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1901-10-08

House of Representatives.

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

PETITIONS

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Mr. CHANTER presented a petition from Philip Shore and other residents of the Commonwealth, praying that provision might be made for a federal scheme for improving the navigability, and conserving the water of the rivers Murray and Darling.

Petition received, and read.

Mr. CHANTER presented a similar petition from James Wilkinson and other residents of the Commonwealth.

Petition received.

QUESTIONS

BUDGET

Mr REID

- I wish to ask the Prime Minister whether the usual course in connexion with the approaching financial statement is to be adopted, that is, its delivery by the Treasurer, or whether it is intended that upon this occasion the duty shall be divided? If the duty is to be shared by the Treasurer and the Minister for Trade and Customs, will the two speeches be delivered in the same committee? Obviously it would be wrong to split the debate into two, and I am sure that is not contemplated by the Ministry.

Minister for External Affairs

Mr BARTON

- There is no intention to split the debate into two, and honorable members will have the ordinary opportunity to discuss the whole statement. Obviously, with the work in hand, it would be a severe task for any one man to deliver both the Budget speech and the explanation of the Tariff, and it has been arranged between my right honorable friends the Treasurer and the Minister for Trade and Customs, with my entire approbation, that the Treasurer shall deliver the financial statement, and that, afterwards, the Tariff shall be explained by the Minister of Trade and Customs. These steps may not be taken in the same committee, but I will see that every ordinary opportunity is given for discussing matters of principle, either by continuing the debate in the Committee of Ways and Means, after the explanation of the Tariff, or by reverting, if necessary, to Committee of Supply.

Mr REID

- I do not wish to say anything at this stage, but I hope the Prime Minister will take this into consideration, that if the financial speech is divided - practically divided - into two, unless the two speeches are delivered in the same committee, members referring to the explanation of the Tariff will have to refer to it in the committee in which that subject was introduced, and will not be able to speak of it in the committee in which the other matter was dealt with. Therefore, the discussion will practically have to be cut in two. Probably the most important part of the discussion will centre round the Tariff, but at the same time the Tariff and the financial statement are inseparable, and I hope the Prime Minister will realize the inconvenience of speaking in the committee in which the Tariff is explained regarding that matter, and speaking in another committee in reference to the financial statement. 16t

The SPEAKER

- I would remind the right honorable and learned member that the matter cannot be debated.

Mr BARTON

- As a matter of explanation - which I think my right honorable friend is justified in seeking - I might inform the committee that the difficulty which has presented itself to the mind of my right honorable friend will not arise. In the State from which both he and I come, it has been a not infrequent thing for the financial statement, including both the Budget and taxation proposals, to be delivered in Committee of Supply. A Tariff statement, of course, properly belongs to Committee of Ways and Means, but such a statement, including the resolution which has to be passed in Committee of Ways and Means, has, as often as not, been brought down in Committee of Supply, and the discussion has gone on on that basis. Although technically it may not be regular to do this, usage has sanctioned the irregularity, in so far as it relates to

the discussion of questions connected with, the financial statement.

Mr Reid

- Yes ; but the whole statement relating to both the finances and the Tariff has been delivered in the one committee.

Mr. BARTON.- That may be so and, . without having had any consultation with the Speaker or the Chairman, I have not the . slightest doubt that the same latitude will be allowed in this case. If the Chairman should give any ruling that might prevent the . discussion proceeding with the utmost freedom, I will take the necessary steps to secure honorable members every opportunity for dealing with both statements.

Mr SPEAKER

- In order to save time I may inform the House that in the British Parliament the practice is, on such occasions, for reference to be allowed in Committee of Supply to any parallel debate in Committee of Ways and Means, and viaeversd.

PACIFIC ISLANDS LABOURERS BILL

Mr MCDONALD

- I desire to ask the Prime Minister whether he has received any protest from the Queensland Government regarding the Pacific Islands Labourers Bill, and if so, if he has any objection to lay it on the table of the House 1

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Mr BARTON

- Last week I received a protest by telegraph from the Premier of Queensland, which was duly published, but I do not think that is what the honorable member is referring to. To-day I read in the newspapers that the Premier of Queensland has sent me a letter, a summary of which occupies something more than half a column of one of the daily newspapers. I beg to say that I have not received that letter, and that the honorable gentleman referred to appears to have given his letter to the press before it could reach its intended recipient. As I have been made the victim of complaints of discourtesy from this source - the source of the Queensland Government - I beg to express my admiration of the tolerant spirit of courtesy which enabled this gentleman to give his letter to the press before it could reach the recipient.

ALIENATION OF CROWN LANDS IN QUEENSLAND

Mr MCDONALD

asked the Prime Minister, upon notice -

Whether in view of the possibility of the Commonwealth taking over at a comparatively early date, the whole railway systems of the several States, he will vigorously protest against the wholesale alienation of Crown lands along existing and proposed railway routes, in the States of Queensland, such alienation being, it is alleged, calculated to seriously interfere with the future revenues of the said railways ?

Mr BARTON

- I am sorry that I cannot undertake to make a protest of this character. It would seem too much like interfering with the business of another State, and interfering in a quarter from which we have had very strong protests against interfering with our own business.

OLD-AGE PENSIONS

Mr O'MALLEY

asked the Prime Minister, upon, notice -

Whether he will set apart one day this week for the discussion of a motion with reference to the national system of old-age pensions ?

Mr BARTON

- I am unable to make any promise in regard to this matter in the present stage of public business.

FIFTH VICTORIAN CONTINGENT

Mr CROUCH

asked the Minister for Defence, upon notice -

Whether his attention has been drawn to the statement in the Age newspaper on the 3rd October, that Major McKnight, of the Fifth Victorian Contingent, had cabled to the Victorian Government asking it to demand an inquiry into the language and conduct of Colonel Beatson towards

the Contingent ?

Whether the Defence department knows of such cablegram, and has the Minister any objection to state its contents to the House?

Minister for Defence

Sir JOHN FORREST

- The answers to the honorable member are as follow : -

Yes.

No such telegram has been received by either the Commonwealth or the State Government.

ESTIMATES OF EXPENDITURE,

Mr. SPEAKER reported the receipt of a message from His Excellency the Governor-General transmitting to the House of Representatives the accompanying Estimates of Revenue and Expenditure for the year ending 30th June, 1902, together with Estimates of Expenditure for arrears for the period ended 30th June, 1901, and recommending an appropriation of the Consolidated Revenue Fund accordingly.

SUPPLY

Message received from His Excellency the Governor-General recommending that an appropriation be made out of the Consolidated Revenue Fund for defraying the services of the year ending 30th June, 1902.

Referred to Committee of Supply

ASSENT TO BILLS

Royal assent to the following Bills reported : -

Distillation Bill.

Excise on Beer Bill.

Excise Bill.

IMMIGRATION RESTRICTION BILL

Third Reading

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Mr. BARTON (Hunter - Minister for

External Affairs). - I am quite sure that, considering the task which my right honorable friend, the Treasurer, has before him, honorable members will excuse me for bringing on the third reading of the Immigration Restriction Bill, which, I take it, is practically a formal matter. I accordingly move - That Orders of the Day, Nos. 1 and 2, be postponed until after order No. 3.

Question resolved in the affirmative.

Motion (by Mr. Barton) proposed - That this Bill be now read a third time.

Mr. SYDNEYSMITH (Macquarie). I regret the Prime Minister has altered the arranged order of proceedings in regard to this important matter. There are several honorable members who are desirous of addressing themselves to this question. I myself intended to say a few words, because I had not the opportunity during the time the Bill was being discussed in committee of dealing with the measure in the way I thought desirable. I have only risen now, because I think it wrong that the Government should take this course of dealing with so important a matter, which has received a considerable amount of attention at the hands of honorable members, which has caused a considerable amount of debate, and which is a matter which I can assure the Prime Minister will take a considerable time before it is finally dealt with. I know of at least seven or eight members who are desirous of addressing themselves to the question. I have been struck with the attitude adopted by the Prime Minister with regard to this important matter. The right honorable gentleman, when before his constituents in New South Wales, expressed himself as strongly in favour of a white Australia. He then pointed out that, instead of having several colonies voting in distinct ways, we should vote with one united voice, and by that means we should be able to obtain all we required without resort to extreme measures. That was the voice of the Prime Minister to his constituents in New South Wales ; but now, judging from the attitude of the Premier of Queensland to-day, we find the right honorable gentleman speaking in a different tone altogether - with a view, presumably, of securing support in Queensland. I think the Prime Minister has taken altogether a wrong attitude in regard to this question. He ought to have carried out what is really the wish of the people of Australia, namely, that we should have a white Australia. We should have assented to the amendment proposed by the honorable member for Bland for the purpose of excluding aliens altogether. That was the

view I took of the amendment, and it was the view that was taken by a number of honorable members when speaking before their constituents. We said then that we were desirous of seeing a provision for the total exclusion of aliens embodied in a Bill. I am sorry that I have not the exact words used by the Prime Minister in his speech in explanation of the measure - I did not think the matter was coming on to-day - but he pointed out that it was unnecessary to put the prohibition in plain language. He said in effect that he would be able to do by an act of the Government what could be done by the honorable member for Bland's amendment. But it is not desirable in the interests of Australia that the object should be attained in the way proposed by the Bill. We ought to embody in the first piece of important legislation passed by the Commonwealth Parliament, exactly what we mean and what is the view of United Australia. The Prime Minister stated that there would be no difficulty whatever in ascertaining the views of the Government and of the Australian people with regard to this important question, because all that people would have to do was to read Hansard. He said that Hansard was available to the consuls and the principal officials representing the various nations, and that from it they could easily ascertain what the views of Australia were upon this question. But I ask honorable members whether they could ascertain the view of United Australia upon this subject by reading the speeches delivered in this House? The honorable member for Melbourne Ports, who represents a democratic constituency, spoke loudly in favour of a white Australia a few months ago when before his constituents. He supported the action of the Federal Government in making that one of the main planks in their platform. When the honorable member for Wentworth made his very able speech upon the question we found the honorable member for Melbourne Ports applauding and challenging the honorable member for Wentworth to vote with him in favour of a white Australia. He also made a strong speech himself directly in favour of the amendment of the honorable member for Bland. But when the division was taken we found him voting on the other side. How can the consuls and other representatives of foreign nations tell what were the opinions of the people of Australia from reading Hansard, when they find an honorable member making a speech upon one side and voting on the other?

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Mr McDonald

- He had consulted the Age in the meantime.

Mr SYDNEY SMITH

- That shows that the views of the people of Australia were not represented upon this question when the division was taken, but the views of a certain number of persons who do not represent the people. Then again, I can refer to the honorable member for Bourke. He also made a strong speech in favour of a white Australia when he was before his constituents. But in the House we found him voting in the other direction. Then the honorable member for Corinella made a very able speech before his constituents in favour of a white Australia.

Mr McCay

- The honorable member should not pretend that he has read anything that I said before my constituents. I do not believe that he has done so.

Mr SYDNEY SMITH

- I have taken the trouble to read in the Age a report of a speech delivered by the honorable member. I find from that speech that he made a very strong deliverance in favour of a white Australia.

Mr McCay

- Hear, hear.

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Mr SYDNEY SMITH

- But when the vote was taken, the honorable member voted for a whitey-black Australia. Then there is the honorable member for Moreton. He made a very strong speech, and even went so far as to say that at the risk of turning out the Government, he would vote against any piebald attempt to bring about the object in view. He was so far determined to vote in favour of a white Australia, that he declared he would prefer that the Government should be turned out, than that the Bill should not be made effectual. Yet we find that he voted the other way. Can honorable members, or the Prime Minister, therefore, say honestly, that by reading Hansard, or looking through the Votes and Proceedings of the House of Representatives, the consuls and other prominent officials representing other nations will be able to ascertain the view of Australia? I say "No." I say further, that we have not acted fairly to the people of Australia in dealing with

this subject as we have dealt with it. I also read the very able speech delivered by the honorable member for Indi when before his constituents. It was probably more strongly in favour of the views we have expressed than was the speech of any other honorable member who has addressed himself to this question. Yet we find the honorable member voting in favour of the proposals submitted by the Government and in opposition to the amendment of the honorable member for Bland. In view of the importance of this question, and in view of the strong feeling exhibited by the people of Australia in favour of the proposal submitted by the honorable member for Bland, I regret exceedingly that the Parliament which was elected to support a proposal of that kind should, at the dictation of the Government, have voted in a different way. The Prime Minister has said that Mr. Chamberlain had nothing whatever to do with his attitude in regard to this question, but if that is so, all the more discredit attaches to the Federal Government, because they told the people of Australia, when asking for their support, that we were going in future to have a white Australia - that we were going to keep out the alien, and were going to bring about legislation which would go further in that direction than would any legislation in force in the States. In New South Wales we have had an Act of Parliament in force for some time, which is exactly on the lines of that proposed by the Federal Government. The Prime Minister led the people of New South Wales and of Australia to believe that as soon as we had federation we should be able to speak with one voice - to speak with more power and effect, and that we should be able to go further than any of the legislation passed by the separate States. That was said when the right honorable gentleman was before his constituents, and I say that if he has now gone back upon his word without any correspondence with the Home Government to influence his attitude, it shows that he could not have been sincere in that declaration, and that he never had a desire to bring about the reform the people of Australia asked for. I regret that this matter has been so sprung upon honorable members, because I had certain extracts prepared which I should have liked an opportunity of reading to the House at a time when honorable members would be more inclined to give attention to such an important question. I can promise the Government that they will gain nothing by resorting to tricks of this kind. They led honorable members to believe that to-day we were going on with the financial statement, and honorable members came here prepared to deal with that subject.

Mr Barton

- Then why does not the honorable member sit down ?

Mr SYDNEY SMITH

- The right honorable gentleman knows very well that a number of members were desirous of speaking on this important question, and he has endeavoured to close their mouths by this subterfuge. I say it is unworthy of any Government or any party to resort to these tactics, and I promise the Government that they will gain nothing by them. I do not wish to run counter to the desires of honorable members to hear an important deliverance in regard to the finances of the Commonwealth, or I should occupy considerable time in referring to several other phases of this question, which I think ought to be referred to in the interests of Australia. In view, however, of the strong feeling and anxiety which I share with other honorable members to hear what the Treasurer has to say, I do not purpose discussing the matter any further. I again express my regret that the Government have resorted to such tactics in order to prevent the free exercise of the right of every honorable member to give expression to his views upon one of the most important questions that could engage the attention of the Federal Parliament.

Mr WILKS

- I trust the Prime Minister will now see the wisdom of adjourning this debate. He must have gathered that it is wise to do so from the feeling expressed in the House, from the remarks of the last speaker, and from the intimation that about 22 other honorable members wish to speak upon this third reading.

Mr Barton

- Is that all ?

Mr WILKS

- I know of only 22 at present.

Mr Barton

- Perhaps the honorable member will move the adjournment of the debate 1

Mr WILKS

- At the suggestion of the Prime Minister I move -

That the debate be now adjourned.

The SPEAKER

- It is not quite regular for an honorable member to move the adjournment of a debate after having commenced his speech, but under the circumstances probably the House will excuse the irregularity.

Question resolved in the affirmative.

Minister for External Affairs

Mr BARTON

.. - In moving the third reading of the Bill, I supposed honorable members would deal with the matter as one involving no prolonged debate after the long discussion that had already taken place upon it.

BUDGET

In Committee of Ways and Means

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Treasurer

Sir GEORGE TURNER

- Mr. Chairman, I desire to thank honorable members for their kind, encouraging cheer. I can assure them that I feel to-day in a greater difficulty than, I think, any Treasurer has ever felt - certainly in a far greater difficulty than I have ever felt when introducing a Budget into the State Parliament. I feel that the work on which we shall be engaged for some little time is of the utmost importance to all the people of our Commonwealth - not alone to those who are here now, but to those who will be here when we have passed away. The difficulties surrounding the task which has had to be carried out by myself, so far as the financial portion of our proposals is concerned, have, indeed, been very great. When you are dealing with one State, you can obtain your information with some ease ; but when you come to deal with six States, some of them far away from the seat of Government, it is very hard, indeed, to get the information you require to place financial proposals before a committee in such a form that they will be clearly understood, and the position of the Treasury, and also that of the State Treasurers fully disclosed. I have, unfortunately, suffered from the absence of my right hand man : my secretary has been laid up for the last five weeks; therefore a very large portion of the work which would have been done by him has fallen on my shoulders. I feel that in dealing with the finances we all fully realize the great responsibility which rests upon our shoulders, and I am certain that, whatever our opinions on the fiscal question may be, we shall give each other credit for being animated by but one desire - to do that which is best for Australia, and fair, just, and equitable to all the States, and to all classes and sections of our community. Another grave responsibility which rests upon us at this particular time is to take the utmost care that there shall be no extravagant expenditure. While we should spend all .that is reasonably necessary for the purpose of defending and developing our country we must see, at all events in the early stages of our career, that there is no extravagance, because the money we spend is money which comes from the States, and if we do anything which may put them into a difficult position they will feel in'clined to curse rather than to bless federation. Under these circumstances - seeing that we have a large surplus to dispose of - we must be more than usually careful. When a Treasurer is in the position of not having money to spend, it is not very hard, although it is not popular, to say "No"; but when he has a large surplus to dispose of, there is always a temptation to be lavish, and to obtain kudos by expending money. But if we act in that way, we shall force the States into a position where they will have to either impose heavy direct taxation, or resort to drastic retrenchment. Those things are both very good in their way. If you mention direct taxation or retrenchment you will find people in favour of both, but when you try to put your policy into operation, it is a very different thing. The cry then is - " Tax the other man," or " Retrench some one else." I have had experience of not having much to spend, and therefore I assure honorable members that my sympathies are entirely with the State Treasurers, and anything I can do to relieve their necessities will undoubtedly be done. We have no revenue of our own to dispose of. Whatever money we spend has to come out of the State coffers, though apparently some of the States, and many of the public, think that the Commonwealth has a revenue of its own with which it can dp just as it likes Another grave responsibility resting upon us is with regard to the mode in which we frame our Tariff. We are bound to try to, as far as practicable, give back to each State about as much as it would have received if federation had not taken place, and in addition there is the responsibility of providing for the expenditure of the Commonwealth. Whatever Tariff we may in our wisdom pass may not realize our expectations, and therefore, whatever

views we may hold, we must be extremely cautious and careful not to do anything to endanger the solvency of any of the States, because the solvency of the Commonwealth depends upon the solvency of the States. In the Customs duties we have taken from the States their most elastic and most important source of revenue, and therefore it is our bounden duty to do everything we can to preserve their solvency, and prevent them from being placed in a dangerous position. To expound the financial proposals of a Government is not at any time an easy task, and, as honorable members will realize, although formerly Treasurers have had to deal with one State only, to-day it is my duty to deal with the affairs not of one, but of six States. It is necessary that we should place on record, for the information of the States, and also in order that the position we take up may be fairly challenged, some explanation of the Budget proposals, so that those who desire to know may have the fullest information given to them. Now, I intend today to make a plain, simple statement with regard to our financial position. I do not myself claim to be an accountant, and I want to see the accounts of the Treasury kept in such a simple manner that any honorable member requiring information may always be able to get it without difficulty. I will place in the hands of honorable members all the information within my knowledge, whether it be in favour of or against any proposal I may bring forward. We have had to get this information under very difficult circumstances ; but, while there may be a few slight mistakes in some of the figures placed before honorable members, I believe that, on the whole, they are correct. There have been some questions with regard to the delay in bringing forward these proposals, but I desire to impress upon honorable members the fact that there has been no unnecessary delay. We have been anxious to get on with our Tariff proposals as quickly as possible. As soon as we came into office, Ave desired that certain statistical information should be obtained, and that occupied many months - any one who has anything to do with the statistics of the different States will very soon find out how immensely difficult it is to obtain any reliable information. The whole of the statistics appear to be kept according to different methods in the various States, and matters are so mixed up that even now some very important information that I had wished to place before honorable members I have not been able to bring forward, because I could not satisfy myself of its correctness. In April last, the Minister of Trade and Customs and I started to deal with the draft Tariff, and we obtained all the information and returns we could. That Tariff has been framed for some little time. The Minister of Trade and Customs and myself worked night and day upon it, and the Cabinet had to ask the House to allow us an extra day, in order that each item might be fully debated, and so that all members of the Cabinet might know exactly what the proposals were. Frequently, when alterations were made in the various items, or further information came to our hands, we had to alter our calculations. We had the difficult task of carrying out the pledge we had given, to frame a Tariff which would give us the necessary amount of revenue, and yet be protective to our existing industries. We have closely studied all the figures, and I cannot pass away from this portion of my speech, without giving every credit to the collectors of the different States, who have been working out this problem with us, and I also desire to mention the name of Mr. Smart, one of the chief officers in the Victorian Customs department. I am certain that my right honorable friend, the Minister of Trade and Customs, will freely indorse anything I may say with regard to the labours of these officers, because they have taken a deep interest in their work, and have done everything they possibly could to assist us in the difficult and arduous task we have had to perform. Ave have heard a great deal about the extravagance of the Commonwealth, and of the immense amount of money we were going to expend after taking it out of the pockets of the taxpayers. I desire to direct the attention of honorable members to a few facts in connexion with the expenditure of the past. In 1895-96 the Customs expenditure amounted to £246,579, in 1900-01 the expenditure was £260,972, and at the date of transfer £259,387. The proposals we bring forward provide for an expenditure of £259,763. Of course it is not fair to compare our estimates with the actual expenditure of last year, and I will give many reasons for that afterwards. All we are responsible for is the state of affairs that we found when we took possession. Therefore, in our comparisons we have taken the expenditure as at the date of transfer, and contrasted it with the amount we propose to spend. The expenditure at the date of transfer was arrived at by taking the salaries then paid, the allowances at the amount then being paid, and the contingencies at the amount which was expended during that particular year. On these items honorable members will see that there had been increases up to the date of transfer of £12,808, but our increases as against those up to the date of transfer amount to £376. We, of course, have to add to that the new expenditure occasioned by the Minister's office, amounting to £3,15 . That is

a very small department, and the expenditure is not large, but in pointing this out I have an object in view, which honorable members will afterwards see. The Post-office expenditure in 1895-96 - and I take that year because it is the year referred to in the papers which were dealt with at Adelaide - was £2,035,497 ; in 1901 it had increased to £2,305,000, and at the date of transfer it was at the rate of £2,331,939. We propose an expenditure of £2,342,423. Our proposal, therefore, is for an increase in the expenditure of that department of £11,000. The increase from 1895-96, to the time of transfer, amounted to no less than £306,926. The cost of the Minister's office is £4,690. But when we turn to the Defence department we find figures which, I think, will startle honorable members and many people outside of this House. The expenditure in that department in 1895-96 was £522,448 ; in 1901 it had reached £811,010, and at the date of transfer it was £895,434. Our proposals contemplate an expenditure of £884,429.

Mr Watson

- Is that independent of the cost of the contingents %

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Sir GEORGE TURNER

- We have nothing to do with the contingents. We did not take them into consideration at all. We are, therefore, proposing a decrease in the expenditure of the Defence department of £11,005. The cost of the new offices amounts to £8,975. The increased cost incurred by the States, prior to the transfer of the department to the Commonwealth, amounted to £372,986. It may seem that a large increase is involved in the amount set down in our proposal as compared with the expenditure for 1901, but there are certain facts which explain that, and which I will place before honorable members in a minute or two. These great increases in the expenditure in connexion with the Defence department took place within the last couple of years. I find that in New South Wales the increase was £90,000, in Victoria it was £120,000, in Queensland £90,000, in South Australia £36,000, in Western Australia £15,000, and in Tasmania £20,000.

Mr V L SOLOMON

- Was not that occasioned to some extent by the contingents?

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Sir GEORGE TURNER

- No ; in this comparison I have left out all consideration of the contingents absolutely, and I simply compare the like figures with the like figures. I may mention in regard to these particular figures that I have been trying for months to get possession of a return showing each year's increased expenditure. Up to the present, however, I have not been able to get one which is satisfactory, but I am determined to do so in order that honorable members may have the fullest opportunity of checking these quotations. Whilst, therefore, we have not made any very large savings in the Defence department, I think honorable members will admit that we have stopped the heavy expenditure which has been going on for some time. There are one or two very peculiar items of expenditure. The total number of rounds fired came to some 13,000,000, out of which Victoria had 7,300,000, leaving 5,700,000 for the rest of the States. This year we are providing £91,740 for ammunition. Last year the amount expended was £71,589, but the Minister for Defence fortunately ascertained where a considerable quantity of good ammunition could be obtained at a large discount, and that meant a saving to us of £16,550; otherwise the increase on last year would have been £36,701. The quality of this ammunition is quite as good, and the bargain is really a very advantageous one for the Commonwealth. The great expenditure in Victoria has been in connexion with rifle clubs. In 1899-1900 there was expended in that State £1,072, and in 1900-1901 £22,868, and this year we have to provide £35,638. Honorable members will, therefore, see that the expense in this particular department has gone up by leaps and bounds. While I freely admit that we ought to see that our armaments are of the best, and that our men have a fair amount of training and drilling, still I think the time has come when we have to seriously consider whether the Commonwealth can bear the great strain which has been put on us with regard to expenditure in the Defence department. I know that when I had to administer the Defence department in Victoria, I frequently received memoranda from the military authorities insisting on certain expenditure ; but we were in the position that we simply had not the money. If I had given way to the demands which were made by the military authorities, the new estimate would have been very much larger than that we have thought fit to propose to the House. The defence expenditure in Victoria is principally on rifle clubs, which have gone ahead a great deal during the last

year or two. These clubs may or may not continue. They no doubt deserve encouragement, but, at the same time, we must take the whole circumstances of the department into consideration, and see whether savings cannot be made in some other direction, which will make up, or assist to make up, this very heavy extra expenditure. Of course, we can reduce the establishment and the number of our forces. We can have less drills, which will mean less pay ; and we can supply less ammunition free, or at a cheap rate, or we can do something else. We can make very large savings in the item of allowances which are paid to the various military officers. I have had a return prepared - these allowances appear to be so numerous and so large, that in several departments, especially that of defence, I have been almost afraid to add them up to ascertain how much they come to. They have not been added up yet-I have not had sufficient time - but I have no doubt from my past experience of the Defence department that enormous allowances are made, and that a great saving can be made in cutting down some of them. If we were to follow out the report lately placed before us, instead of cutting down, we should have to very largely increase the expenditure. So that honorable members will see that we have not been extravagant in our expenditure upon the transferred departments. In the Customs department we propose to spend £376 more, but honorable members must recollect that in regard to this department there will, in consequence of the new Tariff, be a great deal more work to do than has been done. On the New South Wales Estimates a sum of £10,000 was provided "for additional assistance ; but, on talking over the matter with my colleague, the Minister of Customs, having had some experience in that particular department myself, I was able to show him where we could dispense with that item altogether by transferring a number of officers from Melbourne and other places to Sydney. That has consequently been done, with the result that that particular item of .£10,000 has been omitted from the Estimates. Then also in the Defence department we have made a saving of £11,005, whilst in the Post-office we have provided for an increased expenditure of £10,484. Any honorable member who realizes how this department is increasing, and the large amounts that have necessarily to be spent, will see that the Post-office is a department in which we cannot very well cut down the expenditure too low. On the whole we have made a reduction of £145 on the total amount of votes for the three departments, as compared with the expenditure at the time of transfer. In addition to that we have had to provide £3,150 for new expenditure on account of the Customs. That is accounted for by the establishment of the Minister's office. We have also had to provide £9,475 in respect of new expenditure in the Defence department, and £4,690 in connexion with the Post-office. It seems to me that shortly before the transfer of these departments to the Commonwealth the States showed a great anxiety to act liberally in many directions - "Victoria not being behindhand > so that when we come to compare the expenditure which we propose with the actual expenditure of last year, there are just a few circumstances which I have to ask honorable members to bear in mind. In some of the States there has been a very large increase in the number of the forces. But some of the States forgot to make any provision for the payment of the extra forces, or for their equipment. In some cases volunteers have been turned into partially-paid corps. The reclassification of the public service in Victoria and New South Wales also means an enormous extra expenditure. I am told that in New South Wales it comes to no less than £40,000. The amount for Victoria I have not been able to ascertain, but I think we may safely calculate it at something like £20,000.

Mr Watson

- Is that all on account of the Defence department ?

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Sir GEORGE TURNER

- No ; it mostly concerns the Post-office. There would not be a great increase in respect of extra payments to the men. The increases of which I speak relate to the whole service. Increases have been made in other States in other directions. We find that fresh arrangements for new services were entered into just before the transfer of the departments. New arrangements have also been made, by means of which payments to the Railways were considerably increased. In Victoria we were doubly hit. We suffered a loss of revenue in consequence of the establishment of penny postage, and at the same time we have to put on extra men to carry out the work. Further expenditure was incurred in that particular department in other directions. With regard to the defence forces the equipment had run very low, and our ammunition supplies were really in a dangerous position. The result has been that we have had to order several million rounds of ammunition this year for the purpose of having a reasonable reserve. We have not gone

to the full length that we should have gone, but we hope to have a sufficient reserve this year, and next year we hope to be able to increase it so that we may have in store the full amount of ammunition recommended. Some of the States have made increases in other directions just prior to the commencement of the Federation, and held back works and maintenance, apparently thinking that the Commonwealth had some means of dealing with these amounts without affecting the States. Some of this extra expenditure was not provided for last year, and some of it was provided for only six months. The result is that this year we have a burden imposed upon the Commonwealth which makes a considerable difference in the amount of our expenditure. But, of course, honorable members will realize that in connexion with the Post-office we have to make provision for increased expenditure in connexion with improvements and extensions of the ' telegraph and telephone systems, and that we have also to provide for central offices for the new departments. Comparing the expenditure which we propose with the actual expenditure last year - which I have pointed out is hardly fair - and taking the extreme case, I find that in 1900-1 £250,539 was expended in connexion with the Customs. That sum we have increased to £253,010. In the Defence department the actual expenditure last year was £782,968, and we have increased it to £850,075. In connexion with the Post-office, the amount of £2,264,187 has been increased to £2,301,623. In the Customs, then, we have an increase of £2,471 ; in the Defence Department, £67,107 ; and in the Post-office, £37,436 ; or a total increase of £107,014. That is to say, we are asking Parliament to allow us to expend this year £107,014 more than was actually spent last year. Honorable members will naturally desire some justification of that apparently large increase.

Mr Knox

- In connexion with the three departments!

Sir GEORGE TURNER

- The total expenditure in connexion with the three transferred departments over the whole Commonwealth is £107,014 more than the actual expenditure of last year. Of that amount £28,281 represents increments which the officers are entitled to by law or the practice of the various States. Then the additional staff put on in the Post-office and otherwise accounts for probably £8,000 or £10,000. The absence of the troops makes a very large difference - a difference of £30,000 - which we have to find this year, and which had not to be spent last year. Then the increase in the forces in the different States, allowing only for six months, represents an extra expenditure of £20,000. The ammunition, as I pointed out, also represents £20,000 extra. Reclassification, allowing only for six months, and allowing that six months was provided for last year, and in some cases it was not, accounts for probably £30,000. Then other items, where we have made arrangements with the railways of the different States, account for at least £10,000. So that against the £107,014 increase we are asking for, we can account for £148,000 and there are other increases, which had not to be provided for last year..

Mr Macdonald-Paterson

- What have we to do with the railways ?

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Sir GEORGE TURNER

- I was referring to the amount paid by the Post-office to the different State railways for the carriage of mails. Honorable members have the Estimates, and I can assure them that I have given every detail I possibly could with regard to all expenditure. There are only a few items with which I will trouble the House. In connexion with the department of Home Affairs, we have provided for the Interstate Commission and the Public Service Commissioner for six months. We have established a Public Works department on a very moderate scale. The amount of expenditure for which we are asking in connexion with that department for the six months is £4,066. We must, of course, have some professional head of the department, and we must have certain inspectors under him. But we hope, at all events for some considerable time, to be able to work in harmony with the different States, and, as most of the work coming under the direction of the department will be connected with repairs, maintenance, and new buildings in the different States, we think there will be a saving to the Commonwealth by getting the States to do the supervision for us, as we believe they will be willing to do in most instances. We shall pay them out of Commonwealth funds the sum of £5,000 a year for that particular work. If we attempted to establish the branch fully manned, it would cost very much more than that. It may happen in time that we shall have to do it ; but I think that at the start, wherever possible, we should use the officers of the

various State departments. If honorable members turn to page 20 of the Estimates, they will find that we have set out there all the moneys that are to be expended upon works and buildings, rent, repairs and maintenance, fittings and furniture, and electric lighting. The whole of that expenditure, which amounts to a very large sum, has been brought under the Department of Home Affairs. I regret to say that in connexion with these particular items, I am not able to give a comparison with the amounts expended last year. The details are so mixed up in the various departments of the several States, that I have not been able yet to obtain any reliable information. The proposal is for an expenditure of £84,173 in connexion with maintenance, &c, and I have had to assume that that a mount was expended last year. On the whole, however, I believe that the expenditure amounted to a larger sum. In order that honorable members may have the fullest possible information, we have set out at page 3 of the Budget papers the details of the particular works included in this sum. I am not going to attempt to take honorable members through these details, but I am certain they will find that the information set out at the page I have indicated will be very useful to them when dealing with this particular vote. It will give them particulars which they are entitled to obtain, and I think it will prevent very often the necessity for explanations by the Minister. Then there are one or two other items relating to this department to which I must direct the attention of honorable members. We provide £3,000 for expenses to be incurred in choosing a site for the Federal Capital ; and we provide also a sum of £10,000- £7,000 of which will be paid to the various Railway Commissioners - for the purpose of covering the travelling expenses of honorable members in attending Parliament and returning to their respective homes. A pass is given also to an honorable member's wife should she desire to make the direct journey. Except for the direct journey from an honorable member's residence to Melbourne or back a pass is not given to his wife. We have to take over a number of properties, and we have provided £2,000 towards the cost of making the requisite valuations. There is another sum of £500 which has been provided, subject to the approval of honorable members, for the purpose of erecting a memorial at Corowa in commemoration of the establishment of the first Federal league.

Sir Malcolm McEacharn

- The honorable gentleman might as well strike that out at once.

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Sir GEORGE TURNER

- We have also had to provide for certain slight increases in other departments. We have had to provide for the Audit-office, and for the officers necessary in connexion with the High Court if it be established during this year. I have cut my own department down as finely as possible. I have a very small staff who have been working night and day for the last four weeks. After the 1st of January we shall have thrown on us the work which is now performed by the States, and it will be necessary then to make some slight increase in the number of the officers employed. We have £89,381 in our Trust Funds, and I think it will be the desire of the committee that these moneys should be absolutely safeguarded, and should not be expended for any but the Trust purposes. There will be very little temptation to the Treasurer in the Commonwealth to do otherwise because, as a rule, he will always have sufficient money with which to deal. So much as to what we propose to expend during the year. Perhaps the more important question, or as important a question, is how much money we are to raise, and how we propose to raise it. I do not intend to deal, with the details of the Tariff or the justification of it. That task will be undertaken by the Minister in charge of the department. But it is my duty to point out how our estimate of revenue has been arrived at, and how it affects the various States. We have based our comparisons on the figures for 1899, not for 1900, and for this reason - that we had all the statistics prepared with regard to the former, and it would have been impossible to get them for the latter. But we had a stronger and a better reason for our action. We found this extraordinary state of affairs, that whereas the imports oversea in 1899 came to £34,000,000, in 1900 they came to £41,000,000, being an increase of £7,000,000. Honorable members know that that could not be a normal increase ; it would be absolutely impossible. Therefore any attempt to base our estimated receipts on the figures for 1900 would be absurd. The figures for that year were abnormal in many respects. A million and a half's worth of goods extra was imported into Western Australia, although the returns in 1899 were comparatively low. The real reason for this great expansion was the fact that the prices of export goods in Great Britain had largely increased. They increased in 1900 to an extent of 14£ per cent. We do not take the full amount, but we take 10 per cent, as a fair amount to

charge against 1900 as the increase in value, especially, as with ad valorem duties, you may get a largely increased revenue and not have any increase in your imports. The prices, as shown by the Economist, have gone back to those for 1899. Moreover, the process of stocking up had commenced in 1900, although, perhaps, not to such a large extent as it was carried on for a few months after the 1st January. There is no doubt that a considerable quantity of goods was imported in the expectation that the Government might by some means or other bring in a Tariff immediately after the 1st of January. The total imports for 1899 amounted to £63,570,000, and of that Inter-State trade represented £29,500,000, leaving £34,000,000 of foreign trade. Those figures have been very carefully checked, and I think are reliable. We find that in 1900 there was an importation of £69,000,000, and that the Inter-State trade amounted to £28,000,000, leaving the foreign imports at £41,000,000. We take £4,000,000 from that amount to allow for the inflation of values, and £2,500,000 for the "loading up" which has occurred. I think that both amounts are fair and reasonable to deduct. We therefore expect that in a normal year our imports from overseas would amount to £34,500,000. We estimate that the effect of the Tariff will be to reduce our imports by about £5,000,000, there being a decrease of manufactured articles and an increase of raw material, and therefore we expect the taxable overseas imports to amount to about £29,500,000. We propose to leave free gold and specie, for which we allow £1,000,000, and Government goods, for which we also allow £1,000,000, while on the free list there will be other goods amounting to £6,500,000, further reducing the taxable amount to £21,000,000. From all the information we can gain we consider that that is about the amount upon which we shall be able to levy taxes in a normal year. I do not say that this year will be a normal year, but probably next year or the year following the taxable amount will come to about the sum I have mentioned. While we make our calculations upon the figures for 1899 we realize that we must give back to the States as much as they got in 1900 on their larger imports for that year, because they are expecting it, and many of them have increased their expenditure upon that expectation. Honorable members can realize that that fact has made our task far and away more difficult than it would have been if we had had to provide only for the amount received in 1899. To show the difficulty of framing the financial part of the Tariff, I would ask honorable members to turn to page 8a of the papers which have been distributed, where they will find that to frame a Tariff which would suit New South Wales and give her all she requires, would mean duties returning £4,973,615, while South Australia would require a Tariff producing £6,642,567; Victoria one producing £7,349,712; Tasmania, £10,684,623; Queensland, £11,846,227; and Western Australia £19,499,881. Of course, any attempt to raise a sufficient amount to suffice the last three States would be absolutely futile, and, therefore, we have not endeavoured to provide so large a sum. Another difficulty is created, as honorable members will see by referring to page 9 of the same papers, by the variation of the customs and excise percentage of the various States to their total sources of revenue. The percentages are based on the figures for the year 1899-00. In New South Wales the percentage was 17-40, in Victoria 30-43, in Queensland 34-90, in South Australia 22-54, in Tasmania 47-47, and in Western Australia 32-47, the average being 26-59. Honorable members are entitled to know how we have arrived at the figures which I propose to quote in a minute. We have dealt with the matter on the basis of the figures for a normal year. Every line in the Tariff has been based on the expected imports, and the amount of duty that would be derived therefrom. There has been no guess-work. The officers have gone through every detail, and have ascertained so far as it is possible to estimate what would be received from each particular item. I am going to deal first with a normal year, and then I shall deal with this particular year, in order to show the State Treasurers what they may expect to get back. Here again we have been faced with a great difficulty with regard to statistics. Rarely could we trace a line of the ad valorem through all the different States. Items would be mixed up in other items, and it has been a work of great labour to attempt to pick them out. There has been no uniformity in the statistics of the States, and the sooner we have a statistical branch of our own, and uniform statistics the better it will be for us, and the easier for us to know exactly what the States are severally producing. We read all manner of reports as to what is done in one State and in another State, but, as they are based on different foundations, they are not in any shape or form reliable. We have taken into consideration how the revenue is likely to be affected by the increase or reduction of rates of duty, by the increase or reduction in the consumption of home-made goods instead of imported goods, by the importation of raw materials in place of manufactured articles, and by the displacing of the imported article by the locally manufactured article. As to goods upon which excise

duties are imposed - spirits, beer, and colonial wines - we hope that the local product will, to a great extent, take the place of goods that are now imported. With regard to wine, I think that we one and all sincerely hope that the local article will be consumed to an extent which will reduce the consumption of ardent spirits. From a Treasurer's point of view do not like it ; but in the interests of the Commonwealth I think' it will be better for us to consume our own colonial wines, which we can get pure, than to consume imported wines or spirits. We know, too, that there will be great Inter-State competition between various manufacturers, and that is shown by what is now going on in the various States. I have no doubt that the manufacturers in the various States will fight each other, and endeavour to do the largest amount of business they can. We have taken into consideration the past experience of the States with regard to production and manufacture, and also with regard to importations. We have also dealt with the consuming power of each State, although that must not be taken as a guide to any great extent. It is not the wealth of a State or its consuming power that means revenue from the Customs : it is the necessity it is under to import dutiable goods. That fact we have also taken into consideration. We believe also that by the larger amount of manufacture which will take place here, a greater amount of employment will be given to our people, who will therefore have more money to spend within our boundaries, and that money will be spent to a large extent upon goods made dutiable for revenue purposes. We must also not forget that the climate, the age and sex of the people have a great bearing upon this calculation, and we have also to allow for the natural increase in our population, though we cannot in any way provide for sudden changes of population from one State to another. We consider that under our Tariff proposals Western Australia, with the power she has to impose additional taxation, will be amply provided for, but we have not been able to deal fully with Tasmania and Queensland, although in order to help those States we have on many of our purely revenue items put a heavier burden than we should otherwise have felt inclined to impose. We felt inclined to give as much revenue to those States as we could. New South Wales is a State deeply interested , because she will have a very large increase in her revenue, and let us all hope ' and trust that she will be able to put it to a very good use. If we had to deal only with the aggregate, there would not be much difficulty ; but we have to deal, not only with the aggregate amount, but also to provide an amount which will enable as many of the States as possible to be kept in a perfectly solvent condition. Honorable members who have had anything to do with State Budgets will know how difficult it is for a Treasurer to calculate in a State where he knows pretty well all about the customs transactions, about the amount that will be received from certain duties. I want here to ask honorable members not to be led away by calculations which have been made from time to time, by various Government statisticians, by taking a certain number of items such as spirits, wine, and beer, and concluding that because certain quantities of these commodities were consumed, the same proportionate quantity would be consumed under a uniform Tariff, and basing their calculations of the total revenue upon those particular lines. As a matter of fact the consumption of these particular items varies in the States a good deal, because there are varying rates of duty. Take Western Australia for instance, which has sugar absolutely free of duty, and Queensland. No doubt both these States consume more than the others, but the statistical tables, so far as I. have been able to investigate them, are absolutely unreliable. I would not be guided by them, but I insisted on every article being worked out. Still, if you get half-a-dozen men to work out these tables, they will bring out half-a-dozen different results. Take the case of Queensland, for instance. I believe they arrived at the sugar consuming power of Queensland by taking the amount supposed to be produced and the amount exported, and assuming that the whole of the balance was consumed. That brought out a result of 129 lbs. per head consumed in Queensland, as against about 90 lbs. per head consumed in Victoria. That, I think, is absolutely and utterly impossible, and I, therefore, place no reliance upon these calculations. Another great difficulty that was presented to us was the necessity of levelling up New South Wales. If New South Wales had had duties imposed, and yielding her a higher revenue, there would have been very little difficulty in making the tariffs of the various States agree, but in the first instance we had to provide a large sum for the purpose of giving New South Wales the proportion of revenue she would be entitled to get under a uniform Tariff. As honorable members are aware, for the first five years of the Commonwealth, the money collected from Excise and Customs is to be credited to the States in which the goods are consumed, and therefore New South Wales would, under any Tariff we could possibly prepare, receive a very large increase. Then again we are confronted with the question of the intercolonial duties. That is a very difficult subject to work out, but the figures have been supplied to me

for the year 1899. From these I find New South Wales collected from intercolonial duties £141,061, Victoria £358,659, Queensland £144,009, South Australia £89,679, Tasmania £76,529, and Western Australia £2,56,060, making a total of, say, £1,066,297. The total amount derived from goods imported from abroad was £5,456,035, the gross revenue received in that year being £6,522,332. Now honorable members will realize that the loss of these intercolonial duties increases our difficulty in raising the necessary amount of money. The whole of our revenue from Customs has to be raised now from a far more restricted source than in the past, and that of course has given us great difficulty, because in addition to the loss of the intercolonial duties we know full well that a considerable loss will take place in consequence of the consumption of home-made goods instead of those imported, as in the past. Now, we regard the position in connexion with the Inter-State duties in this way : that the amount of money they represent is saved to the people. In connexion with oversea imports, the question always arises as to who pays - whether it is the consumer or the manufacturer who has to pay. That is always a moot point, and I have my own views in regard to it, but with respect to Inter-State duties there can be no question whatever, but that the Australians pay because they are both exporters and importers. Now they will have the money represented by the Inter-State duties in their pockets, and they are so much the better off ; but it is a very difficult thing to get at it. We talked a lot about federation and the benefits that would accrue from it, but have the sacrifices that the people would have to make been sufficiently considered?

Honorable Members. - Hear, hear.

Sir GEORGE TURNER

- When we do away with the Inter-State duties we leave ourselves £1,000,000 short and we can only raise that sum from oversea imports.

If on some of the items - not the protective items, but the revenue items only - the people of the Commonwealth find that they have to pay a little more than they did before, they must recollect that they have to set off against this the £1,000,000 which they are actually saving. That is one of the reasons why in some of the revenue producing items we have - contrary to what we would have liked to do - had to make some increases in the amounts. I find that the total customs and excise revenue for 1899 was £7,437,596, while in 1900 the revenue was £7,762,653, a considerable increase. In 1900-1 the revenue rose to £8,152,623 - that showed that there was a large stocking of goods - while for the six months ending 30th June, 1901, we find that the customs and excise revenue amounted to £4,151,628. These figures are altogether abnormal, and we must not be guided either by the receipts of 1900, or by the figures for the first half of the present financial year. Our merchants are undoubtedly going to do a little gambling. What honorable members will be anxious to know is what amount of revenue we are expecting to derive. In a normal year we hope to get from Customs £7,388,056, and from excise £1,554,345, making a total of £8,942,401.

Mr Watson

- That is for the full year?

Sir GEORGE TURNER

- That is for a normal year. If honorable members will turn to page 10 of the printed figures, they will find that in New South Wales the estimated Customs revenue is £2,679,917, whilst the receipts from excise are expected to amount to £549,531, making a total of £3,229,448. I have endeavoured to give in one of the schedules figures which will enable honorable members to check the statements we put forward. That will be an average of £2 7s. 9d. per head of the population, and the percentage will be 36.11, whereas in 1900 the amount per head was £1 6s. 11d., and the percentage 23.01. In 1899, the collections were £1,667,704, and in 1900, £1,785,781, so that we expect an increase in a normal year of £1,443,667. Of course the years 1889 and 1900 included the Inter-State duties, whereas our estimate does not.

Mr Reid

- Is the honorable gentleman taking a normal year?

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Sir GEORGE TURNER

- My calculation is on the basis of a normal year. The Victorian Customs are estimated to bring in £2,112,819, and £500,547 is expected from excise, making a total of £2,613,366, against £2,245,389 in 1889 and £2,342,485 in 1900, both years including the InterState trade. The contribution per head for Victoria will be £2 3s. 6¼d., and towards the whole of the Customs and Excise Revenue that State will

contribute in the proportion of 29-22, as against £1 19s. 10d. in 1900, with a proportional contribution of 30-18, an increase of £270,881. The Customs revenue in Queensland will realize £1,134,383 and excise £219,664, or a total of £1,354,047, against £1,563,972 in 1899 and £1,561,486 in 1900. The estimated contribution is at the rate of £2 14s. 6d. per head, as compared with £3 4s. 2d. formerly, and the proportionate contribution is 15'14 of the total as compared with 20-11 formerly. There will be a loss to that State of £207,439. In South Australia we expect to get from Customs £569,223, and from excise £114,870, making a total of £684,093 against £641,181 in 1899, and £639,004 in 1900. That will be equivalent to £1 17s. 8d. per head, as against £1 16s. formerly, and the proportionate contribution is 7-65 against 8-23 previously. In Tasmania the estimated revenue from Customs is £295,433, and from Excise £58,006, or a total of £353,439 as against £447,036 and £489,151 in the previous years. This represents £2 1s. per head as against £2 17s. 6d., or 3'96 of the total as, against 6'30. In South Australia the gain is £45,089, and in Tasmania the loss is £135,712. We hope that in Western Australia the Customs will produce £596,281, and that Excise will yield £111,727, or a total of £708,008 as against £872,314 in 1899, and £944,746 in 1900, a loss of £236,738. This represents £3 17s. 7d. per head as against £5 7s. 7d. in 1900, and 7-92 of the total as against 12-17 of the total for the same year. Under our Tariff proposals the contribution per head throughout the whole of the Commonwealth in a normal year will be £2 7s. 6d., as against a present average per head of £2 8s. 5d., which latter rate would bring us in £9,126,541. Under those proposals New South Wales - and on page 10 of the Budget figures I have given the amounts which each State will gain or lose - will gain £1,443,667 ; Victoria, £270,881 ; South Australia, £45,089 ; whilst Queensland will lose £207,439 ; Tasmania £135,712 ; and Western Australia £236,738, as against the revenue of 1900. The gains therefore represent £1,759,637, and the losses £579,889, thus leaving an increase of £1,179,748 on the receipts of 1900. But apart from these amounts, New South Wales has to pay £106,530, for her share of the new expenditure ; Victoria, £94,420 ; South Australia, £28,620 ; Queensland, £39,170 ; Tasmania, £13,549 ; and Western Australia, £14,400.

Mr Wilks

- Are these estimates based on the last census figures 1

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Sir GEORGE TURNER

- They are based on the present census figures. I may mention, in regard to that matter, however, that up to the present ' time I have been unable to get the States to agree as to the correctness of these figures. A question as to 10,000 is still in dispute. We propose to raise from Customs £7,388,056 as against £6,824,825 in 1900 or an increase of £563,231. From Excise we expect to receive £1,554,345 as against £937,828, or an increase of £616,517. The figures for 1899-00 include the Interstate revenue to the extent of £1,000,000, and that fact must, of course, be taken into consideration when honorable members are checking these calculations. The details I propose do not include certain items which we collect and hand over to the States for various services performed, amounting in 1900 to £211,161, but honorable members will find the details of those items in one of the papers which I have circulated. For the information of the States, and in order that they may ascertain approximately what they will receive during this financial year, we have been to considerable trouble. We have ascertained exactly what was the revenue for the last three months, and it was a large increase and we have worked out as far as we can a calculation of what amount would be received during the remaining nine months. I shall not ask honorable members to go through the whole of these details in regard to our calculations. We have given them on page 40 and the following pages of the Budget papers, a reference to which will show exactly how we have arrived at our figures, so that honorable members will have the fullest opportunity of checking, them. We have taken the estimated revenue for a normal year, and we have taken into account what we know to be the actual revenue. We take into consideration the duty on the accumulated stocks, and also the fact that less duty will be received on some foreign imports. In Victoria, on the other hand, there are large quantities of goods which have not been taken out of bond, the importers evidently believing that there would be a reduction in the amount of some of the duties. Honorable members at their leisure will find these figures very interesting, and I shall be glad if those with financial knowledge will assist in checking these calculations. With this end in view, I have given the fullest detail, so that honorable members may see exactly the basis on which we have worked. On page 11 will be found what we expect to collect in

each of the States for this financial year. I have already dealt with the normal year, and I now want to show what we believe will be received during this particular year. Of course honorable members will realize that it is only a calculation, but it is made on the best material obtainable for the purpose, with a view to showing what we honestly think the various States will receive. In New South Wales we expect that £2,360,000 will be received from customs and excise, £868,000 from the Post and Telegraph department, and £5,000 from the Defence department, making a total of £3,233,000. The expenditure on the transferred services is estimated at £1,203,979, and the other expenditure is put down at £106,530, leaving a net amount to be paid over to that State of £1,922,491.

Mr Reid

- That is the new federal expenditure.

Sir GEORGE TURNER

- Yes, I will give the details of it in a minute or two. This calculation is for the whole of the financial year 1901-2, and is made up of what we know to be the revenue received during the three months, and of what we estimate it will be during the remaining nine months. We allow for the stocking-up, and for the reduction that will take place in the imports. In Victoria we expect to receive from customs £2,410,000, from the Posts and Telegraphs, £545,000, and from Defence £7,000, making a total of £2,962,000. We shall have to pay for the transferred services £965,277, and for other expenditure £94,420, or a total of £1,059,697, leaving an amount to be returned to that State of £1,902,303. In Queensland we believe we shall collect from customs and excise £1,404,000; from the Post and Telegraph department, £316,000; or a total of £1,720,000. We shall have to pay for transferred expenditure £719,692, and for other expenditure £39,170, or a total of £758,862, leaving an amount of £961,138 to be returned to that State.

Mr BRUCE SMITH

- How does the Treasurer get credits for Defence t

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Sir GEORGE TURNER

- From various articles which we sell. For example, we receive half-price for ammunition supplied. Then, again, we may sell some rifles. In South Australia we expect the customs and excise duties to yield £665,000. From the Post and Telegraph department we estimate the receipts at £271,000, and those from Defence at £1,000, making a total of £937,000. Against this amount we expect to expend on transferred services £337,856, and on other services, £28,620; leaving a return to that State of £570,524. In Western Australia we anticipate that we shall collect £800,000 from customs and excise, and £215,400 from Posts and Telegraphs, or a total of £1,015,400. On transferred services we shall expend £344,042, and on other services £14,400, returning to that State £656,958. In Tasmania, we anticipate that customs and excise will produce £370,000, and that the Post and Telegraph department will yield £102,350, making a total of £472,350. Against that amount we expend on the transferred services, £156,571, and other expenditure will absorb £13,549, leaving a balance to be returned to that State of £302,230. On the whole, we expect to collect from customs and excise in this financial year £8,009,000, as against £8,942,000 for a normal year. We expect to collect from the Post-office £2,317,750, and from defence £13,000, or a total of £10,339,750. Against that, we expend £3,727,417 on transferred services, and the "other" expenditure, £296,689, both of which include a considerable amount of arrears from the last financial year. We return to the States £6,315,644. The expenditure on each department is as under: - The Governor-General, £20,030; Parliament, £115,714; ' External Affairs, £8, 117 : Attorney-General, £6,200; Home Affairs, £30,280; Treasury, £9,935; Customs, 262/J13; Defence, £906,475; and £18,860 for 1 :JV works; Post-office, £2,347,463, and £35,120 for new buildings; pensions, £6,100, which would have had to be paid by the States and is transferred expenditure; interest, £7,500; and sinking fund, £2,500, making a total of £3,777,207 as the expenditure provided out of revenue for this financial year, and to this amount has to be added £246,899 for the arrears up to 30th June, 1901- making a total of £4,024,106 to be paid this financial year. A balance-sheet may be shown as follows for this year: - And these amounts must of course be added to the above sums to show the total receipts in connexion with Customs and Excise. The Tariff may possibly yield a larger sum than I have anticipated, and if this be so and the States do not absolutely require the money, I shall be glad to assist in reducing the rates charged on some of the revenue-producing articles which are consumed as necessities by the masses of our people. Honorable members at their leisure can study the pages I have mentioned, which give details

showing how we arrive at this particular amount of expenditure. Now we see that New South Wales, Victoria, and South Australia are practically safeguarded. With regard to Tasmania and Queensland, no practical Tariff ; could safeguard these two. States, and we shall have to deal with them exceptionally. Western Australia is protected by the power to impose duties. When I was speaking at St. Kilda, about three years ago on the Constitution Bill, I said it would be far better if the larger States were to make up the loss to Tasmania - at that time I do not think Queensland was concerned - out of the revenue which would otherwise go back, instead of attempting to impose an impossible Tariff. A provision appears in the Constitution under which we can render temporary assistance to any particular State. If these States had been left alone and not interfered with, they could have altered their Tariffs as necessary to suit their requirements. They gave up their power, relying on the justice of Parliament to see that they were not placed in a difficult position ; and I say that we, if these States ask us to do so, are in honour bound to do everything we possibly can to assist them to tide over difficulties in the early years of federation.

Mr Watson

- After they have exhausted their powers of taxation.

Sir GEORGE TURNER

- My own opinion is that these States will struggle on, and not ask for any assistance. In Queensland they have a reserve of taxation, and they are already making inquiries with a view of putting that into force ; but, unfortunately, in little Tasmania they have exhausted nearly every power they have of direct taxation. For several years they have been favoured with surpluses, but unfortunately these appear to have ceased. Whatever taxes they levy will, so far as my information leads me, give them really a very small amount to help them to make up the considerable loss they will suffer. It has been suggested that we should take over a certain amount of the debts, in proportion to population, by which they would benefit.

Mr BRUCE SMITH

- Is it proposed to. reduce the taxation?

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Sir GEORGE TURNER

- They will collect a less amount ; they get back only exactly what they collect. Of course, if the return were on a population basis they would be in a far better position. 'The only other plan I know of is that, if these States ask us, we should advance them a certain amount of money during the first three, four, or five years, and allow them to repay that to the Commonwealth over extended periods without any interest. By that means, without any -large demand ' upon any of the States, we could help them to tide over the difficulty. We must realize that it is not their fault, but their misfortune, that they are placed in this awkward position, and whatever we do for them ought to be done, not as a charitable dole, but as giving them a reward for the manner in which they have all through loyally fought for and carried out the federal movement. If they suffer through that movement, and if they want assistance, I have no hesitation in saying that, so far as I am concerned, I shall be only too pleased to help them to devise some scheme by which we can give them that assistance in the first few years. I have shown honorable members how we expect to derive our Customs revenue, and if they turn to page 36 of the Budget papers, they will see that we estimate to receive from the Post-office in New South Wales, £868,000 ; in Victoria, £545,000 ; Queensland, £316,000 ; South Australia, £271,000 ; Western Australia, £215,400; and in Tasmania, £102,350. In order that there may be no misapprehension, I have put a note to the Tasmanian figures, showing that they include " Tattersalls " receipts for the full year, which possibly may not be collected. The Post-offices, according to the statements of receipts and expenditure, show a loss of about £60,000 ; but I am not satisfied with the estimate, and I hope before long to see a proper balance sheet. Now that we have control of all the Post-offices, I hope to see them put on a proper footing; instead of having innumerable branches in one State, and a few in another, we ought to have uniformity. Now that there is uniformity of work, there ought to be uniformity in other respects. As we have separated postage from fee stamps, we ought to be able to ascertain exactly what are the receipts and expenditure of the Post-office, and I hope at an early date to be able to supply honorable members with the information. I do not know that that can be done for this financial statement, because we must allow a year for the working of this system. Mr. Bruce Smith. - Has the right honorable gentleman estimated any difference in the rates paid?

Sir GEORGE TURNER

- The estimate does not allow for services which are rendered to the States free, amounting to £80,000.

The Savings Bank business transacted by our officers, which ought to be paid for by the States, amounts to £30,000 ; and there is also newspaper postage, £30,000. The estimate does not take into calculation the amount of interest chargeable in connexion with the State buildings. As honorable members will see, while the estimate shows receipts and expenditure, it cannot in any way be looked On as a trading balance sheet of this particular department. I may also mention that so far as Victoria is concerned, her loss in connexion with penny postage is calculated at £58,000 for this financial year.

Mr Watson

- Will the Treasurer say, before he leaves the subject of the Post-office, whether he has calculated interest on capital already expended?

Sir GEORGE TURNER

- I mentioned that I did not take that item into consideration. Of course, it will be a very large amount, but until we know what the value of the property is fixed at, we cannot charge the interest against the particular department.

Mr Reid

- Is there no estimate of it in the honorable gentleman's accounts ?

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Sir GEORGE TURNER

- No, I have not estimated it in my accounts, and I mention the fact that it is not calculated. Another difficulty I have been placed in, is owing to the fact that the States have managed their accounts at the end of the year in an absolutely different manner in each State. In some cases they have allowed payments to be made for three months - in Victoria we allowed two months - and in other States only ten days, and sometimes only two or three days have been allowed. In some cases this expenditure is charged to the preceding financial year, and in other cases to the current year. I do not want, in conducting our Commonwealth accounts, to have to carry forward any arrears if it is at all possible to avoid it. I think we should make a strong effort during each year to pay all our accounts for that year. It may be that instead of paying in July we shall have to pay towards the end of June ; but we can always calculate approximately the amount we have to pay. I feel strongly that no item should be carried forward from one year to another. That practice always puts the Treasurer in the position that, if he is in any difficulty, he is able to carry forward items of expenditure. But I believe each year should stand by itself, and that the people should know what is received and what is paid for that year. In respect of any items that have to be carried forward, the Audit Act provides that information shall be given in detail. It will be remembered that it was late in the financial year before I could get the necessary Supply. The result of that was that a large amount of money which should have been debited to 1900-1 was not paid, and comes up as a debit into this year. In all the comparisons which I have made, I have not taken that amount into consideration, because it would be unreasonable in some cases to compare fourteen months' expenditure with twelve months'. I think that amount of money should be cleared off at once, and that we should not be forced, at the end of this year, to carry forward a similarly large amount. Therefore honorable members will find a set of estimates dealing wholly with money that belongs to the last financial year, and which ought to be debited to that year, because it ought to have- been paid in that year.

Mr Higgins

- Are those the arrears - £26,936 - set forth in a foot-note to page 12 of the Budget papers 1

Sir GEORGE TURNER

- No ; that is only part of the new expenditure. The details of arrears are brought into this balance-sheet because we are paying them this year. Honorable members will find those details set out fully in a portion of the Estimates.

Mr BRUCE SMITH

- Does the right honorable gentleman propose that votes shall lapse if unexpended at the end of the financial year 1

Sir GEORGE TURNER

- Under the Audit Act, all the votes lapse on the 30th June. We --have to -close down sharply on that date. That obligation has placed us in a difficulty in having to settle up within the last few days of June. We had within a very short period to make payments to mail contractors, to the Railway departments for the carriage of mails, to the militia, and for other services ; and if the payments were not made the votes

had to lapse. The total amount of arrears comes to £246,899. Of course it has already been paid and debited to my present Supply. I propose to debit the amount to this year, so that next year we shall be able to submit to Parliament a perfectly clear balance-sheet. There is a section in our Constitution Act providing that the Commonwealth must not use more than one-fourth of the net Customs revenue. The net amount that

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one-fourth would come to is £1,937,408. The expenditure to be deducted from that, including the new expenditure and the arrears - including everything, in fact - comes to £1,423,988. So that honorable members will see that we have nothing to fear this year. We are over £500,000 to the good.

Mr BRUCE SMITH

- That is to say, if the duties are passed, the Treasurer will have a surplus of £500,000?

Sir GEORGE TURNER

- Yes ; and we shall give the States half-a-million of money more than if we ran up to the full quarter. It is very difficult to arrive at the meaning' of the words, "Net revenue of the Commonwealth from duties of customs and of excise." On the advice of the Attorney-General, after giving the matter careful consideration, we have taken it that those words mean allowing for drawbacks, and also allowing for the Customs expenditure. What we think the words mean is this : That we must give back to the States at least three-fourths of what the States would themselves have received from customs and excise after drawbacks and rebates had been paid, and after providing for their own expenses of collection. We have made our calculations upon that basis, as being the proper one upon which to act.

Mr McCay

- Is that the interpretation most favorable to the States ?

Sir GEORGE TURNER

- No ; that interpretation will be more favorable to the Commonwealth.

Mr Higgins

- The Treasurer has not allowed for interest on the Customs buildings 1

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Sir GEORGE TURNER

- I have not taken the question of interest into consideration at all, for a reason I will mention presently. Honorable members will find, on page 13 of the Budget papers, that I have set out how we arrive at it. We take our expenditure at £4, 0 2 4, 1 0 6 . Then we- take the expenditure of' the Customs department away from that. We say that our expenditure independently of the Customs department expenditure is £3,754,738. Then we take what we get from the Post-office and from the Defence department away from that, and we say that the amount we have to provide out of customs-, and excise is £1,423,988. Then we take the total revenue from customs and excise, and we deduct from that the expenditure in connexion with customs and excise. We do not take one-fourth of the total customs and excise, because that would not be fair; but we take a fourth of the customs and excise after deducting the cost of collection. That gives us £1,937,408 upon which to work.

Mr Thomson

- The expenditure deducted includes new expenditure, I presume?

Sir GEORGE TURNER

- Yes ; it includes everything. That, we take it, is the fair way of interpreting that particular section of the Act, which it is somewhat difficult to understand. Honorable members will find that throughout the Estimates, and throughout all the comparisons which I have placed before them, I have shown what we believe to be new expenditure, and what we believe to be transferred expenditure, so that the States may see exactly what we propose to debit them with, and the Commonwealth will see exactly what we propose to debit on a population basis. Now I come to another interesting portion of my task. We have not only heard a great outcry with regard to the enormous expenditure which the Commonwealth is going to impose upon the States with regard to transferred services, but we have also heard an enormous outcry with regard to what the Commonwealth Government was going to do in connexion with new expenditure. Large sums of money, going up to £750,000, and even to a million, have been mentioned. It has been almost said that we were going to ruin the whole of the States by the extra expenditure we were going to incur as a Commonwealth. Now, in dealing with these particular items, I want honorable members to look

at page 14 of the Budget papers I have circulated, but in looking at those figures they should bear this fact in mind : There is what I will call "other expenditure," that is, expenditure which has to be borne per capita. But we must realize this fact in fairness - that a portion of that " other expenditure" is expenditure which would have been incurred by the States themselves if there had been no federation at all. A portion of the expenditure is for new buildings. We have placed the sum of £54,480 on the Estimates to pay for new buildings. That item will come up later on. New expenditure must not, I think, in fairness be held to include that amount, which would have had to be paid by the State out of revenue or loan money. If we take the total " other expenditure," it comes to £269,726. From that I deduct £54,480 for new works, and I also deduct £10,305 as a non-recurring item, representing expenditure in connexion with the celebrations at the opening of the Parliament. When those deductions are made, honorable members will see that the whole of the new expenditure occasioned by federation comes to £204,941.

Mr BRUCE SMITH

- Does not the same argument apply to the additional expenditure of the Defence department - that it would have been chargeable to the States if there had been no federation ?

Sir GEORGE TURNER

- The sum of £54,480 includes a certain amount for additional expenditure out of revenue, but not out of loan money, both for the Post-office and Defence. But the total new expenditure for which we can be fairly charged comes to £204,941. The full details are as follow : -

to which has to be added £54,480 for new works, and £10,305 for the Defence celebrations.

An Honorable Member. - Does it include election expenses ?

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Sir GEORGE TURNER

- If the honorable member will allow me, I am coming to that in a moment. Of this expenditure £7,000 is merely a payment to the different State railways, and is therefore no loss to the States ; but still I have taken that to the debit of this particular expenditure. We want to allow for the whole year's expenditure. Some of the items here are for only six months, and some do not come into this year at all ; but we want to see, as nearly as we can, what a full year's new expenditure will amount to, and therefore I have set out in a foot-note several items, including one of £10,000 for the judges if appointed, and £20,000 for one-third of the election expenses, debiting that portion to the year. I do not know that it would not be a good plan to set that aside, because otherwise the whole £60,000 would come upon the States at one moment, and that is a matter for consideration. So that we have to add to the £204,941 a sum of £37,150, and that would amount to £242,091, if we had the full expenditure and allowing for one-third of the election expenses. Honorable members will see that that is considerably below the amount which has from time to time been mentioned. It is even below the £300,000, the estimate arrived at in Adelaide.

Mr Barton

- As the proper expenditure for 1897, four years ago.

Sir GEORGE TURNER

- I do not know how the figures then submitted were arrived at. They were placed on the table by Mr. Holder, a member of the Convention. I have tried to find out how they were arrived at. I wanted to get the basis upon which they were estimated. They were made up by the statisticians, I believe, but I have not been able to discover how they were arrived at.

Mr BRUCE SMITH

- The right honorable gentleman has included nothing for interest on federal buildings, which the finance committee at Sydney put down at £70,000 a year.

Sir GEORGE TURNER

- I am dealing with this year, and with the full year, shall show what I do with interest.

Mr Watson

- That was included in the Adelaide estimate.

Sir GEORGE TURNER

- That was included in the Adelaide estimate, but honorable members will admit that the circumstances were very different from what they are at the present time, especially in regard to the amount of our receipts and expenditure. It left out a large number of items which ought to be included, and included in transferred expenditure several items which we have included as new expenditure. While that was a

rough and ready way of getting at the amount, we must not take it that that would be the amount that would be fixed by people sitting down now and ascertaining exactly what the total expenditure would be. With regard to the point mentioned by the honorable member for Parkes, unless we build largely, which we are not likely to do for a year or two, I think the £300,000 should cover our new expenditure. At all events we should make every effort to keep the amount under that sum.

Mr Higgins

- Does the right honorable gentleman reckon the Inter-State Commission for six months only ?

Sir GEORGE TURNER

- No ; in the total which I gave the committee, I have only calculated for six months. But in the figures which I am now giving I add the other six months, and I am providing for the full twelve months.

Honorable members may be able to suggest other items later on, but I have put in everything I could think of as likely to be included as new expenditure for the year.

Mr Watson

- Has the right honorable gentleman included the statistician ?

Sir GEORGE TURNER

- No ; there is no provision made for the statistician. That would, of course, be Federal expenditure, but it will be some time before we shall be able to get them into operation, and no provision is made on the Estimates for them. I do not think it likely they will get into operation for some time.

Mr BRUCE SMITH

- The right honorable gentleman does not intend this as an estimate for future years, but for the one year only.

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Sir GEORGE TURNER

- I am showing the actual amount for this year, and have added some amounts which I think ought to be included. With regard to new buildings, we have adopted a scheme which I think will meet with the hearty approval of honorable members. In many of the States wooden and iron buildings have in the past been constructed out of loan, and the result has been that by the time the loan falls due the buildings have probably disappeared. We think that so far as these buildings are concerned, they ought to be charged against the revenue of the year. It will be an inducement to the States not to insist upon building here, there, and everywhere, when they know that the total amount to be expended is going to be stopped from the year's revenue. They will be a little more guarded than they would be if they thought it was all going to be paid for out of loan, on which they would be called upon to pay only 1 per cent, to a sinking fund.

Mr BRUCE SMITH

- Assuming that we have the right to do it, which I think we have not.

Sir GEORGE TURNER

- That of course is a question which we shall be glad to argue, but undoubtedly we should charge these buildings to the different States if built out of revenue. Then with regard to larger buildings proposed, and with regard to permanent works, we believe they are fairly chargeable against loan. With regard to expenditure in connexion with defence, we think that that expenditure, with the exception of some very small buildings, is also fairly chargeable against loan. For instance, supposing a fort had to be erected in Queensland or Western Australia for the benefit of the whole of the Commonwealth ; that would involve a large expenditure, and it could hardly be expected that it should be paid out of revenue and debited to the particular State in which it happened to be erected. That would not be fair. But with regard to ordinary small works for keeping up the defence force, if they are paid out of loan we intend to charge them against the States as part of the transferred expenditure, or at all events the interest.

Mr Higgins

- Ammunition ?

Mr Reid

- Artillery guns, and so on ?

Sir GEORGE TURNER

- Any small works, and honorable members will see such works set out in detail in the schedule when we come to deal with them. Ammunition would certainly be charged against the States, but with reference to

field guns and rifles it is a question to be decided. With regard to telegraph and telephone lines, the expenditure must necessarily be very large for a year or two. An immense amount of work all over Australia will have to be done, and as we think that a large amount of that work is permanent, and as wires and posts have to be replaced out of the revenue from time to time, we can fairly charge that against loan expenditure. We do not therefore propose to charge it against the revenue of the year, which, however, would bear the interest. Now, as to expenditure which we charge against revenue, which we charge against the States for carrying on their postal work, we propose for the Post-office an amount of £35,120, and for defence some £18,860. These items will, as I say, be charged against the States. Now we come to deal with what we propose to pay out of loan, and here we must take this fact into consideration : If we rented a building the rent would be clearly chargeable to the State.

Mr BRUCE SMITH

- Only during the bookkeeping period.

Sir GEORGE TURNER

- What I am dealing with now applies only, of course, during the bookkeeping period. I hope that at the end of the bookkeeping period the arrangement will really come to an end. I want to deal now with the question of what we propose to do with regard to loan expenditure. A considerable amount will have to be spent out of loan. Suppose we improve our telephone system in the State of Victoria, extend and increase it largely, and provide new tables, and by that means save expenditure and get an increased revenue, it would not be fair that the State of Victoria should get all the benefit and not pay something. So far, therefore, as the interest is concerned, we charge that against the State in which the work is done.

An Honorable Member. - Or against the working expenses of the service, which is the same thing.

Sir GEORGE TURNER

- We debit it against a particular State. As the buildings belong to the Commonwealth, and will be the property of the Commonwealth, we charge the sinking fund against the Commonwealth. I think that is only fair, and I think it is within the meaning of that particular section that if the States are going to get large benefits in consequence of expenditure they should pay interest as they would have had to pay it in the past.

Mr BRUCE SMITH

- The right honorable and learned member proposes that the Government shall take over buildings from the States without compensation.

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Sir GEORGE TURNER

- I am not dealing with that question at the present moment. I am dealing only with new buildings, and not with the other debatable question. That is a matter upon which I may say a word or two later on, but I do not propose to deal with it now for reasons which I shall give. If honorable members turn to page 22 of the Budget papers, they will find that I have given there the fullest possible details relative to the proposed works, whether they be out of revenue or loan moneys.

Mr Willis

- Some of the works mentioned there have been completed.

Sir GEORGE TURNER

- The details refer to works that are absolutely new.

Mr Willis

- The additions and alterations to buildings at Mudgee, for instance, have been completed.

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Sir GEORGE TURNER

- They may be complete now, but we have to pay for them. The rule I laid down in dealing with these matters was, that where a State had a work in progress at the time of transfer, and was carrying it out with loan money, the State might go on and finish it. If the contract had not been entered into, then I considered that the State should not be allowed to do any work which the Commonwealth ought to do. I have financed some of these works, however, until loan money can be raised for the purpose of the expenditure. With regard to the distribution of loan expenditure on buildings, however, we have not in any shape or form endeavoured to give an equivalent amount to each State. We have looked simply at what we consider will be the requirements of the particular State involved. I desire to say also that these

schedules may possibly be varied when I come to introduce the loan Bill. Further information that we shall obtain may possibly induce us to leave out some of the items, or to put in additional ones. At the present moment, however, they set forth the proposals which, so far as I have had time to examine them - I have not had a very good opportunity of looking into the report on the telephone and telegraph system - are absolutely justifiable. We propose to expend on post-offices in New South Wales £265,980, Victoria £155,500, Queensland £107,000, South Australia £59,430, Western Australia 50,830, and Tasmania £45,000, or a total of £683,740. I have given in the Budget papers all the details of what we are going to payout of loan moneys, but the figures I have just quoted represent a summary which I have made showing how much will be expended in each State. I hope honorable members will take an early opportunity of studying every one of the papers circulated, and if there is anything I can explain to them individually I shall be only too glad to do so. These figures are well worthy- of consideration, and ought to be studied by honorable members in order that they may check the Government in their expenditure if they desire to do so. In addition to the items I have mentioned, there is also a sum of £12,500 required by the Treasury for machinery which will be used in the new printing-office when it is once established. That machinery will be kept entirely separate in the present printing-office, and the material purchased will last for a great number of years. We have provided for a number of postal buildings and telegraph lines, and perhaps I may relieve the mind of the honorable member for South Australia, Sir Langdon Bonython, by mentioning that the Tarcoola line is included among them. We propose to provide for the underground system of telephone wires, and we certainly have to supply new tables. I believe that the table in New South Wales has been found to be utterly unworkable. I have mentioned how we propose to deal with the principal and interest in connexion with these buildings. Turning to page 21 of the Budget papers honorable members will find the details of the defence expenditure. They are divided really into three items. We intend to ask the House to give us £100,000 for the purpose of providing new rifles. When these rifles are distributed among the various States it will be a question whether the purchase money should be considered new expenditure or whether it should be treated as part of the maintenance of the department. That is a matter which I have not considered yet, but the rifles appear to be absolutely necessary. We must also keep up our armaments. While I do not believe in spending large sums on some of the items asked for by the department, I believe we ought to have an abundance of ammunition, plenty of good rifles, and plenty of field guns. We have provided £44,000 for field guns, and £27,695 for 'certain works, which with the £100,000 for new rifles, makes a total of £171,695. Of this 'amount £12,700 is chargeable to New South Wales, £33,525 to Victoria, £7,820 to Queensland, £4,650 to South Australia, £7,000 to Western Australia, and £6,000 to Tasmania. I think it is only right that, before we incur any of this expenditure - even if the House approves of the proposal and passes the necessary Bill - we should await the arrival of our new Commandant.

Mr Wilks

- When the Government can catch him

Sir GEORGE TURNER

- That is, when we can catch him. That is one reason why I have not interfered with the Defence department's estimates of expenditure. But for that fact I should have cut down many of the defence items. If I had followed my own desires I should have reduced them considerably. But I was in this position : We are expecting the arrival of a new Commandant, and if his views prove to be different from those of the present management, there will be no absolute necessity to expend the money that we provide for these items on the Estimates. On the other hand I thought it would not be fair for me to cut down the defence estimates, in order to make it appear that we were expending less money, when later on, if the Commandant made certain recommendations, we should have to spend this amount. Therefore, against my own inclinations, I have left a considerable portion of the Defence department's estimates of expenditure untouched.

Mr Reid

- Does the right honorable and learned gentleman think the Commandant will ever cut the amount down?

Sir GEORGE TURNER

- I do not know. I recollect that I cut the Victorian defence estimates down from £160,000 to £120,000. I kept a pretty firm hand on that expenditure. I received a number of notes from the .Commandant, setting forth that " the Treasurer must undertake all responsibility," and I indorsed them - " The Treasurer

undertakes all responsibility." Fortunately, it came out all right.

Mr McCay

- It came out all right for the Treasurer, but it was ruinous to the defence forces.

Sir GEORGE TURNER

- I do not think it was. If anything had happened the unfortunate Treasurer would have been blamed, but I think I was perfectly justified in cutting down the expenditure on that occasion. If I had my way I should cut down the Commonwealth defence expenditure.

Mr BRUCE SMITH

- I have often referred to the right honorable and learned gentleman as the financial Cromwell of Victoria. Will he tell me whether, in charging these lump sums for defences to the different States, he has assumed that the defences are for the purposes of the State only, or that they are for the whole Commonwealth ?

Sir GEORGE TURNER

- I have not charged then], in any of the figures shown in the Budget papers, to any particular State.

Mr BRUCE SMITH

- Yes, at page 19 of the Budget papers New South Wales is charged £12,700, and Victoria £33,525, although the defence of Victoria may have a Commonwealth aspect. Has the right honorable and learned gentleman charged these defence items according to location 1

Sir GEORGE TURNER

- The money has to be expended, but my honorable and learned friend has overlooked the fact that these amounts are to be spent out of loan money. The interest may fairly be charged to a State, and the capital to the Commonwealth ; but with regard to defence buildings, I do not know that it is justifiable to charge the States with interest. I think that probably both the capital and the interest should be charged to the Commonwealth, because, as I have pointed out already, any work done at one end of the Commonwealth is for the good of the whole* The Post-offices are in an entirely different position, however, because they get the benefit of the revenue. So far as these items of defence expenditure are concerned, I do not think it is set forth in the Budget papers that the amounts specified are going to be charged against the various States. The papers simply point out where the money is to be spent, so that members shall not have to ask - " How much are you going to expend in each of the States?" Coming to the question of raising a loan, I propose to ask for authority to borrow £1,000,000. I do not know that we could get irredeemable stock. There seems to be some strong objection to such a course being followed, but I would take the loan for 50 years, with the right to pay off after 30 years. We propose to have a 1 per cent, sinking fund. Honorable members know that in the past various States have provided sinking funds, but that when a Treasurer has been hard up they have disappeared. I propose to make it mandatory, however, that we shall purchase back, or purchase, our own stock.

Sir William McMillan

- A very bad principle. We had to pay through the nose for it in New South Wales when it rose.

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Sir GEORGE TURNER

- In Victoria we floated £1,500,000 with a ¹ per cent, sinking fund, and as soon as the financial year commenced I sent to London and quietly bought up the stock at £96. We can realise that, as a rule, a 3 per cent, stock will not be over par. As a rule you can go into the market and buy stock. But even if we cannot buy in the open market, we are always selling stock, and instead of selling to the public we can sell to ourselves and cancel the stock. By that means we redeem a portion of the whole stock.

Mr Crouch

- Will the trustees be within the Commonwealth or outside t

Sir GEORGE TURNER

- The trustees, if any, of course, will be here. I hold a very strong opinion that it is not wise to rush into heavy borrowing. At the present time, therefore, all I expect to put on the market during the financial year would be £500,000. The public would probably tender for some of it, and we could sell the rest as we wanted to do so over the counter at the Treasury. We found that a very good practice, and we are doing that at the present time. I have not been able to make any arrangement with the banks which was at all satisfactory to me. Certain schemes were submitted to me some time ago, but I am dissatisfied with them ; and I have not yet had an opportunity of consulting with my leader on the subject. It is of no use to

borrow money and to put it into a bank unless we get a decent interest on it. With regard to loans generally we have power to take over the loans existing at the date of the federation, but we have no power to take over any loans which have been raised since that time. I suppose we could take over any loans which had been renewed. I think it is a power which should be exercised, but it has to be exercised very cautiously. We cannot expect those who hold stock in London, returning them 3£ or 3J per cent., to take our stock which will return them only 3 per cent. They will insist, if we want to convert the loans, upon getting an amount of stock which will give them pretty nearly the same amount of interest as they are drawing. The only time to renew and consolidate the loans is when they are about to fall due. When they have only a year or two to run some of the holders may be anxious to get long-dated stock instead of short-dated stock. But while they have a number of years to run you will not find any capitalists who will make us a present - they will get from us an equivalent for what they are giving. Of course, if we can make fair and reasonable terms with them, well and good, but it would never do for us to enter into any conversion at the present time by which we should have to largely increase the amount of the debt, and really make a very little saving in interest. I also share the hope that, whatever is done, a sinking fund will be established, so that, not in our time, but eventually, these debts will run out. A sinking fund of 1 per cent, will redeem a debt in about 47 years. I have looked at the Canadian system. It is said that, instead of borrowing money, we ought to take ten or twelve millions of gold which the banks have lying in their coffers. In Canada they compel the banks to keep a reserve - I do not think we do - but they provide that a certain portion of that reserve must be kept in the Dominion's notes. By that means they get the use of a considerable amount of money without paying any interest. On the face of it it appears to be a fair proposal, and that no harm is done. But until I get the fullest information I am not going to rush into any scheme of the kind.

Mr O'Malley

- It is a splendid scheme.

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Sir GEORGE TURNER

- In theory I admit it is splendid, but I do not know that in practice it works out well. I have sent to Canada to get the fullest possible information with regard to the working of the scheme. Canada is differently situated from us. I believe that a large amount of gold has gone from Canada and is kept in New York. We should have no place where we could keep a reserve of gold which could be readily availed of. I am not going to say that the scheme is not feasible, or that it is unfair, but I hold that before the Government introduce such a scheme they must get the fullest possible information, and it will have to be carefully and cautiously considered by the House. If, without putting the banks in a difficult position, we could get the use of this large amount of money and save the interest, not injuring anybody, then it might be worth a trial. But it is too serious a matter to make a ' trial of unless we are perfectly certain of our grounds. I am favorably impressed with the idea, but we have to be very cautious before we act. There are one or two items which I have not provided on the Estimates. I have made no provision for the money which will be required for the payment of the officers of the various departments where the salary is to be increased to £110. I do not know exactly what it is - some considerable amount - but the Public Service Bill is not yet law, and I do not think I am justified in placing the money on the Estimates for expenditure. In dealing with the sums proposed to be expended, it is only fair that that amount should be mentioned, because it may have to be expended. That, of course, is in pursuance of the action of the Federal Parliament.

Mr Crouch

- What is the approximate amount 1

Sir GEORGE TURNER

- It is over £40,000, if I recollect rightly. Then I make no provision for giving effect to the Victorian Public Service Act, passed before the federation of the States. It provides that officers doing a corresponding class of work shall be entitled to get the highest rate of pay received in any of the States. One of my officers, unfortunately, is away inquiring into this matter, because it is almost impossible to say what the corresponding positions are, so different are the Acts. The amount will have to be provided, but it also ought" to have appeared on the State Estimates for last year. It is one of the things which the Federal Parliament inherited, and will have to carry out as soon as the rates are ascertained. No idea whatever can possibly be formed as to what that amount would be. Then I have deliberately left off the Estimates a

sum of money which I found has been paid for rates and taxes. The position taken up by the Attorney-General is that a State cannot rate the property of the Commonwealth, and that the Commonwealth cannot rate the property of a State. Therefore, I could not put on the Estimates an admission of a liability to pay these amounts, whatever equitable arrangement we may feel inclined to come to with them afterwards. That amount also has to be taken into consideration with regard to our total expenditure. My honorable colleague, the Minister of Trade and Customs, will tell honorable members in a few minutes that it will be necessary, perhaps not this year to any great extent, to provide for certain agricultural and other bonuses. Those I have not included. We have staring us in the face the fact that we shall have to deal with the question of the capital. That is not likely to require any expenditure over, what we have provided in this financial year. I am only too anxious to see the bargain which was made carried out as early as we possibly can, and the Federal Parliament have a House and home of its own. I mention these matters now in case honorable members might want to force on extra expenditure for works and other matters. In the near future we shall have to face the question of expenditure in connexion with the Northern Territory and the Pacific cable. We shall also perhaps shortly have to pay the sum of £22,000 per annum in connexion with the administration of New Guinea. Three of the States are now liable for that amount, and the liability may shortly become a Commonwealth concern. Negotiations are pending with the Home Government in order to induce them to accept some part of the liability; but the amount is one for which we may have to provide later on. Then, not this year but later on, money may have to be borrowed for the purpose of constructing transcontinental railways, as money will have to be borrowed for the purpose of building the Federal Capital. There is also the question in abeyance with regard to the transferred property. That I do not propose to deal with, because I have no doubt the conference will devise some scheme which will be fair and equitable both to the States and to the Commonwealth. But, whatever money has to be spent by the Commonwealth, the sinking fund and interest must, of course, be stopped out of the amount to be paid back to the States. It may not be fair to South Australia, but, personally, I should be very glad to see that matter settled by making a clean sheet. The Commonwealth has no funds of its own.

Mr BRUCE SMITH

- I do not think it is fair to say that the Commonwealth has no funds of its own. One fourth of the Customs revenue belongs to the Commonwealth.

Sir GEORGE TURNER

- That is not so; it is State money.

Mr BRUCE SMITH

- It comes through the States, but it belongs to the Commonwealth.

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Sir GEORGE TURNER

- It goes back to the States. We are merely trustees for the States with regard to that money, and must not use more than one-fourth and, as I have said, we should be very cautious, because we are spending, not our own, but State money. We shall probably have to enter into some new arrangements, with regard to the auxiliary squadron, and we may have to provide larger amounts for the purchase of armaments and for military purposes generally. I want to draw honorable members' attention to page 31 of the papers I have had distributed, with regard to the question of allowances. "We have practically abolished the system of giving allowances, except in the Post-office, where we put about £200 on because there the increasing of salaries or dealing with the officers might possibly give one man a preference over another, and there are allowances made to two officers borrowed from New South Wales; but, with regard to the other departments, we have made slight increases in various salaries. Most of the increases we should have made independent of the question of allowances; but in some cases we have taken the fact of allowances having been given into account, and have given very small increases, which we shall be able to explain in detail, when we come to consider the Estimates. The amount of the increments given to the whole of the officers in the "new" departments is only £522, while the increases given to officers in the transferred departments is about £28,000. In my own department I have increased the salaries of some of the clerks from £250 to £310 per annum - the minimum of their class - because, from what I have seen of their work, I believe that they were underpaid, and are entitled to an extra amount. The Public Service Commissioner will have an opportunity of reclassifying them later on, though I believe that they will then

be classified at a higher rate of pay than I have given.

Mr BRUCE SMITH

- Has the right honorable and learned member raised the salary of any female employe ?

Sir GEORGE TURNER

- There are no female employes in my department. Although the amounts which appear in the estimates for the expenditure of the transferred departments are voted, it does not follow that they will be expended. I believe that a large saving can be made by amalgamating branches, and we have given notice to all the permanent heads that we hold them responsible in regard to expenditure upon contingencies not merely to pass the accounts because they are presented to them, but to see that the expenditure is justifiable.

AVE do not see any necessity for going outside our own service for a considerable length of time to obtain officers, unless some- special officer is required, and the Prime Minister has given instructions that no officer shall be appointed from outside the service without his special authority. By means of this provision and 'the control which I shall get under the Audit Act upon its coming into force on the 1st of January next, I think that honorable members may rely that we shall do our best to keep the expenditure down to the lowest shilling for which the work can be properly carried on. There is one sum which I specially desire to mention. Honorable members will recollect that in the first instance it was not anticipated that the Governor-General would have two residences to maintain ; but in the State of New South Wales something over £3,000 was voted to assist him in meeting the extra expense which was forced upon him, and which was not contemplated when his salary was fixed. In the State Parliament of Victoria I proposed the voting of a similar sum, but the House was against me, chiefly on the ground that the matter was one which should be dealt with by the Federal Parliament. There is included in the Estimates a certain sum for official printing and other matters, and I have given the total expenditure with regard to the Governor-General, so that honorable members can see exactly what it is. There is a sum of £2,000 set down, a portion of which would no doubt come out of any sum we might determine to pay by way of extra allowance. However, the matter is one which I shall not deal with on the Estimates. There will be a special appropriation, and when the Bill is brought in it will be fully explained. I hope that we shall be able to justify the expenditure, and that the House will consider that what we propose is fair and equitable.

Mr Higgins

- Is that £2,000 in addition to the £3,000 voted by New South Wales?

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Sir GEORGE TURNER

- The £3,000 voted -by New South Wales is not being paid in the meantime. We said that we would not allow one State to make a special payment to the Governor-General. I believe that the States can and ought to make considerable savings upon their annual expenditure. AVE are taking over a lot of their Treasury work, and of their audit work, and I have no doubt that a large number q'f their officers will have no work to do. We shall take over a certain number of them, and, therefore, there will be a number left who can be transferred to other departments. It is very difficult to determine between what is "transferred " and what is "*" other " expenditure.

Mr Reid

- And what are travelling expenses 1 I see that two gentlemen connected with the department of Home Affairs are receiving £1 a day while living in Melbourne.

Sir GEORGE TURNER

- Those are borrowed officers.

Mr Reid

- I do not know how the gentleman to whom I am referring can be termed a borrowed officer, because he has been out of the public service for some years. He' gets a pension from New South Wales, a salary of £450 per annum, and travelling expenses at the rate of £365 per annum while in Melbourne.

Mr Watson

- He was a temporary officer only in New South Wales.

Mr Reid

- Then the accountant in the same department gets £500 a year, and £1 a day while in Melbourne, under the head of travelling allowance.

Sir GEORGE TURNER

- I understand that they were State officers, and are paid the usual travelling allowances. That is a question which the committee will have every opportunity to discuss.

Mr Reid

- Did the right honorable and learned member sanction the expenditure 1

Sir GEORGE TURNER

- The amounts are being paid under the authority of the Prime Minister, as I referred them specially to him.

Sir William Lyne

- I sanctioned the expenditure, if the leader of the Opposition really wants to know.

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Sir GEORGE TURNER

- I have no doubt the Prime Minister fully inquired into those particular items, and that the Minister at the head of the department satisfied him that the allowances were justifiable. With regard to transferred expenditure, we consider that expenditure which is necessary for carrying on a department ought to be charged against that department. That is why we are charging the departments with interest in lieu of rent, which might otherwise have to be paid. So far as the bookkeeping system is concerned, I have always felt very strongly against it. I have never believed in it. I have always held to the view that when we had one people we should have one pocket for our expenditure and for our receipts. Unfortunately, it was a question of "No bookkeeping, no federation." Possibly in the earlier stages it might have been somewhat unfair to the larger States, like New South Wales and Victoria, but ultimately it would have rectified itself, and it certainly would have saved us an endless amount of work, a large amount of the Tariff we have to impose, and the endless confusion which will take place from tomorrow, because it will be almost impossible to so keep our books as to trace the various articles which go from State to State. However, that point has been determined by the Constitution, and the bookkeeping clauses will have to be carried out; but so long as they remain in force I do not believe that the people of Australia will derive the benefit they ought to receive from Inter-State free-trade. There is only one other item with which I need trouble honorable members. At page 57 of the printed figures, I have set out, as nearly as I could possibly ascertain it, the expenditure in each department during the current year. My trouble in getting information has been to find out what is really spent in each department. I could get the departmental estimates, but I found the Public Works department, the Treasury, and the Attorney General's department making payments which really belonged to another department. Whilst we cannot compare these with any other figures, we shall have them as comparisons for our next and future financial statements. This statement shows, as closely as it is possible to show, the amount of money to be spent in every particular department, and honorable members will have an opportunity of considering the figures at their leisure. There is also amongst these papers a long document which shows a comparison of every item in the transferred departments at the time of transfer with the approximate expenditure of this year and the actual expenditure of last year. When dealing with this question, and perhaps finding that we are spending so much more than before, I would ask honorable members to consider that we are paying for many services that we did not have to provide for previously, and that it will not be fair to call upon us to account for that particular expenditure. All we can fairly be called to do is to show that we have not increased the expenditure, at the time of transfer, but that we have reduced it as far as we could. We have had very little opportunity of investigating matters, but I do hope that when we bring forward the next financial statement, we shall be able to show a considerably decreased expenditure. I have to thank honorable members for having listened patiently to what must necessarily have been a dry story. It is absolutely necessary that this statement should be made in order that honorable members may be fully informed, and more especially in order that the States may know what we are going to do with their money. I have avoided detail as far as I could, but perhaps I have occupied more time than I ought to have done. In conclusion let me say that there is every prospect of these estimates being realized as far as the receipts are concerned I trust that we shall be blessed with good seasons, which will enable us to realize our estimates of revenue, and I also believe that some of the items of expenditure may be considerably reduced. I hope and trust that honorable members will carefully consider and deal with these matters, as far as the financial aspect of our affairs is concerned, for the benefit of the Commonwealth. We ought to do the best we possibly can - whatever States we may represent - to act justly and fairly. We

have passed through bad times in most of our States, more especially in the State I represent, but there is no doubt that better times have come upon us, and that we are passing through our bad years, and will soon be once again on the high road to progress and prosperity. We hope that under uniform duties that progress and prosperity will continue to increase, that the streams of our national advancement will soon be flowing full. I sincerely trust we shall all derive advantage and benefit from the new order of things. I hope also that He Whom we daily invoke to aid us in our consultations will influence all honorable members to deal with this question in a patriotic and absolutely impartial spirit. I believe that will be so. I trust also that the financial statement which it has been my great privilege and honour to place before honorable members of this Chamber, and through them before the people whom we represent, may prove acceptable to the many important interests of this great community.

Minister for Trade and Customs

Mr KINGSTON

- I do not hesitate to assure honorable members that I feel the honour and responsibility of my present position. I heard it suggested that we should adjourn, but I know that the delivery of what I have to say at this particular moment will be of advantage to the press and the public, and therefore I propose to continue my remarks. The right honorable the Treasurer has alluded most kindly to our co-operation in the work relating to the Tariff. Let me take this early opportunity of expressing my deep gratitude for the invaluable aid which the right honorable the Treasurer has so kindly rendered me in connexion with the discharge of my duties in that respect. I feel that this is a moment which seldom comes. Years and years we have struggled for federation. Why? So that the fiscal barriers which have so long divided the sister States should be removed. For how many years have we struggled with that object? Many there are who joined in that struggle who are no longer here, but they live in our memories, and it does seem that we should ' specially remember them at this moment when at last Inter-State free-trade has been established and the barriers have been overthrown.

Honorable Members. - Hear, hear.

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Mr KINGSTON

- There may be some' who would question this or that or the other thing, but we feel that it is our duty in the interests of the Commonwealth to interpret the people's will as best we may, and believing that that will is unanimously in favour of the course we have pursued, we have taken the responsibility of initiating free-' trade between the States from this date, and we look with the greatest confidence to the people and to this Parliament to support us by confirming our action in any way that may be necessary. I do not purpose in introducing the Tariff proposals of the Government to indulge in too much detail. We must recollect the stage which we have reached to-night. We are at the initiation of the consideration of proposals which must be debated line by line, if not word by word in committee, and which therefore, it seems to me, should not be opened up at this moment, because our attention can better be given to the consideration of questions of principle. Detail comes hereafter. Let us not duplicate our work as -regards every item of the proposed

Tariff. A time will come when honorable members must consider what is a proper article for taxation, the rate of the tax to be imposed, and the result of its operation. But if we enter into inquiries of that minute character to-night, I think we shall be making a mistake. Instructions have gone out to collect only the Federal Tariff from this moment. Free-trade is with us, free -trade amongst the people of States subscribing to the same conditions of life, which is altogether different in character from the free-trade which I know some others advocate. However, let me not be drawn off from the good resolve in which I have just indulged. I have chronicled my determination not to enter upon details. I wish also to chronicle my determination not to bring into this debate abstract questions of principle which may or may not divide us, and which may not necessarily be particularly involved in this discussion. We know what are our views. They have been declared in public. They were declared by the Prime Minister, and supported by the people. As a -result Ministers are here ; and our majority is here: If there is any doubt as to the way in which Australia has spoken upon the question of the Barton fiscal policy, let it be determined at once on the floor of this House, but do not, for the purpose of wasting time in connexion with a discussion of this kind, let issues of that sort be unnecessarily introduced. We recognise fully that at this time in our history neither free-trader nor protectionist can have his way entirely. The Tariff is a compromise Tariff, but, at the

same time, it gives effect to our policy as stated to the country and accepted by the people who sent us here. That policy, as declared at Maitland, required that our Tariff should be framed so as to produce an amount sufficient to allow of there being returned to the States - as nearly as practicable - their ordinary receipts, then roughly estimated at £8,000,000, plus their share of the federal expenditure, which was then also roughly estimated at from £300,000 to £750,000. That policy was further for moderate protection, particularly avoiding the unnecessary destruction of existing industries whose magnitude and suitability rendered them worthy of fiscal protection. There was no desire - and it has never been attempted to be debited to this Government - that we should indulge in the fostering of exotic industries, one-man industries, microscopic industries. But the Prime Minister drew particular attention to the fact that there were in our midst industries of special magnitude and importance which he would not dream of destroying, as might be done by a fiscal Tariff such as some honorable members advocate. The objects of varying the Tariff were of importance. They were, above all, to obtain revenue, to preserve the solvency of the States, and to keep faith with them, because they entered into federation on the understanding that they would be so protected, and their right to the redemption of that promise continues unabated to-day. I was delighted - and no doubt honorable members generally were delighted - to hear the observations of the Treasurer in this connexion. I was pleased to hear him say that, whatever was necessary to preserve the solvency of the States, and to continue their State integrity, should be done by this House if ever the necessity arose for action on our part. At the same time I have the greatest confidence that each and every one of the States have nothing to fear from the future, but everything to hope. They have proved equal to any emergency in the past, and I am sure that they will be found similarly equal in the future to coping with any difficulty whenever it may come. From the observations of the Prime Minister, and from the mode in which our policy has at various times been supported, we may fairly divide protection into two classes, drawing the dividing line between existing and future industries. Existing industries were specially mentioned by the Prime Minister. In their case destruction would mean loss of capital, loss of employment, and general injury to the community. As to future industries, they stand in a different light. Their postponement does not mean loss of capital or distress amongst workers, at least not in the same degree as is meant by the destruction of existing industries. Further, where industries are already established, the risk of increased prices from protective duties on imported goods pending local supplies, is avoided. We hope we shall be able to show that we have dealt satisfactorily with all these matters - revenue, protection to existing industries, and further encouragement in the future.

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Mr Reid

- Does the right honorable gentleman mean new industries or industries to which he has referred as existing 1

Mr KINGSTON

- I mean exactly what I say.

Mr Reid

- The right honorable gentleman does not say it plainly.

Mr KINGSTON

- I shall probably say it quite as plainly as the honorable member wishes, if he is particularly desirous of interrupting the thread of my ideas.

Mr Reid

- Do not say that.

Mr KINGSTON

- I am glad of the right honorable member's assurance that he did not mean to do that.

Mr Reid

- :You are not a child surely ?

Mr KINGSTON

- I do not think I "am a child.

Mr Reid

- Then why does the right honorable member fear an observation 1

Mr KINGSTON

- I am inclined to think that, on an occasion like this, when an important statement is being made, the

courtesy which the House generally extends to speakers should continue to be extended, whatever may be the provocation to act otherwise.

Mr Reid

- If it is considered to be discourteous I shall not interrupt, or ask the right honorable member a question again.

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Mr KINGSTON

- I hope we shall show that we have not forgotten any of the objects to which I referred, even if the encouragement be less than expected, or less than it ought to be under different conditions. There can be no extremes of revenue-production and protection-giving in any one line - the two things are mutually destructive. We stand in a position today in which we are bound to give fair attention to both. The first condition is revenue, but protection, to existing industries at least, must accompany it. Now, as to the revenue required : I listened with a great deal of interest to the Treasurer, and I found with delight that he had anticipated a good many of the remarks I was going to make. I say I was delighted, because I venture to think that he put the matter a great deal better than it would be possible for so much less an experienced financier as myself to put it. He pointed out that we are bound to give back, in the interests of revenue and the States' solvency, the present receipts- of the States, less their share of the Federal expenditure. I reminded honorable members just now that the Maitland estimate was from £8,300,000 to £8,750,000, averaging £8,500,000. That was the estimate which the Prime Minister made of the probable requirements of the States at about this time. ' However, that has not been quite reached, and I hope it will not be reached for some time. I fancy that honorable members, must be particularly gratified by hearing the assurance of the Treasurer with reference to the expenditure for the coming year. We have heard so many gloomy forebodings as to what the expenditure was to be, and so many unfounded criticisms,, that it is really a delight to now know how baseless all the suggestions with reference to federal extravagance have been, and how carefully the resources of the Commonwealth have been husbanded in the careful hands of the Treasurer. If, however, as he pointed out, we are able to collect a certain sum - this £8,500,000 - it does not follow by any manner of means that we shall be able to meet the requirements of the States. The bookkeeping clauses are such that the money cannot be distributed according to the States' necessities, but must be divided in the proportions in which the States, by their consumption of dutiable goods, have practically contributed. I remember when the Constitution Bill was under discussion, that, although my official' position prevented my taking a very lively part in the debates, I was amongst many who considered that these bookkeeping clauses were likely to prove most mischievous. The idea of the Commonwealth, as regards the federal revenue, being compelled to keep accounts between the States and only to use for the purposes of a one-State constituency, money which that State has itself provided, whatever the varying necessities of the different States, seemed to me then' most monstrous. I aided those who sought to prevent the passing of these provisions, but bad as I thought them I feel to-day much stronger on the point. The practical working of these bookkeeping clauses in connexion with the framing of the Federal Tariff has demonstrated beyond the possibility of denial their absolute monstrosity. The results- can only be imagined by those who have not had before them the task which the Government have lately had, by a conception of the difficulties in which a State would be landed were it compelled in the distribution of its State revenue, to allocate in each electorate, only money which by a careful system of bookkeeping might reasonably be credited to the particular electorate. We have had to struggle under these distressing conditions for the purpose of framing a Tariff which should give to each State what it wants and its share of the Federal revenue. By the figures which have been quoted by the Treasurer, it is shown, as is the natural result, that the States' necessities being different as regards their Customs revenue - one requiring a much larger proportion of its total Customs revenue than another - and owing to the varying Customs revenue producing powers of the different States, the task which we could otherwise have successfully undertaken is impossible of accomplishment. Queensland, being the most dependent upon Customs revenue through having a magnificent consuming power, is the State chiefly affected. We know, however, that she has splendid resources. There is no State, it seems to me, which has before it a more brilliant future. Her circumstances today are temporary. May those particular circumstances shortly end. May a bright sun speedily disperse the clouds that overshadow her. She has time after time proved her power of revival. She has also, at this particular

moment, powers of State taxation untrenched upon, in directions which have already been fully exercised in some other cases. I am confident that the people of Queensland, as of any State in Australia, will address themselves to any financial difficulty in the future just as they have done in the past, with the determination - which has always proved to be successful - of getting over the difficulty in an honorable way. Tasmania is also affected. She has been in the habit of relying to a large extent upon her Customs revenue. But for the last two or three years she has been in the best position of all the States. She has had on the year's accounts, a surplus which per head of the population is altogether in excess of the proportion of surplus which any other State has had. I say that that is a credit to the little island. Then, as regards the state from which my right honorable colleague, the Minister for Defence comes, owing to his wisdom and sagacity of the Convention, precautions were taken for preserving the interests of Western Australia. She, whilst entering, at our request, the charmed circle - and glad indeed we were when we were able finally to disperse all the doubts and difficulties which threatened to obstruct her entrance - took steps to protect herself in a time such as this.

Sir John Forrest

- We should have been in a bad way if we had not taken such steps.

Mr KINGSTON

- The right honorable gentleman recognized years ago that his State would be in a bad way if he did not prepare for evil times. Those evil times may in some respects be said to have come ; but at any rate, through my right honorable friend's foresight, his State is in a position to guard against these evil times, the exercise of that protection, even though it may be at the expense of taxing our goods. She has the power, she intends to exercise it, and she will be safe.

Mr Mahon

- The power of taxing her own people.

Mr McCay

- A Government must tax somewhere. Every tax a country imposes taxes her own people.

Mr KINGSTON

- I am not going to deal very closely with figures which have occupied the attention of the right honorable the Treasurer, but I wish, if I possibly can, to specially direct the attention of honorable members to what the necessities are in connexion with the framing of the Tariff in the point of revenue producing ; and to what extent we can fairly go. We cannot go to an extent which would meet all the necessities, but the larger the amount of money we collect the greater approach there will be in that direction. What is a fair total in the way of revenue to provide for, division amongst the States on account, one might say of their expectations as to Customs revenue, and their share of the cost of Federal Government ? The amount suggested at Maitland was £8,500,000. We have resolved to increase it by a little - - simply in our effort to raise money - and to tie ourselves down to a limit of £9,000,000.-

Mr Reid

- Very moderate !

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Mr KINGSTON

- I think it is moderate.¹ The next point that arises for consideration in connexion with the Tariff is this : Having to raise this money, what goods are available for the purpose ? What is the net amount of foreign imports which we can tax ? After the most careful computation which we found possible, we have arrived at the conclusion that £34,000,000 of foreign goods will be available for the purpose. The difficulty of our task will be appreciated when honorable members recollect that the total amount of imports, foreign and Inter-State, which previously were available for taxation by the States was £63,000,000. By the act which we have accomplished to-day, £29,000,000 disappear from the range of federal taxation. Inter-State goods are free. Thus our difficulty is, as compared with the position of the States a short time since, that whilst we have to raise £9,000,000 and have only £34,000,000 worth of goods from which to raise it, they raised a lesser sum, and had £63,000,000 available for taxation. Of course it must be remembered that the great bulk of the £29,000,000 worth of Inter-State trade was not taxed or taxable, consisting as it did in most cases of staple produce which is not generally taxable by the States. But still the importance of the power which the States possess in regard to the taxation of these goods, is shown by the fact, that on Inter-State commerce they levied taxes, which at the least were able to return

£1,000,000 per year. Under circumstances such as that, I wish to call attention to this fact - that we have a larger revenue to be made up, and goods of a lesser value to make it up from ; and that we must not be surprised if the percentage of taxation is higher than it has been in some cases. No other thing is possible if we are to endeavour to raise the sum of money we require. The £34,000,000, further, is not all to be taxed under our proposals. I know there are some honorable members who favour drag-nets. If I recollect rightly, it is not so long ago (dwt there was an honorable member on the Opposition side who declaimed against free lists practically, and contended for the adoption of a scheme under which, after £4,000,000 had been obtained from stimulants and narcotics, and £2,000,000 from fixed goods, there should be a general lumping together of all the residue, whether the articles could or could not be manufactured here, whether they included raw material, manufactured articles, tools of trade, or anything else - that they should all be dealt with holusbolus in one great all-encompassing dragnet.

Sir William McMillan

- True revenue purposes.

Mr KINGSTON

- True revenue purposes. Let the honorable member have the benefit of his proposal. Ours, judged by it, are not true revenue purposes, for we intend to have nothing to do with a proposal of that sort, but to provide very differently. 16 x

Sir William McMillan

- Of course, the right honorable gentleman is a protectionist.

Mr KINGSTON

- We intend to discriminate and to apply our intelligence to the question in order to deal with it as it ought to be dealt with.

Mr Reid

- Intelligence 1

Mr KINGSTON

- Probably the right honorable gentleman is out of stock ; if so, we can supply him with some on this side of the House.

Mr Reid

- We are loaded up.

Mr KINGSTON

- There is evidently something wrong with the right honorable gentleman.

Sir William McMillan

- We do not blazon our own intelligence before the public.

Mr KINGSTON

- No ; and the honorable member knows perfectly well the sense in which I employed the word, which could not possibly convey any boasting to one side or offence to the other. From our £34,000,000 we deduct £2,000,000 coin and specie; Government stores---

Mr Reid

- How much for these?

Mr KINGSTON

- £1,000,000. Then we provide for a discriminating free list of £6,000,000, which I venture to think is not so bad at all, under the difficulties which we have had to encounter. We are not going to indulge in a drag-net at all. We are framing our Tariff on plain, honest principles.

Mr Reid

- See advertisements !

Mr KINGSTON

- So that any one whoreads

Mr McCay

- May run.

Mr KINGSTON

- May run to congratulate the author of the best Tariff ever proposed for parliamentary acceptance-

Mr Reid

- Who is the author ?

Mr KINGSTON

- That is a State secret !

Mr Reid

- Is it the Age 1

Mr KINGSTON

- I 'think I hear the right honorable gentleman talking about the Age. I have often heard it said that the Age is behind us, but I tell the right honorable gentleman that he is behind the age.

Mr Reid

- I have heard that before but it is good enough for your Tariff.

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Mr KINGSTON

- No doubt the right honorable gentleman has heard it before. The fact is so prominent that he has been told it time and again. He ought to have been reformed long ago, and I regret that I should have to rebuke him on an occasion like this. The right honorable gentleman should have taken wisdom by previous counsel ; let him take it now.

Mr Reid

- Now let us ; have the Tariff.

Mr KINGSTON

- Is the right honorable gentleman or the Chairman in charge of the proceedings ? Now having taken the £8,000,000 off the £34,000,000 we have got £26,000,000 to deal with, and from that we propose to make a further deduction of £5,000,000, because this Tariff will stimulate industry in Australia, and the result will be that we shall ourselves produce many things which we require to import to-day. That will be to our eternal advantage, because we shall become as we ought to, a self-contained community. I am not going to claim all sorts of particular advantages for the Tariff to which I am now referring, but I venture to predict that a great future is immediately before Australia. The walls are down ; there are larger markets; the market which, being so small, was not worth exploiting, is now enlarged, and is worth exploiting by all.

Sir William McMillan

- Why not enlarge it more ?

Mr KINGSTON

- It is worth exploiting both by residents here and by people from abroad. I venture to predict that the time is not far distant when we shall have not only development by our own Australian people, but by those who will come here and become Australians.

Mr Reid

- Under the educational test.

Mr KINGSTON

- Tempted by the new conditions which we have created. Then with the larger market, the stimulus of the tariff, and the sheltering hand-

Mr O'malley

- Of protection ?

Mr KINGSTON

- The sheltering hand of protection against foreign and cruel competition, against prison-made goods or goods produced with the cheapest possible labour and under conditions with which our employers and our men cannot compete, there will be a development throughout Australia. I venture to consider that New South Wales will profit most, and I hope that she will.

Mr O'Malley

- Sydney will become the New York of Australia.

Mr KINGSTON

- 'I only desire that the business shall go to those most worthy of it. I believe that the various other States, although not blessed so much with providential resource, will be able to hold their own. But New South Wales, with her coal and other God-sent possessions, has a position as the premier State, from which I have no wish she should be displaced.

Mr Reid

- Hear,hear! Butterallround.

Mr KINGSTON

- The remarks of the right honorable member for East Sydney tempt me to dwell a little more on this point, and I tell him that New South Wales at this moment occupies the lowest position amongst the manufacturing States in the whole of the continent.

Mr Thomson

- She has got on pretty well, in spite of it.

Mr KINGSTON

- The value of her manufacturers are the lowest per head.

Sir William McMillan

- By how much ?

Mr KINGSTON

- I shall give the honorable members the figures.

Mr Reid

- From the Age ?

Mr KINGSTON

- No ; from Coghlan. I have not , got him here, but-

Mr Reid

- If the right honorable gentleman had he would make a better Tariff.

Mr. KINGSTON. - The figures are these : the rate per head for New South Wales is £6 16s. 10d., and for Victoria it is £8 13s.

Sir William McMillan

- Victoria pays £1,000,000 extra in taxation for that.

Mr KINGSTON

- I do not care about that Victoria makes a good use of it. Putting it another way: If New South Wales produced in manufactures the same rate per head as Victoria does, she would produce manufactures to the value of £2,500,000 more than she does now, or an increase of more than 25 per cent. on her present output.

Sir William McMillan

- And would perhaps lose her natural industries.

Mr KINGSTON

- But grass will grow even if manufactures increase, and the coal will still be in the earth, although there are artisans toiling.

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Sir William McMillan

- The right honorable and learned gentleman would take the worker from the coal-field and put him elsewhere.

Mr KINGSTON.- I am not going to enter upon a dispute upon a small question like that ; but I will tell the honorable member - and the figures were brought to my attention only within the last few days - that in ten allotted articles of import New South Wales is unable to supply her own local requirements. She is compelled to have recourse to importation to this extent : That as regards these ten articles, of which apparel, -i.e., is the chief item, she imports more, and is less able to supply herself from within, as compared with Victoria, -by about £2,000,000.

Mr F E McLEAN

- There is nothing in that.

Mr KINGSTON

- I leave honorable members, who are interjecting, to explain that fact themselves. I am addressing myself to the question of whether or not New South Wales manufactures are a success. When they fail to be able to supply her people then they are not as successful as those of other States which fully supply local needs.

Mr Glynn

- If the right honorable gentleman applies the per head test to England and America the result will be the opposite.

Mr CHAIRMAN

- These interjections must cease. Honorable members will have an opportunity of addressing themselves to the question later on, and I trust they will not interrupt any further.

Mr KINGSTON

- I must apologize for having been withdrawn from the discussion of the principal object of my remarks. I put it that £21,000,000 was the total left to us for taxing purposes in connexion with the Tariff which I am now recommending to the acceptance of the committee, so that, given £21,000,000 to -tax, we have £9,000,000 required in the way of revenue. First of all, I take off £1,500,000, which we can get from excise duties. That leaves £7,500,000 to be obtained from the £21,000,000, which means 35-71 percent.

Mr O'Malley

- That is too low.

Mr KINGSTON

- Analyzing that still further, we proceed to inquire, as is usual, into the receipts which are to be expected from stimulants and narcotics. The honorable member for Wentworth - I must apologize for appearing to tread so closely in his footsteps - referred to £4,000,000 being obtained from this source. I do not know whether he meant that that sum would be obtained from customs and excise.

Sir William McMillan

- From customs and excise.

Mr KINGSTON

- Customs and excise are sometimes very confusing. We propose to get £4,100,000, from the customs and excise duties on narcotics and stimulants. 16 x z

Sir William McMillan

- The figures I referred to were those for 1899.

Mr McCay

- Does the right honorable and learned gentleman refer to the 'Customs or custom and excise returns on narcotics and stimulants'!

Mr KINGSTON

-£4,100,000 from customs and 'excise. But, as I have already deducted £1,130,000 from the ,-revenue to be collected on account of excise, it is only possible to credit, against Customs the sum of £2,975,000 on a value of £1,910,000, or a percentage on stimulants :and narcotics - which is not at all astonishing - of 155-76.

Sir William McMillan

- Does the sum of £1,500,000, to which the right.honorable and learned gentleman referred just now, relate to excise on goods other than stimulants and .narcotics?

Mr KINGSTON

- The sum of £ 1 , 500,000 is our total excise receipts.

Mr BRUCE SMITH

- Is the sum of £4,100,000 on narcotics and stimulants quite apart from that ?

Mr KINGSTON

- No ; the £4,100,000 includes £2,975,000 collected on a value of £1,910,000. The balance of import duty remains to be raised from £19,000,000 - I will omit the odd hundreds - which makes an average of 22-93 per cent. It represents goods which are dutiable at fixed duties, or composite rates - and by composite rates I mean rates which are partly fixed and partly ad valorem - and ad valorem duties. Then, to further analyze and differentiate between these three classes of goods, putting the fixed and composite rates together, we estimate that they will yield £2,020,000, on a value of £6,530,000, or 30-94 per cent. The ad valorem rates will yield as follow :- 10 per cents., £104,000; 15 per cents., £496,011 ; 20 per cents., £1,188,200; and 25 .per cents., £574,000, making a total on the ad valorem rates of £2,362,211 on £12,583,740, or an average percentage on the ad-valorem rates of 18-77.

Mr F E McLEAN

- What is the average on the fixed and composite duties t

Mr KINGSTON

- Thirty per cent.

Mr Crouch

- Nothing above 25 per cent. 1

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Mr KINGSTON

- Yes. I said there were four percentages - 10, 15, 20, and 25. I put that as clearly as I was capable of doing. I stated the proceeds, and then I averaged the Estimates, and showed what they must be.

Mr Reid

- What total will the ad valorem duties produce?

Mr KINGSTON

- £2,362,000.

Mr Reid

- And how much will the fixed and composite duties yield?

Mr KINGSTON

- £2,020,000.

Mr Reid

- Can the Minister give the total yield from stimulants and narcotics ?

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Mr KINGSTON

- Stimulants and narcotics with excise will yield £4,100,000. I venture to put it that a Tariff framed on that basis has much to recommend it. It produces revenue ; it is reasonable in all its phases. I do not think that a single division to which I have referred excites justly the criticism that it is excessive. At the same time I venture to think that whilst a Tariff of that description ought to satisfy, and no doubt will satisfy those who desire the production of revenue, there will be found also in connexion with items which I shall shortly explain, that the promise of the Government has been fully redeemed, not only in relation to the revenue branch, but also as to the preservation of industries which ought to be preserved, and the encouragement of those which ought to be brought into existence. Of course, honorable members will understand that I have been speaking in round figures, because I felt that it would be inconvenient to burden the committee with the odd hundreds of pounds ; but the following return will give honorable members the exact information on the subject : -

I fully recognise that, as to this matter of estimates, it is very difficult to ascertain what will be the result of the application of a uniform Tariff and Inter-State free-trade. There are a variety of matters to be considered. The factors, of course, which chiefly require consideration are the diminution or increase of foreign imports arising from the increase or reduction of customs duties, and the reduction of foreign imports resulting from Inter-State free-trade enabling the State supplies to displace foreign imports. It is really impossible to gauge these matters with absolute accuracy, as so much is left to conjecture and opinion. We have taken every care to subject the figures we are laying before the House to every possible variety of check, and considerations of probable revenue - though presenting very difficult problems - are not incapable of solution when expert minds are applied to them. We have, I am happy to say, most capable officers in all our States, and I think we have every reason to be proud of the chiefs of our Customs department. They are and have been assembled in conference, both in Adelaide and in Melbourne, for months and months. Of course, matters of this sort require the closest attention, and these officers have devoted their expert minds to the solution of the various problems in such a way that we believe that each of them is able from his knowledge to form a very fair idea of what is likely to be the result of the application of the uniform Tariff to Australia - even though the question is complicated by the abolition of the InterState system of customs duties, and the establishment of Inter-State free- trade. Further, it is not that one officer alone has made this calculation or another officer alone has made that. As a test we have thought it well that these calculations should be made by various officers working separately, and some of the conclusions at which they have arrived approximate in the most startling degree, and show that there is really a standard by which matters of this sort can be judged. I may say, amongst other things, that the result which is now shown as regards the percentage which will be received per head in New South Wales, though made now by one officer, tallies very closely - indeed within a shilling - with that which was arrived at some time ago by another officer. Then again with reference to Tasmania we find that the lump sum to be contributed and received was calculated by three officers, who - although the total amount was some £350,000 - were within £10,000 of each other. I think that results of that sort justify us in submitting these figures to the consideration of the committee and

challenging criticism. We shall only be too delighted, if there is any error, to have it pointed out so that it may be corrected, but I think I am justified, under the circumstances I am explaining, in predicting that there are few here who will be able to detect any error, because I think the figures are right. Referring to the ten items of which I spoke, in which the imports into New South Wales were so much larger than those of Victoria, I found that they were apparel, boots, and shoes, butter, malt, soap, grain and pulse, flour and other prepared grain, preserved milk, cement, and cheese, and that it was necessary for New South Wales to import these goods to the value of £2,251,372 against similar goods to the value of £502,448, which was all that Victoria was unable to supply for herself.

Mr Reid

- That kept a lot of Australians alive.

Mr KINGSTON

- I am very glad that the right honorable gentleman is one of them. I have shown roughly what are the percentages of the various contributions to the federal revenue in the form of various classes based on the nature of the duties. I propose now to mention, for the information of the committee, what are the percentages, ascertained and dealt with in a different way. We have divided our Tariff into sixteen classes, and we have tried to make it as plain as possible, to clearly specify the goods which are dutiable, to declare that all others which are not specified are free, and also, for the purpose of dealing with any questions as to whether or not a line is or is not included, to declare specified exemptions which will solve any doubts. The sixteen classes are specified in the return which I have previously given. As to stimulants, a high rate is shown, and there is also a high rate of duty on narcotics. Sugar is only taxed at 47 per cent, on its value, and agricultural products and groceries are taxed at 48-13 per cent.

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Mr JOSEPH COOK

- Will the right honorable gentleman tell me why agricultural products and groceries are bracketed together ?

Mr KINGSTON

- Because I think that is a fair description of the goods which are generally found in the earlier part of the Tariff, and which are mostly included among the imports subject to fixed duties. It is a simple title, and one which I think is not inappropriate. It is the best I could think of, and when honorable members have seen the Tariff I am inclined to think they will come to a similar conclusion.

Mr Barton

- It includes the principal food stuffs.

Mr KINGSTON

- Yes. This title comprises the principal food stuffs, and we know the extent to which we are indebted to our agriculturists for food. I would ask honorable members to notice that after these four classes have been dealt with - and they are, each of them, as regards their high percentages, classes which are usually found similarly taxed - there is no class whatever which is taxed at so high a rate as 30 per cent. There is one line, oils, paints, and varnishes, taxed at 29.33 per cent., and musical instruments at 28.58 per cent. The various other classes are apparel and textiles 17.73 per cent., metals 18.07 per cent., earthenware 23.59 per cent.-

Mr Reid

- Will the Minister excuse me for asking a question ? Does the right honorable gentleman's statement - " apparel and textiles 17.73 per cent." - mean that there is no higher duty than that ?

Mr KINGSTON

- No ; it is the average.

Mr Reid

- That is not how the Minister is putting it.

Mr KINGSTON

- The light honorable and learned gentleman, I venture to think, is altogether too childlike and bland. Did any other honorable member consider I was putting it to the committee that these were the highest duties in any of the classes ?

Sir William McMillan

- How could we know?

Mr KINGSTON

- It will guarantee that the honorable member for Wentworth knew. If he had not known he would have asked the question put to me by the right honorable and learned member for East Sydney. But it was left to the leader of the Opposition to come to the conclusion that he or some one else was labouring under a delusion in regard to this matter, and that there was some doubt as to our intentions. For pure innocence and for falling into a trap before it was set, commend me to the right honorable the leader of the Opposition.

Mr BRUCE SMITH

- If what the Minister now states be correct, why did not the honorable gentleman use the word "average"?

Mr KINGSTON

- Because it was not necessary. Every one knew what I was talking about.

Sir William McMillan

- We have got the explanation now.

Mr KINGSTON

- Yes ; honorable members have the explanation, if any explanation was necessary.

Mr Reid

- It is the usual insult.

Mr KINGSTON

- I venture to consider that I insult no honorable member, though that course would be perfectly justified in view of some of the observations which fall from the right honorable and learned member: The leader of the Opposition seems to think that he has a monopoly of the right to insult honorable members. I have heard him on a variety of occasions indulge in insults which were undoubtedly calculated to provoke resentment. He presumes to insult honorable members, and to complain of those who refuse to allow his remarks to pass unchallenged.

Mr Reid

- Look to your backers.

Mr KINGSTON

- I shall look where I like. It is all very well for honorable members to subject me to these interruptions. I should like to proceed on the even tenor of my remarks, but at the same time I am not to be habitually interrupted in the way that some honorable members seem to think, without a word of reply now and then.

Mr BRUCE SMITH

- Do boots come under the apparel line ?

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Mr KINGSTON

- No, they do not. Of what are boots made ? They are generally made of leather. The last I saw were. The other rates - or as I might say for the information of some honorable members " average" rates - vary according to the following list : -

Mr WATKINS

- What is the 14 per cent. upon?

Mr KINGSTON

- Paper and stationery.

Mr Reid

- Oh !

Mr KINGSTON

- Does the leader of the Opposition suggest that we should not put a duty upon paper?

Mr Reid

- I want to know what the duties are. "Does paper and stationery " include printing paper ?

Mr KINGSTON

-For the information of the right honorable and learned member, I may say that there is a duty upon printing paper. I am sure that the Government have every right to take credit to themselves for having the courage to impose a duty upon printing paper. I should like to know if the leader of the Opposition would ever have screwed his courage up to the sticking point in that respect ?

Mr Reid

- I take duties off; I do not put them on.

Mr KINGSTON

- There are a good many honorable members here, some of whom were Members of Parliament in other States, whilst others were Ministers of the Crown. I have heard remarks from many whilst I have been speaking; but I say that if those who had the courage to put a duty upon printing paper were all to speak simultaneously, there would be an even greater silence than that which now prevails. As I have said before, our aim has been to frame a Tariff for the raising of revenue, and for the preservation of industries. Of course, we have put the highest duty upon the complete manufactured product, and have imposed a lesser duty upon an article as it approached the raw material, so that when the raw material is produced here it is also protected, though at a less rate than is the complete manufactured article. When it cannot be produced locally it is admitted at a low rate, if not free, though revenue considerations have necessitated the taxation of such raw material, when, if circumstances had permitted, it would have been free.

Mr. Higgins. - What is raw material ?

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Mr KINGSTON

- It depends on what one is using it for. Yarn is raw material for the manufacture of cloth, just as cloth is raw material for the manufacture of apparel. In a matter of this sort, owing to the necessity for raising revenue, we have provided not only for the taxation of printing paper, but for the taxation of cotton goods which might otherwise be free, and for the taxation of kerosene, which we should also have liked to have avoided.

Mr. Mahon. - Is the Minister taxing kerosene ?

Mr KINGSTON

- We are taxing kerosene. Honorable members know that in a great many instances in Australia it is taxed and has been taxed. I venture to consider that when we are taxing the plainer cottons - to say nothing of the question of printing paper - kerosene should be liable. Indeed, any other oils should be liable to a fair and reasonable tax such as we propose. Concerning the protection of industries, great regard has been had to their extent and nature, to the amount of natural protection which they enjoy, and to the protection which is required to preserve their existence. No hard and fast line has been drawn as to the extent of any ad valorem or composite rate. I do not propose - as I said before - to deal with the items in detail. I have called the attention of honorable members to the classes in the Tariff, and the rate of taxation which generally affects them. I now propose, as regards three or four of the first divisions, to address a few remarks to honorable members in regard to one or two aspects which are important. Stimulants, being our chief item of revenue, we propose to deal with them practically for revenue purposes solely. Indeed, the instruction which was given to those concerned in framing the Tariff was that as regards stimulants and narcotics they should be taxed up to the highest revenue producing point. Hence we propose 14s. per gallon on spirits, without any allowance for underproof.

Sir William McMillan

- That is too much for revenue.

Mr KINGSTON

- The honorable member for Wentworth says that is too much for revenue, and I do not mind admitting to the honorable member that we hesitated for some time between 13s. and 14s., but the conclusion we ultimately came to was that 14s. was the better duty. It might be that 13s. would have given an equal result, but, of course, that would be consequent only on an increased consumption, and I take it that we are not particularly anxious in regard to spirits to promote consumption from the revenue point of view. So long as we get the money, we shall be satisfied with a less consumption.

Mr Higgins

- What is the excise on spirits ?

Mr KINGSTON

- The excise on spirits will be 11s. in certain cases, and 12s. 6d. in others. It will be 11s. as regards the forms of spirits which we think are more commendable.

Mr McCay

- Pure wine spirit?

Mr KINGSTON

- Pure wine spirit is amongst them. The excise will be 12s. 6d. in regard to inferior spirits. The rate of 14s. is, I may mention, the New South Wales rate, and in that State there is an allowance for underproof. It is also the Queensland rate, but in the latter State there is no allowance. In Western Australia it is 16s., and that does not seem to interfere very much with the rate of consumption there. But the people in Western Australia are most energetic, and, looking at the interchange, one would come to the conclusion that a little more stimulant is found to be necessary there in some respects than in other places.

Mr Reid

- Think of the despotism they were living under for years !

Mr KINGSTON

- The lowest rate is in Victoria - namely 12s., without allowance. Thus in only two of the six States is any allowance made.

Mr V L SOLOMON

- What is the rate in South Australia ?

Mr KINGSTON

- I forgot to mention that the rate in South Australia is 15s., with an allowance, I think, and there is a very high preference is given in regard to local spirit, the rate on the latter being 9s. 4d., or a difference of 5s. 8d. That might be considered, before federation came, fully justified by the superior strength and quality of the Adelaide production. As to excise, the question of the honorable member for Northern Melbourne has elicited what I intended to say. We propose 11s., or 3s. difference on spirits from wine, barley malt, molasses, or maize, and 12s. 6d. on all others. The cheapest spirit, I understand, and no doubt my honorable friends will corroborate me, is at present produced in Queensland from molasses, and is chiefly used for rum or methylation.

Sir Malcolm Mceacharn

- How about potatoes ?

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Mr KINGSTON

- I have not mentioned potatoes, as they are not selected for special encouragement, and I imagine, from the temper of recent debates, that any proposal of that sort would not meet with too much favour. Unless the proposal be altered - and possibly honorable members in the corner would desire to see it altered - that spirit will share the comparative obscurity which compels it to pay 12s. 6d. excise duty. We feel that, as regards excise, and encouragement to local spirits, it is very necessary to proceed cautiously, and honorable members will, therefore, notice that preference for local spirits -has generally been cut down. "Various States have had various experiences of the result of too much encouragement to local distillation. At first New Zealand had both excise and customs rates for local spirit equally at 14s., but they cut that down and gave a preference of 7s., or 50 per cent., to the local production. The loss of revenue was such that they put the excise duty up again to 14s., and bought out the distilleries, compensating the owners. We must, in this connexion, be careful lest we create a vested interest which cannot exist on the terms granted, without serious injury to the public. The preference which was granted in Queensland to the local distiller was 2s., and Victoria gave 4s. in favour of spirit from grape wine - or pure wine spirit, if it is ever produced - or from barley malt, and 2s. preference to other spirits. As regards the duty on beer, that is placed at 1s. 6d. per gallon in bottle, or 1s. per gallon in bulk. In regard to excise on beer, we have thought it our duty to keep to the New South Wales rate, namely 3d. per gallon, although that is a 50 per cent. increase on the rate which exists in South Australia. Tobacco comes next in importance to spirits as a revenue-producing item. New South Wales, Victoria, and Queensland can produce tobacco, and have done so, and the Northern Territory is also fit to produce it. Large quantities of tobacco have been produced in these States at various times. The highest yield in Australasia was in 1888, when 70,000 cwt. was produced. Queensland now produces the greatest quantity at a place called Texas.

Mr McDonald

- Grown by Chinamen.

Mr KINGSTON

- Is it? '

Mr McDonald

- Yes ; the whole of it.

Mr KINGSTON

- The gentleman whom I saw was not a Chinaman by any means, but a most intelligent man, and a Government expert.

Mr McDonald

- Chinamen grow it.

Mr KINGSTON

- All I can say is, that many mistakes may have been made at different times in the establishment of industries ; and New South Wales, Victoria, and Queensland have made mistakes in connexion with the tobacco industry. But, from all I hear, the difficulties in deciding what tobacco to grow, and how, when, and where to grow it, have been overcome at the place I mentioned. Tobacco has been turned out which has been able to overcome a usual but unpatriotic preference of some people for foreign goods rather than for those which are produced in their own country ; and Queensland is consuming a lot of her own manufactured tobacco. Tasmania allows no preference, and has no tobacco factory. The average preference amongst the five States amounted to ls. 2½d. after New South Wales and Queensland had altered their rates to compete with Victoria, where a preference of ls. 3d. was given.

Mr Reid

- That was only temporary.

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Mr KINGSTON

- I am reminded by the leader of the Opposition that that was only a temporary matter. Although Victoria gave a preference of ls. 3d. to the local maker, New South Wales, and, I think, Queensland, got ready for the coming of Federation and the uniform Tariff by giving power to reduce their excise duties, so that tobacco might be turned out in those States with advantage equal to that allowed in Victoria. They asked that the power should be exercised, and it was exercised, and the result was as quoted. But before that the average preference had been a little over one shilling and three-fifths of a penny. What is now proposed is that the preference shall be ls. I think that is striking a fair average of protection to the local manufacturers from imported leaf, getting the best information we can as to what is wanted in Australia. The rate for tobacco manufactured from imported leaf is 3s. 6d. Honorable members will notice that that is 6d. in advance of the general rate, It is a tax which of course affects many, but, at a time like this, revenue is desired, and I think our smokers, if needs be, might contribute a little extra to the revenue ; though I should like to think, in view of what are the profits made by the tobacco manufacturers, that the extra 6d. will fall upon the manufacturers and not upon the consumers. The preference in Queensland is 2s. It is the difference between 2s. and 4s. The rate for manufactured tobacco in Queensland at present is 4s. We are reducing that a little, while we are raising the rate generally as it affects the other States. Of course, if local leaf is available the preference will be increased by the saving: of the duty on the imported leaf. What we are proposing on. imported leaf is ls. 6d. Then we propose ls. excise.

Mr Salmon

- That will kill the tobacco-growing industry.

Mr Isaacs

- That is not protecting the tobacco-growing industry.

Mr KINGSTON

- I have heard a good deal as regards what is needed. I have heard it from Queensland and other places ; and I say that in allowing the average of ls. preference on. local manufacture from imported leaf, it seems to me that we are giving a fair thing.

Mr Reid

- The right honorable gentleman has not mentioned the duty on imported leaf yet, I think.

Mr KINGSTON

- The duty on unmanufactured imported leaf is ls. 6d.

Mr Watson

- Do I understand that the excise on locally grown tobacco is 2s. 6d?

Mr KINGSTON

- No; ls.

Mr Watson

- I understood the right honorable gentleman to say that the difference was ls.

Mr KINGSTON

- This is the way the matter stands - manufactured imported tobacco, 3s. 6d.; unmanufactured imported tobacco, ls. 6d.; excise, ls. If local tobacco is taken to a manufactory to be manufactured-

Mr McDONALD

-paterson. - That is, local leaf.

Mr KINGSTON

- Yes ; if the local leaf is taken to a factory to be manufactured, it will only pay ls.

Mr Glynn

- That is a pretty stiff protection.

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Mr KINGSTON

- On the other hand, imported manufactured leaf pays 3s. 6d. What more do the growers of tobacco want? I venture to think that I could not have made the matter sufficiently plain to the honorable and learned member for Indi. No doubt the fault was with me. Stated again as plainly as can be, the duties are - 3s. 6d. on imported manufactured leaf; ls. 6d. on imported unmanufactured leaf; and on the local manufactured article, whether of local leaf or of imported leaf , ls. So that the result is that if a manufacturer takes imported leaf and manufactures it he has to pay 2s. 6d. altogether, as against 3s. 6d. that is paid on the manufactured imported leaf. If, on the other hand, he uses local leaf he only has to pay an excise of ls., as against 3s. 6d. on the imported article. I venture to think that now I have made myself plainly understood the honorable and learned member for Indi will be inclined to review the opinion he expressed by way of interjection just now. Cigars and cigarettes are intended to be similarly dealt with by way of an import duty of 6s. 6d., which we may calculate at an excise of ls. 6d. on cigars, and 2s. on cigarettes. This will give a preference to the local manufacturer of cigars of 3s. 6d. when using imported leaf, as against a present general average of 3s. 7d. in the six States ; or, in the case of cigarettes, a preference of 3s. as against a present general preference of 3s. 51/2d. in the States. As to cigars, their value varies so much - from, say, five for ls. to 1s. each - that we have detertermined to introduce in this connexion a composite rate, following the example of Canada. Accordingly, their taxation is provided for at the rate of 5s. 6d. per pound, and 15 per cent., which will give a fair return as regards the cheaper smoke, and will require also a fitting contribution to the revenue in the case of more delightful and luscious cigars. Now, sir, I come to a matter of very considerable interest and importance; as to which the Government have devoted considerable thought. That is, as to the question of whether or not there shall be an excise on sugar. Of course, if there were no excise, seeing that under present circumstances sugar contributes very largely to the public revenue, the exhaustion of this source of revenue would be very severely felt. It would add to the difficulty which the Government always have in providing the necessary funds when larger amounts are required than, before, and there is less for the purpose of taxing. Still at the same time we do not like the proposal to impose an excise duty to which Australia is not accustomed, which is a novelty, which is a tax upon an industry which has previously been free from it, and which industry is natural as to our soil and climate. But we have to contrive the means as best we may, and particularly having regard to the fact that in connexion with this excise on sugar we can emphasize our "white Australia" policy, we have decided to impose an excise on Australian sugar. The amounts of duty we propose are as follow : - As regards the import duty, £6 per ton ; as regards the excise duty £3 per ton, but accompanied by a rebate to the grower of white sugar..

Me. Joseph. Cook. - White sugar, or sugar: grown, by white- labour ?

Mr KINGSTON

- The honorable member knows perfectly well what: I mean ; there is no room for doubt upon the point. I refer to the grower of white sugar - the man who produces sugar, by white labour only. Let that be thoroughly understood and made as clear as the noon-day sun. In this case, the man who employs the labour of white men, men of his own colour and class - in disregard of the temptation to employ others who, however, entitled they may be to fair and proper consideration, have not the same claim upon us and who are employed for this reason, that their labour can be got at half the price at which, the planter

can employ his own white brother--

Sir MALCOLM McEACHARN

- Has the right honorable gentleman, taken account of everything 1

Mr KINGSTON

- To mark our opinion, expressed, time and. again on- this subject of " white Australia," and- to show that we will have an end. of this- kanaka, curse,, this-, proposal is-, here, embodied, and we intend to. give, effect- to it. They tell us- that the' cost of white labour is'much- greater than. that of. the other, labour.

Sir Malcolm McEacharn

-. - So it is;

Mr KINGSTON

- Then,, as regards the man. who,, regardless- of£ purely selfish considerations of. personal interest, employs those who- have a greater claim upon him than the black, who is brought here often to die, and certainly to work under conditions we have reason to deprecate, let it be known that our. policy, the policy of1 our other. Bills,, and. of. this Bill;, is that we will have an. end. to it,, and. that soon.

Sir MALCOLM McEACHARN

-. - Nonsense:

Mr McDonald

- What is the rebate 1.

Mr KINGSTON

- Four shillings per ton. of. 10. per. cent, sugar cane,, equal to- £2. per ton. of. sugar, that is: to say £2 out. of: £3, the excise on black sugar, being £3,, and on white sugar, £1. I venture-to- consider that with these repeated assurances; which: we are giving in every possible way,, of" our views- in. connexion with this matter there can be no doubt as, to? what we mean. We see the agitation commencing, elsewhere,, we see the strength being put.into.-tkis matter for. the purpose of; preventing, the " white Australia" policy being, given: effect to. We Hear the appeals made for- time - to spare us. a little till we gp> hence:.. Until when*?- For seven- years they say- now.

But that is the story they were preaching years, and. years ago: All they wanted was a little time, but that time never comes, and it never will come, until Australia is firm and united, as it. ought to, be- in its action. Iam proud indeed that. in connexion, with this Tariff we have again shown what we mean and what we intend to do. Let the struggle be as keen as- it may, Australia lias declared, for a " white Australia," and. we in. this- Parliament intend to endeavour to obtain it.

Mr Chapman

- Put that performance against the professions- of honorable members opposite.

Mr SYDNEY SMITH

- Why did not the right honorable gentleman vote straight: the other night?

Mr KINGSTON

- I did vote straight, and: L spoke straight: I- am. doing my best to speak straight now, and I venture to say that there will, be no doubt as to what are my views, or the views of any member of the Government to which I have the honour to belong:

Mr Barton

- Will the honorable member for Macquarie go straight upon this ?

Mr SYDNEY SMITH

- He will go straight, as the right honorable gentleman, never did, or he would not be where he is to-day.

The CHAIRMAN

- The honorable member for Macquarie has- made a remark which is offensive, and I ask tme honorable member to withdraw it.

Mr SYDNEY SMITH

- Of course I withdraw at once any offensive remarks made by myself. At the same time, I think that the Chairman should call the Prime Minister to order for having- made an offensive remark to me.

Mi*. Barton. - I made no offensive remark.

Mr SYDNEY SMITH

- Smith*. - With all due respect, B say that my career as. a politician, is- suck that I can-, claim, to have gone straight. I may mention that I. went down at an election because I- did go straight. I retorted upon

the Prime Minister that he did not go straight,, and for that I apologize.

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Mr Barton

- I may make a personal explanation, which will give my. right honorable colleague a moment's rest. The honorable member for Macquarie- made an interjection, asking, why the Minister did. not go- straight. It is quite- clear that if any trouble arose it was- from the implication the honorable member made that those who were not of his way of thinking did not go straight.

The CHAIRMAN

- I asked the honorable member for Macquarie to withdraw the offensive remark he made. He has withdrawn it, and I now call upon the Minister for Trade and Customs.

Mr F E McLEAN

- Rising to a point of order, I desire to say that during the speech of the right honorable the Minister for Trade and Customs certain interjections took place across the table. The right honorable the Prime Minister made the interjection, " Will the honorable member,- Mr. Sydney Smith, go straight?"

Mr Barton

- On this.

Mr F E McLEAN

- Well, on this question. The honorable member for Macquarie has taken exception to that, and has stated that that remark was offensive to him. I think that in all fairness the Chairman should now ask the Prime Minister to withdraw that remark.

Mr Barton

- I cannot help thinking, without any implication of motives, that it is strange that a point of this kind should be taken. The honorable member for Macquarie caused all the trouble by a very offensive interjection across the table - "Why did not you go straight?" My answer was simply to ask whether the honorable member would go straight on this. I did not impute that he would not go straight ; I simply asked whether he would go straight. It seems to me that this is a storm in a ten-cup, because I believe I have often had to go straight for my honorable friend opposite. But I did not mean to impute to the honorable member that he would not go straight on all occasions.

Mr SYDNEY SMITH

- I do not wish to pursue the matter further. When I said that the Prime Minister did not go straight, I did not mean the statement to be understood in any offensive way. I had thought it was the best way to get rid of alien labour by going straight for a certain measure, and the right honorable gentleman did not go straight for it.

Sir Malcolm McEacharn

- Is sugar now in bond liable to excise duty.

Mr KINGSTON

- Probably that will be found out early in the morning.

Sir Malcolm McEacharn

- The right honorable and learned, gentleman might tell us to-night.

Mr KINGSTON

- I should be only too glad to do so, but I am not the chief law officer of the Crown. This interlude has put me somewhat off my track.

Mr SYDNEY SMITH

- I am very sorry for it.

Mr KINGSTON

- I am sure the honorable member had no intention of doing so. It seems to me that the little trouble was not properly constituted, because I was not in it. I am not going very closely into these figures, because I have been occupying the attention of the committee for some time, and all these matters will have to be thrashed out. It is difficult to come to a conclusion as to what will be the precise result of the rebate, but we calculate that at present the proportion of black sugar to white is about seven or eight to one. I would point out, in reference to the excise duty of £3 per ton, that there is no intention to injure the employers of black labour ; but there is an intention to prevent their operations from resulting to the disadvantage of the employers of white men. As they will not consent to compete on the same terms, and as the employment

of white labour, as we all acknowledge, is infinitely to the advantage of the State, it is fair that the State, in dealing with these classes - the men who will employ white labour, which is desired, and the others, who for profit employ black labour-

Sir Malcolm McEacharn

- Not for profit.

Mr KINGSTON

- Of course it is for profit.

Sir Malcolm McEacharn

- The industry cannot be carried on without black labour.

Mr KINGSTON

- The man who brings these kanakas from their homes to die here does so for his own profit. He should be marked out for a salutary distinction, such as we propose to show in this matter, and which we are sure the country generally will help us to carry out.

Mr BRUCE SMITH

- Is it intended to apply this differential treatment at once ?

Mr KINGSTON

- It is not intended to apply it until June next, because we can hardly ascertain the difference so far as the present season is concerned.

Mr BRUCE SMITH

- But is it intended to apply it before the Pacific Islands Labourers Bill puts a stop to the importation of kanakas ?

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Mr KINGSTON

- It is to come into force on the 1st July next, and I hope and believe that the Pacific Islands Labourers Bill will be in operation before the 1st January next. I do not see how we could collect the duty now on a differential system, because we have not exercised any power of supervision over the circumstances under which sugar has hitherto been grown. It could not have been looked into before, and the manufacture for the season is now in full swing. We propose, therefore, that the excise to be collected at once shall be the average of £3 on all sugar, but next year it will drop down to £1 as regards white sugar. It is not only our assured hope but a certainty - the people in the north know it - that legislation of the character which we are now introducing will effect the eradication of the black trouble in Queensland and elsewhere where it now exists, and prevent it where there may be a desire to introduce it. Australia will be pure white, and will be subject no longer to criticisms for the contrary that she encourages black labour by the 1st of January, 1907, when the excise will cease and all sugar, being white, will be free. The reluctance which we entertain in connexion with the imposition of this duty is removed by a consideration of the character to which I refer. It affords us another opportunity of doing something in the direction which we so much desire and which is properly the chief object of an Australian Parliament and people. In 1899, over £500,000 was received from sugar duties. The excise from a revenue point of view will be specially helpful to Queensland, where local supplies and 6s.8d. duty prevent imports from coming in now. It is difficult to estimate the probable result from the varying factors : (1) imported ; (2) excisable at greater rate ; and (3) excisable at lower rate. The total consumption of sugar at present is 170,000 tons. It is doubtful whether Queensland and New South Wales combined can at this moment supply all that may be desired, and that has induced us, amongst other reasons, to fix the rate of import as low as we have, so that in case of a shortage the sugar-consuming public shall not be too much at the mercy of the sugar producers. I have a lot of figures on the subject, which I do not intend to use, and I am sure honorable members will be thankful that I refrain from quoting them. An honorable member asked just now how we are going to collect the duty.

This is the way we propose to do it : We will give a rebate on white sugar, all sugar £3 excise duty, in the form of a rebate-note given to the grower and equal to cash for payment of sugar duty, and transferable by delivery. Thus the grower, when he comes with his cane to the factory, and is in a position to establish his claim to this rebate, gets the official rebate-note, and either gives it to the miller, who, no doubt, will be glad to take it from him, or use it himself at its full cash value. I do not believe that any better plan can be conceived for dealing with this matter. We have given a great deal of attention to it, and we are satisfied

that it will work. We have got the power already under the general Excise Bill to require growers, and factories also, to register. Sugar will shortly be proclaimed a material in respect of which registration must be effected. Everything is in order, and I trust that while we are going to take the responsibility - as is our duty - of enforcing the law at once, that the committee will not hesitate to give us any necessary ratification of our action when we require it. I have now dealt with three great classes : Stimulants, narcotics, and sugar. Then I come to the division dealing with agricultural products and groceries. Some honorable member - I forget who it was - asked what they meant. Under those headings will be found chiefly goods which are generally grouped as liable to fixed duties. That is where the claims of the producer are dealt with, and where protection is given to the farmer, the dairyman, the gardener, the orchardist, and the manufacturer, both as regards their raw material and manufactures therefrom. Thus we find that arrowroot, bacon and hams, broom corn, butter and cheese, eggs, fruits and vegetables, grain and pulse (both prepared and unprepared), hay and chaff, honey, jams and jellies, hops, linseed, malt, meat, milk, and straw are all included. The estimated revenue from these sources is £1,142,000.

Mr Watson

- What is the percentage %

Mr Reid

- About 50 or 60 per cent. on some.

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Mr KINGSTON

- Of course, they vary very largely. The next division I come to is that of apparel and textiles, which introduces us to an industry worthy of the most careful preservation, and on which 25 per cent. is proposed to be charged on completely manufactured articles of the highest class. The same protection is given to manufactures of metal, not including agricultural, horticultural and viticulture! machinery and implements, which are rated at 15 per cent.

Sir William McMillan

- What is the duty on tea?

Mr KINGSTON

- I am glad the honorable member has put that question. That is another case of the composite charges. I think that in Canada they have a composite rate on coffee. I have already informed honorable members that they have it on cigars. Probably honorable members were expecting a rate of 3d. per lb. on tea, but what we have decided to impose is 2d. per lb. and 20 per cent, ad valorem, and for this reason, that the quality varies so much that we do not think it 'fair to charge the tea of the poorer classes at the same rate as that which may be double its value. We must have some revenue from a fairly taxable article which is not yet produced here in consumable quantities or qualities, and so we ask for a duty of 2d. per lb. We endeavour by these composite rates to make some provision for an equitable charge - according to the value of the thing consumed - which at present is conspicuous by its absence from most of the Tariffs which have obtained in Australia. Twenty-five per cent, is the rate applied to patent and other medicines, jewellery, boots, and shoes, when they are not made the subject of a composite rate, manufacturing stationery and brushware. The importance of the industries which we have devoted our best energies to preserving is made manifest by consideration of the figures in the papers before the committee showing the number of persons employed therein. Where an Industry is the subject of considerable investment of capital and employment of labour we have deemed it our duty to do the best we can, not only to preserve it, but to encourage it. At the same time we have not raised the rates so far as they are known in this State by any manner of means. There has been a fair consideration of the various rates of the different States, and an endeavour made to assimilate in the Tariff the best provisions of each. No doubt, in many cases, people in Victoria may view with some surprise the reductions which have been effected, but at the same time what we feel is, that their manufactures are established and that they have every ' reason to congratulate themselves on the position to which they have attained as the premier manufacturing State in all Australia. They will have the advantage of a "larger market, a greater output, and consequently a cheaper output. And I believe that with these assistances which are -not -theirs only, but are the -property of every State and any member thereof, there will be a power of sustaining competition not only among ourselves - though perhaps it may be more keen - hut against the outsider. On a consideration of everything affecting the question, there will be secured by "this Tariff not only the money which is wanted

for Australian purposes, but a -fair and proper, though not extravagant guarantee of the safety and perpetuation of industries which are worthy of encouragement.

Mr Higgins

- -What is the duty on woollens ?

Mr KINGSTON

- Woollens as regards apparel 25 per cent., wool in the piece 20 per cent., and yarns, 15 per cent.

Mr Page

- Is it 25 per cent, on the manufactured article ?

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Mr KINGSTON

- Yes ; and I say in that connexion consult the tables, view the statistics, apply your own knowledge to the consideration of the question of how many people are dependent . for their livelihood, and are honestly earning it in industries associated with textile and apparel. I believe we have every reason to be proud of these industries. Let us, -then, do what we fairly can for the purpose of encouraging them. Glass and furniture making have also been made the subject of special protection, and they are industries which are well worthy of protection. On furniture the duty is 20 per cent., which is the rate applicable to leather manufactures other than boots, or to manufactures of wicker, bamboo, cane, or wood. With apparels there are three protections desirable - one to the -maker of yarn here, one to the maker of the cloth, and another to the maker of the apparel. Looking at our pastoral industry, is it not preposterous that the wool which we grow should be sent away to the other side of the world for the purpose of being turned first into cloth and afterwards into garments, to be sent back across the seas so that we shall use them ? Is it not much better, that, having the wool and the people capable of manufacturing it, to turn it into yarn here, and here also to make the yam into garments'! Look at the wealth and opportunity of employment that we are losing if we do not take -sufficient pains to secure to our people the trade and the opportunities for living, which are properly, and ought to be ours. So also we protect the maker of woollen apparel against competition from the maker of silken apparel. The silken apparel is charged the same duty as the woollen apparel, but we draw a distinction. Seeing that we cannot make silk cloth here - it has not yet been 'made - we do not charge the same rate of duty on the silk cloth as we charge on the woollen cloth ; but we admit it at 15 percent, so as to give the maker of the apparel an opportunity of profiting, as he has to import the silk piece goods and pay the duty before he can make them into apparel himself. Financial necessities have compelled the Government to propose a duty on cotton goods. A duty of 10 per cent, is proposed on plainer qualities of cottons and linens with very few exceptions, and the better kinds fall into the 15 per cent. list. Flannelette, which, from all I can hear, is a most objectionable imitation of wool liable to ignite on the slightest provocation, has found its way into the 20 per cent. list. So also the necessities of revenue have required the removal of printing paper from the free list, and it goes into the 10 per cent, list.

Mr Reid

- With cottons and calicoes - the poor man's list of 10 per cent.

Mr KINGSTON

- There is one other matter. The Government consider that a reasonable system of bonuses may be adopted to encourage the establishment or extension of industries which are not yet established, or not sufficiently established, or to which protection cannot conveniently be immediately extended pending their sufficient establishment.

Mr Watson

- Where are the Government to get the money from?

Mr KINGSTON

- We shall get the money right enough, but we are going to commence in a small way. I think that while we are encouraging existing industries, the future of Australia demands at the hands of the Federal Government, which has control of the matter of bonuses, that they should not neglect these altogether, but should bear in mind that the powers they possess are held in trust for the good of the people, and to be exercised when circumstances warrant it. Even if we commence hi a small way, we -should show a determination to commence on these lines instead ;of standing still and saying nothing at all, or crying out that it cannot be done. Our attention is first drawn to the iron industry, and I know of no more important

industry that could be selected for encouragement.' We have got iron, and we -have got coal. We .have iron of .as good quality for smelting as we could wish to have, and coal as good for the purpose of smelting it as might be desired. Are we going to stand still and do nothing ? Shall we not be neglectful of our -duties and opportunities if we 'fail to follow -where others have led with .good results? What has Canada done ? She is paying a bonus in connexion with the iron industry - on pig iron, steel bars, and on other kinds of iron. We propose to pay a bonus in connexion with the manufacture of iron ore at a certain rate if manufactured from Australian ore, and at another rate if manufactured with a certain proportion of ore from other parts, or we may legislate to the exclusion of foreign ores altogether from the benefit of the bonus.

Sir William McMillan

- The Government would hide a 200 per cent, duty under the form of a bonus.

Mr KINGSTON

- Iron is free at present under the Tariff, but we are going to offer a bonus for the purpose of encouraging the iron industry, and we shall ask Parliament to assist us to do something in that direction. I am not going to tie myself down to any special lines.

Sir William McMillan

- Would the Minister limit the bonus to say 3.00 per cent. ?

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Mr KINGSTON

- I would limit the bonus to a specified amount. I would follow where others have led if they have led successfully. I look at it from this point of view : Are there other British peoples who have recognised the importance of the iron industry, and done something towards encouraging it - the iron industry being the chief basis of all other industries ? We find that Canada commenced this policy years ago and she continues it, and I note with interest that Canada has recently been exporting iron in large quantities. We might suggest a bonus of 12s. per ton as to pig-iron manufactured in Australia, on the proportion from Australian ore, and- 8s. per ton on the proportion from other ore ; 8s. per ton on puddled iron bars manufactured from pig-iron made in Australia, and 1 2s. per ton on steel ingots containing not less than 50 per cent, of pig-iron made in Australia. The bonus might commence shortly - indeed our idea is that it should commence some time about the middle of next year. We have under consideration the question as to whether the bonus should be limited to works which are capable of turning out a certain amount of the manufactured article within a certain time, and which have proved their capacity for so doing by running at a certain rate for a more limited time. However that may be, we are determined to ask Parliament to assist us in dealing with this question, and we look confidently for the support of the committee. With regard to the matter of details we had put it down that the amount in the first instance should be limited to something like £75,000, which would represent 10s. per ton on 150,000 tons of iron ore. I am not, however, binding myself in any way to the details of the proposal, but I am declaring what our policy is with regard to this most important matter, which is to be shortly embodied in a Bill, and introduced for the consideration of this House.

Mr JOSEPH COOK

- Does the Minister propose to limit the bonus to iron produced from the native ores ?

Mr KINGSTON

- The lines which I read, which are merely suggestive at this moment, give a higher bonus on the Australian ores than on other ores, but the question as to how the bonus is to be limited, or in what proportion, is a matter upon which we desire to be more fully informed, and regarding which we shall shortly apprise the House.

Mr JOSEPH COOK

- In the meantime there is no duty.

Mr KINGSTON

- No, in the meantime there will be no duty on iron.

Mr Reid

- There is a 10 per cent, du tj'.

Mr KINGSTON

- There is no duty on iron under the Tariff.

Mr Reid

- I say there is - .[have - it in the Minister's own Tariff.

Mr KINGSTON

- Might not the right honorable member imagine that, before I contradicted him most flatly in a matter of this sort, I knew what I was speaking

Mr Reid

- But it is here in the Tariff.

Mr KINGSTON

- The right honorable gentleman has not read the first part of the clause. There it is provided that the duty shall not come into operation until a date to be fixed by proclamation.

Mr Reid

- That is a part I did not look at.

Mr KINGSTON

- No, of course the right honorable gentleman did not look at it.

Mr Reid

- A duty to be fixed by proclamation is something new.

Mr KINGSTON

- If the right honorable gentleman would not be so cocksure of everything he talks about it would be better, as he is generally cocksure to be wrong. Here is an example shown by the right honorable gentleman, who takes up this Tariff, which he has not seen for three minutes, and presumes to flatly contradict men who have been considering it for months. The right honorable gentleman is affording an example of how to reach the height of audacity to which few can expect to attain, but to the apex of which he soars triumphantly. We are not going to stop at iron, but we believe in the encouragement of future industries relating to necessities which are not produced within the Commonwealth, or obtainable at reasonable prices. When the people want the manufactured goods that would be produced as the result of the local carrying on of a certain industry, it is a fair thing to provide for a bonus to encourage the establishment of that industry, and, as soon as the industry is established, to call certain duties into existence for the purpose of securing the maintenance of the industry. This is the policy we intend to adopt with reference to iron, and it is also our policy with regard to machinery - agricultural, dairying, viticultural, horticultural, and mining machinery. There is no doubt that it is a God-send when a fresh invention comes into these branches of industry. But till it comes, and is locally established if we tax the imported article, we impose a burden on the man who wants it, which is what we wish to avoid. How can we avoid it?

Mr Thomas

- By taking off the duty.

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Mr KINGSTON

- I am glad indeed that the honorable member has given me that reference. I am speaking to the agriculturalists. What has been the most notorious case in which the agriculturalist of these States has been bled? Has it not been in connexion with the implements and machinery which he requires to import? Undoubtedly it has been the price he has had to pay for the purchase of the reaper and binder. Do not every one of us know that? I inquired into this matter in South Australia, and I know that the same evil has existed here. What is that evil? The machines are put free on board at New York for something like £20.

Mr O'Malley

- For £14.

Mr KINGSTON

- I am stating the case and giving the importer the fullest benefit of the doubt in order that my figures may not be challenged. These machines are landed here for £25, and are pressed on the unfortunate farmer for £50 or over. In other words, the price is increased to him by 100 per cent. I have verified these figures. What do the free-traders say of a duty by way of profit over cost of 100 per cent, upon a machine like the reaper and binder?

Mr Reid

- It is an American protection.

Mr KINGSTON

- I have not seen the American protectionist here, but- I have seen the importer. As regards the American protectionist, we say to him - "Come and establish your industry here and we will be glad." We would thus have the benefit of the manufacture of these articles in our midst. I have discussed this matter time and again, and I know all about it. I tell the right honorable and learned member that there are certain questions which are generally asked when this subject is discussed. I have had them asked me time and again when I have pointed out to the farmer the way in which he has been plundered by importing rings. When one emphasizes this point to a city or suburban audience, a theorist free-trader usually gets up and says - "You forget the patent and freight." My answer is: "The patent is up, and the figures quoted include machine and freight." Then they say - "But what about the duty? You have forgotten to calculate that." What has been my answer? There is not a pennyworth of duty paid upon these machines. They have been admitted absolutely free. 16 y

Mr Glynn

- That was not the explanation given. The Minister knows that perfectly well.

Mr KINGSTON

- These questions were put to me first in the Town hall of the district which the honorable and learned member once adorned, and on another occasion at Petersburg. There is a glaring instance ! Does any one imagine it would be tolerated for a moment that 50 per cent, or 100 per cent, could be exacted by the local manufacturer ? Nothing of the sort ! It would not be tolerated.

Mr Thomson

- The manufacturer abroad imposes that.

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Mr KINGSTON

- I know what are the facts and the results to our farmers, and no one can get away from them. In America the price of the reaper and binder is what I have stated, whilst to the unfortunate Australian farmer it is the sum which I have already mentioned. We say to the manufacturers - "Come and establish your manufactories here. It will be a benefit to you and to us." Where does the 50 or 100 per cent, go if not into the pockets of some of these people ? We say to all the world, and we ask this House to say - "Come and establish your industries here. Turn out a certain number of machines. We will give you a certain bonus on every one you produce up to a certain number. When you produce that number, protection shall be given to your manufactures which will sustain you against outside competition." That is a provision which is not limited to these particular machines. It is to be extended by proclamation to all new machinery on which there is no import duty, and which is certified to be an industry the establishment of which in the Commonwealth is essential to the development of our resources - agricultural, dairying, horticultural, viticultural, and mineral. Power is given to the Government by proclamation to call into existence a duty which shall protect such industries after they have been established, and in the interim a specified bonus not exceeding 25 per cent, of the price of the article is to be paid. I do not know that there is any more that I require to say at this particular moment. I thank honorable members for the attention which they have been good enough to extend to me. I feel that I should be ungrateful if I did not join in the recognition of the great services which have been rendered to us in this connexion by the Customs officers. The Comptroller-General has been unsparing in his attention to everything that was necessary. I must also mention Mr. Lockyer, whose high intelligence has been chiefly devoted to the all important question of the necessary calculations. Mr. Stephens, the South Australian collector, and Mr. Smart, of the Melbourne department, have both done yeoman service. In fact, I think that every one who has been called to our assistance has spared no effort, and I thank them accordingly. I shall conclude by saying that we have every faith in the future of the Commonwealth. We hope that our proposals will contribute to the development of our splendid resources. The barriers which have so long separated sister States, and which many have so struggled to remove} are to-day removed once and for ever. We have great cause for gladness. Let us show our gratitude by soberly and earnestly addressing ourselves to the work which we now have before us. I beg to move -

That duties of customs and duties of excise be imposed according to the following Tariff : -

16 y 2

Mr REID

- I hope that in the flashlight photographs that have been taken to-night we have seen the last of a most irregular and, I think, most unseemly proceeding. This is no occasion for theatrical advertisements of enterprising photographers, and I beg to enter my personal protests against them. Since the matter had gone so far, and every arrangement had been made, I did not think it gracious to raise any objection before the photographs were taken; but now that the photographing is over, I beg, as an individual member, to express the hope that our proceedings will not be interfered with by any such exhibitions in the future. With reference to the course which the Government have adopted by dividing the addresses in reference to their financial proposals and the Tariff, I really feel that it would be unreasonable to complain, because there is no doubt that the task which was set to the Federal Treasurer in connexion with the present occasion was one almost too great for any single Minister to perform. At the same time, I wish candidly to say that in the interests of the committee and of the country, it amounts to a public calamity that the Treasurer did not give us the benefit of his exposition of the Tariff, and of its bearing on the position of the country, because then we should have heard something about it. The Minister for Trade and Customs has left us absolutely in the dark as to what the Tariff is, which the Chairman has taken as read, and of which printed copies are now being distributed. It is a most extraordinary thing that on a matter of this sort, which was looked forward to throughout Australia, the Minister for Trade and Customs should have gone so largely into general observations, and so slightly into the real bearing and effect of these proposals of his upon the manufactures, trade, and industries of Australia. I am not paying compliments, but simply expressing my opinion when I say that if the Treasurer had performed the other " part of the duty, we should have heard a great deal more about the Tariff and the nature of the proposals which the Government are making in the direction of taxation. The Treasurer gave us some tolerably clear idea of the general finances of the Commonwealth and of the nature of his estimates ; but we have been deprived, and the public have been deprived, of any proper exposition of the Tariff. It is evident that this Tariff did get out, because the Bendigo Advertiser, a newspaper published in Victoria, has wonderfully hit off a large number of the articles therein dealt with.

Mr McColl

- The newspaper was very far out.

Mr REID

- I see a particular item which enables me to identify the newspaper article as certainly having come from some information. I do not, of course, know how the information was obtained, but there is a singular item here, under the head of tobacco. The division of the Tariff into sixteen classes does not facilitate reference. However, there is an item here, under the heading of narcotics -

Tobacco, viz. : -

Mr Kingston

- That is a common form.

Mr REID

- Well, perhaps it is a common form, but how these newspaper correspondents could get hold of an item of that sort, which is a technical item, puzzles me. I do not blame the Ministry in any degree, because I am sure that the Minister for Trade and Customs and his colleagues made superhuman and very proper efforts to preserve secrecy. I do not wish at present, however, to take this matter up. The Government have been sitting for weeks dealing with these matters, and have had the benefit of the assistance of officers of the departments in arriving at their conclusions. It is, therefore, impossible for me to attempt to deal with the matter now. I propose to make only one or two general observations, and then I shall ask the Prime Minister to adjourn the debate for a week. I certainly should not feel competent to deal with the matter within any shorter time. Without pretending to analyze the financial exposition of the Treasurer or the statements of the Minister for Trade and Customs, there are one or two observations which I may make at once. In the first place, I regret that the Government did not take the responsibility of reducing Estimates which they themselves admit to be extravagant. We were told by the Treasurer that the several States, in view of the approach of Federation, had been largely increasing the public expenditure. The

Ministry have adopted these swollen and inflated Estimates of the States, notably with reference to defence. The Treasurer said that he believes the Estimates as to defence to be extravagant, but that he will wait until the commandant arrives. If the Government wait until a military man cuts down the military Estimates, they will wait a very long time. It is for the Ministry who feel that there is extravagance, and it is especially for the Treasurer - because the position of the Treasurer is such that he ought to be almost equal with the Prime Minister himself in financial matters - not to bring down inflated Estimates, swollen in the manner described ; but to insist upon them being put in the most economical shape possible, before being submitted to this committee. What does the course which has been taken mean? It means that the duty is thrown upon this committee of cutting these Estimates to pieces, which is work that ought to be done by Ministers themselves. But this is a matter which I shall deal with later on. The Treasurer to-night, and some other honorable members, spoke of the bookkeeping system as if it involved a monstrous state of affairs. We were all opposed to the bookkeeping system if it could be avoided, and we made a number of efforts to avoid it. But it was found impossible to act justly towards each of the States, unless some accounts were kept, at any rate for a certain term of years. While the system is denounced as a monstrous injustice, let me point out, on the figures submitted by the Treasurer this afternoon, what would have happened if there had been no bookkeeping system. We will take the case of Western Australia, which was the most difficult case we had to deal with. In that case, if the per capita system of distribution had been adopted, it would have been possible, without the bookkeeping system, to place that State in a most extraordinary position.

Sir John Forrest

- She would have been ruined.

Mr REID

- My right honorable friend must agree with me here, because I am sure the matter gave him a great deal of anxious thought.

Sir John FORREST

- We should have lost half-a-million of money.

Mr REID

- Under this Tariff it is proposed by a per capita distribution to give back £2 7s. 5½d. on account of each inhabitant of the Commonwealth. But Western Australia would contribute under the Tariff £3 17s. 7d. per head. In other words, Western Australia would contribute to the taxation through the Customs £691,000, and, on a, per capita distribution, she would receive something like £400,000 - a difference of about £300,000 to a small State of 180,000 inhabitants. So far from the bookkeeping provision being a monstrous state of things, the other state of things would be nothing more nor less than robbery ; and I would not be a party to a robbery of that sort. In the case of New South Wales, we have had the advantage of being lightly taxed. Not

Only that, but we have the advantage of presenting a picture of prosperity accompanying light taxation which cannot be really equalled in this Commonwealth. I should have liked some of those who speak of the working-men of New South Wales as a pauper, down-trodden, miserable class, to see the 16,000 trades-unionists who marched through the streets of Sydney a day or two ago. It was a sight, the equal of which could not be found in Australia. Under this light taxation, nevertheless, we have been able to increase the number of men - not the number of women and children, but the number of men - employed in our factories to a rate that is several thousands above the number in employment in similar factories in Victoria. These, however, are facts which I will not go into at present. They can be dealt with later on. But I wish to point this out before I sit down. I do not know that a protectionist Government could do it, but I say there is one thing the people of Australia made up their minds pretty clearly about, and that was that they did not want their money to go into the pockets of any favoured industries, that they wanted their money to go to meet the necessities of the Public Treasury. Now, the Minister for Customs, and I shall do him credit for that, has raised this issue before us with no uncertain sound. He has come before this committee and the country with this Tariff as a protectionist tariff, and he has challenged an issue upon it. I knew very well that it must come to that.

Mr McCay

- The right honorable gentleman said the opposite last month.

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Mr REID

- The Prime Minister at Maitland might say he was going to bring in some wonderful piebald sort of Tariff, which would be a revenue Tariff and a revenue-destroying Tariff in the same breath. I know the right honorable and learned gentleman managed, I will not say to deceive the people, because he deceived himself first, as this is a matter to which he has not given much attention; but it is contrary to common sense to say that the principle of raising revenue on imports is consistent with the policy, of destroying imports. The two things will not hang together. I applaud the man who comes out straight as a protectionist and says - "I believe in protection. I believe that under that policy you may have a smaller Customs revenue, but you will have a wealthier people and a prosperous working class. You will have a multitude of new industries, and you will be altogether better able to bear the burdens of taxation when the effect of the taxation on these industries has disappeared from the Customs." I can understand a position of that sort. That is a position of principle, whether the principle be right or wrong. But how can we talk in the same breath of protecting industries, which means putting duties on in such a form that imports are shut out, and of producing a Tariff of £9,000,000? I believe the figures are £8,940,000, but in round numbers that is £9,000,000. I believe that a £9,000,000 Tariff, under the most judicious proposals, is about the maximum we could raise in Australia. It is about the highest point we could reach under the most judicious proposals. We will deal with the proposals of the Government by and by when we have had time to analyze them, but I have already had the advantage of looking over a copy of the Tariff for a few moments, and I find that this Government, as we might expect they would, are playing the old game that brands all these Tariffs of protectionist countries. They put the heaviest duties upon articles which are in most ordinary consumption. They reserve the weightiest duties for articles which are most generally used by the poorer members of the community. Why is it necessary to have a composite rate on boots and shoes? My right honorable friend spoke of a "composite rate." It is a composite fraud. I shall just read the items I allude to. There is a plain straight-away duty for silks and satins, and it is not as much as the duty on blankets. I should think one of the main principles in adjusting, at any rate the revenue part of a Tariff, would be to put the higher duties on the articles which rise into the class of the luxuries in life. What an inhuman way of taxing is that which puts the heaviest duties on the poorest articles! I have not had time to go over this Tariff, which fills nineteen pages - nineteen pages of happiness for the people of Australia - but I shall just hurriedly point out what these composite rates mean. They had to fix upon boots and shoes - the common cheap boots and shoes that the masses wear - for this "composite rate." They were not satisfied with putting a duty of 8s. a pair on imported boots, worth, I suppose 4s. a pair, but they put on a "composite rate" of 20s. per dozen pairs, which is 8s. per pair for boots of men's size, and, as an additional luxury for the poor, 15 per cent, ad valorem. That is what my right honorable friend calls a "composite rate." When we turn to jewellery and to the luxuries of life we find no composite rates imposed there. I shall just give the committee at random one or two contrasts to show the way in which this Tariff has been prepared. When my right honorable friend rebuked me for having so suddenly stated that there were duties on iron, he triumphantly referred me to division 6 A. I turn to division 6 without the A, and I find that there is an ad valorem duty of 20 per cent, on rolled iron or steel beams, channels, joists, girders, columns, trough and bridge iron or steel not drilled or further manufactured, shafting, and also on bolts and nuts and barbed wire. On rails, fish-plates, tie-plates, switches, points, crossings, and intersections for railways and tramways, there is 15 per cent, ad valorem. On iron galvanized, plain and corrugated, there is an ad valorem duty of from 10s. to 15s. per ton. So that after all my right honorable friend has forgotten his own Tariff. I confess I was not prepared to receive a Tariff which had a long heading which showed that these duties were not duties at all until the Governor-General inserted a proclamation in the Gazette making them duties. I thought we had not got quite to that yet. I never imagined in my wildest flights of readiness for any new proposals on the part of the Government that in a national Tariff they would put in a provisional scale of duties to be brought into force in the case of an iron industry starting. Let me say that it is a queer way of encouraging Australian industries to put a duty on iron. If one factory started in one little spot - it would be in my own State, clearly, or perhaps in Tasmania/ - if one iron industry were established in one quarter of Australia the raw material of a thousand industries would be taxed. That is the sort of protection proposed. What is raw material? Raw material is really a phrase to which we can give the most extensive signification; but take the case of any man in any trade, from the man of science down to the unskilled labourer, and his raw material includes everything he has

to buy out of his wages; everything that is necessary to keep himself and his family in life, health, and comfort. That is his raw material, and these honorable gentlemen, with their superficial floating ideas of political economy, think they can speak of raw material as if it were only glucose or molasses or something of that sort. Every man's requirements are his raw material - the things that keep him alive, that keep him decently clothed, and that fill his home with something like comfort. And then we come to these composite duties on boots and shoes of 20s. per dozen pairs and 15 per cent, ad valorem. I take now one or two other tilings at random, and just as they come. Here we have on " Woollens or containing wool not elsewhere included," an ad valorem duty of 20 per cent.; on " Shirtings (fancy) not elsewhere included, coatings, vestings, trouserings not elsewhere included, flannels and flannelettes," an ad valorem duty of 20 per cent. "Silk or containing silk, or having silk worked thereon," 15 per cent. "Velvets, velveteens, plushes, ribbons," 15 per cent, ad valorem. " Cotton and linen piece goods not elsewhere included," an ad valorem duty of 15 per cent. " Blankets, 20 per cent. " Furs and other skins, dressed or prepared, and hatters' fur " - articles of luxury in use in connexion with the dresses of those who are able to indulge in such luxuries, are subject to a duty of 15 per cent, instead of 20 per cent. A duty of 20 per cent, is proposed on blankets, but 15 per cent, only on furs and prepared or dressed fur. Then we come to hats and caps, upon which there is another composite rate. Every one must wear either a hat or a cap, but it is proposed to impose upon them a composite rate of 10s. per dozen and 15 per cent, ad valorem. Then, on hats and caps sewn, a duty of 3s. per dozen is proposed. Tents and tarpaulins, necessary for pioneers - for men who go out into the rough wilds of Australia and live under the greatest hardships, and who are really creating fresh industrial strength for Australia - are subject to a duty of 10 per cent. Trimmings, mantles, dress bonnets and hats, including flowers, feathers, and embroideries, are subject to a duty of 15 per cent. How delicate is this rough, enthusiastic demagogue, who adopts such an entirely broken-up manner in order to win sympathy, I suppose, and who speaks on the reaper and binder question as though his heart were breaking. He charges an ad valorem duty of 20 per cent., on tents used by the man who lives in the far wild bush, but a duty of 5 per cent, less on the trimmings worn by ladies who "do" Collins street. This is the sort of democrat my right honorable and learned friend proves to be when he is panned out.

Sir Malcolm McEacharn

- Take the next item on the list - "Yarns."

Mr REID

- I think the right honorable and learned gentleman has a right to be light on " Yarns." After the " yarns " he has told us to-night I have not a word to say in regard to that item, because he has imported the biggest yarn of all from South Australia. The Minister ran three elections and won triumphant victory by managing to shed a tear over reapers and binders. The right honorable and learned gentleman actually captured the democracy of South Australia by weeping over this question of reapers and binders. But he knows as well as any business man here the secret of that charge. It is another result of the protected manufacturing ring of America.

Mr Watson

- That is the strongest argument I have heard.

Mr REID

- My honorable friend may laugh. He is very level-headed in most tilings, but I. have received information on this subject from a competent authority. I am not like my right honorable and learned friend, the Minister of Trade and Customs, and I cannot cry over it. They do not reap me, neither do they bind me up. I have the advantage of information received from a competent business authority whom I respect. I suppose that I may mention that I allude to the honorable member for North Sydney, who is known to the committee as a business man. In regard to this matter over which the Minister was crying, he tells me that the manufacturers of America stipulate with their agents abroad for a certain selling price. They will not sell in America to an Australian.

Mr Watson

- The importers here made that arrangement with the manufacturers.

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Mr REID

- But does not my honorable friend see that if the maker in America would only consent to take a little of

this great profit that the man in Australia is making, and would sell these machines to the ordinary enterprising merchant it would be different ? Have we not got merchants enough here, even protected manufacturing merchants ? What the Minister says of importers is the old gag with which protection was carried in Victoria 30 years ago. The people adopted that policy and converted the merchants into the sweaters of Victorians. What does it matter to a merchant whether he has his articles made here, or imports them ? He simply wants to make money, and has made money out of articles which, perhaps, were the result of the sweater's labour in less happy lands. Our friends in Victoria, out of hatred of this state of affairs, put on protection, with the result that some of the old free-traders of those days have well-lined pockets, and are thorough protectionists. They have made money out of the women and children of Victoria. These men of capital have no beastly prejudice about importing. They are quite ready to make their goods here if it pays them better to do so. Do honorable members think that any of these men would import these things if they could make an extra shilling by manufacturing them here? They are not built that way. And so it was that when the softgoods men in Flinders-lane were held up to execration as hated importers and duties were put on, they started to run the sweating factories, or some one ran them for them, and they got their profits all the same. Then our democratic friends had to go one better and pass another Act to establish wages boards in order to bring wages up. They go from one artificial thing to another, and now that their tails are jammed they are crying out to the other States to do the same.

Mr Isaacs

- It was in England that the " Song of the Shirt " was written.

Mr REID

- It always will be in England, I am afraid. It may not be loyal to say so, but if there is to be sweating I should rather have it in any country than the one in which I live, and I would not put 30 per cent, on apparel in order to bring sweating into existence here.

Mr Isaacs

- But we intend to prevent sweating.

Mr REID

- -Our friends in Victoria are always intending to do so, but they do not succeed. I was looking at the census returns the other day, and I find that Victoria has not got a larger male population than she had ten years ago. Are the people struck blind, or what is the matter with them t . "Let us return to the consideration of these items. Fifteen per cent, is thought to be enough for trimmings and prepared furs ; and 20 per cent, ad valorem is enough for gloves ; but on mangles, clothes wringers and washing machines - highly aristocratic articles which no one ever uses for the purpose of making a living - there is an ad valorem duty of 20 per cent. Mangles and wringers and washing machines, which some poor people have to use in order to make a living, are placed on the same plane as furs and other luxuries. A broad principle for an Australian Tariff is to put the highest duty on luxuries ; to put the moderate and middle rates upon articles which fluctuate between luxuries and necessities ; and to put the lowest charges upon the necessities of life, and on articles and raw materials which our factories and people use. That is a broad principle of taxation which I can understand.

Mr McColl

- But the right honorable and learned member did not carry it out when he had the chance.

Mr REID

- I am not talking to my honorable friend to-night. I know that he reads a certain newspaper, and that he is where he was ten years ago. He will learn some years hence that in 1896 I reduced the Tariff of New South Wales, and made it much smaller than the Tariff of Great Britain.

Mr Crouch

- But kept the duty on sugar.

Mr REID

- When I explain to my honorable friend that I made the free-trade sun to rise he mentions some little spot upon it in the shape of a sugar duty. I am not perfect yet. The Minister for Trade and Customs, while he was in this broken-up, emotional state, actually led most of us to believe that he was putting no duty on agricultural, horticultural, and viticultural machinery and implements.

Mr Kingston

- I did not do anything of the sort.

Mr REID

- The right honorable gentleman went very near it.

Mr Kingston

- I said it was 15 per cent.

Mr REID

- When the Government talked about having a free list of £6,000,000 and £5,000,000--

Mr Kingston

- No ; £6,000,000 and £2,000,000.

Mr REID

- If the Australian Parliament can afford to have a free list of £8,000,000, it can afford to leave agricultural machinery free. It can afford to leave as free as possible articles which the men engaged in agricultural industries need - at least I should think so. There are a hundred other articles here. Why, sir, here is a humble little industry - the blacksmith's shop - and yet we have the enormous duty of 7s. per cwt. on horse-shoe nails. Here is a lively democratic proposition - it is a Victorian one. This is a Victorian Tariff.

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Mr Crouch

- No.

Mr REID

- It is a Victorian Tariff with a few of the rough edges pared off, and that is why my right honorable friend dare not mention a word about it. For the first time in the history of a financial exposition the Minister said everything about everything but what the duties were going to be.

Mr Crouch

- And that is why the right honorable and learned member is against it.

Mr REID

- No ; I had an opportunity of reading it.

Mr Kingston

- Misreading it.

Mr Crouch

- The right honorable and learned member is always against Victoria.

Mr REID

- I am not at all against Victoria.

Mr Crouch

- On every occasion.

Mr REID

- I believe that a free-trade and revenue Tariff is a good thing for a country. I was the first to give Victoria the benefit of our free borders, and if that is the way a man shows his hatred of the hard-working artisans of Victoria it is a very generous way of doing it. I did more for Victoria in that one generous act than the honorable and learned member will do in 1,000 years.

Mr Crouch

- The right honorable and learned member always insults Victoria.

Mr REID

- No ; it is because I do not appreciate the honorable member.

Mr Crouch

- The want of appreciation is mutual.

Mr REID

- The honorable and learned member must understand that the Victorians have a little better sense than he has. I guarantee that I can go through Victoria from end to end, and find myself among friends. They know that I am no enemy of theirs. I happen to have strong views, and, unlike too many public men in Victoria who are free-traders, I do not conceal them. If half the free-traders in Victoria had kept to their faith, and spoken up for it, they would have had precious little protection in the State to-day. I come back to this item of 7s. per cwt. on horseshoe nails. Is not that a preposterous, cruel charge ? What does it mean ? There are a man and a boy somewhere in Melbourne to be provided for. Here again is another

thing which the Minister concealed from the committee - in the midst of his emotion he forgot to tell the committee that he is charging a duty of 8s. a cwt. on twine.

Mr Kingston

- That is a very old duty.

Mr REID

- It is in Victoria.

Mr Kingston

- And in South Australia, too.

Mr REID

- Oh ! I wonder the right honorable and learned gentleman did not shed a tear over that, because the increased cost of this binding twine may take away half the profit from some farmers that do not have many bushels to the acre ; 8s. a cwt. on this very necessary article of commerce - a real first-class high democratic duty ! That sort of Tariff will not suit us a bit.

Mr Glynn

- That is the Victorian rate, not the South Australian.

Mr REID

- Of course, and that is why they buried this paper until the last moment, and split it up into sixteen divisions. Why, they cannot even let blacking off under 20 per cent. Now we come to another proposal of this marvellous democratic Minister for Trade and Customs. I ask honorable members to look at item 84. This is really a high class luxury; this is a thing which only a few people can afford. The duty on china, parian and porcelain ware, and mosaic flooring is 20 per cent. ad valorem. I come now to a very humble member of the same family, though it would not be owned by the mosaic flooring. Earthenware, brown ware, and stone ware, 6d. per cubic foot - an asterisk - and 15 per cent. ad valorem. That is what comes of this composite rate. I must look to see what the asterisk means.

Mr SYDNEY SMITH

- Outside measurement.

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Mr REID

- It means measured outside. Stone, brown, and earthen ware must be measured outside the packages. Sixpence per cubic foot for the packages as well as the ware, and 15 per cent. ad valorem on the top of that ! But I must admit that there is a free list for earthenware. I hope the committee will look at the free list of the earthenware which enters into the home of every person in Australia. These articles are exempt - spurs, stilts, and thimbles. My honorable and learned friend was on the stilts, and he was rigging the thimbles. Now we come to glassware. Thank Heaven, with the improved conditions now-a-days glassware is now common enough in the homes of the poorer classes. Glassware has another of these composite duties - they are composite like one of the submarine destroyers ; 5d. per cubic foot, another asterisk, and 15, per cent, ad valorem. Above that I observe seltzogenes and syphon bottles, 15 per cent. Do not let us forget that, while the commonest set of tumblers which comes into the poorest house' will have to pay 8d. per cubic foot, measured outside the package, and 15 per cent, advalorem, scientific instruments and apparatus, especially instruments for measuring the density of liquor, are on the free list, The brewer and the distiller can bring in free his scientific instruments for measuring the strength of his liquor, but the ordinary glass tumbler that goes into the home is to be taxed. "What has glue done that it should be subject to a duty of 2d. a lb 1 What has starch done that it should be charged 2d. a lb ? The Minister hides all these things away. Starch comes under the _ head of agricultural products. Starch wants to cling to the farmer. Starch and starch flours, including rice meal and rice, tapioca, and potato flours are charged a duty of 2d. a lb., which runs up to about 50 or 60 per cent, ad valorem. That is how these duties are hidden. I knew that this was the sort of proposal we should have. This clever schedule of averages is exactly what I predicted this Government would do. I said* they would hide in some way the duties which are above what is called a moderate thin.<» j,nd this is the way they hide them - they put them into sixteen divisions, and give the average of the lot instead of stating what the duties really are. Under an average of 17 or 20 per cent, you may have duties of 100 per cent., but it is the average which the Minister takes. Silk goods and furs are to be subject to a duty of 15 per cent. I will come now to medicines. Some people laugh at these things, but I believe that if we can force a tear over the reapers

and binders, we ought to show a little sympathy > over these medicines, which the poorest of people use, and which sometimes they can ill afford to buy. Have we the silks and furs rate for medicines? Oh no. Medicines are put down at 25 per cent. What is the next item ? Perfumery. Now we come to the tear of sympathy for the perfumery shops, for we have a 20 per cent, duty on perfumes. Just let us notice the duties on these delicacies and luxuries. We have 25 per cent, on medicines, patent and proprietary. We know that they cannot be made in the Commonwealth, and that they must be imported. I suppose this is a revenue duty. Even medicines for animals come in under a duty of 25 per cent. Perfumery, including perfumed ammonia, camphor in blocks, toilet preparations, lanoline, glycerine, vaseline, and petroleum jelly not medicated are subject to a duty of 20 per cent. Now I come to the courageous attack of the democratic Minister for Trade and Customs on the newspapers. He took great credit to himself for having summoned up pluck enough to put a 10 per cent, duty on paper, and that is all he imposes on the newspaper supplies.

Mr Mahon

- There is a duty on printers' ink.

Mr REID

- Yes, but apart from that he lets them off everything else, even their linotype machines. Why should there be a 25 per cent, duty on medicines which are used by the poor, while linotype machines are allowed to come in free for the benefit of men who make great fortunes out of the people of this country ? What sense or principle is there in that? I do not ask that the newspaper proprietors should be victimized in any way, but I do not understand the Tariff that imposes a duty of 10 per cent, on the paper used by the Age.

Mr Barton

- And by the Argus.

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Mr REID

- Yes; and by the Argus and by the Sydney Daily Telegraph, too, for that matter, but it is the Age on which Ministers keep their eyes, for if David is out of temper they look very sour and glum. They know that they can depend on the honorable members behind them when he is all right, but they cannot depend upon them one moment afterwards. These linotype machines are brought in free - these machines which displace labour. Surely the printers have enough to struggle against in these scientific days without having machines which tend to restrict labour placed on the free list. Surely the Government might have put the starch and the mangle of the washerwoman on the free list alongside of the linotype. There are a number of other items here to which I might refer, but I will not detain the committee at present. There are heavy duties on a large number of machines, as detailed at page 7 of the Tariff, but I am always afraid that my right honorable friend, the Minister of Trade and Customs, may have some mysterious heading about a proclamation somewhere. Here we find that engines, boilers, pumps, machines, machinery not elsewhere included, also screws not elsewhere included, axles, springs, and plated and mixed metalware; including plated cutlery is subject to a duty of 25 per cent ad valorem. I see that they have plated cutlery along with the boilers. Here again the Government are striking at the great leading pioneer industries of Australia when they place a duty on machinery. There are many other defects in the Tariff to which I shall have to refer, later on. Take furniture, which covers a large number of necessities, and we find a duty of 20 per cent. on that. Talking about protection, I shall tell the committee later on the cost of transit of such articles as furniture between Europe and Australia, which represent 50 or 60 per cent. ad valorem. It costs persons who wish to send their furniture here 50 or 60 per cent. on the prime cost before it can be landed at our ports, and then there is to be a duty of 20 per cent. When we go into these matters and really work them out, we find that the obstacle of distance in itself affords tremendous protection, especially on things like earthenware and other brittle goods, and articles which take up great space in the ship's hold. These goods are all very expensive, and the cost of transit runs up to 60, 70, and 100 per cent. before they are landed here. There is no sound state of industry disclosed if these high duties on top of the heavy charges I have mentioned are warranted. We all wish, from our various points of view, to encourage local industry, and we all see the value of taking action in that direction, but we must pay some regard to the people who are already toiling in the industries now established here. We must not make living too dear for the people who are engaged in our great industries, because if we do we shall place them in such a position that they cannot compete with people employed in similar industries elsewhere.

We have had some talk about bonuses from the Minister for Trade and Customs, who has told us of the things he is going to do at some other time, but what is the use of trying to bamboozle the public in that way ? Why does the Minister not say he will put duties on at once, not upon the necessities of the poor, but upon those who have means ? This Tariff, I venture to say, is a mean edition of the Victorian Tariff. There is not quite the same pluck evidenced - well, there was no pluck displayed in fixing a protectionist Tariff in Victoria because all the people were running the same way; and the politicians were all on the safe side of the fence.

Mr Crouch

- I suppose that is why we are protectionists:

Mr REID

- No, I do not say that.

Mr Crouch

- The right honorable member has said it before.

Mr REID

- Well, if I did, I was probably right. I desire to say that I think it my duty to point out that this is not a revenue Tariff at all, but a thoroughly protectionist Tariff. I admit that the rates are a little lower than those provided for in the Victorian Tariff - some of them, but not all. I think there are a few 35. per cent. lines in the Victorian Tariff, but as far as the Ministry have gone, they have constructed a Victorian Tariff.

Mr Barton

- That is not a fact; and it has not the remotest relations to a fact.

Mr REID

- I think it has. I admit I have not had the advantage of looking over the Tariff-

Mr Barton

- Then why does the right honorable member speak before he knows ?

Mr REID

- I wish the right honorable gentleman would allow me to finish my sentence - it was his rudeness that led him to make that remark.

Mr Barton

- Then I apologise ; but the right honorable gentleman owes me a thousand apologies.

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Mr REID

- I was about to say I had not the opportunities of looking over the Tariff that the Prime Minister has had. I have had opportunities of looking over it; however - thanks to the right honorable gentleman's courtesy. The right honorable gentleman does not touch these things unless they come along his way; but I have made a study of them, and he must give me the credit of being tolerably familiar with the Victorian Tariff. I was able to recognise an old friend when I saw this Tariff. I do not say that the Government have slavishly copied the whole of it, but I say that the Tariff bears the impression of their having done that as far as they dared do it. It is a Tariff in regard to which I hold a very strong opinion, because it seems to me that it violates every principle which we should have had in view. Of course, I have not - had* the advantage of looking closely into all the items, but I feel confident that when honorable members have time to study this Tariff in the light of the duties of "the other-States it" will be found that it approximates very closely to the Tariff of Victoria-. I recognise in the composite rates some of the special features of the Victorian Tariff. But whether it is the Victorian Tariff or not, I have no doubt whatever that it is framed in such a way that it will involve Australia in all sorts of financial embarrassments-. - The Government themselves admit that they do not exactly know what its effect will be. I do not blame them, for that, because there are a number of influences which will be at work when the whole of the Commonwealth is thrown open, and which no man can absolutely gauge. Consequently, I have no harsh words to use in reference to that aspect of the matter. But, so far as I can see at present, this Tariff is absolutely one which Parliament cannot accept if honorable members are true to their professions before the people. It is a Tariff which the people of Australia do not want: It is unmistakably protectionist. It is a Tariff, which, puts protection first and revenue last. Whilst it contains a thousand contrivances to destroy the revenue, there is no proper system shown to adjust even the revenue duties, in regard to which there is no temptation even to be a protectionist. There is not the slightest disposition shown to graduate the scale of the

revenue-duties in the order of necessities and luxuries. In the case of luxuries I think that we might well have a high duty, but in the case of necessities¹ I would go as low as- possible, whilst in regard to implements which are used by the agricultural classes; by the miners, and by those who are engaged in the pioneer industries of Australia, I would put them on the free-list, if I had no other free list. This - Tariff is, in my opinion, radically bad, and it seems to me that it is one which it will be-impossible for this Parliament to accept. At the same time, I do not wish to say my last word upon the matter, because it is one which I shall take into careful consideration in the light of the material which has-been furnished by the Government, and in the light of all the study which I have made- of this subject.

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Minister for External Affairs

Mr BARTON

. - At this hour of the- 17 a 2 evening' I do not intend to trouble myself, to reply to- the speech of" the leader of the- Opposition, and' the more- so because honorable-members,- who may not be aware, of' it, may be assured that" he has only given us a. very 'small sample; and that he is -going' to appear in bulk' next? week-. Moreover; whilst' listening' very carefully to all that he has said, I have found that', the care which. I bestowed upon his- utterances is not at all reflected in. any care which, he has- bestowed upon -the. Tariff, and that the evidences of' an utter want of: consideration,, and. indeed of ignorance of the whole subject which he has been debating are so plain that they may be left to the calm. . reading. of honorable members- in Hansard.. I shall, not trouble myself therefore except to say that, whilst the right honorable and learned member has been so very careful in pointing out' how ill we have behaved to those who have to earn, their money oy the sweat of their brow; he has been particularly sympathetic towards the- patent medicine- vendor. He-does-not want him to be taxed, because he knows -very well that the taxation falls to a- certain extent - and perhaps to a larger extent - upon him than upon the poor washerwoman, whose troubles he wishes to champion for the first, time. We are not' very much concerned about 'the pathos with which he deals -with, pilules; the tears which he wastes -upon, tablets, the sympathy which he bestows upon salves; or the plaintive manner in which he speaks of poultices. We have had a sample of the right honorable and learned member, but not as much as we- are going to get presently, because this rhodomontade - this- waste of public time in cheap' jokery instead of attention to public business- - is going to be redoubled and multiplied over and over again, as honorable members will find when he speaks next. week. It is not worth while troubling this committee with any further reply to his speech to-night, because there is not a point in the Tariff which he has shaken, for the plain reason that he has shown, he has not understood the subject about which he was talking. He has -shown no more understanding of that subject in his criticism than we shall get from him when he makes his more lengthy speech. I shall have time to canvass his criticisms when he makes them in earnest, if he ever does- so. But we. have not found him making his criticisms in earnest to-night, because it" is too uncharitable to suppose that he really meant half of what he said. As it is nearly half-past 10 o'clock I shall ask my honorable friend to report progress. Then we shall have time next Tuesday, when we resume, to digest the bulk sample in the same way that we have been amused by the small sample which we have had to-night.

Mr THOMSON

- I wish to ask the Prime Minister whether, in view of the importance of the Tariff, of the mass of material which the Ministry have laid before honorable members, and of the fact that a week's adjournment is a very ordinary one for a simple alteration in the Tariff of a State, he will consent to adjourn the 'debate for a day longer than is proposed.

Mr Barton

- I cannot do it.

Mr THOMSON

- There is plenty of work for the House to go on with. That being so, I think that, under the circumstances, and especially as the matter will have to be discussed with a full knowledge, the Prime Minister might agree to adopt the course which I suggest. He has already complained of what he has called the errors of the leader of the Opposition, and I would point out that, to get a full knowledge of all the figures which have been placed before the committee, little enough time is offered by an adjournment till Wednesday of next week.

Mr Fisher

- Why till Wednesday?

Mr THOMSON

- One reason is that it will give honorable members, and especially those who have to go away, extra time to consider the matter at the beginning of next week.

Mr Barton

- The honorable member is not bound to speak on Tuesday.

Mr THOMSON

- But honorable members generally would thus have a fuller opportunity of considering the matter.

Mr Barton

- There will be plenty of members ready to speak on Tuesday.

Mr THOMSON

- The Prime Minister does not know that. At any rate he would lose nothing by adjourning the debate till Wednesday of next week, because there is plenty of business to occupy the time of honorable members in the interim.

Progress reported.

ADJOURNMENT

Inter-State Commission Bill - Tariff

Recommendations of Chamber of Manufactures

Minister for External Affairs

Mr BARTON

. - I move -

That the House do now adjourn. I would like to intimate that although leave has been given to sit to-morrow, we do not intend to bring on the resumption of the debate until Tuesday next.

Mr JOSEPH COOK

- Make it Wednesday.

Mr BARTON

- I shall not make it Wednesday, because those who wish to see honest legislation accomplished before Christmas will certainly support us in trying to make the best use of our time. I am sure the honorable member for Macquarie will rejoice to hear that, subject to formal business, we propose to-morrow to go on with the third reading of the Immigration Restriction Bill, and after that, with the Pacific Islands Labourers Bill.

Mr BRUCE SMITH

- I would like to ask the Prime Minister again when he intends to lay on the table of the House the proposed amendments in the Inter-State Commission Bill ? The Prime Minister told the House some time ago that as soon as the second reading of the Bill came before us we should have those amendments.

Mr Barton

-i did not say that.

Mr BRUCE SMITH

- I understood the right honorable gentleman to say so. At all events I would point out that it is impossible for an honorable member to make a second reading speech unless he knows the ultimate form the Bill is going to take. It may be that a line of criticism would be completely avoided by our knowing that the objectionable features of the Bill are to be removed.

Mr Barton

- I do not want to hold the amendments back unnecessarily.

Sir WILLIAM McMILLAN

- I should like to indorse the remarks of the honorable and learned member for Parkes. If I mistake not, I moved the adjournment of the debate on the InterState Commission Bill, and it seems to me a perfect farce to prepare a speech on the second reading of a Bill when probably there will be drastic amendments which, if carried, will remove all ground of complaint.

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Sir William Lyne

- I shall try to let honorable members have the amendments to-morrow.

Mr WILKS

- I should like to draw the Prime Minister's attention to a promise which was practically made some six weeks ago, that, when the papers dealing with the Tariff were laid on the table of the House, he would also lay on the table the recommendations of the Chamber of Manufactures which the Minister for Trade and Customs received some time back. These recommendations have been asked for several times, and it would be interesting to have them in addition to all the useful information we now have?

Mr. BARTON(Hunter- Minister for External Affairs). - With regard to the Inter-State Commission Bill, there is no desire to hold back any information, and I shall endeavour to have the amendments distributed amongst honorable members before the debate is resumed.

Mr BRUCE SMITH

- To-morrow ?

Mr BARTON

- Possibly to-morrow; it is only a question of whether the amendments are ready for distribution.

Mr BRUCE SMITH

- Perhaps the Prime Minister would not mind giving some general intimation of the direction the amendments are going to take.

Mr BARTON

- Honorable members will see the amendments to-morrow. They are, I think, in print, but a sufficient number will have to be prepared for distribution. As to laying on the table copies of amendments suggested by outside bodies, I am not disposed to accede to a request of the kind, because these are not public documents, and honorable members have the same opportunity of obtaining them as any one else. I understand, however, that something has taken place on the question in the other House, and before I make an answer, I shall confer with the honorable and learned senator who leads the business in the Senate.

Question resolved in the affirmative.

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22:23:00

House adjourned at 10.23 p.m.