell us that they are about to adopt free-trade.

Mr Kennedy

- Is not that on account of over-capitalization ? *

Mr FOWLER

- It may be that some other cause than fiscal policy" is responsible, but I always notice that when it is thought a good, point can be made with reference to protection in this debate it is always protection that is responsible for a change for the better, something else being responsible if the change is for the worse..

Mr Kingston

- Are they not adopting more protection in. Germany ?

Mr FOWLER

- We have heard a great deal about Germany and its protectionist policy.. If there is any country in Europe in which protection has done any good, and in which the policy should be highly popular, it is Germany. There is a section of the German Parliament somewhat similar to our Labour Party here, numbering, at the present time, over 40 members. These members are representatives of a great labour federation in Germany - the Social Democratic Federation - and I may say that every election results in an increase in their numbers. The Social Democratic Federation of Germany, like the Labour party of Australia, has a platform, and here is one of the planks of that platform - The abolition of all indirect taxation, Customs duties, and other economic measures which sacrifice the interests of the community to the interests of a privileged minority.

Mr Kingston

- Does the- honorable member advocate the abolition of all Customs duties?

Mr FOWLER

- That is the attitude taken up by the great labour and progressive party in Germany.

Mr McColl

- Those are the single taxers.

<page>6258</page>

Mr FOWLER

- No, no; they are largely socialists, and the single-tax movement is a totally different thing. Here we have a direct contradiction of the assertion, that countries like Germany are unreservedly and emphatically protectionist. We find on getting beneath the surface that they are nothing of the kind. In Germany, as in Great Britain some years ago, the old fight is taking place between the representatives of the masses, and the representatives of the privileged classes in Parliament. The latter are at the present time in a majority, but are not likely to occupy the position very much longer. So far as socialism can be connected with either free-trade or protection, I may say that throughout the whole civilized world, socialism and freetrade are closely identified, , with the solitary exception of Australia. Another argument which I have frequently read in the protectionist organ, and which I was surprised to hear repeated in this House, is the one' dealing with the excess of imports or exports one over the other. A good many years ago I used to read in the Age that it was a bad thing for a country to import more than it exported, and that the contrary condition was one that indicated prosperity. The honorable member for Gippsland has given us that view, and I suppose it is one of. the arguments which influenced his change from free-trade to protection. He has evidently clung to it with a tenacity characteristic of himself, but decidedly worthy of a better cause. I believe it has already been shown in the public press that the contention of the honorable member has no basis, when we come to deal with actual facts. It has been proved that nearly all the wealthy and prosperous countries of the world have a balance of imports over exports, and I wish to inform the honorable member for Gippsland that the one country which, above all others, manifests the most remarkable degree of prosperity, according to his ideas, is poor, miserable, poverty-stricken Egypt. There is no country in the world which has a larger excess of exports over imports, and I believe there are very few countries in a worse state socially, financially, and otherwise. The argument used by the honorable member for Gippsland was that the country which had an excess of exports over imports was in a more prosperous condition than one having a balance the other way.

Mr A McLEAN

- That is as far as external trade is concerned.

Mr FOWLER

- I understood it was applied by the honorable member as a general argument.

Mr A McLEAN

- I said that the country that imports more than it exports is losing on its external trade to the extent of the difference.

Mr FOWLER

- Then, according to that, Egypt ought to be remarkably wealthy and prosperous.

Mr Crouch

- So she is. Egypt is a long way wealthier than Turkey.

Mr FOWLER

- For centuries Egypt has been one of the poorest countries on the face of the earth.

Mr Crouch

- She is one of the soundest, financially, on the face of the earth.

Mr FOWLER

- I prefer to discuss this matter in my own way and not to be led off the track.

Mr BRUCE SMITH

- The honorable member's speech is acting like a porous plaster.

<page>6259</page>

Mr FOWLER

- I have been at considerable pains, for my own edification, to trace the development of the protectionist policy in Victoria, and I think it can be followed with a certain amount of accuracy, and supplies to some extent the key to the rather unusual development which has taken place there as distinguished from what has occurred in any other State of the Commonwealth. Victoria at one time, no doubt, had a somewhat objectionable land policy, and it is not so many years ago when it was considered by many that the land of Victoria was about as fully occupied and as fully utilised for producing purposes as was possible. That being so, the cry arose, "What are we going to do with our sons?" There was no more land for them to take up; it was thought that there could be no more agricultural production, and the minds of the people naturally turned to the development of industries in the towns. The policy of sending the young people into town, providing employment for them in factories, and creating a home market had, on the face of it, a considerable amount of attraction. The idea was carried into effect and under it, undoubtedly, a stimulus was imparted to certain manufacturing industries. The policy was persisted in, and by-and-by the people of Victoria in general, and of Melbourne in particular, became possessed of the idea that in the future Melbourne must be the commercial, or, at least, the industrial centre of the whole of Australia. We are told often that one of the causes of the unfavorable conditions, which have been so repeatedly indicated in regard to Victoria in recent years, was the boom. That has been made responsible for many things, and I admire the ingenuity of honorable members who have been able to see, in that unfortunate occurrence, the beginning of all the troubles which have afflicted Victoria. But I want to know what caused the boom? I think we can easily find the cause of the boom in the fiscal policy of the State. As I say, the idea of a protective policy was to make Melbourne the great industrial centre of the whole of Australia.

Mr Crouch

- So it is. »

Mr FOWLER

- That was the intention at one time, and under the stimulus of that idea people undoubtedly thronged into Melbourne. Under the stimulus of borrowed millions, industries were gradually expanded, and they took in a large number of the young men, who were flocking from the country and deserting those means of production which are natural to the country, and which ought to be natural for many years to come. The result was that the rents of property rose, and more buildings had to be provided to supply the wants of the people who were coming in. That meant a demand for land, and there we had the beginning of the land boom. It was simply a result of the policy of developing Melbourne by protection, and by the borrowing of those millions. Therefore, when honorable members wish to place to the credit of the boom all the calamities that have overtaken the country they should realize, in the first place, that the fiscal policy of Victoria is directly responsible for the boom.

Mr HUME COOK

- Was that so in New South Wales?

Mr FOWLER

- There was a reflex action in New South Wales, but, as the honorable member knows, it had by no means the same serious dimensions it had in Victoria. We now find that the calamity of the boom which overtook Victoria sent the minds of the people back again, by a natural process, to those industries on which, after all, her prosperity rests. There was a general cry - "Back to the rural industries"; and accordingly we find that such industries as butter-making were developed in a remarkable way. It is beyond question that the development of that particular industry in Victoria has been closely associated with the rally which has been made within recent years.

Mr Kennedy

- The industry was developed by a protective duty and by a bonus.

Mr FOWLER

- I have been somewhat amused if not edified by the various comparisons which have been attempted, as between New South Wales and Victoria, by means of statistics. It is very hard indeed to get at the truth in such a way. We have had so many statistics thrown at our heads that we may be excused if we have not grasped the full purport of them all. But, I think we may come to the conclusion that as between Victoria and New South Wales, at any rate, there is very little indeed to choose. In some respects the one State may have an advantage, and, in some respects, the other State ; but so far as the direct benefits of a fiscal policy are concerned, more particularly with reference to employment and wages, I defy any one to say that Victoria is any better off than New South Wales. If that much is conceded, I say unhesitatingly, that it discredits protection. What we were always given to understand in Victoria was that under protection the country would be a great deal better off than any other country under free-trade conditions.' Protection, it was said, was to be a great improvement upon free-trade ; but now we find that those who advocate a protectionist policy are simply on the defensive when confronted with the condition of New South Wales. But protectionists ought to be able to carry the war into the enemy's country, and to show most conclusively that their policy has been a much better one than free-trade. I do not think that the most ardent protectionist in Victoria will refuse to admit that protection has not done anything like what was hoped of it. It has not protected the masses. It is not so very long ago that sitting on a platform, with the honorable member for Melbourne Ports, I heard a gentleman, who has practical knowledge of the conditions in London and in Melbourne, as regards the working classes, state in the most unhesitating way that he had seen in Collingwood a state of affairs that was absolutely worse than anything he had ever witnessed in the slums of London.

An Honorable Member. - Who was that ?

<page>6260</page>

Mr FOWLER

- That was Mr. Solly, at a recent meeting. The honorable member for Echuca indicated that in his opinion many industries that we have in Victoria are due to the policy of protection. But is it not a fact that many of these industries were established before protection was adopted ? I find that is so, particularly in the case of the manufacture of agricultural and mining machinery, which has been so often held up as one of the great trophies of a protective policy. The honorable member for Echuca gave as an argument in favour of the policy he advocates the fact that machinery is manufactured to a large extent in Victoria for the use of the farmer, and he indicated that that machinery is superior in many respects to that imported. That is an argument which I for one am willing to accept. The local maker of such products has always the advantage over the importer, and it is not necessary to protect him. The stump-jump plough has been called into existence by conditions in Victoria which have no relation to the fiscal policy. Whether we had free-trade or protection, the inducement to the inventor of such a plough would have been precisely the same. A book on protection, by a Mr. Young, was published lately, and has been very highly praised by the protectionist newspaper in Victoria. I have gone through the book very carefully, and I am compelled to agree with very many of the writer's conclusions, although his arguments have been somewhat misdirected. Let me state the position in the words of the Age itself in regard to the contention of this writer. This newspaper says -

The main difference between English freetrade and American protection in wealth creation, lies in the retention of the "transport" system by the one and its elimination by the other.

Undoubtedly it does, and I am surprised that the protectionists have not discovered that long ago.

Mr Kennedy

- Has the honorable member finished the quotation ?

Mr FOWLER

- It is hardly necessary, carrying out this idea.

Mr Kennedy

- For the development of the home market.

Mr FOWLER

- We will take it at that - that transportation involves waste, and that what is required is the development of the home market. If transportation involves waste, is not that protection for the home market ? If so very much is lost to those people who are transporting goods from one part of the world to another, surely that

is an argument rather in favour of free-trade than of protection. We here in Australia have a natural protection sufficient for all practical purposes, and any interference in the way of artificial protection attracts the people from those natural developments that mean prosperity for this or any other country. I now come to the consideration of this question more particularly in regard to the workers. In this respect, my opinion is that if protection had been called by its true name, we should have heard very little of it in Victoria at all. In spite of what the great poet said about a rose by any other name smelling as sweet, there is a great deal indeed in a name. The old lady who read her Bible, and told her parson that she derived so very much comfort and consolation from "that blessed word Mesopotamia," was in somewhat the same position as many workers in Victoria in regard to the comfort they derive from the equally blessed word, protection. The proper name for this policy is trade restriction.

Mr HUME COOK

- What is the proper name for free-trade?

<page>6261</page>

Mr FOWLER

- It carries its meaning on its face. I repeat that if the policy of protection had been termed by its proper name of trade restriction, the workers would not have seen so much in it as they have done, to their disadvantage undoubtedly. I do not pretend that protection - I will use that term, as it is one generally employed - does not benefit some industries. Undoubtedly it does. It would be surprising, if so many determined efforts to foster and 'coddle' a particular industry were not rewarded with some measure of success. But what I contend is that protection does not benefit the community as a whole. That is what we are here to consider, not the interests of any particular class. I would point out that so far as artisans generally are concerned there is confronting them one very serious matter which has to be considered in connexion with this question. When we are urged to create a home market for our farmers, do those who advance that contention realize what inroads upon production machinery is making in those large industries? It is impossible under the most artificial conditions to enable the masses in our large towns to apply them selves particularly to mechanical production. Machinery makes that impossible. I would therefore ask the protectionists - what are they going to do with the surplus population? I have not yet heard any protectionist indicate a remedy for that growing condition of things. A book published in America two or three years ago deals with the fiscal question in relation to the masses. It deals with the question from an American stand-point, but it puts a most remarkable parallel so far as Australia is concerned. I wish to give the House one or two quotations, and honorable members will see for themselves what a close connexion there is between the position as developed in America by protection, and the position that we are confronted with at the present time. The book is written by Professor Ely, the Professor of Political Economy in the John Hopkins University, Baltimore, one of the principal educational institutions of the United States. Professor Ely is not a freetrader, but he is an opponent of the condition of things created in America by protection, and has written strongly and forcibly in several volumes in connexion with the matter. He points out that in America the cry originally was for protection to infant industries. Here are his words -

As time went on, the plea that protection should be afforded to the "infant industries" of the United States grew ridiculous, and its advocates began to cast about for an argument which would meet with some other reply than a sarcastic smile. Manifestly the period of infancy must end some time, and the infant industry argument is based precisely on the hypothesis that protection is merely a temporary need. That has been the cry in Victoria - "Protection for infant industries," as long as the cry could be put forward without an undue degree of shame-facedness. Now, however, that particular cry is becoming a bit out of season. The industries are by no means infants nowadays, or at least they ought not to be. If that is so, it follows that some reason must be adduced other than that of "protection for infant industries."

Mr Mauger

- What is the date of the edition from which the honorable member quotes?

Mr FOWLER

- The book is quite a recent publication, but the date does not appear. It is not more than two or three years old. I shall be very glad indeed if the honorable member will read it.

Mr Mauger

- I know it very well; I have read Professor Ely.

Mr FOWLER

- I must apologize for asking the honorable member to read it. I forgot for the moment that I was addressing a protectionist whose only means of getting light upon such a subject as this would be by the application of an axe of considerable weight wielded by somebody of considerable vitality. Professor Ely goes on to indicate the cry that followed the request for protection for infant industries. He points out that the -

Appetite grew with what it fed upon; and the call was for increasing protection. How justify it? As I said, protectionists began to cast about for another special plea., and they found it, and from about 1840 up to the present we have heard a new war-cry: namely, protection of American labour against "the pauper labour of Europe." "The pauper labour of Europe." I think I have heard that cry in this House several times of late. This is what the Professor has to say with regard to it: -

No doubt for party purposes it was an immense improvement. It proceeded upon the hypothesis that the American employer must pay more than his European competitor for labour, and that difference must be made up to him by a tax on foreign competitors; some, indeed, with a nice air of accuracy, claiming it is a scientific principle that duties should be precisely such in every instance as to equal the difference in cost of labour. It is assumed that if duties fall, American labour must also fall in price, and, like European labour, become pauper labour. One manifest superiority in this new plea is that it does not advocate duties as something temporary, but as something to endure as long as American labour is "dear," and foreign labour is "cheap." Another is the benevolence wrapped up in it, and not merely benevolence. It is benevolence of a superior and unique sort! Benevolence often means sacrifice on the part of him who exercises it, as when I wear an old coat that I may help educate the orphan child of an old friend. Not so the benevolence of the protective Tariff, for it is warranted never to take a penny from the pockets of its most devoted adherents. They may live in palaces, eat the choicest cuts of roast beef, drink champagne, and be merry while their bank accounts swell! Have they not done their part? Are they not the representatives of protection to American labour?

His comment on this demand for protection for American labor, is as follows: -

The cost of labour depends upon two things - first, wages paid; second, the efficiency of labour. Will the practical man, who pays two dollars a day to his employes engaged in some manufacturing enterprise in Massachusetts, at once remove his business to Georgia if told that employes can in the south be procured in abundance for one dollar fifty cents a day? By no means. He would be a fool to do it. He will first ascertain many other things about business, and he will institute a diligent inquiry into the relative efficiency of northern and southern labour. He will say, "The vital question with me is not how much I pay a day, but how much will it cost me to get a given piece of work done."

Prof. Ely writes the following words in italics -

Now when

we

thus compare labour cost in portion of the industrial field the American manufacturer has a decided advantage over his foreign competitor, for it costs him less to get a given piece of work done.

Mr Isaacs

- At what page does that passage appear?

Mr FOWLER

- At page 80.

Mr HUME COOK

- The free-trade sweaters of "Victoria have raised the cry that manufacturers must go to Sydney if the Factories Act is continued.

Mr FOWLER

- What I have quoted is of interest to us in view of the fact that we are confronted with exactly the same cry in the Commonwealth of Australia. I think also that the writer of this book has shown most conclusively the hollowness of the demand, and the fact that it is unnecessary at any time or under any conditions to protect highly paid labour from cheap labour. The position of workers in Great Britain, as against that of labour on the continent of Europe, shows - that the wages in Great Britain are undoubtedly higher than on the continent. In some of the European countries, such as Italy, wages bear a very low ratio, indeed, to

what is paid in Great Britain ; but we do not find that British workmen are suffering from the competition on the part of pauper labour. On the contrary, it has been shown beyond question, and I think admitted even by honorable members sitting behind the Government, that the position of the British worker under free-trade is steadily improving.

Mr Higgins

- What about the American worker?

Mr FOWLER

- The American worker has been steadily going from bad to worse during the last ten or fifteen years. Under protection he is absolutely under the heel of capitalism. His wages have been going down, and the cost of everything that he buys immensely increased.

Mr Higgins

- Are not the wages paid in America the best in the world?

Mr BRUCE SMITH

- No ; having regard to their purchasing power.

Mr FOWLER

- I have quoted already from an American writer to show that relatively the position of workers in Great Britain is very much better than that of the workers of the United States.

Mr Higgins

- It is not.

Mr FOWLER

- Of course honorable members are at liberty to refuse evidence of that kind if they choose to do so, but I believe that Victoria will not refuse it. The people of this State will show very soon that they have not by any means the remarkable facility for refusing evidence of this kind which is possessed by some honorable members. I trust that I have made my motives and sympathies in regard to the Tariff no longer a matter of conjecture. As a citizen of the Commonwealth, I have stated what I consider ought to be the policy of the Commonwealth.

Sir George Turner

- And that is freetrade.

Mr FOWLER

- I am prepared, as far as I can, to give effect to the policy I have indicated. I wish, in conclusion, to say a few words in regard to the Tariff in its relation to the State I represent. In Western Australia there is only one opinion about it, and that is that, so far as that State is concerned, it is simply iniquitous in its incidence. We have had there already a Tariff which has unduly pressed the masses.

Sir John Forrest

- It has made that State the most flourishing part of Australia.

Mr FOWLER

- Western Australia has flourished, as the right honorable member knows, not on account of her Tariff, but in spite of it. That Tariff is going to be continued under the operation of the sliding scale.

Sir George Turner

- Why do they put on the sliding scale ?

Mr Kirwan

- A majority of the people are against it.

Mr FOWLER

- The right honorable and learned gentleman ought to ask his colleague, the Minister for Defence, why it is put on.

Sir John Forrest

- My Government did not put it on. The new Government has done so.

Mr FOWLER

- There was an obligation upon the State of Western Australia to re-enact that Tariff.

Mr A McLEAN

- There was no obligation. It was permissive.

Sir John Forrest

- They wanted the money ; that is the reason.

Mr FOWLER

- It was arranged that this sliding-scale should operate for a certain number of years. The people of Western Australia have not the power to alter it. They are in the unfortunate position that a majority of them send a minority into Parliament, and that minority, however willing it may be to alter this sliding-scale, cannot do so at the present time. But bad as was that particular Tariff of Western Australia, so far as the consumers were concerned, it had its redeeming features. Under it there were certain articles of every-day consumption which were allowed to come in free. But what do we find 1 The particular articles which were admitted free as a set-off against the serious taxation upon other items .are to be heavily taxed under this Tariff, so that the unfortunate consumers are between the upper millstone of their State Tariff and the nether millstone of the Federal Tariff. I do not wish to go into details so far as they relate to Western Australia. I shall leave that to my colleagues who represent the gold-fields, because they have an even keener interest in this matter than myself. I merely desire to say that the people of Western Australia realize that their interests are bound up in the development of the primary industries of that State. Even the artisans understand, what evidently has not been fully realized in Melbourne, that their condition is determined by the general prosperity of the country, and that so far as Australia, as a whole, is concerned, its general prosperity must for many years to come be associated with its primary industries. When I was contesting my election the fiscal question was continually brought forward. At that time I considered I had good grounds for assuring the people that the Tariff we should have would be something in the nature of a compromise between the two extremes. I was prepared to accept such a compromise, and I am only speaking this afternoon because the compromise which has been offered to> us is of such- a nature that it ceases to have any meaning at all so far as free-traders or revenue tariffists are concerned. I intend to do all in my power to amend this Tariff to its proper incidence. I shall endeavour to make it as much as possible a revenue Tariff. I shall oppose, as far as I can, the creation of vested interests that will ultimately operate in an exactly opposite direction to that in which I and many others desire to proceed. A revenue Tariff is, at the present time, a temporary expedient. It is the halfway house towards an absolute change in the incidence of taxation. I believe that if we adopt the Tariff which is under discussion we shall find ourselves receding very considerably from the true position so far as the welfare of the masses of Australia is concerned. A revenue Tariff or a protective Tariff alike presses on the consumer in" the matter of taxation. I contend, therefore, that whatever is put forward as a compromise at the present time must be something that both sides can accept as such, without the fiscal question being dragged in in the way that it has been by the Minister for Trade and Customs and by the Tariff itself. One of the reforms which I hope for is a complete change in the incidence of taxation. The only way in which to accomplish this is by adopting a policy identical with free-trade.

Mr Isaacs

- What does that mean 1 '

Mr FOWLER

- Reform of the incidence of taxation is connected with a policy of freetrade. A proper adjustment of the incidence of taxation means placing the burdens on the shoulders of those who ought to carry them.

Mr Higgins

- We shall never get the taxation we require if we leave it to a revenue Tariff.

Mr FOWLER

- We do not intend to leave it to a revenue Tariff. We intend such a Tariff to be only the beginning. But we do not want to create vested interests in Australia which will make even a revenue Tarin0 impossible. I come now to my last and greatest objection to protection. In the United States we have an object lesson which ought to make every honorable member pause and seriously consider the position. The policy which has been adopted there has meant the demoralization of the country and the corruption of its politics. America is nearer a revolution than is any other country in the world, simply and solely because the vested interests which have grown up behind the wall of protection have got the country absolutely and entirely in their grip - the masses, the workers, the Judges in the law courts, and even the Legislature itself. I may be speaking somewhat strongly, but I intend to produce evidence in support of my statements. There is a series of interesting volumes published in America upon questions of the day. No.

53 of these volumes has for its subject "The Tariff and its Evils." The writer is John H. Allen.

Mr BRUCE SMITH

- What is the title of the article ?

<page>6264</page>

Mr FOWLER

-" The Tariff and its Evils." The writer is John H. Allen, who has written several works in connexion with political and social questions in America. He says -

No one country has a monopoly of spoiling the working man. This is done in Republican America quicker and deeper than monarchical England ever thought of. The laws of the country are so framed that not only are those who create wealth deprived of their rightful share of it, but in its manipulation thereafter the people are, through our taxing system, levied upon through nearly all the articles of needful consumption for the monopolist manufacturer's special behoof.

Here is another article upon "American Politics" by a well-known writer - Mr. Grant White. This is what he says in regard to the matter -

Congress itself is openly declared by our own journals to be, because it is known to be, the most corrupt body in civilized Christendom. Within the last fifteen years we have seen men occupying the highest positions in the Government of the United States who were not only purchasable, but who had been purchased, and at a very small price. I know what I say, and mean it. The Cabinets during the same period have been so rotten with corruption that the presence in them of two or three men of integrity could not save them.

Mr Mauger

- Surely this is not due to protection ?

Mr FOWLER

- Perhaps the honorable member will wait a moment. This writer goes on to say -

Worse even than this, the judges are openly called Mr. this - one's judge, or Mr. That - one's, their owners being generally the stock-holders or managers of some great corporation which coins wealth for him and his satellites by schemes of gigantic extortion.

Mr. Kennedy. - Is that an opinion expressed by an eminent English writer of the judicial authorities in America ?

Mr FOWLER

- That is the opinion expressed continually throughout America. The quotations which I have read, indicate precisely the opinions of the people of America with regard to their judges and their legislators. I could quote not one, but fifty authorities to the same purport as this.

Mr Mauger

- Why do they not change their policy?

Mr FOWLER

- The condition of affairs is notorious, and when the honorable member asks me why they do not change their policy, I say that protection has created such gigantic corporations interested in the continuance of that policy, that it is worth the while of those corporations to create a corrupt condition of affairs in order that the people may not make any change.

Mr Reid

- They spend hundreds of millions at every presidential election.

Mr FOWLER

- It is well known that the influence of these trusts and syndicates controls America, socially, financially and political. Things have got to such a pass there, that when legislators find things are dull, they get a Bill drawn that aims at some of the trusts, and immediately people outside induce those enterprising politicians to leave the thing alone. I am not stating anything but what is borne out by the actual state of affairs in America. Any one can see that the position created by a Tariff wall must develop such a condition of things.

Mr Mauger

- And in Canada also ?

Mr FOWLER

- I believe that every member of this House has come into it with clean hands, and has thoroughly clean

hands, and I hope it may never be said of the Australian Legislature that any of its members can be described in other terms than these. But we have already an indication of the possibilities in store for us, in the agitation going on outside of this House, by forces that fortunately are not sufficiently strong yet to influence legislation. Allow this Tariff wall, behind which they may increase in strength, and we can easily imagine the state of affairs which may arise. The United States of America points a moral for us which we cannot afford to ignore at this juncture, and honorable members opposite know well enough that the state of affairs there is largely attributable to the protective policy of that country. If such is the case, and if a danger like this confronts us, I say we have no other course open to us than, at any cost, to take such steps as will make such a condition of affairs as exists in America at the present time impossible to the Commonwealth of Australia. For the reasons I have indicated, perhaps at undue length, but I trust not without some interest to honorable members, I wish to say that I shall most unhesitatingly support the motion now before the House.

<page>6265</page>

Sir JOHN FORREST

- We have listened, I am sure, with attention to all the speeches made, and especially to the latest by the honorable member for Perth, who, according to his own statement, represents in this House an example of one who was a protectionist and who has become a very strong freetrader. The only remark I have to make in regard to that is one which I am sure honorable members will forgive me for, because there have been so many protectionists in these eastern States who have changed their views when they have gone to "Western Australia. I desire therefore, to ask the honorable member whether the change in his views, which he has told us of, took place somewhere near the time when he changed his home from the eastern to the western side of Australia? I ask the question because a large number of people who were protectionists in Eastern Australia, have, when they have gone to the western State, become free-traders. I want to say also that that bears out my opinion in regard to this fiscal question - that there is no real principle about it, and that it is merely a question of pounds, shillings, and pence, and which policy will pay us best.

An Honorable Member. - Can the right honorable gentleman quote any instances either way ?

Sir JOHN FORREST

- There is little difficulty as a general rule in finding out whether a man is a protectionist or a free-trader by simply ascertaining what his business is. It is generally apparent that he is not acting contrary to his own material interests.

Mr Glynn

- What self-interest is there behind the free-trader ?

Sir JOHN FORREST

- A very great deal, as I could show if I desired to continue the argument. The importing classes, for instance, are all free-traders.

Mr Thomson

- No, they are not.

Mr Reid

- I have found them the other way, to my cost.

Sir JOHN FORREST

- It will very seldom be found that they are not. At any rate those who are at the back of the free-trade movement in Victoria and New South Wales and in other States are largely those who are interested in shipping and importing, and it is those people who find a good deal of the money to promote the free-trade interest.

Mr Reid

- Any statement to that effect made to the light honorable gentleman is inaccurate.

Sir JOHN FORREST

- It is a general statement, which, of course, the right honorable gentleman is not bound to agree with. I desire in what I have to say to avoid details so far as I can. We have to deal with this question in a practical and not in a sentimental way. I do not wish to unduly prolong the debate, and, though it may probably take me some time, I hope I shall not err in that respect to the same extent as some other honorable members who have spoken for several hours upon this question. I shall hasten along as

quickly as I can in order not to delay the settlement of the motion before the House. The first thing. I desire to say with respect to this motion of want of confidence in the Government is that it is not really a question of the Tariff at all. Whatever Tariff we brought down we should have had this adverse motion. We should have had it when we first met at the opening of Parliament if the opportunity had suited my right honorable and learned friend the leader of the Opposition, but he found that the numbers were against him, and that his chances of success were not great, and as he told us he decided to defer the matter until the Tariff was introduced. Is there any man in the House or in the country, who believes that whatever had been the Tariff proposals of the Government, we should not have been met by an adverse motion? Was it to go forth to the -world that this Parliament had met in Melbourne for the first time and passed through a session without an adverse motion being moved by the leader of. the Opposition? The idea is absurd on the face of it, I quite agree. The action of the leader of the Opposition is what was expected. If I were in his place I would, no doubt, do the very same thing, viz., take the earliest convenient opportunity to challenge the other side.

Mr Reid

- On this Tariff?

Sir JOHN FORREST

- If the Tariff was the surest way of displacing the Government and placing my own party in power, I, no doubt, would do so. I wish to point out to honorable members that the terms of this motion are not at all material. Motions of want of confidence are framed in various ways, but they all have the same object - to displace those who are on the Treasury benches.

Sir William McMillan

- Is this dealing practically with the subject ?

Sir JOHN FORREST

- I think it is a little too practical for the honorable member.

<page>6266</page>

Sir William McMillan

- It is not on the Tariff, anyway.

Sir JOHN FORREST

- When the honorable member gets up will he launch out on the Tariff in one moment ? He had better hold his tongue, and not interrupt by asking whether what one is saying is practical when one has scarcely commenced to say anything. Motions of want of confidence are always very carefully prepared and are designed to please undecided independent members, who wish to support the Government in the most difficult position.

Mr Wilks

- The wobblers.

Sir JOHN FORREST

- I do not say the wobblers at all. Those who have not pledged themselves and who the Opposition may think would like to support the Government. The desire in the wording of a motion of no confidence is to place these honorable members in the most difficult position possible. That is the general plan adopted, I believe, by those who frame these motions. I have had no experience in framing them. Whether for good or for ill, all the time I was in the Legislative Assembly in Western Australia I was on the Treasury benches, and although there were many motions of want of confidence they were always framed by others and directed against me. Whatever the form of the motion is the object is exactly the same ; the bait is skilfully arranged so as to catch the most fish. I discard for the moment the terms of this motion. I do not care twopence about its terms ; it is a motion of want of confidence and those who vote for it say deliberately to the people of this country, by their vote, that they want a change of Government ; and it will be understood so, of course. There is no use beating about the bush. Every one who votes for or against the motion knows very well that he is voting either to support the Government or to put the honorable members opposite in their place. Every one is agreed - and every one will agree no doubt all through this debate - that a certain amount of revenue must be obtained in order to carry on the Government of the Commonwealth. The Government say that their desire is, while raising the necessary revenue, to assist the industries of the country.

Mr Mahon

- How do they assist mining ?

Sir JOHN FORREST

-While we are devising means for raising the revenue, at the same time we are devising means for assisting the industries of the country. Our object is to build up a self-reliant people, and not to be dependent on others for all those things which we can produce as well as they can. We should not depend on the labour of the people of other lands, but should produce everything we can for ourselves - thus, not only building up a self-reliant community but giving large employment to our own people. To read the harangues and speeches of persons outside the House as well as inside, one would think that free-trade as they call it - it is no free-trade at all, as everyone knows - means lighter taxation. After listening to some of these most interesting harangues many persons go away with the idea that the policy they have listened to, means no taxation at all.

Mr Higgins

- They have to find the money somehow.

Sir JOHN FORREST

- They know that, but do not say so ; and the people go away with the idea that there is to be no taxation at all.

Mr Thomson

- It does not mean double the taxation.

Sir JOHN FORREST

- We all know that whatever fiscal policy finds a place on our statute-book the taxation will be the same. We must have the requisite amount of money in order to carry on the public service. If the same services are to be given, the payments will have to be practically the same. The plan which the Government believe in - that is, to get the requisite money by a system of taxation which has been fittingly termed, I think, by the Prime Minister, " moderate protection " - will stimulate industry, whereas our opponents would leave every industry to sink or swim without any regard or assistance from the Government.

Mr Poynton

- What about stimulating the mining industry of Western Australia ?

<page>6267</page>

Sir JOHN FORREST

- I am not going to be diverted from my subject by the honorable member. The question of free-trade versus protection has been a matter of controversy for many years past, and if it had not been for the fiscal element, our federal elections would have been very tame indeed. We had nothing else to fight about, and the Tariff question was brought up by the newspapers and others as a sort of dividing line for the contending parties. We all know very well that neither free-trade nor protection in its fullest form would have been acceptable to the whole of the people of Australia. The 15 per cent. Tariff, which was suggested by one of the leading newspapers of the free-trade movement, was not a free-trade Tariff at all, and it would never have been acceptable to the people. In this controversy we are in very good company, because the struggle between free-trade and protection is going on everywhere throughout the world, and it would be strange indeed if, at the beginning of our career as a Commonwealth, we did not indulge in a contest over the same point. Whereas the free traders can claim Great Britain as their example, those who oppose free-trade and believe in moderate protection can claim all the rest of the world. What has struck me a good deal, both in this House and during the federal elections, is that what are commonly called the workers should have been divided on the fiscal question.

Mr Poynton

- They were not divided in the Minister's State.

Sir JOHN FORREST

- I think they were. The honorable member knows very little about Western Australia, and I would advise him not to make assertions that are not quite correct. The worker's candidate for Fremantle was an avowed protectionist, and although he was beaten by my friend, the honorable member for Fremantle, who ran on the free-trade ticket, there were a great many protectionists in that constituency. The free-traders won the day, as a rule, but they did not receive a unanimous vote, because there are a very large number of protectionists throughout the Western State - even on the gold-fields.

Mr Wilks

- They only returned one member.

Sir JOHN FORREST

- That is so, but we cannot ignore their votes. I always thought that the workers were protectionists, because the very basis of their policy is protection. I cannot understand how those who adopt protection as the very foundation of all their organizations should be in favour of free-trade. Is trades unionism based on free-trade? Does the early closing movement rest upon free-trade ?

Mr Mauger

- No ; that is restriction.

Sir JOHN FORREST

- Is the exclusion of cheap labour in accordance with free-trade principles, or is the minimum wage based upon free-trade ? No ! All these things are based upon protection, and what is that protection - the protection of the weak against the strong, the protection of the poor against the rich. Now we have people telling us that they belong to the labour party, and that still they are free traders. Why do they not act in accordance with their principles as free traders - why do they not, throughout their organizations, practise what they preach ? I say deliberately that the foundation of trades unionism and of all the restrictions which have lifted the working man up to his present improved position is protection. Why do we give away our lands cheaply in order to afford the people an opportunity of cultivating them ? In Western Australia, we could sell our land for gold, but we do not do that. We could sell tens of thousands of acres to men with means, and put the money paid for it into the Treasury, but we prefer to give it to the poor people for almost nothing if they will live upon it and make a home, rather than sell it for cash.

Mr SYDNEY SMITH

- It is a wonder that the poor man did not vote for the- Minister's side at the last elections.

Sir JOHN FORREST

- The honorable member knows very well that sometimes a cry proves effective, which at the second trial is not so successful.

Mr SYDNEY SMITH

- The policy that has been so good for England is something more than a cry.

Sir JOHN FORREST

- The honorable member occupied the House for three or four hours - although there were not many listening to him, and now he had better listen to me.

Mr SPEAKER

- It is impossible for the Minister to proceed with his speech amidst interjections from both sides of the House, and I would ask honorable members to listen to the speech of the Minister without interruption.

Sir JOHN FORREST

- I have noticed that since this Tariff has been introduced there has been a large increase in the price of goods in the retail stores and in the warehouses ; but does any one believe for a moment that these higher prices have been justified by the increase in the Tariff?

Mr Mauger

- No, it is daylight robbery.

<page>6268</page>

Sir JOHN FORREST

- Any one would think - and I am sure that it is so - that a sort of conspiracy has been entered into by those who would make more money if the duties were lighter, to put the Tariff before the public in the worst possible light.

Mr Poynton

- The manufacturers have increased their prices, too.

Sir JOHN FORREST

- This dishonest plan - I can call it nothing else - of placing on goods high prices entirely out of keeping with the amount of duty is merely an attempt to put money into the pockets of the people who have the goods to sell, and it looks , very much as if there were a sort of conspiracy on the part of these people to disparage the Tariff in the eyes of the community.

Mr Mahon

- How could that be - it is the foreigner who pays the duty ?

Mr SPEAKER

- Order !

Sir JOHN FORREST

- Honorable members on the Opposition side do not like these home truths.

Mr Thomson

- We are amused - that is all.

Sir JOHN FORREST

- I do not know why honorable members should interrupt. If they are amused, they might content themselves with laughing. Those of us who have had any thing to do with public life and the management of public finances know that it must be a matter of very great difficulty to frame one Tariff to meet the varied conditions of six different States. The very first consideration, which we must all admit and realize, is that the volume of taxable imports has been, by federation and the consequent inter-State free-trade, reduced from £63,000,000 to £34,000,000. That fact has been stated over and over again in the House by honorable members, including the honorable the Treasurer and the honorable member for North Sydney ; but I do not think that people generally have yet realized that the operation of interState free-trade has removed £29,000,000 worth of goods which were formerly at the disposal of the Treasurer for the purposes of taxation.

Mr Wilks

- That only represents a million of revenue.

Sir JOHN FORREST

- Well, that is very good, but it might have represented two millions, had that amount been wanted. These goods were available for taxation, and are not available now ; and that is a fact of the greatest importance which we must remember. Then there was an obligation, from which the Government could not honorably get away, to maintain the financial stability of all the States. It was promised in the Federal Convention and out of it - on the hustings and everywhere else throughout the Commonwealth - that the solvency of the States would be protected.

Mr BRUCE SMITH

- There is no difference of opinion about the amount.

<page>6269</page>

Sir JOHN FORREST

- We all understood that the States would be as well off after federation as before, and the two considerations I have presented must not be overlooked or lost sight of for a moment. I am no advocate on personal grounds of asking honorable members to retain the present Government in office. I shall fight as long as I have breath in me for the Government of which I am a member, but I certainly shall not ask any one in this House - and I hope the day will never come when I shall - to vote for any Government on personal grounds. But it would be almost a disaster if there were a change of fiscal proposals now. To submit a new set of Tariff proposals would only make confusion more confounded. It would interfere with trade, and carry confusion into the finances of all the States. Some may regard an argument of that kind as not of much good, and may construe it into an appeal to keep the present Government in power for other than State reasons. That, however, is not my object. What I mean is that the Opposition did not challenge the Government when they had the opportunity on the Governor's speech at the opening of Parliament. They did not then say a word about a vote of no confidence ; in fact, they were afraid to do so. The Opposition waited until four or five months had passed, when a certain amount of legislation had been got through, and until the Government brought down the fiscal proposals, which were sorely needed by the community, and of great importance to every man doing business throughout the country. Now we find the Opposition making long speeches, and causing a good deal of time to be lost, while the fiscal question is kept hovering about, and must remain neither settled nor unsettled apparently for a long time to come. So far as I am able to judge such a course as that is not likely to promote the interests of the country. It would have been far better, if the Opposition intended to submit such a motion, to have challenged the Government at the first, and to have undertaken the labour and responsibility of bringing the fiscal proposals before the country. Instead of taking that course, the Opposition left the labour and responsibility to the Government! and now, after a great deal of anxiety and trouble has been devoted to the preparation of the Tariff, they make this the occasion on which to test whether or not the

Administration possesses the confidence of the country. At the beginning, the Government either had or had not the confidence of the country, and the Opposition ought to have tested the question at that time and not waited till the session was half through. We must all realize that some £8,000,000 or £9,000,000 of revenue has to be raised, and it is generally admitted - I never heard any one say a word to the contrary - that that amount must be raised through customs and excise.

Mr Thomson

- Not £9,000,000.

Sir JOHN FORREST

- The amount is £8,000,000 or £9,000,000 ; I will leave the honorable member £8,000,000 and the Government will, take £9,000,000. We have had no indication from the leader of the Opposition, or from any of the speakers on his side of the House, that the proposals they advocate have anything to do with direct taxation.

Mr Isaacs

- Do not be too sure of that !

Sir JOHN FORREST

- Members on the Opposition side have said nothing about direct taxation. The honorable member for North Sydney, in putting forward his scheme, made no mention of obtaining money from any other source than customs and excise.

Mr Thomson

- The right honorable gentleman must remember that I put forward my proposals as only showing what could be done on the Government's own lines.

Sir JOHN FORREST

- The question we have to decide is, how best to raise the revenue, it being admitted by all that we must have this amount of money. I am aware that my honorable friend the member for North Sydney has set forth a scheme by which he proposes to raise not much more than £8,000,000. But on this matter I prefer to take the opinion of my right honorable colleague the Treasurer, who has had an opportunity of looking into the subject, and should be in a better position than any one else in this House to know what is required. We all know sufficient of the Treasurer to be aware that he would not ask for a penny more than is necessary. He is more likely to err in the other direction.

Mr Henry Willis

- Does not the Treasurer say that he is asking for £500,000 more than is necessary?

<page>6270</page>

Sir JOHN FORREST

- If he does, he is on the right side. It is a very good thing in estimating the financial requirements of a country not to make the margin too small, because, however careful one may be, and however much one may know, there are bound to be certain unforeseen expenses for which provision has not been made. This, then, is the task we have before us. But a number of honorable members, instead of applying themselves to the problem, have devoted a great deal of their speeches to a comparison between New South Wales and Victoria - as if the situation of those two States could settle the whole question. I do not think it is possible to compare any two places such as these for such a purpose, and pin one's faith on the result. There are other States besides New South Wales and Victoria with which comparisons could be made. For instance, we might compare New Zealand and New South Wales - the one a protective colony and the other a free-trade State. Or we might compare New South Wales with Western Australia for the last decade. Of course it should be met with the statement that the condition of Western Australia had been abnormal. Probably, however, there were some abnormal conditions in Victoria and New South Wales during the long period of ten years. I really think it is time that we should give up this wrangling as to which State is the more prosperous and the better off. We had the same point in the Convention at Newcastle, and we have had it here at Newcastle. Very little will result from it. No comparisons of that kind will change a single person's opinion. The Victorians think they have prospered the most, and the New South Wales people think that they have been the better off. The conditions have been altogether different. One State has had a large territory, immense coal mines, which are a great fortune in themselves, and large land sales, whereas the other has had none of these advantages. I shall not continue that point, because it is impossible to form a conclusion as to whether free-trade is better than

protection, or whether protection is better than free-trade, by a comparison of New South Wales and Victoria. One might as well - in fact, one might better - compare New South Wales with New Zealand or Western Australia. If a comparison is made with Western Australia, it will not be in favour of either Victoria or New South Wales, because the State I represent has prospered to an extent many times greater than either of them. We did expect, when my right honorable friend the leader of the Opposition made his great onslaught on the Government, having for the basis of his attack this carefully prepared resolution, that he would have given us some alternative propositions with which he would endeavour to take the country by storm. But we were all woefully disappointed. I am glad to say, however, that one of the right honorable and learned member's supporters, the honorable member for North Sydney, did give the House an alternative proposal, to which I will refer later on. I am prepared to admit that when I first saw this Tariff, and first glanced over its details, the duties seemed very high. I have no doubt that that opinion has been hastily formed by many people who have taken up the Tariff, and have seen apparently high duties staring them in the face. They say at once - "What a terribly high Tariff this is!" But they should look fully into the facts before they proceed to pass judgment upon the Tariff. The great fact is too often overlooked - but it must be brought home to every one - that the taxable value upon which we can levy duties is reduced nearly one-half by the operation of Inter-State free-trade. If we desire to raise the same amount of revenue from a reduced quantity, the rates of duty must necessarily be proportionately higher. There is the position. If the taxable value had not been so largely reduced through the operation of Inter-State free-trade, we should not have required such high duties. Honorable members are aware that, under the bookkeeping clauses of the Constitution, for the next five years each State retains all the revenue it raises, less a proportionate amount of the expenses of the Federal Government and of the new expenditure. That, again, is subject to the provisions of what is called the Braddon clause. Notwithstanding all these rates, which appear to be high at first sight, and upon which a great many, people, not knowing that the taxable value available to the Commonwealth has been reduced by nearly half, have formed their opinions, the customs and excise revenue does not provide for the necessities of three of the smallest States. In common with myself, every honorable member from Queensland, Tasmania, and Western Australia finds himself face to face with the difficulty that it is impossible to reduce the aggregate receipts, amounting to nearly £9,000,000, without making the financial position of the States which we represent worse than it is under the Government proposals. That is the awkward dilemma in which we find ourselves.

Mr Henry Willis

- Could not the States make up the difference locally ?

Sir JOHN FORREST

- That was not the contract. We were promised that the States should not be in a worse position.

Mr Henry Willis

- And they would not be in a worse position.

Sir JOHN FORREST

- It is very easy to talk of raising money, but it is not so easy to devise means by which to raise it. High as the Tariff may appear, the amount it will produce, nearly £9,000,000, will not provide for giving to Queensland, Tasmania, and Western Australia what they have been receiving hitherto from customs and excise.

Mr BRUCE SMITH

- That is no new development ; it was always known.

Sir JOHN FORREST

- [do not say that it is a new development. At any rate, we have the fact that there is no provision for it except that which I caused to be inserted in the Constitution, and which has been so much abused, whereby Western Australia will be able for a short time to provide for her wants. Even with the proposed Customs revenue of about £7,500,000, and the revenue from excise amounting to about £1,500,000, there will still be an aggregate deficiency of about £600,000 a year for the three States I have named.

Mr Poynton

- Would not that have occurred under their own Tariffs ?

Sir JOHN FORREST

- I can only say that this is a serious position.

Mr Thomson

- The Government do not provide for it.

<page>6271</page>

Sir JOHN FORREST

- No; but the position is bad enough. If we were to attempt to do what the honorable member for North Sydney proposed, we should only make it worse. It serves to show how difficult has been the task which has had to be faced. I know very well that my right honorable and learned friends the Treasurer and the Minister for Trade and Customs have not only done their best, but have done many things, which they would not have attempted otherwise, in order to give to the States as nearly as possible the amount they have hitherto received from customs and excise. In order to make myself clearly understood by those who may read my remarks, I should like to refer in one or two words to facts which are not new to the House. Last year, in round figures, the total value of our imports was about £63,000,000. The Inter-State imports, no longer available for taxation, amounted to about £29,000,000; leaving a sum of £34,000,000 for the purposes of taxation. It is estimated, however, that there will be a reduction of £5,000,000 or £6,000,000 in the value of imports next year owing to the operation of Inter-State free-trade and internal production. Then we have a free list of £8,000,000, which makes a total, say, of £1 3,000,000.

Mr BRUCE SMITH

- A free list of £8,500,000.

Sir JOHN FORREST

- In my estimate it is set down at £8,000,000. When we deduct £13,000,000 from the sum of £34,000,000 which I have named, the taxable value is reduced to £21,000,000. Then we have £2,000,000 in value for narcotics and stimulants, which are exceptionally highly taxed, leaving £19,000,000 for taxation purposes. Narcotics and stimulants are likely to produce about £3,000,000 out of the £7,500,000 of Customs revenue, so that we have a balance of £4,500,000 to obtain from £19,000,000 of taxable value.

Mr Glynn

- The right honorable member is omitting the excise on narcotics and stimulants.

Sir JOHN FORREST

- I think I have included everything. In order to raise £4,500,000 from £19,000,000 of taxable value we should have to impose uniform duties of 23 per cent. If the generality of people who have been accustomed to low duties saw 23 per cent, staring them in the face when they opened the Tariff, they would say at once - "What terribly high duties!" Still, with a free list of £8,000,000, and reduced imports to the extent I have named, it would be necessary to have all-round duties of 23 per cent, on the £19,000,000 of taxable value. When people talk of the duties being high they should remember that the Government have only about £19,000,000 to tax, and that from that amount they have to obtain £4,500,000.

Mr BRUCE SMITH

- According to the Treasurer's own statement the Government have 48 per cent, duties in respect of a quarter of the £4,500,000.

Sir JOHN FORREST

- I am not dealing with the Treasurer's statement. I am showing what would happen if we were to adopt the drag-net, and say that everything should be taxed. If there were uniform duties on every article included in that £19,000,000 of value, 23 per cent, would be the average rate. It is well to remember that fact when we hear so much about high duties being imposed. Some one has suggested that the Tariff proposals of the Government should be referred to a vote of the people. I do not think that would carry us much further. If one were to ask any ordinary person whether he would like to be taxed or whether he would like to go free, he would not be long in obtaining an answer. A man would say naturally that he would like to go free. If any person could promise that the Government would be carried on, and that the £8,000,000 or £9,000,000 of revenue required would be raised without affecting any one, that person would be likely to get the support of the people. During this debate we have heard a great deal, especially from my right honorable and learned friend the leader of the Opposition, about the taxation of the "poor man." I notice that honorable members always indulge in statements of that kind when they believe they can do themselves any good by it. We are told that the "poor man" is being affected; that we are taxing the poor man's food. On this occasion we have had the "bold pioneer" put forward. We have been told of

the man who goes out to subdue the wilderness, and of the man in the bush with his "pannikin." One would really think from the utterances of the leader of the Opposition and certain other honorable members that they enjoyed an absolute monopoly of sympathy with the poor man, and that no one upon the Government side of the House cared a solitary straw for him.

Mr Fowler

- They have a queer way of showing it.

<page>6272</page>

Sir JOHN FORREST

- I ask the leader of the Opposition what he knows about the bold pioneer or the man with the pannikin in the bush ? His experience of the bold pioneer consists in having read of him. What has he ever done for the poor man with the pannikin in the bush ? Certainly he has talked a good deal about him, but talk is very cheap. I should like a little practical illustration of what he has done. It is not those who talk the loudest who have done the most for that class of individual. In this connexion I should like to see a little sympathy exhibited in our daily lives without so much talk about it.

Mr McDonald

- Why does the right honorable gentleman talk about it ?

Sir JOHN FORREST

- I want to expose those who use this cheap way of advertising themselves as friends of the pioneer in the backblocks, who never were in the backblocks, and have had no experience of the men who have worn out their lives in the interior of this great continent. If some of those who talk the most went out into the backblocks they would soon get lost. I should like to refer to the proposals of the honorable member for North Sydney. It seems to me that they absolutely prove the case of the Government. I was very glad, indeed, to read them, because they differ very little in the main from those submitted by the Ministry. They certainly follow upon the same lines. In reading the speech of the honorable member I did not notice any reference to a dragnet clause. Does he propose that there shall be one?

Mr Thomson

- I do not.

Sir JOHN FORREST

- I think that the honorable member must have had such a clause in his mind to enable him to obtain the requisite amount of revenue. If, however, he assures me that in his calculations he had no intention of introducing a drag-net clause, I am perfectly willing to accept his statement.

Mr Thomson

- Certainly, I had no such intention.

Sir William McMillan

- It is a pity that the Minister should have lost that point.

Sir JOHN FORREST

- I want to make no point that is not right. I am very much obliged to the honorable member for North Sydney, for having submitted his views in regard to what he thinks would prove a workable Tariff. The twists and turns that he has had to make in order to arrive at the result he desired, show how very difficult was the operation. But even with all the honorable member's knowledge, I question whether he had the same information to guide him, as had the two right honorable gentlemen who framed this Tariff.

Mr Thomson

- The Treasurer provided us with it.

Sir JOHN FORREST

- Just so. I have not heard yet whether the honorable member's proposals represent the views of the honorable and learned member for Parkes and others upon the Opposition side of the House.

Mr Thomson

- I put them forward entirely as my own.

Sir JOHN FORREST

- Then they seem to have been grabbed up very quickly by a number of the honorable member's friends. What are those proposals? This party, which has such sympathy with the poor man, proposes to obtain £150,000 a year more from luxuries. It is very easy, however, to say "luxuries" and "£150,000 a year," but the honorable member did not tell us on what items he proposes to raise this additional amount. He

suggests that we should levy a duty of 1d. per gallon more upon beer, thus making the impost 1d. per gallon. I think that 3d. per gallon is high enough. I am certainly opposed to putting 'a further tax of 1d. per gallon upon the poor man's beer. Then the honorable member proposes an additional tax of 3d per lb. on tobacco. Coming from gentlemen who have so much sympathy with the pioneer in the back-blocks, and the man with the pannikin in the bush, the proposal to raise' the duty upon tobacco to 3s. 9d. per lb. is really surprising.

Mr Thomson

- The right honorable member misunderstands me. I put the same margin on as is now in operation in New South Wales, which would not necessitate any increase of price.

Sir JOHN FORREST

- We propose that the duty upon imported tobacco shall be 3s. 6d. per lb., and the honorable member wishes to increase that amount by 3d. per lb.

Mr Thomson

- On the excise only.

Sir JOHN FORREST

- Then the honorable member would not levy an extra 3d. per lb. upon imported tobacco ?

Mr Thomson

-No.

<page>6273</page>

Sir JOHN FORREST

- The honorable member further proposes to import £2,500,000 worth of goods more than are at present imported.

Mr Thomson

- I said that the suppressed imports would be less under the lower duties by £2,500,000.

Sir JOHN FORREST

- In other words, the honorable member proposes that we should import an additional £2,500,000 worth of goods. Is that in the interest of the country ? Instead of producing those goods in the Commonwealth, the honorable member says that we should import them. That would be a very good thing, no doubt, from the importer's point of view. Our object, however, is not unnecessarily to increase imports, but to encourage manufacture and production in Australia. We do not want to import goods if they can be produced locally. As a result of the importation of this £2,500,000 worth of goods the honorable member would get an added revenue from ad valorem duties of £312,000. This contra proposal has no attractions for me. It is anything but satisfactory. It would not help the poor man at all, though it would materially assist the importer. I have still another objection to it. It would place Western Australia, Queensland, South Australia, and Tasmania in a worse position than they occupy under the proposals of the Government. It is very well for the honorable member to insist upon piling up burdens upon these States. It is easy to tell them that they can make up the deficiency in any way they choose, but it is not so easy for them to raise the money. Each of these States has already as much as it can do to make both ends meet.

Mr Thomson

- The Government are not making it up ; they are still £600,000 short.

Sir JOHN FORREST

- But the honorable member would make the position of these States worse. Under the proposals of the Government, Queensland is £207,000 to the bad, but under the honorable member's suggested Tariff that State would be £250,000 to the bad. South Australia under the Commonwealth Tariff is £45,000 to the good, but under that suggested by the honorable member she would be £23,000 to the bad, whilst Western Australia's deficit would be increased from £236,738 to £307,000, and Tasmania's deficit from £135,000 to £171,000. Viewed from the stand-point of the smaller States the Government proposals are bad enough, but those of the honorable member are infinitely worse.

Mr Thomson

- The States would still have the money in their pockets.

<page>6274</page>

Sir JOHN FORREST

- I am perfectly aware of that. But that does not . get the money out of their pockets. I had to face this difficulty : That if during "the discussion of the Tariff I had advocated the reduction of the duties, every penny we took off would, unless the difference was made up in some other way, make the deficit of the State I represent so much greater. That was not a very pleasant position. The Prime Minister promised in his. speech at Maitland, and on many other occasions, to protect the finances of the States. I can say with knowledge that that has been the keynote of his programme, and his desire throughout. The right honorable gentleman has done his best, but honorable members can see at once, by looking at the figures supplied to them, that it has been found impossible to protect them altogether, because it would have required a Tariff that would have raised a revenue of £19,000,000 instead of a revenue of under £9,000,000 to give Western Australia the same revenue from customs and excise that she received last year. It was quite impossible for that to be done, and I say that the Prime Minister has done his best and has kept his word. I could not believe that the right honorable gentleman would not keep his word, and I cannot understand how men who know him and are accustomed to call him friend, can stand up in the House and by direct word or by interjection, say that the right - honorable gentleman has broken faith, and not kept his word. To say such a thing is to brand him as a charlatan and imposter, and nothing less. I know that the right honorable gentleman is incapable of any such behaviour. He has done his very best to protect the interests of the States, and yet with a customs revenue of £7,500,000 and an excise revenue of £1,500,000 he has not been able entirely to protect the revenues of the States. The proposal more than protects the revenue of New South Wales, Victoria and South Australia, but in the case of Queensland, Western Australia and Tasmania there will be a deficit, and that notwithstanding the fact that the total customs and excise revenue provided for is £1,179,748 more than was sufficient to give all the States the revenue they received- in 1900. When honorable members consider that fact they will see how difficult the position has been. With all respect and deference, I say that the Government have made an honest effort to deal with the very troublesome and exceptional circumstances they have had to face.

Mr Poynton

- Would not these States have had deficits if there had been no federation ?

Sir JOHN FORREST

- The high duties have been in many cases rendered necessary, as I have said before, through the value of taxable imports being decreased, and through the demands for expenditure having increased to some extent. When it is remembered that we had previously a taxable value of £63,000,000 and now find ourselves, after deducting a considerable free list and other things, and making provision for Inter-State freetrade, with a taxable value of only about £19,000,000, honorable members will at once see the difficulties of the situation. It has been said that if this money is not collected it will be in the pockets of the people. That is so. We can always say that, but it is not so easy to get it out. It is a point we are bound to consider because it gives a little salve to the States. If there is a means of providing for the collection of the extra amount, they are able to do it without taxing the people to a greater extent than they have hitherto been taxed. But in Queensland and Tasmania there is no machinery provided for that purpose. In the case of Western Australia, I appealed to the members of the Convention, and I was able to provide machinery for that purpose. If it had not been so, the Western Australian Government would have had to curtail their expenditure by about £250,000 at the present time, and they would require to bring in new estimates.

Mr Glynn

- They have reduced taxation by about £3 per head in Western Australia since then, and they would have had to reconstruct in any case. They have reduced the taxation there from £8 6s. to £5 per head-

Sir JOHN FORREST

- I do not think so. I think the rate was £5 per head last year.

Mr Glynn

- It was £8 6s. in 1897.

Sir JOHN FORREST

- They have other taxation to make up for that. The population has increased there, and the revenue may not have altogether increased proportionately. The honorable and learned member does not know the circumstances of Western Australia as well as I do, or he would be aware that in Western Australia we have reduced taxation every year for some years past. Since 1893, and during all the years of prosperity

that have come to Western Australia, we have never added a single penny to customs taxation in that State, while we have taken off a great deal.

Mr Glynn

- I think the last important Tariff revision was before 1897.

Sir JOHN FORREST

- The honorable and learned member cannot speak from memory against my knowledge. The Tariff proposals leave Queensland with a deficiency of £207,439, and that means in the case of that State a reduction of 19s. 8d. per head per annum. In the case of Western Australia the loss is £2 3 6, 7 3 8, and that means a reduction in taxation of 28s. per head. While in the case of Tasmania the loss is £135,712, which means a reduction of 16s. per head. As I have said before, Western Australia has a means of recouping herself, and I notice that she has taken advantage of it already. We heard speeches from the honorable members for Tasmania, Sir Edward Braddon and Mr. Cameron, and also from the honorable member for Perth, but they have not said a single word as to how Tasmania and Western Australia are going to be affected by this Tariff. We have heard a lot of talk about free-trade and protection, and the incidence of taxation, and from my honorable friend the member for Perth we have also had an historical account of protection and freetrade, but the honorable member never said a word in regard to the way in which this would affect Western Australia.

Mr Fowler

- Oh, yes, I did.

Sir JOHN FORREST

- Then I beg the honorable member's pardon ; I could not have been in the Chamber at the time. It is a matter we are bound to look to. We are bound to see how these proposals affect the States from which we come. We ought especially to have heard something from the members of Tasmania upon this point, because I think I am not wrong in saying that Tasmania cannot very well afford to lose any revenue. She has a very small amount of revenue altogether; not much over £1,000,000.

Mr Piesse

- Less than £800,000.

<page>6275</page>

Sir JOHN FORREST

- Then I do not see how she can afford to lose this money.

She is worse off than Western Australia, which has a larger revenue, and has also the means provided by which she may retain her revenue. The proposal of my honorable friend, the member for North Sydney, would make her deficit £171,000.

Mr Thomson

- Tasmania loses £135,000 under the Government proposals.

Sir JOHN FORREST

- That is bad, but a loss of £171,000 is worse. We must not allow the enemies, who blaspheme, to say, as they will, and as they no doubt have said already, that this Tariff will press heavier upon the people than previous Customs Tariffs, when we know that the people will be taxed to a less extent under this Tariff than they were before.

Mr Fowler

- Let the right honorable gentleman go over to Western Australia, and try to convince the people there of that.

Sir JOHN FORREST

- Perhaps my powers of eloquence would not be sufficient for that. Whether I could or could not convince them the fact remains that they will pay in customs and excise for a normal year only £708,000, or for this year £800,000, whereas last year they paid £980,000

Mr Poynton

- The incidence is very different.

Sir JOHN FORREST

- That is a favourite plan. When a man is pushed into a corner and he cannot get out of it, he says the incidence is different. I suppose he knows just as much about the incidence as about the other thing.

Mr Poynton

- Of course, the detail is not worth bothering about - whether it is the rich man or the poor man.

Sir JOHN FORREST

- Do not say anything more of the poor man. We had that ad nauseam the other night. The Government and Parliament of Western Australia have resorted to the powers given to them in section 95 of the Constitution Act, and have imposed duties which will recoup them. Last year the duties on Inter-State produce yielded £256,000, and although they will not have to make up quite that much still they will have to make up a considerable amount. I think they will get nearly as much through the Customs as they did last year. If they raise the cry, as they will, all over Western Australia that they are being more heavily taxed, the reply is that the taxation under this Tariff is 28s. per head less than it was last year. Of course, if they tax themselves, as I have no doubt they will, they must not blame the Federal Government for it except to this extent, that we found it impossible to provide for the whole of the States under the terms of the bookkeeping clauses of the Constitution. It has been stated that the Inter-State goods, which are free under the Tariff, produced a revenue of £1,000,000 last year; that amount, of course, goes by the board. The revenue of nearly £9,000,000 from customs and excise is equal to about £2 8s. per head of the population of Australia. Compare that with what Western Australia paid last year - about £5 5s. She will have to pay £3 17s. per head under this Tariff, as against £5 5s. per head last year, being 28s. per head less. Her income will be reduced by about a quarter of a million. If the customs and excise revenue were distributed per capita, Western Australia would lose about £500,000 a year - or more than half her revenue. This shows how serious a matter this is, notwithstanding the sliding scale, to the finances of Western Australia. If this per capita basis is brought into force within the next few years, it will place her finances in a very difficult position. I only hope that when that time comes some other means will be devised by which her finances may be protected, because so far as I can see, that method which no doubt will be the most popular and most easy, will quite upset her financial arrangements. I have no doubt that when the Tariff gets into committee - and I am sure it will - efforts will be made by honorable members, on both sides of the House to improve it. I do not think that my honorable friends, who have taken the major portion of the work of framing the Tariff, look upon themselves as knowing everything, and that this is their last word. They will be very glad to listen to the views of honorable members, whether they come from one side or the other so long as we do not interfere with the main features of the Tariff.

Mr JOSEPH COOK

- The right honorable gentleman hopes that it will be modified?

Sir JOHN FORREST

- I did not say so.

Mr Wilks

- There is plenty of room for improvement.

<page>6276</page>

Sir JOHN FORREST

- I am quite willing to believe that improvement can be made even in a Tariff proposed by this Government. It is very likely, considering all the trouble, all the hurry skurry, and all the difficulties, that there are some things which it will be all the better to amend. If I were at liberty to speak for myself, I think I could make some suggestions. We must look after the necessities of the States, whatever we do. We have heard a good deal during the debate; we hear a good deal outside, and we shall hear more before the division bells ring, about taking the money out of the pockets of the people. Some persons go even so far as to term it robbing the people. There is a good deal of clap-trap about that kind of talk. In a country like this, where there is no standing army or navy to support, and where all the revenue is expended for the advantage of the country-

Mr G B EDWARDS

- Not all.

Sir JOHN FORREST

- I think so - where it is expended in improving the national estate, and in giving employment, here, there, and everywhere, with the one great object of improving the condition of the people, there is a good deal of humbug about this talk of taking the money out of the pockets of the people. I look upon the Government in many respects as merely a distributor. The Government get the money on the first of the month, and distribute it again. We get it out of the pockets of the people, and it goes back into their pockets. I do not

say that it always gets back into the same pocket - and, perhaps, that is a very good thing. We get it from those who have plenty, and put it into the pockets of those who have not so much, and I think there is a good deal of " robbing Peter to pay Paul " about it, after all.

Mr Wilks

- And charging something for the transaction - that is where the trouble comes in.

Sir JOHN FORREST

- I should like to say that this ostentatious declaration of sympathy with the poor man might be better termed by those who talk about " robbing the poor man, and taking money out of his pockets, and who express so much sympathy with him, as " the way I bamboozle the poor man to vote for me." That is just about what it is. It is an attempt to bamboozle him so that he may vote for them when the next occasion arises.

Mr JOSEPH COOK

- That is what the Prime Minister did the last time. 18 m

Sir JOHN FORREST

- When the leader of the Opposition and other honorable members on the free-trade side were speaking of this Tariff, they omitted to take into account the fact that where the duties are protective - and there is no doubt some of them are moderately protective - the greater part of the goods are being made in Australia at the present time, or they soon will be, and the duties, therefore, will not operate in the way they represent. I believe that the effect of this Tariff, together with Inter-State free-trade, and the extended market that will be afforded under it, will be that industries will grow up, not only in Melbourne and Sydney, but in every large centre. The result will be that prices will be lowered rather than increased, that population will be settled in the country, and employment at fair rates of wages will be available. That is what I believe to be the prospect before us, and I consider that it affords a far better outlook than that which has been presented to us by my honorable friend the member for North Sydney, who desires to frame a Tariff under which more goods shall be imported - goods that we could make here. It is far better for us to adopt the policy that will give moderate protection to those who are engaged in the industries of the country, no matter what they may be.

Mr BRUCE SMITH

- Would the Minister call 48 per cent, moderate 1 A quarter of the revenue under this Tariff will be raised at that duty.

Sir JOHN FORREST

- Our object is to so order our affairs that this Commonwealth shall not be dependent for ever upon the exertions of the people of other countries. If we have the land here, and the material, and the men, why cannot we meet our own requirements, instead of importing from other countries, and taking the bread out of the mouths of our own people, and thus allow others to flourish upon the wealth produced here ? Although I am a member of the Government, and desire to support it in every way I can, I do not wish any one to run away with the idea that I approve of every word in this Tariff. It would be ridiculous to suppose that any man would not, if he could, make some alteration in the Tariff, but the subject is a very difficult and complicated one, and we have had to do the very best we could under the circumstances.

<page>6277</page>

Mr Wilks

- What alterations would the Minister make ?

Sir JOHN FORREST

- I wish the honorable member would be quiet. . "I distrust the Greeks even when they bring gifts." I can readily explain my position when I tell honorable members that I was instrumental several years ago in introducing into Western Australia what was, at any rate to some extent, a free breakfast table. I do not know that I ever got a great deal of credit for it from some people, but it will be accorded me by-and-by. I do not seek it, because it is that popularity which follows, and not that which is run after, that is worth having. I laid it down as a principle that articles of food in general use, and not producible in the country, should be free. That was what I considered to be in accordance with a protectionist policy. Did the honorable member for Parkes ever go so far as that?

Mr BRUCE SMITH

- Groceries are taxed at 48 per cent, under this new Tariff.

Sir JOHN FORREST

- I am not talking about the Tariff, but I am speaking about Western Australia. In order to carry out my view, tea, sugar, coffee, rice, oatmeal, arrowroot, farinaceous food of all sorts, and molasses were all admitted free, and they have been admitted free into Western Australia for many years.

Mr Wilks

- All that is departed from now.

Sir JOHN FORREST

- Kerosene, though not an article of food, is very useful, and has been admitted free into Western Australia for a long time past. Honorable members can see that these articles which I prided myself upon placing upon the free list are taxed under this Tariff, and they will recognise that, as a member of the Government, I must have had serious difficulties to contend with in dealing with the conditions under which the Tariff had to be constructed. I do not know that I need say anything more. I have taken up too much time already, but I have desired to place this matter before honorable members from my own point of view. It seems to me that all the difficulties of the situation created by the introduction of InterState free-trade, the reduction in the value of the goods available for taxation by £29,000,000, the necessity of raising revenue, and the necessity of maintaining the stability of the States as far as possible, have to be taken into consideration. All these questions have had to be dealt with, and the difficulties have been almost insuperable owing to the provisions of the Constitution Act. I do not wish to find any particular fault with the Constitution Act, but no doubt great difficulties are created under it. Those who address themselves to this question are in duty bound to make themselves thoroughly acquainted with all the facts of the case - not to select any particular duty, and make up their minds that it is excessive, but look at all the surroundings of the question. I can only hope that we shall arrive at some conclusion as soon as possible. What this country wants is settled legislation, and above all things a settled Tariff. I can only say that, so far as the State I represent is concerned, I do not expect that this Tariff will be viewed very favorably, but I believe that the more it is understood, the more people will be contented with it.

Sir WILLIAM McMILLAN

- It would be rather cruel to attempt to analyze the political principles of a gentleman who at the very beginning of his speech informed us that he had no political principles at all. In dealing with our opponents we give them credit for believing that they are voting for a great principle, as we trust they also give us credit, but the right honorable gentleman who has just sat down said that there is no political principle in this controversy, but that it is simply a matter between the "ins" and the "outs."

Sir John Forrest

- I did not say that.

<page>6278</page>

Sir WILLIAM McMILLAN

- That may have prevailed in the State in which my right honorable friend achieved a well-earned success, and to one who has always been in the "ins" and never in the "outs" it is, of course, a very comfortable policy. But in entering this great Federation we can well allow that we have come here, many of us, notwithstanding our ambitions, at great inconvenience, and that we are here to build up the Commonwealth of Australia on what we believe to be true political principles. I listened with very keen attention - I am sorry the Prime Minister is not in his place - to the speech of the Treasurer when he unfolded the proposals for the public accounts of the year. I listened also very closely to the Minister for Trade and Customs when he tried, with great difficulty, to explain the details of the Tariff. Again, I listened to the Prime Minister, who certainly, in that very clever and energetic speech of his, showed that if politics had failed him he certainly would still have had the qualities of a great advocate and special pleader. But with the exception of one I remark from the Minister for Trade and Customs, I failed to note any high key with regard to the national conditions of Australia. I failed to see these gentlemen rising beyond certain political stratagems. Certainly the Minister for Trade and Customs, in an indiscreet burst of enthusiasm, said, "To-morrow morning Australia will have free-trade," and he was cheered from both sides of the House. But recollecting the trap in which he had placed himself - recollecting the logical sequence that if free-trade throughout Australia is good for Australia it is good for the rest of the world - he said that free-trade was good except in dealing with those countries where, forsooth, the people do not rise to the same high standard of living and social conditions as the inhabitants of the Commonwealth. Will any

gentleman tell me that the inhabitants of the mother country, from whom we gather all the instincts of our race and all the best parts of our civilization, are not living under similar conditions to ourselves, or that their social conditions are not as good ? Furthermore, we have only to look 1,200 miles across the sea to that land where another Kingston waves the flag over a certain number of inhabitants. Will the Minister for Trade and Customs, who has been trying to outbid Mr. Seddon, say that the inhabitants of New Zealand do not live under similar conditions? No ; it is the same old protection - it is the same old provincialism. It is not because the people of Australia live under different conditions, but it is because they desire to foster the interests of a small minority of the people. It is because they have been bred up during late years to this sort of policy that they desire to keep out even those of their own race. We have heard a great deal about disloyalty, but what about the disloyalty of gentlemen who talk about "foreign traders," which, under these Tariff proposals, means the traders of New Zealand and the traders of Great Britain ? I have said that this is only dealing with a small minority of the people. Let us analyze for a moment the condition of affairs in this House. I want to see whether we are dealing on democratic lines with the financial legislation of Australia, which goes to the root of our whole industrial life. The gentleman who has the honour of being the whip of the party opposite has, I believe, made up his numbers for this division. We have heard of a majority often, and we have heard of a majority of fifteen, more or less. If the majority is even fifteen or sixteen, and if Victoria is represented by twenty out of twenty-three returned as protectionists at the last election, then it simply means that the whole of this Tariff is constructed for that majority of Victoria. On democratic principles, in 4,000,000 of people we shall have 1,000,000 people in Victoria dictating the Tariff for the 3,000,000 people of the rest of Australia.

Mr Harper

- That is a curious calculation.

Sir WILLIAM McMILLAN

- The honorable member says that is a curious calculation ; but if the majority is about the number of the Victorian majority, then it is as simple as possible that if we leave out Victoria we have a majority of freetraders.

Mr Kingston

- Why should the honorable member disfranchise Victoria?

Sir WILLIAM McMILLAN

- I am not- going to disfranchise Victoria, and I shall come to that point in a moment. I am now unfolding my views, if honorable members will give me a chance. I had the honour, like some of my right honorable and honorable friends, to be a member of the great Federal Convention. It was then clearly seen that, in carrying out a Commonwealth Federation such as we have formed, there was a danger, in the matter of popular politics, of one State, by a bare majority, putting its policy on all the other States. But the fact has always been recognised that in dealing with great public questions within the Commonwealth the different conditions of the States ought to be considered, and that no mere brute majority, so to speak, should force a policy on a reluctant country.

Mr Deakin

- Nor yet a "brute" minority.

<page>6279</page>

Sir WILLIAM McMILLAN

- We had an election, as we all know, on the 29th of last March, and I want to revert - again I have to say I am sorry the Prime Minister is not in his place - to the incidents of that election. A great many of the men who were returned in the different States were elected, not altogether on their fiscal principles, but because they were public men who had earned a reputation in the respective States, and whom the people believed they could trust to give fair play to the different States. Now, what is the position taken up by the Prime Minister of this country ? He actually in his public addresses went so far as to say that notwithstanding our differences on this fiscal question, the financial exigencies of the States were so great that we were bound to have a practically revenue Tariff. He went further - honorable members will recollect the whole of the history of these events - he said that in rallying round this great Commonwealth, we ought to put aside these differences between free-traders and protectionists. He said there was no reason why I, for instance, or why any man on this side should not join forces with the Government in trying to do - what? To legislate equitably, especially on this financial question, for the whole of Australia.

Mr Ronald

- Why is the honorable member sitting on that side, then ?

Sir WILLIAM McMILLAN

- I will tell the honorable member. I sit on this side of the House for this reason - that although I was satisfied at the time with the assurances of the Prime Minister and some of the other Ministers, I said in my public addresses that in order to keep the Prime Minister to his promise, it was necessary that we, the free-traders of Australia, should sit on this side and be the watch-dogs, as the honorable member for Parkes called it, in the cause of commercial freedom. But I think too much of the Prime Minister to imagine for one moment that he, in asking myself and others, in his public utterances, to join him and his Ministry in forwarding the legislation of the Commonwealth, would insult me by saying - "You, who have been a free-trader all your life, must sweep away all your principles." He knows me too well - for we have known one another for many years - to think anything of the kind for one moment. Now I come to his speech at Maitland, because I say most distinctly that the constituencies of this country have been badly used. They have been misled ; and the Prime Minister to-day is renegade to the principles he laid down at the general elections.

Mr Deakin

- Absolutely unjustifiable !

Sir WILLIAM McMILLAN

- I will justify it from the Prime Minister's own expressions.

Mr Deakin

- He spoke for the Cabinet, not for himself.

<page>6280</page>

Sir WILLIAM McMILLAN

- At the time the Prime Minister made his Maitland speech, recollect, his Ministry had been formed. If he had made the Maitland speech before forming his Ministry, we might have given him credit for the difficulties surrounding his position in forming the Ministry. We might say, and the Prime Minister might have said, that although he had issued his manifesto, yet owing to the exigencies of the situation he had had to alter the constitution of his Ministry. When the Prime Minister made that speech at Maitland, some of my friends told me of the possibly insidious character of it, and pointed out how it might be used to create a protective system. I said, " I will believe nothing of the kind." I took the Prime Minister at his word, and I can prove by the very statements he uttered, and which I will quote to the House now, that he distinctly said that there would be no such thing as extreme protection. In fact he said that, although he was a protectionist, he would have to deal principally with the financial situation, and deal with it as a matter of revenue. How could the Government deal principally with the Tariff as a matter of revenue and then make it protective? Will any honorable member tell me that a Tariff is a Tariff for revenue purposes, which, beginning with . £100,000 of revenue at 10 per cent., goes on to £400,000 at 15 per cent., £1,000,000 at 20 per cent., and reaches up to 25 per cent, on the surface, but is so mean and hypocritical that when it is examined it is found that it means 50, 60, 80, and 100 per cent, on some articles. My reason for saying this is that if New South Wales particularly, and, I believe, Victoria also, had known for one moment that there was going to be a Tariff of this description, the position of parties in this House would have been entirely altered. I want to point out to honorable members that although we may have a certain number of protectionists in New South Wales, a large number of them hold protectionist views of a very moderate character ; and we have very few 20 per cent, or 25 per cent, protectionists in that State at all. Furthermore, the great bulk of the manufacturers of New South Wales are absolutely against any protection of any kind whatever. Therefore, I say that we had every reason to think, when the Prime Minister uttered the words he did, that he meant them in the ordinary sense - that he meant them in the face of the different declarations he made. The election was carried on upon the good faith of the Prime Minister's utterances, but I say that those who have trusted to those utterances have been sold. Now I will read those utterances. I have taken out those which bear on this particular question. The Prime Minister said : -

I am a protectionist-

He said he was a protectionist, to apologize for what he was going to add - and so are nearly all my colleagues.

Why did the Prime Minister begin there ? He wanted to let the country know that although he and his colleagues were protectionists, under the financial exigencies of the States they could not carry out the protectionist system. Then he said -

But if we are to raise the great revenue which is necessary for the security of the Federation, then we cannot be prohibitionists.

Honorable Members. - Hear, hear.

Sir WILLIAM McMILLAN

- I am delighted to hear those cheers. Yet one of the first things the Minister for Trade and Customs does is to tell us that under this Tariff he is to take off £5,000,000 of imports which are prohibited under it.

Mr Kingston

- I did nothing of the sort.

Sir WILLIAM McMILLAN

- Let honorable members listen to these words : This is the charter under which the people of New South Wales voted, although they were uncertain in some of the other States.

Because prohibition or excessive protection would lead to the prevention of that access of revenue, which is absolutely necessary for proper government and the security of the Commonwealth.

Mr Mauger

- Every word correct.

Sir WILLIAM McMILLAN

- Honorable members can read it now as they say lie meant it, but he meant it, I presume, to be understood by us in the other way.

In all the States industries have sprung up, and men are earning their living. Labour and capital are invested in them, and in New South Wales there is still £3 a ton on sugar. Who left it there, and why is it there? To protect the product of our own soil.

If there is anything this Tariff does not do, it is to protect the product of our own soil.

The policy of the Government is revenue without destruction.

Mr Mauger

- Just all this is.

Sir WILLIAM McMILLAN

- Well, it is revenue without destruction, and it is not protectionist !

Mr Mauger

- This is not.

Sir WILLIAM McMILLAN.- Yet it goes up to 25 per cent, on the surface, and in many other cases it goes up to 50 percent. In connexion with many of these items, there is a natural protection of from 10 to 50 per cent, by the over-sea charges. If that does not make up a thoroughly prohibitionist protectionist Tariff in many of the main lines, I do not know what would do so.

Mr Deakin

- It is nothing compared with the Victorian Tariff.

Sir WILLIAM McMILLAN

- It is simply the scarlet of the Victorian Tariff' painted red. If honorable members read through the Victorian Tariff, as I have done,, and examine it with any kind of reason or judgment they will see that the Government have taken off occasionally 5 per cent, from some of the highest duties and put it on to others, and that by the system of composite duties they cover up the whole thing so that no one can understand it. I thank the honorable and learned member for his interjection.. That is just the difference between free-traders and protectionists. We free-traders declare a simple system of finance which the man in the street and every one else can understand ; but the protectionist plan all over the world is to cover up the system and complicate it, so that no one can understand it. It reminds me very much of an interview which I had before I became a member of the State' Parliament, with a distinguished politician, who was also a protectionist.

Mr Mauger

- Surely not distinguished' and a protectionist ?

<page>6281</page>

Sir WILLIAM McMILLAN

- He was a distinguished protectionist, just as the honorable member thinks probably that he is. However, the gentleman that I refer to was even a little more distinguished than the honorable member for Melbourne Ports. I said to him - " Why cannot you produce the public accounts of the country so that ordinary people can understand them?" " My dear fellow," he said, " that is exactly what we do not want to do." I come now to the next expression which goes to make up this great speech. The Prime Minister said -

No State can claim to dictate to or exploit its fellows.

I say most distinctly, and I will prove it, that the State of Victoria, and more especially the manufacturers of Victoria, are trying under this Budget, to exploit the people of the other States.

Mr HUME COOK

-With duties lower than they have had before ?

Sir WILLIAM McMILLAN

- Let us hear again the description of this Tariff, because it is all very useful and pertinent to the issue.

The Prime Minister said -

A business Tariff, a practical Tariff, and a real Federal Tariff' is what we will propose.

A Federal Tariff, to keep together the Victorian majority ! A Federal Tariff representing a section of 1,000,000 of the people against the whole of the remaining 3,000,000 inhabitants of Australia! I come now to the crux of the whole charge, and I shall convict the Prime Minister - who, I am sorry to see, is not here - out of his own mouth. He said -

By that means we shall avoid disaster, suffering and bitterness, and all those things antagonistic to union, the avoidance of which has made union possible.

I should like to know whether the union of Australia would have been possible if this Tariff had been promulgated in New South Wales prior to federation.

Mr Deakin

- If the New South Wales Tariff had been promulgated would union have been possible ?

Sir WILLIAM McMILLAN

- The right honorable and learned gentleman continued - and these are his last words in reference to this particular matter -

We wish to give an Australian Tariff for an Australian nation.

And he might have said, " founded entirely on the Tariff of Victoria."

Mr Deakin

- He would have been incorrect

Sir WILLIAM McMILLAN

- I am not going very minutely to-night into the details of the Tariff, but I think it is reasonable that at this stage of our proceedings we should take a broad view of Australian interests and say, as men capable of laying down definite principles, what is the proper policy for Australia. I have shown, I think, clearly, that the people throughout Australia who voted for federation, voted on the understanding that there would be a moderate Tariff, chiefly for revenue purposes, and it would be an insult to honorable members who have read and re-read this Tariff, to allow anything except that it has a highly protective incidence. There are three matters that we have to consider: First of all, we have to consider the question of finance ; secondly, we have to consider the industries of the country which have been built up under this system of protection - I will allow that that is a consideration up to a certain point - and then we have to consider the great majority of industries outside the manufactures of Australia. In coming to that question, I wish to disabuse the minds of honorable members of some of the little subterfuges - shall I call them ? - to which my right honorable and learned friend has resorted in placing the position before us. I contend that the true position was not placed before us by him. What did the Minister do at the outset? He quietly took off £5,000,000 from the expected imports of the country, as much as to say - " I have got my Tariff already, which is so highly protective that it will, reduce the imports by £5,000,000." He also considered that we had been dealing with abnormal years. In 1899, there were £34,000,000 of imports. Does the right honorable and learned gentleman think that this Tariff is going to operate so quickly, that there will be much difference, considering the increase of population - and the increase of prosperity, I trust - within the next few years ? In 1897, the total trade of Australasia was £138,000,000; in 1898, it was £147,000,000.

Mr Harper

- That is external trade.

Sir WILLIAM McMILLAN

- Yes ; of course it is ; imports and exports together. I am taking all the trade. In 1899, it was £161,000,000. I say most distinctly that the proper basis for calculation from a purely revenue stand-point, even with a certain amount of protectionist incidence, would be nearer £36,000,000 than £34,000,000. We can divide this Tariff very simply into two or three parts. In the first place we have £4,500,000, which can be obtained from stimulants and narcotics by means of customs and excise. No one objects to that. Then we have what is called the "fixed " rates, on which we get £1,400,000. That leaves us £3,000,000 to be raised by ad valorem duties.

Mr Higgins

- Does the honorable member object to " fixed " rates ?

<page>6282</page>

Sir WILLIAM McMILLAN

- These are not the composite rates ; they are the rates which we generally call "specific." I will come to the composite rates later on. At present I merely wish to show what this Tariff means. In the first place we get £3,000,000 from narcotics and spirits. Then we have our excise duties, from which we derive a further sum of £1,500,000, making the total of £4,500,000. Then we come to the fixed rates. Whether the incidence of these rates is right or not I am not going to enter upon now. That gives us a total of £5,900,000. We then have left £30,000,000 worth of imports upon which we can exercise our ad valorem duties. Looking at this matter from a financial point of view we have to go right down to bed-rock. I find that on a £36,000,000 basis - which, I think, is fair for the future, considering the increase of population - there are £30,000,000 worth of goods upon which we can exercise our ad valorem duties. In a word, I absolutely reject the calculations of the Minister for Trade and Customs. I say that we can get £3,000,000 from stimulants and narcotics, and have £4,000,000 of imports affected by our fixed rates. That leaves £30,000,000 worth of goods upon which to levy our ad valorem duties. If, therefore, we want only £3,000,000 in order to make up the revenue provided for under this Tariff, the basis of finance is 10 per cent. We ought to begin there. The Minister himself has admitted that he does not want in the earlier period of the Commonwealth more than about £5,000,000. If the full amount of £9,000,000 is not required immediately, we would thus be able, as the trade of the country increased, to get the whole of the revenue out of a 10 per cent, duty. That is the basis of the calculation.

Mr Isaacs

- And no free list.

<page>6283</page>

Sir WILLIAM McMILLAN

- There is no free list on that basis. Practically my views are against a free list. I recognise, however, that a free list is a necessity in dealing with the views of the different States, because it has been part and parcel of the system of finance adopted in most of them. There is one advantage of a free list. It gives us an earnest of the future free-trade which we hope will come. It is a list which under a proper revenue Tariff can be increased, but which under a protective Tariff will have to decrease. Under a protective system we shall find that as the years go by 25 per cent, or 50 per cent, duties will become prohibitive in their effect. We cannot get revenue and shut out our imports at the same time. What is the result? Instead of having a Tariff submitted, which is drafted on purely financial lines, a Tariff which the Treasurer can depend upon to return a certain amount from year to year, and one which might be accepted by honorable members upon all sides of the House, thus enabling this fiscal war to be turned into a truce, we are offered a Tariff, by the adoption of which we shall be creating a system under our own eyes, and by our own admission, which is so prohibitive in its incidence that at the very start the Minister for Trade and Customs has to exclude £5,000,000 worth of imports as the effect of its operation. What will be the further effect of its operation? I am not going into the details of figures with which I am supplied - figures which were sent to the press by Sir Frederick Sargood. There are, however, one or two which I shall read. There is no doubt that when we consider the full effect of this Tariff we must realize that a large amount of it is absolutely prohibitive. If it is prohibitive, or if its tendency is to prohibit importation year by year, there will be a loss of revenue from it ; and if there is a loss of revenue from it year by year this wretched Tariff question will have to come up before this House. Year after year the balance of our free list - the only

decent part of our finance - will have to be encroached upon till at last, in the interests of the revenue itself, we shall have to go further and further into the bog of this system. No honorable member will deny that that is the absolute result in figures. The Minister for Trade and Customs may say that by the operation of these import duties we shall have the goods manufactured in the country, and that by the cheapening processes, by the increased skill of our own mechanics, we shall be able eventually to sell an article for the same price as it would bring if it came from over sea. But that does not affect the financial question. We have been dealing entirely with this matter as a fiscal one-. But how are we, by the adoption of this Tariff, to support the solvency of the States? We shall simply be attempting an impossibility. The worst of it is that, according to the ideas of men who think at all upon financial questions, this system will begin to be rooted. All that the manufacturers of Victoria desire is to get a start with this system. They know very well that 30 years ago a beginning was made to put on protective duties, and the Age to-day says that the system must be a permanent one. Therefore this is not an honest Tariff. It does not give an honest and comprehensive view of the financial situation. Simultaneously, we have the Prime Minister proclaiming that he will not settle a protective Tariff on Australia, and that he hopes some of the incidence of this Tariff will help the industries of Victoria. If we have, for example, a 15 per cent. Tariff on which we expect to raise only £4,000,000, and if we add to that the 10, 20, or 30 per cent. charges for goods coming oversea, thus making a protection, natural or otherwise, of 30 or 50 per cent., will any honorable member tell me that to go beyond that is not establishing a system of rank protection throughout the country? We have had a very curious exhibition on the part of the Prime Minister. The right honorable and learned gentleman, in his speech, Said -

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

Now, an honorable member objected to the word " incidence," but does not the word " incidence " show the absolute folly of a statement like that? We know of course that we want between £8,000,000 and £9, 000, 000 of money, but would the honorable gentleman have the temerity to say that it matters not under what system we raise it ? We could raise that £9,000,000 of money to-morrow by a 10 per cental valorem, duty upon the £30,000,000, added to duties on other imports referred to. The right honorable member, backed up by several others, everyone of whom must have known that he was trying to throw dust in the eyes of the people, attempted to say that because it required so much per head for Australia to raise that £9,000,000, and they therefore put a Tariff before us that raised £9,000,000, it did not matter at all about the incidence ? The thing is absolutely absurd. The whole battle and the whole question with us is about the incidence of it. What does the Prime Minister say - that a saving of 1s. per head all round is effected, and that is what we have to pay for the glories of Inter-State free-trade. The intercolonial duties were £1,131,000. We both, as free traders and federationists, rejoiced that at the moment this uniform Tariff came into existence Australia was free throughout all her borders. But we do not forget the fact that that £1,131,000 had some kind of incidental protection for hundreds of thousands of people in the interior of this country. And what are the people in the interior of this country getting out of this Tariff ? I said once before that the wealth produced in this country in 1899 was £112,000,000, and out of that the manufacturers of Victoria contributed £10,000,000. In other words, these manufacturers, for whom the whole of this Tariff has been framed, in order to get the Victorian vote, represented, at the very outside, one-tenth of the whole production of Australia. Now what is this Tariff proposing to do ? I shall give honorable members an item or two, in order to show how absolutely futile this Tariff is as a help to the industries in the interior of this country- - the industries on which we depend for our prosperity, the industries on which we must depend for years and years to come in the development of this great continent. I can take the case of the wheat trade. In New Wales, everybody knows that, of the three great wheat-producing States. New South Wales has been the last to grow sufficient to feed her own people, and ultimately to export. In New South Wales, in 1899, we imported 1,000,000 bushels of wheat, for which we paid £1 51 , 000, and we grew . ourselves 9,000,000 bushels, worth about £1,112,000. In the following year, 1900, we grew 13,000,000 bushels, and I do not suppose a single bushel of wheat came into the country. The same tiling applies in a greater degree to Victoria, and in a greater degree to South Australia, and we shall find, when we examine this Tariff and and look at this wretched duty that is given as a sort of sop to the farmer- 1s. 9d. per cental, or whatever we may call it - it is absolutely useless to

him, because there is no importation of the article.

Mr Kennedy

- It is a strange thing that after nearly 100 years they have only just grown enough for themselves in New South Wales. The- honorable gentleman does not like it from that point of view.

<page>6284</page>

Sir WILLIAM McMILLAN

- I am not going back 100 years. I am dealing with the situation as it presents itself to me in the year of grace 1901, and in regard only to Australia, for I am not going to England, America, or any other country to-night. But I want to point out this fact : When we take away the duty of about £4,500,000 on spirits and narcotics - that is, customs duties and excise - we have a series of duties tabulated here which bring in £4,285,000. Now, it might be thought by glancing casually at this document which has been circulated, showing the estimated revenue under each item - it might be thought, when we found that out of that £4,285,000 about £3,000,000 are entirely for the purpose of protecting the manufacturers, that we should have upon the page something devised for the protection of the producers of the country. It is very adroitly worded - "agricultural products and groceries," but let us examine the list. I should like honorable members to listen to this, because we are coming down now to the bedrock of the situation, so far as this Tariff concerns nine-tenths of the people of Australia. The duties upon agricultural products and groceries are estimated to produce £1,141,863, and of this amount £764,239 has practically nothing at all to do with the producers of the country. It has reference simply to articles like sago, tea, and things of that sort, which enter into the domestic concerns of every man in the country. When we take the balance of £377,000 - the balance that is supposed to protect the farmer - and when we add to that the duty on timber, because I want to put in everything that is possible, we have £496,000 or £500,000 which affects the industries of the great producers of the country. What is the summing up of it all ? We have a Tariff of £4,500,000, drafted to a large extent upon proper financial principles, and, with the exception of sugar, perhaps, purely for the bringing in of revenue, and for no other purpose. We have then got about £4,500,000, the balance of the Tariff, and will honorable members believe that out of that £4,500,000 balance of this Tariff only £500,000 affects the great producers of Australia ? I say this Tariff is a " bit of organised hypocrisy," as my honorable friend said of something else the other night. There is one very curious thing in connexion with it. We have got here a lot of articles which are supposed to yield duties, and which yield no duties at all. We asked for this return for a certain purpose, and we have to thank the Government for their good nature in giving it to us ; but from this return honorable members will find that eggs bring in £650 for the whole of Australia. Then we have an item like hay and chaff. There is a brilliant duty on hay and chaff, to protect the farmers of Victoria, but though the Cabinet went through these different items they could not find that there had been any imports of hay and chaff. The same thing applied to onions, and so on.

Sir John Forrest

- These duties prevented them from coming in.

Sir WILLIAM McMILLAN

- Even if you allowed that, at a certain period of this protectionist mania you forced the men from other occupations into these particularly protected industries, then all you have to face is this, that you have done away with the importation. But we are not dealing with a protective system, or a Tariff of 30 years ago. We are dealing with the present condition of affairs in Australia, and even supposing that your protective system did it, which I deny, nearly the whole of these matters of your so-called protection we export. Even supposing that protection had hastened these operations, we have to deal with this Tariff now, and in looking at the people of the whole, of Australia we find that in nearly all the matters of natural produce we are an exporting country. I should like to know whether, in face of what I have said, the people of this country are going to enter upon a career in which you want to raise up a system of coddled manufactures, because this system will not merely retain the manufactures of Victoria, but the same process will create molly-coddled manufactories in other States. If you do this what do you think will be the great future of this continent ? What are we ? Are we not a great food producing country ? Is it not a curse to us that, instead of your men going out and developing this great country which we hold in trust, by your system, you bind men more and more to the towns ? Is it not a fact that for some of the social iniquities which are now facing you you have created boards, which so far are futile - are you not by this

very policy accentuating that evil, and making it a national thing for all time to come?

<page>6285</page>

Mr Watkins

- - We have a labour bureau, too.

Mr Kennedy

- Has free-trade prevented that in New South "Wales" ?

Sir WILLIAM McMILLAN

- I honestly believe that in the interests of Victoria this extreme Tariff is a huge blunder. I do not think it possible to argue that what is good for New South Wales would be bad for Victoria. During thirty years with the great population which came into Victoria ; with Melbourne as the central emporium of Australia for many years ; with this great climate which gives such vigour to her men, which we all allow - there is only one drawback to her great manufacturing industry, and that is the want of coal beds ; but we know that for years lately the price of coal has been almost about the cost of its- production. You get your coal not overland, but by water carriage, so that that need not make a tremendous difference. It would be far better in the interests of Victoria to have a very moderate Tariff when she comes into competition with the other States. She has had the advantage of coming first into the field with some of these exotic industries. It would be better for these extremely exotic industries to go to the wall. If you create this Tariff do you think you will be the sole manufacturers of Australia ? Do you not know that the moment you enact this Tariff, which is practically prohibitive, you create the same mushroom industries in every part of Australia 1 You can read history any way you like and honorable members who ha-ve been looking to the United States of America as their example never made a bigger mistake than they did in drawing an analogy between that country and Australia. The history of the United States has been absolutely different. Her geographical position is absolutely different. Millions and millions of men have poured into that country year after year. She had a great western territory to conquer which made her unmindful of her great maritime commerce. Millions and millions of English and European capital were poured into that country so that, by the time protection began to have its effect, she had a great world of her own as well as intercourse, within a few thousand miles, with the centres of civilization. Do you think that you will run a career like that of America ? Nothing of the kind. In creating this prohibitionist Tariff- - this extreme protectionist Tariff, for it is nothing else, and it must become more and more prohibitionist as you go on to your free list- what are you doing? You are creating artificial prices for your goods. You are creating twice and thrice the number of manufactories which are necessary for the wants of your people. You are forcing into Sydney and Melbourne an industry which must go beyond the bounds of the States, and, when you over-manufacture, have you the world of America or the markets of Europe to deal with ? What is the consequence of this forced manufacture? When you come to a glut in your market, as you will under this Tariff within ten years - when you have created manufactures at artificial prices - and you know that the corollary of this Tariff is to have wages boards, and to create a higher rate of wages in order to make up to the people for the way in which they are robbed in the necessities of life - when you come to get a glut in your market you will have to deal, with goods the price of which is above the market price of the world, and you must do one of two things. Either you must sacrifice these goods with the resulting insolvency of half your manufacturers, or you must shut down your manufactories, and you will create a state of affairs accentuated above that in America, and the labour difficulty here will be tenfold. Why should we under the circumstances do this ? We have growing up in New South Wales under absolute free-trade almost as large a mass of industries as you have here. You know that under any conditions of industrial life, under the present system of competition, you must overproduce - you must have great labour difficulties - you must get into industrial troubles. The difference between protection and freetrade is this - that, although under freetrade you have your sweating, your re-action, and your industrial troubles, you have not so forced it by this molly-coddling ; under the other system you have ten times the difficulties that we experience.

Mr Watkins

- We are going to have a Compulsory Arbitration Act.

<page>6286</page>

Sir WILLIAM McMILLAN

- Furthermore, have we not had an example during this Tariff struggle of the worst feature of the

protectionist system - referred to by the honorable member for Wannon, during his speech in the debate on the address in reply ? Have we not seen the lobbies filled with men button-holing every member of this House? Have we not seen the trade and industry of this country coming into direct contact with the politics of the Commonwealth ?

Sir John Forrest

- Where was all this?

Sir WILLIAM McMILLAN

- Does the honorable member say that there have not been hundreds of men here in connexion with this Tariff?

Sir John Forrest. - I have not seen any.

Sir WILLIAM McMILLAN

- They have come to our side more than to honorable members on the Ministerial side because the industrial people of Australia - even the industrial people of Victoria - are beginning to find out that the men who sit on this side of the House are those to whom they have to look for protection - not for protection under a Tariff, but for protection against the iniquitous system which it was never expected would be foisted on the people of Australia. I am perhaps speaking very strongly, but I do feel that we are in a false position in this House. There are honorable members here representing Victorian constituencies, like my very esteemed friend the honorable member for Gippsland, who admit that, while they are protectionists, they have been elected by free-trade constituencies.

Mr Harper

- The honorable member never said that.

Sir WILLIAM McMILLAN

- He did say that. The honorable member for Gippsland said that, although he was originally a free-trader, and had thought it right to alter his opinions - for that I admire him if it was a matter of conviction, which I believe it was - and had become a protectionist, and his constituency was a free-trade constituency, it had still returned him to the House.

Mr A McLEAN

- But there are three or four other constituencies grouped together with my original constituency now.

Sir WILLIAM McMILLAN

- We are quite as much alive to what is going on as honorable members sitting opposite. We do not read only one paper. AVE read the papers throughout the length and breadth of Victoria, and we find that what we said before, but what we could not then prove, was true - viz., that there is a much larger number of people at Victoria who believe in free-trade than the representation in this House would appear to show. The fact is, however - and this is the evil of protection - that vested interests have grown up.

AVE look around us and find that we are under the shadow of the influence of the conditions which exist in Melbourne. AVE stand to-night in a city with a population of 500,000 people, a city in which the system of protection has grown up under an iniquitous Tariff - a system which is to be continued by another iniquitous Tariff, if it is carried - and naturally it is very difficult for us to get away from these influences. You will always find that bodies of organized men, especially in the towns, will fight better and more satisfactorily than the great mass of the toiling people in the country, and therefore we are asked to accentuate the evil of which we have an object lesson in Victoria to-day. Now, I say that this is a very serious thing for us as representatives of the Commonwealth of Australia. I honestly believe that, if we had a general election to-morrow, this Tariff would be scouted by the great majority of the people of Australia. I believe - and I am not altogether a fool - that when the Prime Minister made his declaration to us in Maitland, every man who had a friendly feeling for him considered that he was rising above the petty politics of some of his followers, and that he was going to do what was right for Australia, and take the consequences.

Mr Isaacs

- His Melbourne speech was very distinct.

<page>6287</page>

Sir WILLIAM McMILLAN

- I am talking about his manifesto that was issued at the outset of the campaign. Furthermore, throughout the length and breadth of Australia men were elected to Parliament, not exactly on the fiscal issue in

many instances, but because they had been public men, and on the faith of the Prime Minister's manifesto at Maitland. Now, I leave that manifesto to any honest-minded man. I also leave the speeches of men like the Minister for Home Affairs and others who tried to explain away the erratic utterances of their colleagues in other parts. I remember as well as possible that, when there was an outcry against the erratic utterances of some of the extreme protectionists in the Ministry, both the Prime Minister and his colleagues tried to explain them away. The Prime Minister said, time after time - "I gave you my manifesto at Maitland, and I intend to stick to that with loyalty." I know there are many men in New South Wales who, although moderate protectionists, were elected on the understanding that this manifesto would be carried out to the letter. I felt myself at the time that the Prime Minister could be trusted, but I thought that in the first place we should have to form an Opposition in order to watch the Ministry, as I was afraid that when the Prime Minister got into this House under certain influences he would not be master of the situation. What is the result of all this ? That instead of expounding a policy that would be fair to the whole of Australia, a policy based upon their own statement, a policy under which we could cry a truce upon this fiscal question throughout the whole of Australia, a policy under which all men might unite together for the common good and for the carrying out of legislative measures for all Australia, the Government have placed before us a Tariff which honorable members on the Government side of the House, especially those representing Victorian constituencies, are gloating over as their own protectionist Tariff. I feel that instead of this Commonwealth being inaugurated under happy auspices - because, after all, this Tariff is the ground work of the finances and industries of the country - the people in all the Australian States are smarting under a sense of injustice. How else could it be? We have made the statement time after time that, even at the very best, the whole of those engaged in the manufacturing industries of Australia represent only a small percentage of the population, and how could we expect the great mass of the people to treat this Tariff except as an outrage upon democratic principles? I have heard a lot about the democracy of Victoria, and I have heard a lot about majority rule ; but I say that this Tariff is the result of an organized minority to tyrannize fiscally over the whole of Australia. This majority, which might have been used perhaps in a State House, as a majority in a unified country, ought not to have been considered in dealing with the Tariff, as it has been considered by the present administration. The Government ought to have looked around the whole of Australia. The Government ought to have looked at the original compact of the Constitution, by which we must consider the majority of the States, as well as the majority of people. The Government ought not to have created a situation which might possibly bring about a constitutional struggle at the very beginning of our Commonwealth.

We know from other sources that as a matter of referendum to the people of this country, if we were to take a mass vote, this Tariff would be condemned. Honorable members have denied that the duty has been covered up in different cases, and before I sit down I want to give one or two instances from information which has been forwarded to me. We will take the very much vexed question of boots ; and I have from a boot house in Sydney some particulars.

Sir William Lyne

- Is it McMurtries ?

Sir WILLIAM McMILLAN

- No. My information tells me on English boots which cost 6s. 6d., an ad valorem duty of 15 per cent., equals 1s. 1d., and the specific duty, as my informant calls it, or the composite duty of 15 per cent., equals 1s. 8d. These figures bring the cost to land up to 9s. 3d. for boots which were formerly sold at 8s., but which, with the present charges, cannot be sold under 1 ls. It will be seen that this revenue duty increases the cost to the wearer by 37½ per cent.

Sir George Turner

- I thought boots were made in Sydney.

Sir WILLIAM McMILLAN

- So they are. I will tell the right honorable gentleman more, namely, that of the boots used in Sydney 60 per cent, are made in the State, and only about 30 per cent, imported. In an industry which had not a shilling of duty, and an industry that is constantly quoted in this House, only about one-third of the articles are imported, two-thirds being manufactured in the State.

Sir George Turner

- Then how can the boots be any dearer to the consumer?

<page>6288</page>

Sir WILLIAM McMILLAN

- I will instance another industry in Sydney, which is also a large industry in Victoria. A gentleman writes to me as follows : -

You will, no doubt, be surprised to hear that we have a very large number of people engaged in the manufacture of furniture in Sydney. From information supplied from a reliable source, we have to-day fully 1,200 people engaged in the various factories actually in Sydney. Taking an average of four to a family, I might say that 5,000 people are actually supported by the furniture trade. These are all Europeans. We have always heard a great deal of the number of Chinamen manufacturing furniture in Sydney. To-day the number does not exceed 500, and most of the men have no one dependent on them. There is considerably more furniture manufactured in Sydney to-day than there has ever been.

Listen to this -

This industry does not require a high Tariff, as the cost of importing varies from 17½ per cent, to 40 per cent., according to the quality of the goods.

Probably honorable members do not believe that, but it is a fact. The letter goes on -

The total import of furniture, other than cane-seat chairs, which it would be impossible to manufacture in the colony, does not exceed £400 per month.

I must confess that when I was last in Sydney and went into different shops, I was surprised to find that nearly every article was Australian made. If we go into a saddler's shop for a portmanteau, we find that the bulk of such articles are made in Sydney.

Sir William Lyne

- Then what harm will the duty do?

Sir WILLIAM McMILLAN

- The duty will do no harm to the manufacturers, but it will mean something to the working men of the country about whom the honorable gentleman talks so much. In conclusion, I should like to refer to one great industry in Australia ; that is the commercial industry, or the shipping or mercantile industry, or whatever we may call it, of which the honorable member for Melbourne is so brilliant a representative. Victoria has spent millions, I suppose, in creating a port, which is so finely represented by certain gentlemen here whose policy it is to close it up. We have a trade which must be derived to a large extent from exports from Australia ; and we cannot deal with such exports unless we foster the mercantile and shipping interests of the Commonwealth. We cannot do a trade over sea with our goods so as to place them cheaply in the markets of the world, unless we bring goods to Australia. I wonder if "any of the honorable members who advocate extreme prohibitive protection, imagine that ships are coming here with empty bottoms. All I can say is that if they do, they ought to remember that ship-owners must pay their way. If produce is not brought here, freights will have to be increased, and an increase of freight will often make the difference between profit or loss in the market of the world. This question of shipping lies at the root of the whole future of our industries. We all know that the question of price is not settled in Australia, but may be settled in New York and London, and if facilities are not given for sending our goods as cheaply as possible to all parts of the world, we are neglecting the great producing interests of Australia. We have heard a great deal about manufactures, but the two great sources of our wealth and of our employment are the producers in the country and the mercantile and shipping interests of our ports. The people of Victoria have to a large extent sought federation, in order that they may increase their geographical boundaries. Victoria will be drawing her supplies and her sources of wealth, not from the manufacturers of Melbourne, but from the great masses of the people working in Victoria, working in Riverina, and working in the mines of Broken Hill. Are we going to create a policy which will absolutely say to the world - " We want to shut off communication with you " " I say that is a most suicidal policy, and one which must ultimately break down ; because it will be so clear in the years to come that the interests of the few have been studied at the expense of the interests of the many, that although we may have to come to it through toilsome years, and although this agitation for free ports and free commerce may have to be kept up to the detriment of politics, yet the time must come when the destinies of Australia as a great food-producing country for the congested nations of the world must come into greater prominence day by day. It will then be clear that, compared with the secondary interests which the Government are now bolstering up in this Tariff, those great interests on which the future destiny and progress of Australia

depends must be made foremost in our economic and financial systems. If this Tariff is passed, instead of our getting to that state of affairs in the early period of the Commonwealth, we shall have to work through many years of fearful internecine strife in order to achieve our purposes.

<page>6289</page>

Mr HARPER

- I have listened with very considerable interest to the honorable member who has just resumed his seat, and I confess that I have considerable difficulty in understanding his position, because I remember well, not so many months ago, reading a speech which he made in Sydney, before federation was accomplished, in which he pointed out that a protective Tariff was a certainty for the Commonwealth. I confess that when I read that speech and another one delivered by the honorable member for Parkes, I came to the conclusion that they were taking up a very patriotic attitude.

Mr BRUCE SMITH

- Does the honorable member mean to say that my speech had the same sentiment in it ?

Mr HARPER

- I think so.

Mr BRUCE SMITH

- I hope the honorable member will not quote me on what he thinks.

Mr HARPER

- At any rate the speech of the honorable member for Wentworth was most unequivocal, and would convey to the minds of all who read it the fact that he had faced the position and recognised that there must be a concession upon the free-trade principles which he and his political friends had so long held, and that that was the sacrifice that was to be made for the accomplishment of federation. I think, then, that we might well ask the honorable member to point out more clearly than he did in his speech wherein he had been disappointed. He has given us the old arguments from the free-trade stand-point, but, as a matter of fact, he knew when he made the speech to which I have referred, that those arguments would have very little application indeed to the Tariff which this Government would have to introduce. All practical men recognise the fact that in uniting six States, five of which have had for years more or less protective policies, and one of which had to some extent a protective policy until 1896, and had only recently adopted freetrade, there must be a concession to the conditions existing in the five States on the part of the one which had adopted a different system of fiscalism. I was also rather taken aback by the very extraordinary calculation my honorable friend made, which showed to his entire satisfaction apparently that because 22 members were returned for Victoria on the protectionist side, therefore, Victoria was dominating the position and crushing New South Wales. As a matter of fact, when I asked the honorable member to explain the calculation, he said that that majority was ruling the position. How does it rule the position ? By the votes of the protectionist party throughout Australia, in addition to those returned for Victoria. The votes of the 22 members from Victoria would have no effect whatever, and would not be part of the majority, unless they had the support of the large representation from the other States. I may say that one thing that struck me about this Tariff immediately it was enunciated was-

Mr Reid

- Starch !

Mr HARPER

- Mr. Speaker,

I trust that the right honorable member will recollect the obligation of noblesse oblige.

He occupies a prominent position in this country, and aspires to occupy a still more prominent one. Surely, he might set an example of something like decent behaviour.

Mr Reid

- That is very true.

Mr HARPER

- I shall deal later on with the question to which the right honorable member refers.

Mr Reid

- I should think so.

<page>6290</page>

Mr HARPER

- I was remarking, when I was interrupted, that one peculiar feature about the reception of this Tariff was that apparently the extreme free-traders on the one side and the extreme protectionists on the other were dissatisfied with it. I believe that that is the position to-day ; and it certainly goes a long way, to my mind, to prove that the Ministry have fairly attempted to carry out the policy which they said they would adopt, of having a Tariff which would be fair to the whole of Australia, and not an extreme proposal which would please either the one side or the other. We have heard to-night and on previous evenings a great deal about what the Prime Minister said. He has been accused by the last speaker, in very unmeasured terms, of having entirely departed from the obligation which he undertook in his speech at Maitland. I read that speech. I also heard the speech which the Prime Minister made in the Town-hall, Melbourne. I sat within a few yards of him on that occasion, and I can only say that when I read two or three extracts from that de- liverance honorable members will agree with me that the Prime Minister, so far from having departed from the understanding with the country, is carrying it out, or endeavouring to carry it out, to the letter. He said -

I shall have to warn you presently -

He was speaking to Victorians then - that Victorian interests, as well as the interests of the other individual States, must give way to those of Australia at large. The doctrine must apply all round, and if the other States must give way, so must you, in order that a consistent policy in the Commonwealth may be adopted.

A question was raised the other night as to the amount which the right honorable and learned gentleman said it would be necessary to raise in order to meet the requirements of the States. He went on to say - We shall therefore have to raise between £8,000,000 and £8,500,000. Not that that is a final estimate, as that must be left to the Treasurer and Minister of Customs ; but we will mention those amounts for the sake of argument.

The Prime Minister continued -

The Federal Tariff must produce a large revenue, and must in one sense be a revenue Tariff; but while I have any hand in the government of the Commonwealth it will not be a revenue Tariff accompanied by destruction. It will be a Tariff which will prevent destruction.

Honorable members will observe that the Prime Minister on that occasion said distinctly that a large revenue would have to be raised in order to meet the necessities of the States, and that it would be one which would not be destructive in its character, while it was revenue producing. He said also -

You in Victoria cannot have your Tariff. That is out of the question. We in New South Wales cannot have ours. That is equally out of the question. Tasmania cannot make a Tariff for Queensland nor Queensland for Western Australia. You will have to make a Commonwealth Tariff, which will take account of the difficulties to be solved in the case of every State, and which will act equitably to all States together.

Lastly, I will read this paragraph from the Prime Minister's speech -

Whether we continue the support given to industries at the same level or not, this is a continuance, as far as it goes, of the protection given to those industries. I do not shrink from protection, but it must be recollected that the revenue must be raised, and you cannot have prohibitive duties.

Mr Reid

- There are a number of prohibitive duties in the Tariff.

Mr Mauger

- There is not a prohibitive duty.

Mr Reid

- What about 2d. a lb. on starch?

Mr HARPER

- I think it is unworthy of the right honorable and learned member to try and put me off my argument. I shall deal with that question in due course, if he will allow me.

Mr Reid

- Why not deal with it now ? I should like to get away.

Mr HARPER

- I listened quietly to the right honorable and learned member when he was speaking.

Mr Reid

- No thanks to the honorable member for doing so. I only wish he had said a word or two whilst I was going.

Mr HARPER

- With regard to the objections that are being raised to the Tariff, not only here but elsewhere, I should like to any that they are precisely the objections which would be raised to any Tariff which the right honorable the leader of the Opposition would propound. I can easily imagine that right honorable and learned gentleman with his tongue in his cheek, metaphorically speaking, fomenting an agitation against this particular Tariff, when he knows absolutely that, if he were in the position of having to put before the country a Tariff in accordance with his previous principles, there would be as great, if not a' greater, agitation than at present.

Mr Reid

- I should like to take the chance.

Mr HARPER

- The right honorable the leader of the Opposition knows that well, because the duties which are causing all the commotion are revenue duties - those which are put on tea, coffee, kerosene, and other articles which are generally used. Those are the articles which the right honorable and learned member would have to tax if he were in power, and if he had to put what he calls a revenue Tariff before the country. Every man knows that that is the position. Every man who has thought of the matter for a moment is aware that, whenever a Tariff is proposed which takes money out of the pockets of people who have not been accustomed for some time to pay it in that way, they are bound to make a noise about it. I do not think that we can feel indebted in the least degree to the right honorable the leader of the Opposition for his profession of anxiety to deal with this matter in a broader and better manner than the Government are doing. I listened patiently and quietly to his remarks, but I heard nothing whatever of a constructive character from him. He did not indicate what lines he would go upon that would be better than those propounded by the Ministry. He failed to do so for the very good reason to which I have alluded already, namely, that if he had said he would raise the required sum from the sources to which he would have to resort, he would have shown at once that Short was not the friend of the country, but that Codlin - the Government - was.

Mr Reid

- A "coddling" Government.

<page>6291</page>

Mr HARPER

- We do not feel that we are indebted in any way to the right honorable and learned member for enlightening us as to the position, or for aiding us to deal with this very important problem. If the Treasurer had not done so, it was my intention to have alluded to the Tariff propounded by the leading free-trade organ of New South Wales, the Daily Telegraph. I believe it is the leading, at all events it is the most active, free-trade organ in New South Wales. Just a month ago it published a series of very able articles by its financial editor in which it carefully discussed the question of the- amount that would be required to be raised by what it conceived to be a Tariff- for revenue purposes only. I do not wish to repeat what the Treasurer has said, but I think we are entitled to take notice of these articles. In the first place it was distinctly stated in the Daily Telegraph of 7th September last that -

We have endeavoured to prove (1) that the needs of the States have steadily grown until a Tariff to produce £9,000,000 has become essential. Even with nine millions Queensland and Tasmania are likely to develop considerable deficiencies, and Western Australia will do so as her five years special treatment runs out.

I think, therefore, that we may accept the position that £9,000,000 is the sum which will be required in order to make the States absolutely safe. The speech of the honorable member for North Sydney was a most able one, and showed that he had a strong grasp of the subject. Coming after the somewhat turgid deliverance of his leader it was a relief to me to hear a definite statement from him, and an attempt made to clear up the position. The extract I have quoted shows that, according to the best authorities outside the Government, the sum of £9,000,000 is required. Let us consider what is involved in failure to raise the requisite revenue. The States are dependent upon the money they receive from the Federal Government to keep their finances in order. What would be said of this Federal Government, what would be said of

this Parliament, if from any want of foresight or care on our part we placed the States in a position of difficulty at the end of their first year under federation? What would be said of those who were conducting the affairs of the State? I maintain that the Government and Parliament are not justified in running the risk of not getting through. They ought by every means in their power to insure that they obtain a sum sufficient to keep every State in its rightful position and enable it to manage its own affairs satisfactorily. I do not wish to labour this question, but I do think that in discussing this matter we ought to feel a sense of our responsibilities. I consider also that it is our duty to aid the Government, so far as we can, in carrying out proposals to that end. The main difficulties of the position, which have been discussed freely before, are the bookkeeping conditions of the Constitution, and, secondly, the necessities of some of the States. When we remember that under the bookkeeping sections each State during five years is to receive back from the Federal Government only that amount which it contributes, we can see at once that some of these higher duties were a necessity in the Ministerial scheme, although if New South Wales and Victoria, for example, had been concerned alone, a much lower rate would have sufficed. The Government found, undoubtedly, that it would be necessary to keep up a rate on imported lines sufficiently high to prevent the smaller States from suffering most heavily in their revenue. When we take these difficulties into consideration, together with the fact that £1,000,000, which was formerly represented by Inter-State duties, has been lost, we find that it is an absolute necessity for a large sum to be raised in order that our requirements may be met.

Mr Reid

- We can get a larger revenue from a lighter Tariff.

<page>6292</page>

Mr HARPER

- Of course that is a matter of opinion. I shall not contradict the right honorable and learned member, but I agree with the Government that it is a necessity to raise this large amount of revenue, and not to do so by a Tariff such as that to which the leader of the Opposition has alluded. The only alternative scheme put before the House has been that suggested by the honorable member for North Sydney. Upon reading his speech carefully this morning, I found that, except for some slight changes which might be made - and some of his suggestions might very properly be accepted in committee - his scheme proceeds entirely upon the same lines as are followed by the Government. There is absolutely no essential difference in principle between the two proposals. The honorable member suggested a reduction of the duty on tea. He favours making it half the amount proposed by the Government. He advocates a reduction of the duty on kerosene, and the raising of the excise duties upon tobacco and beer. But these are not matters of essential principle. They are rather matters for adjustment and modification, which can properly be considered in committee, but which do not really make any division between the parties upon either side of the House. We have been told that New South Wales will be the chief sufferer by this Tariff. I can scarcely conceive that those who make that statement mean what they say, because that State will suffer no more than will any of the other States. The fact is as we all know, that New South Wales has had a very low Tariff for some years. But having regard to its financial position, New South Wales has just as much need for the amount which will be raised by the duties proposed as has any of the other States. That State annually derives a large revenue from the sale of Crown lands. This money which really represents capital, has been steadily absorbed during the last eighteen years at the rate of £1,200,000 a year. If the revenue thus obtained were devoted either to the redemption of the public indebtedness, as was suggested by the committee which sat and discussed the Public Accounts of New South Wales-

Mr F E McLEAN

- They only suggested setting aside of £250,000 odd annually.

Mr HARPER

- They suggested that that allocation should be made. It was not for the committee to say what amount should be put aside. It must be apparent to every one that when New South Wales receives the large sum of new taxation which she will derive through joining the Commonwealth, that that money ought properly to be devoted to meeting the ordinary requirements of Government, and a sinking fund should be established with the revenue obtained from the sale of Crown lands for the redemption of its indebtedness. I admit that there is a difficulty in getting State Governments to realize their obligations in this respect. That, however, is no reflection on the other States which have been raising a large sum for

the ordinary purposes of Government by Customs taxation. It seems to me that the difficulty which has been so much emphasized is really no difficulty at all. Some honorable members speak as if the money raised in New South Wales was to be diverted to the other States in order to maintain them. The fact is that New South Wales needs this money in order to meet their ordinary expenditure with their ordinary income just as much as do any of the other States. In the Tariff which was published in the Sydney Daily Telegraph last month, I find a duty upon tea of 4d. per lb. The impost proposed by the Government is 2d. per lb. and 20 per cent. The Telegraph said that the duty upon cocoa should be 3d. and 4d. per lb. The Government charge is 1d. and 2d. per lb. plus 15 per cent. The same newspaper urged that the impost upon sugar should be £8 per ton. The Government duty is £6 per ton. The excise upon sugar, according to the DoMy Telegraph, should be £3 per ton, which is the amount proposed by the Government. The same organ advocates a duty of 4d. per gallon on kerosene, whereas that proposed by the Government is 3d. per gallon. Upon agricultural implements the newspaper in question would have a duty of 10 per cent, with no free list, whereas the Government duty is 15 per cent, with numerous exemptions. We are told that these "infamous" duties which are causing so much indignation are the result of the protectionist system, and the special iniquity of the Barton Government, but any other Tariff which honorable members opposite could put before the country would meet with precisely the same reception so far as outside agitation is concerned.

Mr Winter Cooke

- How does the honorable member know that? Of whose Tariff is he speaking?

Mr HARPER

- The Nash Tariff.

Mr Winter Cooke

- He is not a member of this Parliament.

<page>6293</page>

Mr HARPER

- It is very amusing to hear honorable members opposite repudiate Mr. Nash and the Daily Telegraph. They are in the habit of making a free use of the name of a journal here, which is said to dominate the position. So far as my observation goes, I think that that journal has less influence over Ministerial supporters than has the Sydney Daily Telegraph over honorable members opposite. The leader of the Opposition has not propounded any alternative Tariff. The scheme to which I have just referred was put forward by the journal which supports him, and the only other Tariff suggested has been that formulated by the honorable member for North Sydney. . That honorable member's scheme, if put before the country, would, I venture to say, meet with a precisely similar reception to that which is being accorded to the present Tariff.

Mr Reid

- That is a mere opinion. The honorable member could frame a better Tariff himself.

Mr HARPER

- Probably I could, although I have not such an exaggerated opinion of my own abilities as has the right honorable and learned member. I feel that I am justified in making these few remarks with regard to the position. I do not wish it to be understood for a moment that I regard this Tariff as being by any means perfect. There are certain very grave defects in it. If the leader of the Opposition had brought down a Tariff, I should very likely have been able to say the same of it. In the nature of the case, considering the circumstances under which this Tariff had to be framed, the unknown quantities with which those framing it had to deal, the new problems with which they had to grapple, and the fact that they had necessarily only the advice of their officers to fall back upon, it followed that many incongruities and mistakes must creep in. Now that we have the matter before the House, and the Government have the benefit of the information which they could not previously obtain, we shall be in a position to see that the inequities and mistakes of the Tariff are properly remedied. Honorable members opposite have said that this Tariff is the Victorian Tariff. I say it is not the Victorian Tariff. There are great reductions made on the Victorian Tariff, and in some cases made at both ends, if I may use the expression, because the rate of duty has been reduced and a duty has been put upon the raw material in many cases. That has led to serious mistakes which will have to be remedied in committee. But taking all the circumstances into account I believe it is a fair and honest attempt to carry out the obligations which the Prime Minister undertook in his speech at

Maitland and in the Town Hall at Melbourne. As I have said, it will have my support, but I retain to myself the right which I believe other honorable members will claim for themselves, to give my opinions upon the various items of the Tariff as they come up. If we cannot pass a perfect measure we should at least endeavour to make this such a Tariff as we would like it to be. It must be remembered also that this Tariff is to some extent a tentative measure. We cannot expect it to be a permanent Tariff because as the first Tariff which brings all the States on to a common platform its various effects will not be at once perceptible. However, Parliament will have the power to amend it at any time in such directions as will make it answer the purposes for which it was introduced. At this late hour I do not intend to trespass further upon the time of the House, but I desire to say a few words with reference to the very extraordinary line of action taken by the right honorable the leader of the Opposition when making his speech in moving this vote of censure. One might have expected that a speech upon such a motion, dealing as it does, or ought to do, with the existence of a Government, would be above all paltry or personal motives ; but, to my surprise, I found the right honorable and learned gentleman breaking all the traditions of Parliament so far as I have been acquainted with Parliament.

Mr Reid

- What sort of tradition gives a privilege to a man because he happens to be in business ?

Mr HARPER

- I have been a member of Parliament as long as the right honorable gentleman.

Mr Reid

- Does the honorable member claim a special privilege because he is in business ?

Mr HARPER

- I claim my right, and I am not going to be bounced by the right honorable gentleman.

Mr Reid

- Only as a man, not as a manufacturer.

Mr HARPER

- I say that as a member of this House I have a right to courteous treatment. I have been a member of Parliament for twenty years.

Mr Reid

- So have I, but I do not get courteous treatment always.

Mr HARPER

- I can only say that if the right honorable and learned gentleman does not get courtesy he has only himself to thank for it.

Mr Reid

- I do not mind.

Mr Page

- Why, that is part of the game !

Mr HARPER

- The right honorable gentleman may not mind, and it may be part of the game, but we are not all as thick-skinned as the honorable member. I think Parliament has its rules like every other game, and the game ought to be played fairly. I say the game was not played fairly by the right honorable member.

<page>6294</page>

Mr Reid

- What game does the honorable member allude to?

Mr HARPER

- I shall come to the game immediately. I am pleased that the right honorable gentleman has been kept for a little time, because he does not stay very much in the Chamber.

Mr Reid

- Neither does the Prime Minister.

Mr HARPER

- I am not responsible for the Prime Minister, but I am pleased to have kept the leader of the Opposition for a time.

Mr Barton

- I am away hours, while the right honorable gentleman is away weeks !

Mr G B EDWARDS

- Get on to starch.

Mr HARPER

- I think my honorable friend opposite had better keep quiet, because I may get on to the subject of jam.

Mr Reid

- Starch on jam!

Mr HARPER

- We can see the evil influence of the leader of the Opposition. Instead of aiding you, Mr. Speaker, in keeping up the tone of the House, he leads other honorable members into unmannerly interruptions and conduct, in my opinion, unbecoming a Member of Parliament.

Mr Reid

- Or a manufacturer of starch.

Mr HARPER

- I am not to be put out by the right honorable gentleman. I am just as cool as he is. He need not attempt to put me out. I know what to expect from him, and, therefore, I shall say what I intended to say. The right honorable gentleman introduced into his remarks a series of personal observations and reflections on me which I say were utterly unwarrantable, which were ungentlemanly, and which were against all the traditions of parliamentary order and procedure.

Mr Reid

- Mr. Speaker, I really do not know that I am to be lectured in this way of having been guilty of ungentlemanly conduct.

Mr SPEAKER

- As the right honorable member regards the remark as offensive, I ask the honorable member for Mernda to withdraw it.

Mr Harper

- I withdraw the word " ungentlemanly," but outside we should call it " ungentlemanly."

Mr Reid

- Now, Mr. Speaker, here is a clear evasion of your ruling.

Mr SPEAKER

- I ask the honorable member for Mernda simply to withdraw the statement.

Mr Harper

- I withdraw the statement.

Mr Reid

- Now go on about the starch.

Mr HARPER

- There are a great many things withdrawn in this House that are perfectly true. The right honorable gentleman brought my name into the discussion in a manner which I say was unwarrantable. I am a member of this House, elected by a constituency to whom I expressed my views, and by whom I was returned as representing them in the same way as the right honorable gentleman was returned by the constituency he represents. I submit that he had no right whatever, under any circumstances, to allude to private business or private matters in the way he did.

Mr Reid

- There is no privacy about the Tariff, or there ought to be none.

Mr HARPER

- Had the right honorable gentleman's insinuations been true, his references would still have been unjustifiable, and how infinitely less justifiable were they when, as I shall proceed to show, they were incorrect. The right honorable gentleman, ostentatiously said that he did not know anything of these matters himself, and he spoke upon the information of a certain gentleman whom he considered an authority. I submit that he has no right to come to this House with the gossip he may receive. He is essentially a pleader, and when he pleads in a law court he has a lawyer to make up his brief for him. It seems to me that whenever he goes on the stump, or comes to the House, he brings a brief to which he allows any one to contribute. Sometimes his brief is " made in Germany ; " at other times it is supplied by gentlemen whom he considers to be reliable authorities, but he is so keen a partisan that he never waits

for one moment to consider whether his informant may be disinterested, whether he may be an expert, or whether, in adopting the information he gets in this casual manner, he is not contributing to a base form of business rivalry which causes gentlemen to give him information of a more or less reliable character in order to damage a business opponent.

Mr Reid

- I rise to order. The honorable member has been saying something about my contributing to some base form of business rivalry, as if I had got my information about starch from some starch manufacturer.

Mr HARPER

- I never said anything of the sort.

<page>6295</page>

Mr SPEAKER

- Order. There is no point of order whatever in what the honorable and learned member has said.

Mr HARPER

- I-

Mr Reid

- Order ! Sit down while Mr. Speaker is addressing the House.

Mr SPEAKER

- I must ask the honorable member for East Sydney to set such an example as other members of less experience may be able to follow. I was saying to him, when I was interrupted, that there was no point of order in what he said. If he wishes to make a personal explanation, he must wait until after the honorable member has finished his speech.

Mr HARPER

- I must apologize, sir, for rising while you were on your feet. I was not aware that you were addressing the House. The first statement of the right honorable and learned member was in reference to my firm, and in connexion with the matter of rice. I am not going into the question in detail. When he talks of one man and two boys and a machine being fall that was necessary for this manufacture, it is out of place in Parliament, though it would be very good fun on a variety stage. He showed that he knew nothing of what he was talking about. He said that he gave that information on the authority of an expert, but it was a case, so far as the expert and he were concerned, of the blind leading the blind. He ought to know that it is a large manufacture. When he says - and it is characteristic of all his statements about them - that the Victorian industries are all shoddy industries, or unimportant industries, he shows his ignorance, and nothing more. He went on to say that there was a differential duty in the Tariff and he informed the House that my firm, and two others which he did not name - why did he not name them all, when he named my firm ? - were netting from this differential duty £10,000 a year. It is an absolute fabrication.

Mr Reid

- Mr. Speaker, I really must appeal to you. Perhaps this is all in order ; I do not know. The honorable member has accused me of making a statement to the House which was an absolute fabrication. It seems to me that that is offensive ; I do not know.

Mr SPEAKER

- It is going very near the line of what is offensive.

Mr HARPER

- I shall say that it was incorrect.

Mr SPEAKER

- Order. If the right honorable and learned member regards it as offensive, I must ask the honorable member to withdraw it.

Mr HARPER

- I withdraw it, but-

Mr Reid

- Order !

Mr SPEAKER

- I must say that the right honorable and learned member is not showing due respect to the Chair, and sometimes provokes remarks which might otherwise not be made.

Mr Watson

- Say it is confoundedly inaccurate.

Mr HARPER

- It is confoundedly inaccurate.

Mr Reid

- That is right.

<page>6296</page>

Mr HARPER

- It is absolutely without foundation. If the honorable and learned member or his informant had knowledge, as they profess to have, they would know that this is purely a compensatory duty in consequence of raw material being imported, which turns out a very much smaller quantity of the manufactured article. One hundred tons of rice imported in a raw condition and dressed here turns out about 80 tons, consequently about 20 tons is gone to waste, and that accounts for the difference. Without that compensatory duty it would be impossible to carry on the manufacture in this country. Certain remarks made by the honorable member for North Sydney, exactly cover the case : -

It had been said that a free-trader must put a 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 free-trader because it is protection of the outside manufacturer. 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 is a protection, but a protection to the outside manufacturer.

These are the words of a man who understands what he speaks about, who does not come to the House and make statements without inquiry. In every case before he does make a statement, even though he gets information which may favour his view, he is at pains to see that it is true. In that respect his conduct stands out in a bright and shining way in comparison with that of the honorable member whom he follows. I have never been placed in such a position before as to have to discuss a private personal matter on the floor of the House. I ought not to be called upon to do so on this occasion, but I cannot allow the opportunity to pass, because the clear intention of the right honorable and learned member was to cast a stigma on me as a public man, and also to cast a stigma on the Government as favouring me because I am a member of the House.

Mr Reid

- Absolutely nothing of the sort.

Mr HARPER

- There can be no other construction put upon it. That is what the right honorable and learned member intended to convey ; otherwise his conduct is absolutely meaningless. His conduct is despicable in the extreme. Perhaps that is out of order, and, if so, I withdraw it.

Mr Reid

- Not at all.

Mr HARPER

- The right honorable member said -

Now I come to another item about which there has been a great dispute. That is with reference to starch. Starch is manufactured in Melbourne by two or three firms.

I shall not trespass on the House by reading the whole of the remarks which appear in Hansard. It is a disgrace to the right honorable and learned member that they should be there, and I believe he will live to regret the day that he ever put such a statement upon the records of the House. He said that starch is made by two or three firms, and that there had been a controversy. There has been a controversy. I had a friendly controversy with the right honorable and learned member. He was courteous on that occasion, and I was. He then made a series of statements on information which, like that about the rice, was incorrect. He made a broad general statement in order to prove the position he had been laying down at the Town Hall meeting in Melbourne, that every protective duty is extorted from the consumer. His graphic words were that the protected manufacturer fixed his price just under the top rail of the fence in order to get all, or nearly all, the duty. These were the right honorable gentleman's prefatory remarks, and then he introduced the name of my firm, together with that of another firm - a proceeding which was equally unfair. The right honorable gentleman made a general statement that these firms sent starch to Sydney, and

sold it for 1¼d. per lb. less than the same article was sold for in Melbourne. I deny that statement as untrue.

Mr SPEAKER

- Is the honorable member referring to something that was said in the House ?

Mr HARPER

- The right honorable gentleman referred to a controversy, and I am stating the facts in order to lead up to what occurred in the House the other night. The right honorable gentleman made a statement then which I refuted- I showed clearly that, so far from the starch manufacturers of Victoria taking the highest amount they could under the Tariff duty, they were, owing to internal competition, selling the starch at an advance of only ¼d. per lb. out of the 2d. The right honorable gentleman entirely abandoned that line of argument, and why he brought up the subject again I cannot imagine, because he in his heart knows he was wrong, and that he made a statement he could not maintain. The right honorable gentleman, however, brings the matter up in another form, and makes a series of statements which I say are incorrect - incorrect - incorrect.

Mr JOSEPH COOK

- Why this repetition?

Mr HARPER

- I repeat the word because I want to keep myself within parliamentary rules, and to convey my meaning as clearly as if I broke those rules. The right honorable gentleman made a statement that starch was sold at a higher price in Australia than it was in London, but I have taken measures which enable me to contradict his information altogether. He quoted from a circular, but he did not give the date of that circular, nor the name of the party who issued it.

Mr Reid

- Yes; I read the name of the firm.

Mr HARPER

- I did not hear it, and it is not reported in Hansard.

Mr Reid

- I shall let the honorable member see the circular.

<page>6297</page>

Mr HARPER

- I can only say that I took measures, after the controversy with the right honorable gentleman, to ascertain in London what the exact position was, and my information illustrates one of the difficulties in establishing industries in this country without protection. I have, through my correspondents in London, ascertained from Colman and Co. the price at which they supply shipments of starch for Australia, and simultaneously, through another London firm, I have ascertained the price at which the trade in London is supplied. The remarkable result is that, while the price free on board for shipment to Australia is 22s. per cwt., the price for use in London is 34s. per cwt., a difference of no less than 12s., or nearly 1¼d. per lb. According to the free-trade argument, the consumer's only safety and salvation against the rapacity of traders and manufacturers is to have the competition of the wide world. And yet here we find one of the largest firms in Great Britain charging 1¼d. per lb. more to the London trade than they charge to the shipping merchants who export to Australia. The argument of the free-trader is that the legitimate price is the competition price.. If that be so how comes it that this commodity is sent from England, and after paying freight, duty, and all other charges, is sold in Melbourne at 4s. or 5s. per cwt. below the price at which it is sold to the London grocers? Germany does the same thing; and the question is - how is it done ? The right honorable gentleman talks about free competition being the only means of protecting the consumer; and here we have the London price fixed by competition at 1¼d. per lb. less on the shipment. When we find gentlemen talking about 15 per cent, and 20 per cent, duty on an article on which the shipper can afford to give away 50 per cent., we see that it is of very little use to think of getting protection with such rates. In Victoria, under the protective system, an industry has been raised up which enables the trade to be supplied with starch at a price less, to the extent of 2s. or 3s. per cwt., than, that at which the grocers in London can buy. I have the price lists of a number of the leading houses in London, and I find that the Army and Navy Store charges 4½d. per lb. for Colman's starch loose, and 5d. per 1-lb. box ; the Civil Service Stores supply at the same prices ; Herrod's, 5d. per lb ; the Civil Service Association,

4½d. per lb. ; Spiers and Pond', 4id.; and the new Civil Service Stores, 4½d. per lb. The right honorable gentleman told us last night that according to his circular starch was sold in London, for a less price than in Melbourne ; but from the latest price lists, which came out by" the last mail, we see that the article is sold to the consumer in London at a higher price than that at which the colonial product is sold in Melbourne.

Mr Reid

- Our authorities differ, that is all.

Mr HARPER

- There is no question, of difference.

Mr Reid

- My informant has fifty shops.

Mr HARPER

- I do not care how many shops he has. The right honorable gentlemen added that a gentleman in Melbourne had told him that Colman's starch in 28-lb. boxes could be had in London at 3d. per lb., but I have Colman's private price list, which shows that the lowest price is 3¼d. per lb.; so that it is absolutely impossible the right honorable gentleman's information can be correct.. This shows that honorable members, who talk freetrade, and who seek to lead Australia in a freetrade direction, have-absolutely no knowledge of what goes on in commerce. I tell the right honorable gentleman again, and I wish it to be reported throughout the length and breadth, of the land; that the London firm makes a difference of 50 per cent, between the shipping price and the price to the London consumer, with the result that firms under the system of protection are supplying grocers in Melbourne at 2s. per cwt. less than Col'man is supplying the London grocer.

Mr Reid

- Why did: the honorable member put the price of starch up 1d. per lb., the day after the Treasurer's Statement?

Mr HARPER

- That is another illustration of the absolute incapacity of the right honorable gentleman to. deal with a financial question, even that of Id. on starch. I cannot believe that, the right honorable gentleman was so innocent as he pretended to be. In his statement here he was most disingenuous. The right honorable gentleman concealed the fact - and has persistently concealed it - that the rise in the price of starch in Melbourne has been brought about by the countervailing duty on; the raw material for the production of starch, namely, rice. The new duty on rice is equivalent to something over 1d. per lb. upon the starch produced in that way.

Mr Reid

- I mentioned in my speech that the duty had been put on.

Mr HARPER

-But the right honorable gentleman did it in such a way as to convey a very wrong impression.

Mr Reid

- I was talking, about the starch that you made before that duty was put on..

<page>6298</page>

Mr HARPER

- The right honorable and learned gentleman, is now raising a question which he did. not refer to on the previous occasion.. However, I. aim going to deal with that, because I am not at . all afraid of the honorable member. He is all, right on the Town-hall platform, where he cannot be answered, but I am thankful to have him here, where I can show his absolute incorrectness and unreliability as a public man. It is a peculiar thing that a comparatively small article, the consumption of which does not exceed 2 lbs. weight per annum per head of the population, should be made so much of in the light between free-trade and protection in Australia. It is the irony of fate - I think it is the absurdity of fate - that the right honorable gentleman should' pursue such a course as he has done at the instance of interested and designing parties outside, who have made him the medium for trying to injure those to whom they are opposed in business. I know the man who gave the right honorable and. learned member his information on this subject. When the right honorable and' learned gentleman, spoke, I knew by the language he used who had told him. I shall not name him all the same.

Mr Page

-Was the information true?

Mr HARPER

- No, it was not true; but it was one of those untruths that are the worst of all - which are half truths; and which tell only a little of the story. I think I have made it clear to honorable members that the position is very different from that which was stated by the right honorable gentleman. With regard to this additional' Id; per lb., let me make it clear again that the right honorable and learned member must have known that since the 10th of this month a duty has "been imposed upon rice which has added Id. per lb. to the cost of starch. The honorable member now raises a new question by stating that we have raised the price of the starch that we had in stock. All I can say is that any firm would have done that.

Mr Reid

- The honorable member did do it then?

Mr HARPER

- Of course. A circular was issued, not by us, but by others. As a matter of fact all the manufacturing firms had large forward contracts in the other States which had to be executed and in respect of which the duty has to be paid under the 92nd section of the Constitution Act. Is it not bringing our proceedings down to the level of a farce when, simply because an honorable member belongs to a mercantile firm, his-business is discussed in this House by honorable members like the honorable member for Macquarie 1

Mr SYDNEY SMITH

- I think it is indecent of the honorable member to bring these matters up and thus advertise his own firm in the House and throughout the country.

Mr HARPER

- Surely that comes with a very bad grace from the honorable member who brought this matter up.

Mr Reid

- Hear, hear ; the honorable member is entitled to defend himself.

Mr HARPER

- All I can say is that the attempt which has been made to injure my firm has recoiled upon the heads of those who led the attack. It is very unfortunate that I should have to speak in this manner in regard to two of the items in the Tariff.

Mr Reid

- Blue, I think, is another article.

<page>6299</page>

Mr HARPER

- I wish the right honorable gentleman were blue. Fortunately, I have nothing to do with blue, but I think that the conduct of the right honorable and learned gentleman is very blue, indeed. The next item that was referred to, and in regard to which the leader of the Opposition showed his unreliability, was that of preserved milk. The light honorable gentleman, used the name of my firm in connexion with that article. As a matter of fact, my firm does not make preserved' milk, but we happen to be the agents for a small company, with which I am connected as a shareholder. The attack which has been made in connexion with this item of preserved milk, is a malevolent one, and proceeds from interested parties, and it is very discreditable that the right honorable and learned gentleman should allow himself to be made the medium for delivering attacks which are instigated by ill-feeling on the part of some one in the city. The company to which I have referred is an extremely small one, which has done very little business, and all attempts to extend operations to the other States have been pretty well throttled.. The statement was made by the leader of the Opposition that this article was sold at 6s. in Melbourne, and 4s. 6d. in New South Wales. All I can say is that the whole export business done by the company does not amount to- more than 100 cases per month, and that the prices for the product outside of Victoria have been regulated by the rates charged by importers of European brands of a similar article. These prices have resulted in a heavy loss. It does not require much consideration to enable any one to realize that in introducing a new article it is very often necessary to accept a price which is not remunerative.

Mr Reid

- And to put the article into packages that do not contain a full pound.

Mr HARPER

- The duty on preserved milk under this Tariff - although a great noise has been made in this House about it - will be lower in Victoria than under the State Tariff. The duty under the Victorian Tariff was 2d., under the Queensland Tariff 2d., under the South Australian Tariff 1d., under the Tasmania Tariff 25 per cent., and under the Western Australian Tariff 15 per cent., whilst in Canada the duty is 1½d. This matter is no concern of mine, and is of no great magnitude, but a large industry is springing up in the other States - in New South Wales and Queensland - and I would ask those honorable members who talk about the primary industries whether this is not a primary industry? Everything that is contained in the manufactured article comes from the soil, and is produced in Australia.

Mr Page

- What is it made of?

Mr HARPER

- Sugar and milk- nothing else. As a matter of fact it seems to me that this discussion is being reduced to an absurdity. The attacks which have been made have been most unjustifiable, and I am perfectly conscious that whilst they will not injure me, they will recoil upon the heads of those who have made them. I hold in my hand the price-list of a leading firm producing condensed milk. It contains a list of places to which this firm ships, and I find that while the price is 18s. 6d. a case, they reduce it to 15s. when the article is exported to certain places. Then at the bottom of the list they inform the public of Australia that they will not enter into any proposals for the purchase of their commodity in London for shipment to South Australia, Western Australia, Queensland, or New South Wales. That is just like the case of the proprietors of the reapers and binders. Those who sent for reapers and binders could not buy them in America. They have been told that they must buy them in Australia through agents, and the purchasers here have been made to pay 125 per cent. profit. And so in the case of this condensed milk, it cannot be bought in London for export to certain Australian States, but is sent out here to agents, who are informed that wherever a local article is springing into Consumption - and it is a natural industry of this country - the price is to be kept down to a non-remunerative point. When free-trade agents claim that we manufacturers in this country are extorting money from the public, or as an honorable member opposite unfairly said, putting our hands into the pockets of the people of the Commonwealth, I say that it is high time that this line of argument were discontinued. As a matter of fact, these industries have great difficulties to contend with. In the first place, they have to meet the prejudice which always exists against any new thing. Then again, some of these articles are difficult to produce in this climate. Such is the case with preserved milk. Climatic conditions have to be overcome, and I maintain that if that industry is established in this country by the duty which the Government proposes, within five years the whole of the continent will be supplied with preserved milk of local manufacture, and that means from 250,000 to 300,000 cases a year. I further believe that we shall be in a position to export it as we do butter, and other commodities. I can remember the time when nearly all the butter which was consumed in Australia came from Cork, in Ireland. In Victoria we put on a duty of 2d. per lb., which led to the article being produced locally. Within a few years we were able to supply the whole State with butter, and to export the article, and the duty of 2d. still remains on the Tariff.

Mr Watson

- The free-traders had 2d. a lb. duty in New South Wales.

Mr HARPER

- Very likely.

Mr Watson

- The honorable member for Macquarie kept it on for a long while.

Mr HARPER

- Perhaps it is too much to expect the right honorable member, the leader of the Opposition, to make the amende for the unjustifiable attack which he has made upon me.

Mr Reid

- I will when I am replying.

Mr HARPER

- I think that the right honorable member's allusions to me were certainly not justifiable, because they were not correct ; and, as I have said before, the imputations and insinuations were calculated to lead to incorrect conclusions in the public mind. I think that as a gentleman, it is the place of the right honorable

member to withdraw them. However, that is a matter which lies with himself.

<page>6300</page>

Mr JOSEPH COOK

- The honorable member has still refused to answer a simple question put to him by the honorable member for Macquarie.

Mr HARPER

- The honorable member did ask me a question,

Mr SYDNEY SMITH

- Will the honorable member explain the difference between the Melbourne and Sydney price for starch?

Mr HARPER

- As I pointed out at the time of the controversy with the leader of the Opposition, the Sydney price was to some extent shaped by the opposition we met with from the importers of English goods, who give off 1jd. a lb. ; and we had, in order to introduce our goods, to reduce our price to a small extent - perhaps 2s. or 3s. per cwt - to meet that competition, and to get a chance of having the article introduced into that State. That, as I said in the newspaper controversy at the time, was perfectly reasonable. It is the only way in which any firm could carry on its business under the circumstances. But the inference which the honorable member seeks to draw, is that when a firm exercised the same right of dealing with its goods as English firms under free-trade did - neither more nor less - only using it to nothing like the extent that English firms do - because they were under a protective policy, they were doing wrong, whilst English firms were charging something like 50 per cent, less for shipments than for the locally sold article. I can only say that these matters are pure matters of business, and every one knows that. But what I object to was the insinuation made by the right honorable member that this was owing to improper action, and that, as a matter of fact, the protective duty was responsible, whilst in reality the protective duty had not been availed of to anything like the extent to which we might have availed ourselves of it. I will say this further - that the whole of this matter has caused me considerable annoyance, and if I have spoken more heatedly on the subject than I should prefer to do, it was because I feel deeply that a very serious wrong has been done to me.

Mr SYDNEY SMITH

- In explanation, I desire to say that the honorable member seems to think that I have made some serious reflection upon him. When speaking upon this question of the price of starch, I was only showing that a higher price was paid under protection in Melbourne than in Sydney under free-trade. I think that was a fair argument to use, and the honorable member has proved it on his own statement. Debate (on motion by Mr. Ronald) adjourned.

ADJOURNMENT

Motion of Censure - Statistics

Mr BARTON

- I move -

That the House do now adjourn.

I hope I may say, in moving the adjournment of the House, that most if not all of the arguments that can' advantageously be used on such a motion have been used in the course of this debate. What will happen hereafter, will be within the rights of honorable members, but must largely consist of the reiteration of the arguments already advanced. That being taken into consideration, without any desire in the slightest degree to dictate to the House, I may venture to express the hope that we shall come to a speedy termination of this debate.

<page>6301</page>

Mr V L SOLOMON

- I wish to ask the Prime Minister whether, in view of the difficulties that honorable members have in obtaining statistical information, he will make available to the House information which must be in the possession of the Ministry, showing the Inter-State trade and the over-sea trade in detail, in order that we may be able to see of what this £29,000,000 of trade consists- whether it consists entirely of the products and manufactures of the States, or whether, as it has been said frequently, a large portion of it consists of Inter-State trade in imported goods. Honorable members are not in the position of the Government. They have not had a staff of clerks to ascertain the whole of the figures for them, and if this debate has been

somewhat prolonged, owing to the fact that we have not had all the information which should have been before us, that must be our excuse. I would ask the Prime Minister whether the figures showing the Inter-State trade, and showing also not only the amount of duty obtained from each of these articles on the present Tariff in each State, but the quantities imported cannot be put before us. All these figures must be in the possession of the Government. If they cannot be given to the House before the conclusion of this debate, they should be available at any rate for the use of honorable members during the debate on the various items of the Tariff. They would be of great assistance to us.

Mr KINGSTON

- All that I can say to the honorable member is that the information he desires can be found in the interchanges of the various States ; imports and exports, and quantities, too.

Mr V L SOLOMON

- Not in all cases.

Mr KINGSTON

- If they are not to be found there I do not know where they will be found. We shall be happy to lay before the House copies of the various interchanges.

Question reworded in the affirmative.

<page>6302</page>

23:12:00

House adjourned at 11. 12 p.m.