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1901-12-12

House of Representatives.

The Speaker took the Chair at 10.30 a.m., and read prayers.

#### PACIFIC ISLAND LABOURERS BILL

In Committee(consideration of Senate's amendments.)

Minister for External Affairs

Mr BARTON

. - The amendments made by the Senate in this Bill are so slight that I see no reason why I should not ask the committee to agree to them. I accordingly move -

That the committee agree to the amendments made by the Senate in this Bill.

If honorable members will look at clause 8, lines 43 and 44', page 2, they will see that the words originally in the Bill, " returned to the place from which he was originally brought into," have been replaced by the words "deported from." This, of course, refers to the removal of Pacific Islanders from the Commonwealth. In line 44, the word "deported" is substituted for the word " returned," and in the same clause, on the next page, lines 3 and 4, the words, " returned to the place from which he was originally brought into," are omitted, and the words "deported from" substituted. The last amendment is in the same clause, in the fourth line, and consists of the substitution of "' deported " for " returned." These alterations make no practical difference in the Bill.

Sir WILLIAM McMILLAN

- I agree with the Prime Minister that the amendments are of no great importance, and I suppose they are improvements from the draughtsman's point of view.

Mr CONROY

- I have a strong objection to agreeing to any amendments, until we have had an opportunity of discussing them. For aught we know, these amendments may be very important.

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Mr BARTON

- In order that it may not be for 'one moment supposed that the Government are unduly forcing the Bill through, I would call attention to the fact that the amendments have been circulated since Monday last, and that I intimated yesterday that I should be obliged if honorable members would familiarize themselves with them before the Bill came under discussion to-day.

Mr GLYNN

- These alterations are something more than verbal amendments. The Bill as passed by this Chamber provided that Pacific Islanders whose agreements had expired, and who were found in the Commonwealth after a certain date, might be sent back to the places from which they were originally taken. Under the provision as altered, however, whilst the islanders may be expelled from the Commonwealth, there is no obligation on the part of the Government to return them to the islands from which they came. No doubt it will be of some advantage to the Government to be able to simply deport these labourers, but it would be a little more humane to return them to their homes.

Mr Deakin

- Some of them specially desire that they should not be sent back to their homes.

Sir William McMillan

- It is a humane provision.

Mr GLYNN

- Humanity lies rather in the direction of returning these men to the islands where their family connexions are.

Mr Barton

- The trouble is that sometimes their family connexions want to cook and eat them.

Mr. CONROY(Werriwa). - I think that the committee might very well devote some consideration to the substantial difference made in the Bill by these amendments. The Bill as it now stands confers power that we should not dare to exercise in the case of the subject of any civilized power, and I strongly object to giving the Government power which may be exercised with extreme harshness, and in such a way as to place these islanders in peril of their lives. These men have left their islands under agreement with us,

and after remaining here some time, and conforming to our laws, they have a right to expect to be returned to the places from which they were brought. The committee ought to be extremely careful in dealing with this matter, and the islanders should certainly have the right to require to be returned to their homes. I am afraid that 'very little consideration will be shown to the islanders, who have no power to make representations on their own behalf. What should we think if it were proposed by the British Government to deport our Australian soldiers from South Africa to India, instead of returning them to their homes here ?

Mr Kingston

- Does the honorable member compare our soldiers with kanakas ?

Mr CONROY

- No, I do not, but the same spirit of justice ought to prevail in one case as in the other, and what we should object to where our own men are involved we should not permit to be done in regard to these islanders. The Parliament that is dead to all considerations of right and wrong is not fit to legislate for the people of Australia, and if we do injustice in a case of this kind Nemesis will surely pursue us. A nation has to pay for its wrong-doing in just the same way as has the individual. I protest against an alteration of such importance being treated in this flippant way.

Sir WILLIAM McMILLAN (Wentworth). - Of course the object which the Senate has in view is very clear. At the same time, it would have been better if the Chamber had used a qualifying phrase by which, if a kanaka did not desire to be returned to the island from whence he came, he should be given the option of deportation to some other place. But after all, this is chiefly a matter of administration, and we must assume that humanitarian feelings will prevail in every department of the Commonwealth. As the Bill left this House, it was clearly the intention of the Ministry to return the Polynesian labourers to the islands from whence they came ; but under all the circumstances, I think that we can reasonably leave this matter to the administration of whatever Government may happen to be in power, especially as the provision in the measure relating to the deportation of the islanders will not become operative for some years.

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Mr BARTON

- I should like to remove any fear which may exist in the minds of honorable members that the amendment involves anything in the nature of cruelty to the kanakas. The effect of the amendment is that the validity of the clause - that is to say the action within its rights by the Commonwealth - is made clear beyond all doubt or cavil. Its humanitarian effect is that provision is made for cases in which it would be a very gross cruelty to return a kanaka to the island from which he came. Take, for example, the case of a kanaka who has broken a tribal law by marrying a native of some other island. It would be his death warrant to return him to the place from whence he came. Therefore opportunities must be given for that kind of deportation which will place him in the least risk. Again, under clause 8, the Pacific Islander need not be brought before the court if it is seen that there is no deportation possible which would not involve, perhaps, the destruction , of his life. It is for this reason that an officer authorized in that behalf " may " bring before the court of summary jurisdiction a Pacific Island labourer found in Australia before the 31st December, 1906. The word "may" . has been used in order that if there should happen to be any special case in which it would be tantamount , to killing a man to deport him to a particular island, an opportunity shall be given the officer to await instructions from his Ministerial head.

Mr. HENRY WILLIS (Robertson). I think that the clause as it was originally drafted is more humane than is the amendment of the Senate. Under the amendment I find that it is possible to deport a kanaka to the Solomon Islands, although 'he may have been originally brought from the New Hebrides. If a " darkie " belonging to the New Hebrides were deported to the Solomon Islands, he would in all probability be eaten. Under the clause in its original form the Government had some responsibility, but under the amendment of the Senate they will have no responsibility whatever. They can deport a ship load of kanakas -to any island in the Pacific which they may select. I agree with the acting leader of the Opposition, and I am sorry that the Government have seen fit to agree with the amendment.

Mr PIESSE

- If I thought there was any possibility of the amendment affecting the treatment to be meted out to Pacific Islanders, except for the better, I should join in the protest of the honorable and learned member for Werriwa. But I am afraid that he used very ill-considered words when he said this House was wanting in

feelings of humanity and justice. If the original words of the clause had been retained, and a mistake had occurred, it is true that there would have been a slight legal remedy. But if a mistake is made under the provision as it now stands, will there not be an equal remedy ? If the administration is wrongly conducted a remedy -still exists, just as much as if the original words had been retained.

Mr R EDWARDS

- I think there is a great deal in the protest of the honorable and learned member for Werriwa.. Under the original [agreement made between the kanakas and the Queensland Government, it was provided that the islanders at the end of three years should be returned, if they so desired, to the places from whence they came. But the desire to get rid of the kanaka at any cost seems to be dominant in this Chamber. Apparently it would not matter if he were taken out beyond the three-mile radius, and dropped overboard. The Bill, in its original form, was very much better than it is , as amended by the Senate. I trust that the amendment will not be accepted. At any rate, let us treat the islanders with some leniency, and either return them to their native places, or to some other island which they may select.

Mr FISHER

- I am sorry to differ from the honorable member for Oxley. I think that he is entirely wrong in imagining that the amendment will do an injustice to the Polynesians. Knowing the honorable member as I do, I am satisfied that he has not examined this matter very carefully, otherwise he would not have given utterance to the sentiments which he has expressed. If the amendment were intended to provide for the deportation of the kanakas, not , to the islands : to which they desired to go, but to some other place, there would be something in the contention of the honorable member. But this amendment under proper administration will allow of the kanaka being returned either to his own island, or if it is feared that he will lose his life by being deported there, to some other island.

Mr R EDWARDS

- The Bill does not say so.

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Mr FISHER

- We cannot put every detail into a Bill of this kind. The assumption of the honorable member is that the bench, before which a kanaka is brought, will be so corrupt and unworthy as to return him to the place where he is likely to lose his life. Does the honorable member believe that any bench - and especially a Queensland bench - will do an injustice to the kanaka? I think that the Senate has discovered a slight flaw in the Bill as it originally stood. The amendment made by that Chamber is a desirable one in the interests of the kanaka and of humanity generally.

Mr F E McLEAN

- It appears to me that the opposition to the amendment of the Senate proceeds from an assumption that the authorities will have neither sense nor humanity. As far as I can see, the amendment simply gives a discretion - and a proper discretion - to the executive authorities to deport the kanaka to any place which they may think fit. Are we to assume that there is ever going to be an executive 'authority in Australia which will administer this measure in other than a spirit of humanity and justice? The honorable member for Oxley seems to imagine that this House has an inveterate hatred of the kanaka. To me, it appears that the spirit underlying this Bill is one of protection to the white population of Australia, but it is not one of antagonism or hatred towards the Polynesians in any way. It is quite impossible to imagine that this law will be administered other than in a spirit of justice and humanity. The honorable and learned member for Werriwa entertains a fear that a Government, out of mere caprice, may send a kanaka to his doom. I think that the amendment is intended to arm the authorities with a discretion to deport the kanaka to the place from whence he came, or, in the event of that course being dangerous, to send him to some other place where his life will be spared. Is my honorable friend afraid that some authority is going to rise up in Australia and act in a spirit of caprice or of hatred towards the kanaka? To imagine such a thing is not only to show a want of faith in the authorities, but also in that spirit of justice and humanity which has always characterized the British people. I do not say that the amendment could not have been framed in more definite terms, but, as it stands, I am certain that it is not likely to be administered in any spirit of harshness towards the kanaka.

Sir MALCOLM MCEACHARN

- I am inclined to think that the amendment really constitutes an improvement upon the Bill, because it

may happen that an island from which one of these kanakas came has virtually become depopulated. We know that many of these Polynesians have been in Queensland for a number of years, and it is 'possible that a decision may be arrived at to deport these very men. In that case it would be unwise to send them to islands which contain only a few people. Therefore, it should be in the discretion of those who administer the law to determine to what islands they shall be sent. Personally, I should have preferred that the choice of the island to which the kanaka shall be deported should have been left to himself. If it were possible I would like that done even now, but I do not see any great objection in the amendment made 'by the Senate.

Question resolved in the affirmative.

Resolution reported ; report adopted.

IMMIGRATION RESTRICTION BILL

In Committee(consideration of Senate's amendments).

Minister for External Affairs

Mr BARTON

. - In this case I have no difficulty in moving -

That the committee agree to the amendments made by the Senate in this Bill.

There are virtually two amendments. The original third clause of the Bill, which repealed certain State Acts, has been omitted by the Senate, on the ground that the Bill itself so supersedes previous legislation in the States that there is no necessity for express repeal. This amendment, in my opinion, presents no difficulty, inasmuch as the Federal Constitution assures the safe working of the measure. A consequential amendment is the omission of the first schedule, which set forth the State Acts which are repealed. The other amendment is in clause 18, which provides that certain annual returns shall be made, and the Senate propose to add a return showing the number of persons admitted to the Commonwealth without being asked to pass the test, the nations to which they belong, and whence they came. I see no objection to the information, asked for by the clause, being supplemented in the way proposed, and I think the committee will agree that there are no obstacles to our assenting to the Senate's amendments.

Sir WILLIAM McMILLAN

- I am sure the Government must feel pleased at getting back this Bill much in the form in which it left this Chamber. That result has been achieved by a great combination of conservatives with extreme so-called democrats.

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Mr Page

- Thanks ! We are democrats : not " so-called democrats."

Sir WILLIAM McMILLAN

- The members to whom I refer voted directly opposite to the way in which the honorable member for Maranoa voted.

Mr PAGE

- They are good democrats; not " so called democrats."

Sir WILLIAM McMILLAN

- I am glad to hear it. I always recognise the democrats of this Chamber as occupying the first position. I thought that whatever comedy might be allowed in Parliament would be confined to a large extent to this Chamber. But a comedy has been enacted elsewhere with regard to this Bill, which places our venerable friends in a position equal to ourselves in that respect. The only item which, in my opinion, requires consideration is that omitting the second schedule. I am not at all sure that this House was not right in repealing the local Acts. Nothing seems to me more improper or disastrous to administration than having various Acts which may clash. I am not speaking now as a lawyer, but as a layman, when I say that if this Bill supersedes the State Acts, it is all the more necessary that the latter should be repealed. We do not want to create interminable friction with people coming into Australia. These local Acts were passed under local conditions, and with certain discordant sentiments which it is the purpose of Commonwealth legislation to destroy. I should like to hear some honorable members of the legal profession on this particular clause. In this Bill we make a comprehensive law for all Australia, and it seems a contradiction in terms to allow State Acts of the same character to stand. I do not know whether these State Acts include any legislation affecting the Chinese poll-tax, or deal only with alien restriction. I know that section

109 of the Constitution provides -

When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid.

That, of course, is a very good safeguard under certain conditions which may arise ; but why should we accumulate circumstances requiring the safeguard ? It would be better to do away with any inconsistency. The Constitution allows us to do certain things in view of certain possibilities, but now that we have the whole question before us, why not do away with circumstances which make it necessary to bring into operation the section I have read 1

Mr Barton

- I should have disagreed with the amendment, but for the fact that the Bill so completely covers the ground of the State Acts that, under section 109, the latter are virtually repealed.

Sir WILLIAM McMILLAN

- But if we have power to repeal State Acts-

Mr Barton

- That is the doubt in the Senate, and that is why Senator Symon moved this amendment.

Sir WILLIAM McMILLAN

- This is more a legal and constitutional question,, but as a matter of common sense, I think this Chamber was in the right in repealing the State Acts:

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Mr GLYNN

- I quite agree with the honorable member for Wentworth in his point. I do not think it is a correct method of legislating to repeal, simply by implication, Acts of the States, or to leave the latter to operate concurrently with those of the Commonwealth. The point was raised fairly early in the session, either by the honorable and learned member for Bendigo or the honorable and learned member for Indi, whether the Commonwealth Parliament has power to expressly repeal Acts of the States. Apparently the Government considered they had that power, because in Bills which were subsequently introduced there were special provisions repealing Acts of the States. In that the Government acted wisely, because it at once asserts the paramount powers of the Commonwealth, and does not leave the possibility of legal interpretation as to whether, by implication, certain Acts, which have not been expressly repealed, are retained. If we do not repeal the Acts, a question of fact and law arises whether there is any clashing between the terms of the local and the federal statutes. But when we expressly state that local Acts . are no longer in force, it is as clear as daylight that we are not relying on the State legislative machinery, as well as our own, in order to accomplish the object of the Federal Act. I think it is a mistaken principle to rely on the aid of the States, through their legislation as a sort of drag-net, leaving their Acts in force in order to cover any possible imperfections in Federal legislation. We should legislate clearly and comprehensively, and repeal at once all State Acts which may be inconsistent with our Acts. As a matter of principle we ought to assert at the outset our power to repeal, and thus enable the right to become a matter of judicial decision afterwards. In some cases I can quite understand the wisdom of not expressly repealing State Acts, because for some purposes it may be necessary to keep the latter in force. The Federal Legislature may deal with only a portion of the policy of State Acts, and consequently we have in some cases provided that to the extent of the inconsistency only are the local Acts repealed. We have done that in connexion, I believe, with the Post-office Act and other Acts. Some provisions may be necessary for local purposes, and other provisions may be similar in policy to the policy of the State Legislature ; and if Acts are repealed the fact ought to be expressly stated. According to the Prime Minister no difficulties of the kind will arise here, because he is assured that the local legislation does not in any way clash with the Commonwealth legislation.

Mr Barton

- I said that the Bill so entirely covers the ground of the local legislation as to virtually repeal the latter.

Mr GLYNN

- Then the case for express repeal is all the stronger.

Sir William McMillan

- Supposing a State acted under its own laws, it would have to take the consequences.

Mr GLYNN

- That is what will occur if we do not expressly repeal the State Acts. If in the administration of the local statutes anything is done which clashes with federal legislation, the action taken can be challenged in a court of justice. It is ridiculous to leave a question of the kind to be settled by judicial decision, when we have express power to achieve uniformity by repealing State Acts. The Prime Minister says there is no necessity for repeal, because the legislation is practically identical, and there is no possibility of clashing. If that be so, why leave the State Acts, except because of the fear that our federal legislation may not be sufficiently comprehensive or clear? That is a very false principle, and we ought at once to assert our rights to not only legislate on these matters, but to repeal all State legislation so that the question may be thus raised and be settled at the start.

Mr. L.e. GROOM (Darling Downs). This point has been properly raised by the Opposition. In the administration of the State Acts, so far as Queensland is concerned, we have no legally-trained bench. I do not think that there is a single stipendiary magistrate in Queensland who is a member of the legal profession. At the same time some of these gentlemen are highly trained by reason of their experience in their office, and do substantial justice. In many instances, however, the bench in Queensland is constituted of men who follow the ordinary avocations of life ; and if we allow opportunity for the raising of technical points we shall greatly hamper the administration of justice. It would be unwise to leave to an untrained magistracy the settlement of the question whether by implication certain State Acts have or have not been repealed by Federal Acts. In this case it appears to me that the Prime Minister's contention is right, and that the Federal Bill covers the State Acts in such a way that the implied repeal is obvious. In the case of other federal legislation, I think it would be highly desirable, for the sake of proper administration, to expressly repeal State Acts. If we have the power to repeal as well as the power to enact, I hope that in future federal legislation, where there is any possibility of conflict, there will be express repeal.

Mr McCAY

- It is a very interesting question, from a legal point of view, as to how far our power to expressly repeal exists in regard to State Acts.

Sir Malcolm Mceacharn

- We repealed. State Acts in the Post-office Bill.

Mr Barton

- The question does not arise in this case.

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Mr McCAY

- First of all I think the question does not arise here. There can be no doubt about the implied repeal in this case, and even if the question did arise, we should in no way be sacrificing our power, privileges, or rights by accepting the amendment of the Senate. It is far more important to get this measure passed by the two Houses, and to obtain the Royal assent, than to raise the question as to the propriety of putting certain Acts in the schedule. Interesting as the subject is, this is hardly the time or occasion on which to raise the question. My own personal opinion is that it is very doubtful whether we can repeal State Acts expressly, and I have my doubts as to whether the schedule would carry us any further. As I say, even if the question did arise in the present case, it would be undesirable to raise a point of the kind, which is a mere matter of form as compared with the importance of the substance.

Sir JOHN QUICK

- The point which is -now being discussed was raised in connexion with the Post and Telegraph Bill, and the Defence Bill. I remember contending at the time that this Parliament has no power to expressly repeal State laws, and that we have to rely upon the principle -of inconsistency and repugnancy. The matter was, to a certain extent, compromised in the Postal Bill by inserting the words "The following Acts shall not apply." Those were words of vague signification, and certainly did not amount to an express repeal. I am still of opinion that there is no power in this Parliament to expressly repeal, but that we are limited by the provision of the Constitution, that where the law of a State is inconsistent with, or repugnant to, a law of the Commonwealth, -the Commonwealth law shall prevail. Therefore, I hope that the committee will not assent to the proposition which has been made. I consider that there is no justification for the contention of the acting leader of the Opposition that the amendments of the Senate in this respect should not be accepted.

Mr CONROY

- I take it that the words which have been struck out by the Senate were agreed to by this House after full consideration . A discussion took place here in regard to the original provision in the Bill, and I see no reason why we should now depart from our first decision merely to prevent a little trouble. One of our reasons for legislating upon this matter was that it was a subject with which the States could not adequately deal, legislating independently ; and if the Bill has been properly drawn - and I think it has - it substitutes for the varying laws of the States one uniform Commonwealth law. The aim of a Parliament should be to make laws as few and as simple as possible. One would think, however, that we were trying to create work for lawyers, because it is proposed to leave in existence the laws of six States, and to add to them a Commonwealth law. But let us try to forget that there is a legal Ministry at the head of affairs, and to remember that the great bulk of the people outside are not interested in the creation of lawyer's discussions. If I were to speak as a lawyer, I should say the more laws the merrier, because the more laws, the more work for the lawyers ; but laymen- are interested in having as few laws as possible. One of the reasons why I supported the original clause was that it reduced the number of State laws. If this legal Ministry are going to multiply laws, the sooner we make a change the better. If the various State laws are already sufficient, there is no necessity for adding a Commonwealth law; but if we pass a Commonwealth law-, we should put an end to the operation of the State laws.

Sir WILLIAM McMILLAN (Wentworth). - I think that the committee will do well to dissent from "the amendments of the Senate, and, therefore, I move -

That the motion be amended by inserting after the word " committee"-the words "dissent from amendments Ho. 1, 2, 4, and o."

I would point out to the Prime Minister that the third amendment made by the Senate, to add certain words to clause 15, seems to me unnecessary.

Mr Barton

- They provide only for the collection of statistics. The names of the persons coming in are not asked for.

Sir WILLIAM McMILLAN

- If we make it necessary to obtain certain statistical information of this kind, we must create machinery for espionage and interference. It seems to me that our object should be to obtain a certain result without unnecessary friction or interference. Surely the provision of the Senate creates interference that is not necessary, and piles up a lot of unnecessary statistical work.

Mr BARTON

- I hope the committee will speedily dispose of this question. It is absolutely clear that it would be impossible for this law to apply in Victoria, South Australia, and Queensland, where similar legislation does not exist, and not to apply in Tasmania, New South Wales, and Western Australia where similar legislation does exist. As a Commonwealth law it can be valid only by its general application, and that consideration is enough to show that if it is to operate there is an implied repeal of all State legislation upon the same subject. It has been said that we are dealing with the laws of six States, but that is a mistake, since there is no such provision as that which we are now passing on the statute-books of Victoria, Queensland, and South Australia, while there is such a provision in New South Wales, Western Australia, and Tasmania.

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Sir William McMillan

- - Does not that simplify the enumeration ?

Mr BARTON

- It simplifies the enumeration, because there were only three statutes to go into the repealing clause ; but that there is no necessity for the express repeal of those statutes is made clear by Section 109 of the Constitution, which contains these words -

When the law of a State is inconsistent with a law of the Commonwealth the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid.

If a law is intended to cover in its application the whole Commonwealth, it is obviously not identical with a law which professes to deal with the affairs of only one State. Therefore, it is perfectly clear that the law which we are now passing is in this sense inconsistent with every State law on the subject.

Sir William McMillan

- Then why did not the right honorable gentleman originally frame the Bill as the Senate now propose to amend it ?

Mr BARTON

- A form of drafting was adopted in connexion with our earlier Bills which, perhaps, possesses some virtues of safety. But the present Bill covers the entire ground covered by the existing State laws on the subject, and more. If it did not cover the entire ground, and made less provision than a State law, then by so much as it did not operate there might be some sense in providing for the repeal of the 'State law. But as it covers the whole ground, there is no necessity under the Constitution to repeal the State law.

Sir Malcolm McEacharn

-Very few laymen will know that.

Sir William McMillan

- How are we to know which advice to take - that which the right honorable gentleman is giving us now, or that which he gave us when the Bill was originally in committee?

Mr BARTON

- I ask the honorable member to take whichever seems the more reasonable to him. The repeal clause was put into the Bill to make it conform with other Bills where a repeal clause was thought to be necessary. But that does not take from the argument that if this Bill covers the whole ground of the State legislation, there is no need under the Constitution for a repeal clause. I am so anxious for the efficiency of this legislation that the honorable member may be sure that if I thought there is the slightest danger of lessening its efficiency by omitting a repeal clause, I would dissent from the amendment of the Senate.

Sir WILLIAM McMILLAN (Wentworth). - Is not the section of the Constitution which the right honorable gentleman has quoted a sort of -safeguard or safety valve in view of certain complications occurring over which we have no control? But in this case we have control. We know that there are only three State Acts, and that when we repeal them specifically the Commonwealth Constitution holds the field. It is not intended to prevent us from repealing a State Act when we know that it ought to be repealed, but to prevent State officers or other people, if an Act is not repealed, from inadvertently taking upon themselves functions and doing other things. 'That seems to me the point.

Mr BARTON

- Difficulties and complications would have arisen, I admit, without that section in the Constitution, but its object is that where there is a conflict between a Commonwealth law and State legislation, or where it appears that the Commonwealth law within the powers granted is intended to supersede the State law the question is avoided as to which law is to prevail. But, on the other hand, where there is some little doubt and dispute is in this direction - that there is in the Constitution no express power given to repeal a State law. There is power given to pass laws inconsistent with State laws, but it is a point much mooted amongst lawyers as to whether in the absence of an express power to repeal we can exercise a repealing power. Therefore, our safest course is, as far as we can, to cover all the ground of existing State legislation, and to give an application to our law far beyond that of the State legislation, which we must, if we want to make it uniform throughout the Commonwealth. When we have done that, as in this case, then all the State Acts disappear and we are not helped by passing a repealing clause while there remains some doubt as to the power to repeal. I admit that the question of the power to repeal will have to be hereafter settled by a court of justice.

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Sir William McMillan

- Is there not less chance of anything occurring to bring about litigation by our specifically putting in this provision whether we have the repealing power or not ?

Mr BARTON

- I do not think so ; if I thought it would add one straw's weight to the effectiveness of the Bill, I, should agree to the course which my honorable friend proposes, but it would only lead to more delay, without any increase of efficiency. I must ask the committee to accept the proposition of the Government.

Mr. McCAY(Corinella). - I would suggest to the leader of the Opposition that he might withdraw his motion. As I understand the Constitution, we have the power of legislation on certain subjects, and the States have the power of legislating on those subjects, retained to the extent to which their legislation is not inconsistent with Commonwealth law. If we pass an Act dealing with the whole subject which the



States have dealt with, then any provision in the State Acts which does not agree with our legislation is inconsistent, and is, therefore, repealed by implication, and nothing is added by our specifically repealing the Acts, assuming that we have the power to do it. But the provision that practically State legislation shall be good so far as it is not inconsistent with Federal legislation leads to a strong inference - - I do not say the matter is concluded - that we have not power to repeal a State Act, because any provision in- that Act not inconsistent with our legislation would not be repealed although we professed to do so. A question was raised as to whether the repeal would be of any use unless we could show some substantive enactment of our own inconsistent with legislation we professed to repeal. The proper place to raise that point is in some case where our law does not cover the whole ground, and where we purport to repeal the State laws. I am afraid that the Constitution is defective in this respect - that it does not enable us to repeal State laws unless we can also point to a substantive enactment on our part inconsistent with them, and if we are able to point to such a substantive enactment, direct repeal is valueless ; it does not carry us a bit further. Although I do not think the matter is concluded, I am afraid that we may have to say to the State legislatures - " We have legislated on this subject : will you pass a formal measure repealing your State laws dealing with that subject 1 " That is the way in which we shall be able to clear the ground of unnecessary Acts of Parliament, but I am very doubtful whether we can do it ourselves. In this particular case I do not think there is any doubt that the ground is fully covered, and so far from preventing litigation the insertion of such a schedule would, I think, in this case be more likely to create litigation. One honorable member has suggested that lawyers desire a multiplicity of laws, It is a very great mistake to hold that opinion, because it is a great nuisance to have to read new laws. One of the curses of a lawyer's occupation is the continual stream of fresh legislation which he has to peruse. There is quite enough material for rows between laymen without having fresh legislation passed to enable further troubles to arise. In this case the schedule cannot be of any use. If it produced any result it could only be an injurious one. It could only conduce to harm ; it could not conduce to good. Therefore I hope that the Senate's amendment will be agreed to without a division, and indeed without lengthy debate.

Mr V L SOLOMON

- The honorable and learned member for Corinella suggested that the way out of the difficulty would be to ask the States to repeal the State laws which are covered by the Commonwealth law, but he seems to have overlooked section 10S of the Constitution, which says -

Every law in force in a colony which has become or becomes a State, and relating to any matter within the powers of the Parliament of the Commonwealth, shall, subject to this Constitution, continue in force in the State; and until provision is made in that behalf by the Parliament of the Commonwealth, the Parliament of the State shall have such powers of alteration and of repeal in respect of any such law as the Parliament of the colony had until the colony became a State.

Mr McCay

- I remembered that section.

Mr V L SOLOMON

- The Commonwealth Parliament is now making provision, therefore I ask legal members whether after that provision is made any of the States would have power to repeal or alter State laws on the subject.

Mr Barton

- Supposing that they have not, if this Act were inconsistent with their laws it would kill them.

Mr V L SOLOMON

- Precisely ; but we are in the position of having half-a-dozen State laws dealing with the subject.

Mr Barton

- There are only three.

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Mr V L SOLOMON

- There are more than three. South Australia has an Act dealing with the importation of Indian immigrants, which is in absolute contradiction to this measure. It provides for the importation of Indian immigrants under agreement to work for planters, and so forth.

Mr Barton

- That Act deals with them alone, but did not the House of Assembly reject Mr. Kingston's Bill for the purpose of dealing with the whole subject ?

Mr V L SOLOMON

- I am pointing to the fact that South Australia has on her statute-book an Act, which has never been repealed, for restricting the immigration of Indian labourers into its northern territory, and which undoubtedly will be affected by this measure. There are other instances throughout the States where similar Acts or Acts dealing with the restriction of immigration would remain on the statute-books. If it is admitted that we have not the right to repeal such Acts, and that the moment this Bill is passed, each State is deprived of the opportunity to alter or repeal its laws, we shall have a Commonwealth law, and several State laws involving a tremendous lot of annoyance, complication, and expense, and no owner of a steam-ship or sailing vessel will be able to know what is the law as to the restriction of immigration without referring first to the Commonwealth law, and then to the various State laws, on the subject. But if we in this Bill repeal the State laws, any one can find out what the law is by looking at the Commonwealth Act.

Mr Batchelor

- The fact of our saying that we repeal the State laws does not repeal them.

Mr V L SOLOMON

- On that point it does seem strange to me that an important Bill, which has exercised the best efforts of our draftsmen, should have been introduced and passed with a provision for the repeal of State laws, and that only at the eleventh hour - when I may be excused for thinking that it has been discovered with a desire to get the Bill put through at any hazard before the Christmas adjournment - it should be discovered that we have no power of repeal. I take it that the constitutional provision which withdraws from the State the right to repeal its laws gives, by inference, to the Federal Parliament the power to repeal State laws which interfere with its legislation on the subject.

Sir William McMillan

- The South Australian Act is not mentioned in the schedule

Mr V L SOLOMON

- It may not be mentioned.

Mr Batchelor

- That shows how absurd the schedule would be.

Mr V L SOLOMON

- Improves, to my mind, that the schedule has not been sufficiently considered, and that the local statutes have not been taken into consideration by those who should have considered and dealt with these questions.

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Attorney-General

Mr DEAKIN

. - May I point out that, as a matter of fact acceptance of the Senate's amendment is necessitated by the amendment made, in this House in the Bill as originally introduced. When the measure was brought in there was not the least doubt, as my right honorable colleague has pointed out, that this measure did actually and wholly repeal the State Acts which were then included in the schedule. It was at that time thought that it might be a matter of convenience, from the point of view of public information, to indicate in the schedule what State Acts were repealed. But while the measure was dealt with in this House a very important clause was added on the motion of the honorable member for Bland, providing for the prohibition of the introduction of labourers under contract. When the Bill was discussed in another place, it was pointed out that this provision clashed with an Act in force in Western Australia, providing for the introduction of contract labourers under certain conditions. That is an Act under which certain contracts are in progress. It was then discovered that there was a dilemma. Another place either had to include the Western Australian Act in the schedule, with the possibility that by so doing they would be defeating existing contracts, or, if they omitted that Act from the schedule, they were raising a doubt as to whether Acts remained in force if not specifically repealed, by an Act which purported to repeal some Acts of a similar character. Another place was confronted with that difficulty, and also with a reminiscence of the Act to which the honorable member for South Australia has called attention. What the Senate determined was that - even apart from the point raised by the honorable and learned member for Corinella, and well discussed by him - when they realized how difficult it was to make the position clear in regard to the

Western Australia Act and the South Australia Act, they shrank from the task of discriminating, and determined to strike out both the clause and the schedule. That amendment we propose to accept. Honorable members will recollect that the only object for stating in' the schedule what State Acts are repealed is to afford information to the public, and to convey a warning. But by inserting these Acts in the schedule we run this risk - that unless we are absolutely sure that we have not omitted anything that should have been included, and have not included anything that should have been omitted, we mislead those who may turn to the schedule for information. They would rely upon our statute which stated that certain Acts were repealed, and if, as a matter of fact, those Acts did not come within the scope of our power, and were not legally repealed, the mere formal enumeration in our schedule would not repeal them. It was in view of these various difficulties, that the Senate determined that we, as a Commonwealth, had nothing to lose, and the citizens of the Commonwealth had nothing to lose, by not including these Acts in the schedule, since whatever is legally repealed by the passage of this measure will be repealed without it. We cannot add to those repeals by the schedule, and if we do not mention them, we avoid all risks. We take the safer course, both for the public and the Commonwealth, by omitting them. That is the position of the matter, and I trust the committee will agree to accept the amendment.

Mr PIESSE

- One consideration that should appeal to the committee is that we should endeavour to be consistent with ourselves. This question has not now been raised for the first time. It has been raised several times in this House in connexion with Bills, in which State Acts were involved. Especially was it raised in regard to the Post and Telegraph Bill. In that Bill there was a direct repeal clause. In the Bill as introduced, there was this provision : " State" Acts specified in the first schedule to this Act are repealed to the extent' in the said schedule indicated:" That was the provision as passed in the Senate and brought to this House ; but when it left this House it' was altered to the following form : " Every State Act specified in the first schedule shall cease to apply to the postal and telegraphic service of the Commonwealth." That is to say, we did not repeal the Postal

Acts of the various States, but merely inserted the provision that they should not affect the Post and Telegraph department which; we were creating. Again, in connexion with the Customs Act, this question was fully discussed, especially by the honorable member for Northern Melbourne, who then suggested that we should go through the several State Acts and' signify what provisions were to be repealed. That is the only way in which this work could be done, if it were to be properly attempted. The difficulty of doing what is now proposed to-be done, would be that we should leave ourselves open to the danger of not having done it thoroughly. We have already had it pointed out by the. honorable member for South Australia, V. L. Solomon, that there is an Act in force in that State that is not dealt with by the Bill before us. We have also been told that there is an Act in Western Australia which this Bill does not altogether repeal. If we were to repeal certain Acts and not others, the question would arise as to what would be the position of those Acts which by inference were not repealed. It might be said, " You have allowed these Acts to remain, although there is an inconsistency between them and the Commonwealth Act'." So I think the safest course is to be consistent with ourselves, and to wait until we can give fuller consideration to the whole matter, -and then see whether we cannot deal with all the Acts affected in the same way. If we find that we possess the power to repeal, let us repeal such Acts as are inconsistent with our Commonwealth Acts. But we should not on the present occasion adopt the course of enumerating in the schedule those Acts which we think are repealed.

Mr F E McLEAN

-I understood the Prime Minister to say that this Bill covers the whole ground so far as concerns the State Acts enumerated in the schedule.

Mr Barton

- Exactly - in the administration of this Bill. The people we deal with, who are dealt with by other Acts of the same kind, can be kept out.

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Mr F E McLEAN

- I understood the right honorable gentleman to put that forward and to rely upon the power given by the Constitution, what I call the superseding power which the Commonwealth constitution gives to the laws of the Common- wealth. But I. did not understand the right honorable gentleman to give his adherence to

the theory that this Parliament has no right to repeal State laws?

Mr Barton

- I said it was a moot point. I am a little inclined to that opinion myself, and I think the Vice-President of the Executive Council is also.

Mr F E McLEAN

- I am glad that the Prime Minister has not given an opinion on the point definitely, because, apart from this Bill, important considerations will arise in connexion with the point when we come to deal with measures affecting commercial legislation. Unless we cover the whole ground contained in every principle of every one of the Acts now in force in the States, it will be seen at once how difficult it will be to achieve anything like uniform legislation on those matters. I want to draw attention to the question as to how this point will arise when we deal with other matters of legislation. I hope the Prime Minister and the Attorney-General will give the utmost consideration to the question of the power of the Commonwealth Parliament to repeal all State laws in regard to matters that are affected by Commonwealth legislation. Because I can see that, while in connection with the Bill before us it may fairly be argued that it covers the whole ground covered by the laws which are in existence in the States, that condition of things might not arise in connexion with other legislation. The whole end and aim of federation was to achieve uniform legislation upon certain important subjects, and that object would be defeated unless we had power to repeal State laws.

Mr Deakin

- No ; the superseding power of which the honorable member speaks would operate as a repeal.

Mr F E McLEAN

- Exactly so ; it is all right when the Bill which we pass covers every principle contained in the State Acts. But take, by way of illustration, the subject of quarantine. Suppose that in a Commonwealth Act upon this subject we omitted to deal with some principle of some Act in force in a certain State. Then that principle would still be in operation in the State.

Mr Deakin

- : - Until we dealt with it.

Mr F E McLEAN

- It is quite possible to imagine the Commonwealth Parliament overlooking, some important matter of principle contained in a State Act ; and it seems to me that the only way in which we can achieve uniformity of legislation is by possessing or acquiring some power of repealing existing laws, so that the Commonwealth legislation will be unquestionably supreme throughout the Commonwealth. I cannot argue the question before the committee as a matter of law. I am prepared to accept the interpretation of the law given to us by the Prime Minister and the Attorney-General. But I think the whole question is of such great importance, that the utmost attention should be given to it, not merely in relation to the Bill we are now considering, but in regard to very important questions affecting commercial legislation that must be dealt with during the present Parliament.

Mr FULLER

- I quite agree with the honorable member who has just resumed his seat as to the importance of the point which he has raised and I am sure that it will receive every consideration. What appears to me to be another important point in connexion with this Bill is one arising under clause 10. Provision is there made that the master or owner of a ship in which a prohibited immigrant enters the Commonwealth shall be liable to a penalty of £100 for every person so entering the Commonwealth. Then it goes on to provide for the immigrants of European descent. But it appears to me that there is no court provided in the Bill for hearing such cases, and that there are no means of administering the measure in any shape or form.

Mr Deakin

- We have before the Senate a Bill, which I think will reach us this afternoon, providing for that very matter.

Mr FULLER

- Unless there is a court before which an offender can be brought, the whole Bill will be inoperative, it seems to me.

Mr Deakin

- I would not quite say that, but at all events the Government are introducing a measure to make that

matter plain.

Mr. GLYNN(South Australia).- I hold that the safer course for the Government to adopt would be to expressly repeal the State Acts affected by this Bill.

Mr Barton

- I am not going to do it.

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Mr GLYNN

- I am not trying to force the hand of the Government in the matter. It is a very delicate question, and one which ought to be adequately mooted. The very fact that Government Bills appear on the file with the provision that I recommend contained in them, shows, at all events, that they thought at one stage that it would be advisable to express in the schedule the State Acts it was intended to repeal. But what I rose more particularly to point out is that there ought to be no misapprehension as to the effect of expressly mentioning the State Acts in the schedule. To do so would not involve the whole Act if the power to repeal does not exist under the Constitution. The effect would simply be that the provision would be nugatory.

Mr Deakin

- And misleading.

Mr GLYNN

- No, because it would not contradict section 109 of the Constitution, which says that Commonwealth legislation shall prevail when it is inconsistent with State legislation. But what it would do is that, if we have power to repeal, any one who wishes to find out what is the Commonwealth intention or law on a particular matter would only have to turn up the Federal Act to see what local Acts were repealed. But if we do not express the Acts repealed, in order to understand what the law on the point was one would have to look not only to the Federal Act, but to the State Acts, and would also have to become a judge as to the consistency or inconsistency of concurrent provisions. That is a difficult and invidious task to impose even on a lawyer, who had to advise as to what was the Australian law on the point in question. Therefore because no harm can be done by direct appeal, and because some good may be done thereby, it will I think be better to specify the local Acts which are repealed. Besides that, this is the only way in which to secure a judicial decision upon the point. The question of our competency to repeal State Acts can never be decided in a court of justice, unless we take the course I recommend. We shall always have to rely on the question of consistency or inconsistency, because until we have exercised this supposed power no court can decide on the existence of such a power. Therefore I think it is a mistake that the Minister does not insert these words to facilitate a decision on the point as to what the Commonwealth law on the subject is.

Sir WILLIAMMCMILLAN (Wentworth). - The time has not been wasted in this discussion, and it is just as well that it should have taken place, because it has enlarged the view of many lay members of the committee. I feel that in a matter of this kind, where the Prime Minister, who is an undoubted authority, and the Attorney-General both agree, the committee should give very great weight to their opinion. It is not, I consider, a matter upon which we should divide, and I therefore beg leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Question resolved in the affirmative.

Resolution reported ; report adopted.

TARIFF

In Committee of Ways and Means :

Consideration resumed from 11th December (vide page 8590).

Item 74. - Manufactures of Metal, viz. : - Agricultural, horticultural, and viticultural machinery and implements, n.e.i., including mould boards, shares, and plough plates cut to shape, sheep shearing machines, horse gears ; engines, portable, fixed on a locomotive boiler horizontally, with wheels and shafts suitable for transport, traction and oil engines, and road-making ploughs and machines, ad valorem 15 per cent.

Sir WILLIAM McMILLAN

- We have passed the item "agricultural, horticultural, and viticultural machinery and implements, n.e.i.," and I should like to know from the Minister in charge how he proposes to deal with the other articles

referred to in this section.

Mr Kingston

- We are prepared to do what is most convenient, and we propose to take each of the other articles separately, dealing first with "mould boards."

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Sir WILLIAM MCMILLAN

- We have on this side been endeavouring to carry out as far as possible our intention to provide for revenue without destruction. I wish to reiterate that the exception in seeking to have these items placed upon the free list is due to the fact that we feel that the people interested are in an exceptional position. There may be certain revenue duties which extend to the whole population upon articles which are fairly open for revenue purposes, but I wish to tell my right honorable friends that if we are going to have these duties fixed at the enormously high rate of duty which we passed last night, which will, in fact, amount to 30 per cent., and will, in many cases, be absolutely prohibitive, we must, in the interests of the people, try for some compensation. We have been trying, all through the debate on the Tariff, to create something like a principle. As some very clever writer in one of the papers has said, the object of the Opposition has been "to get back to Maitland." We have got back to Maitland on one or two occasions, but in some instances we have only been able to get half way, and last night we did not get even there. As far as our party is concerned, we are willing to carry out that compact and vote for moderate duties, which will be revenue bearing, and may have at the same time an incidental protective effect.

The CHAIRMAN

- I call the honorable member's attention to the fact that the item before the committee is "Mould boards."

Sir WILLIAM McMILLAN

- I want to have a clear understanding, because if we cannot get the people interested some substantial assistance in connexion with the rates to be levied on these articles, we must try in other revenue producing items to give them some compensation. I do not desire to pose as an authority upon these matters, and as there are many of the articles here referred to which have peculiar characteristics, history, and circumstances connected with them, I should be glad if honorable members, and especially those coming from country districts, would give the committee the benefit of their information. Apart from all prejudices of party, honorable members representing Victorian agricultural districts are intelligent men, and understand the working of such a Tariff, and I ask them to give the committee the fullest possible information as to how the people using these articles will be affected. We shall be dealing with articles now which should be free or under no protection whatever, but having passed a duty of 15 per cent, upon agricultural implements, if we can give a reasonable amount of relief to the farmers, even on the other items in this section, we may to some extent retrace our steps. I am not an authority upon mould boards, and therefore I shall not propose any amendment at the present stage. I hope that honorable members in view of the condition of those who are really developing Australia, will consider each of these items carefully and indicate how they should be dealt with.

Sir MALCOLM MCEACHARN

- I have an amendment in connexion with mould boards - that straight mould board plates cut to shape, but unbent, should be admitted free. There is no desire to place in the list of exemptions mould boards which are already bent. We cannot manufacture a certain class of plates here as we have no machinery to deal with them, but if they are bent after arriving here the operation will give employment to workmen in the Commonwealth. The mould board is the part of a plough which comes behind the share and throws the mould over as the plough goes through the ground. The desire is only to admit free the mould board plates which are not exactly finished, and the bending of which would give a certain amount of employment.

Mr Kingston

- What the honorable member proposes to do can be dealt with when we come to consider the list of exemptions.

Sir MALCOLM MCEACHARN

- I do not understand how we can place amongst the exemptions that which we have already decided shall be liable to a duty.

Sir George Turner

- That is the very object of considering a list of exemptions.

Sir MALCOLM MCEACHARN

- I accept the right honorable gentlemen's decision, but I point out that many honorable members attend here in order to bring a particular matter under the attention of the committee. I have come here this morning at very considerable inconvenience, and I think it is unfair that I should not now be able to move this amendment, and that the matter should be postponed.

Mr KINGSTON

- I am sure the honorable member will not object to our following the usual course, which has been adopted hitherto and found convenient. We first define the articles which are to be dutiable, and we then consider the question of exemptions, and honorable members are then able to move for the inclusion of various articles in the list.

Sir Malcolm McEacharn

- Will the right honorable gentleman accept the amendment now, and put it in at the proper time?

Mr KINGSTON

- I cannot accept it at present.

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Mr F E McLEAN

- The honorable member for Melbourne should have given some information as to the number of people employed in bending these mould board plates. I do not think it is a very large and important industry which the committee need be asked to specially consider. It would be more consistent with the policy of giving relief to the agriculturist if mould boards were placed on the free list. I move -

That after the words "mould boards," the words "15 per cent., and on and after 13th December, 1901, free" be inserted.

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

The committee divided.

29

AYES

27

NOES

Majority ... .. 2

AYES

NOES

Question so resolved in the affirmative.

Amendment agreed to.

Sir WILLIAM McMILLAN (Wentworth). - I consider that all the articles mentioned in this item are in the same category, and in view of the decision just arrived at, the Government should allow the remainder of the item to be amended; consequentially I move -

That after the word "shares," the following words be inserted: - "15 per cent., and on and after 13th December, 1901, free."

Mr KINGSTON

- There can be no doubt whatever that we can manufacture ploughshares in the Commonwealth, and this is an industry which ought to be protected. It would be simply a farce to strike out an item of this kind, and yet talk of protecting the manufacturer of agricultural machinery.

Mr McCOLL

- I have made inquiry in regard to the manufacture of shares, and I find that those which are made in South Australia are equal to any in the world. Therefore I am not in favour of allowing all shares to come in free. There is one special class, however, known as Hornsby's chilled-steel shares, which is largely used. A number of farmers will not use any other. In view of that fact, I move -

That the amendment be amended by the addition of the following words: - "chilled-steel shares known as Hornsby's."

Sir William McMillan

- I rise to a point of order. If the honorable member desires that the class of shares he mentions should be placed upon the free list he will have to move to that effect when we are dealing with the special

exemptions. I fail to see that he can draw a herring across the trail when a straightforward vote is invited on one particular line. If my amendment is carried it will include the class of shares to which the honorable member has referred. If it is not carried, he may then move that this particular firm be particularly protected by the placing of its shares on the list of special exemptions.

Mr McColl

- The honorable member's remarks savour rather of impertinence. I am not asking that any particular firm should receive an advantage, but simply that a certain class of share, which is largely used by the farmers, and, which they say they cannot do without, should be admitted free.

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Mr SYDNEY SMITH

- I am surprised at the honorable member for Echuca. Supposing that another firm invented something better than Hornsby's shares, would not the honorable member allow its invention to be admitted free? He expresses a desire to help the farmer, and yet he wishes practically to keep out all good inventions.

Sir William McMillan

- Is the honorable member for Echuca in order in proposing to add the words he has named to my amendment? We might reject the amendment in that form, and thus negative the whole thing.

The CHAIRMAN

- The honorable member for Echuca is not in order in proposing his amendment at this stage. If the amendment moved by the honorable member for Wentworth be agreed to, that will include the honorable member for Echuca's proposal. If it is rejected, the honorable member will have an opportunity of moving, at the proper time, that the shares he names be placed on the list of special exemptions.

Mr CROUCH

- Fully two-thirds of my constituents are farmers. Not being a farmer myself, and not knowing too much about farming, I considered when the Tariff was issued that the best thing I could do would be to obtain the expert opinion of farmers upon it. My electorate includes the principal farming districts in Victoria, and I am advised by farmers that they consider locally-manufactured shares should be protected in order that farmers may be able to obtain their shares as cheaply as possible. In these days of world trusts, cheap and good shares for the farmers may best be secured by placing a duty upon those imported into the Commonwealth, as proposed in the Tariff. I trust that the committee will accept the Government proposals.

Mr KNOX

- I had hoped that the committee would agree to the reduction of the duty on this item to 10 per cent. Now, however, that a 15 per cent, duty has been decided on, I feel compelled to support the Opposition in their attempt to place on the free list ploughshares and other similar articles used by the farmers.

Mr EWING

- As the representative of possibly the largest farming constituency in New South Wales, I only desire to say that the farmers of that State are not mean enough to accept protection for their own products and refuse it to other sections of the community.

Mr KENNEDY

- We are told by those who strongly desire that ploughshares should be placed on the free list, that they will thus be cheapened to the farmer, but it is well that we should review the actual position. We find that whilst South Australian and Victorian farmers have been paying 40s. per dozen for shares, the farmers of New South Wales have been charged 52s. per dozen for an exactly similar article. The present position is exactly the same as that which caused the Victorian farmer to support the proposal to have a duty placed on shares.

Sir William McMillan

- I cannot accept the honorable member's figures; the quotations are not for the same article.

Mr KENNEDY

- Yes; the quotations are for exactly the same article, and I recognize that it is only by taking the respective values of an article which is sold in all the various States that we can arrive at any comparison. That is the reason that I have selected Shearer's steel shares which are in use throughout Victoria, New South Wales, and South Australia. The prices in South Australia range, according to the size of shares, from 36s. to 40s. per dozen, and the quotations are exactly the same in Victoria.



Mr Thomson

- Why are the prices so low in Victoria and South Australia?

Mr KENNEDY

- Because of the local competition. In Victoria the shares are brought into competition with the products of half-a-dozen different manufacturers. In New South Wales Shearer's shares are quoted at 52s. 6d. per dozen.

Mr Thomson

- Why does not the Victorian manufacturer enter into competition with the importers of New South Wales?

Mr KENNEDY

- Simply because their ploughs are not in the market to any great extent, and are not used in the northern portion of New South Wales. They have sold many ploughs to farmers in southern Riverina, but owing to the system of railway freights in operation in New South Wales, it is practically impossible for the Victorian manufacturer to enter into competition with foreign goods in the northern districts of New South Wales. The Victorian, manufacturers know, moreover, that it is useless for them to attempt to compete with imported shares unless they handle the shares themselves - as distinguished from placing them ' in the hands of ordinary agents - and there is not a sufficient market to justify them in starting independent agencies. The fact remains, and cannot be disputed, that the New South Wales farmer pays more for his plough shares than does the Victorian farmer.

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Mr Hughes

- Why has not the Victorian manufacturer undersold the foreign manufacturer ?

Mr KENNEDY

- Because immediately competition became keen the local importer could, by flooding the market with his surplus products, crush the local manufacturer out of existence. The manufacturer in the Commonwealth has practically no surplus, but is engaged in supplying the legitimate local demands. On the other hand foreign manufacturers, who conduct their operations on a larger scale, very frequently send their surplus into our markets and, in order to obtain control of them, are quite prepared to sell their products for a considerable tune at the actual cost of production. As soon as they attain their object we know from personal experience that they fix such prices as will recoup them for their losses.

Mr Hughes

- The same thing applies to the local manufacturer.

Mr KENNEDY

- We know from actual experience that the competition among local manufacturers is so keen that there is no possibility of raising prices, and we know further that there has been no combination among them.

Mr Hughes

- There will be with a larger market.

Mr KENNEDY

- The same thing might be said with regard to any of our natural products, such as butter, for instance; but we know that nothing of the kind has occurred. While there is a large market to operate upon, and sufficient scope to induce capitalists to embark in manufacturing industries, there are no opportunities for a combination; but if there were a limited market, I could understand that there would be a greater danger in that direction. We know that there have been combinations among the importers. Whilst I believe in the encouragement of the primary producer, I am a strong advocate for encouraging diversity of occupation for the people. Honorable members on the opposite side of the chamber, who are so strongly advocating what they believe to be the claims of the producer, would apparently throw the whole of the people into occupations in connexion with the primary industries, the labour engaged in which is producing for the lowest paid wage in the world. If we are going to develop our primary industries in a satisfactory manner, it is only by affording diversity of employment that we can induce a greater number of people to settle here. We should be much better off, if we had people here to develop our large waste areas.

Mr SYDNEY SMITH

- How does the honorable member account for-

The CHAIRMAN

- Order.

Mr SYDNEY SMITH

- I was simply asking the honorable member a question.

The CHAIRMAN

- The honorable member has no right to do so.

Mr SYDNEY SMITH

- I insist upon my right to ask a question.

The CHAIRMAN

- Order. The honorable member has no right to ask a question, except when he is standing in his place, addressing the Chamber. The standing order is perfectly clear upon the matter. The honorable member knows very well that it is a breach of the standing orders to interrupt any honorable member who is addressing the committee. I have repeatedly asked honorable members to cease from interjecting, especially in committee, where there is absolutely no justification for it, seeing that every honorable member has a right to speak for himself. Standing Order 280 says -

No member shall interrupt another member while speaking unless - (1), to request that his words be taken down ; (2), to call attention to a point of order or privilege suddenly arising ; or (3), to call attention to the want of a quorum.

The standing order contains a clear direction that there shall be no interruption, either by interjection, or in any other form.

Mr V L SOLOMON

- Of course honorable members are acquainted with the provision contained in the standing orders, but I would point out that it is " more honoured in the breach than in the observance." In all State Parliaments it is customary to allow interjections, so long as they are couched in temperate language, and are cognate to the question. If, upon the point which has arisen, it is the desire of the committee to adhere to the letter of these standing orders, honorable members should be informed of the fact at once, and the decision should be uniformly enforced.

Mr SYDNEY SMITH

- I do not wish to occupy the time of the committee at the present stage. I merely asked a legitimate question, in order to elicit information. But, as the Chairman has intervened, I shall raise the question involved at a later period.

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The CHAIRMAN

- In Mr. Speaker Denison's decisions, it is clearly laid down that it is disorderly to interject. I quote a\_ the following from that Speaker's decisions : -

An honorable member frequently interjecting remarks while another honorable member is speaking is warned by Mr. Speaker, that if he continues disorderly interruptions he will be named as disregarding the authority of the Chair.

I do not think the committee desire to put me in that position. I have never attempted to prevent any reasonable inquiry being put to honorable members when they are speaking, but the practice is becoming abused to such an extent that it is almost impossible for the Chairman to hear what the honorable member addressing the committee is saying. As I am charged with the conduct of the business of the committee, I shall ask honorable members to comply with their own standing orders.

Mr SYDNEY SMITH

- I am perfectly correct in my statement regarding the practice which is adopted, not only in the State Parliaments, but in the House of Commons also.

Mr Fisher

- I entirely agree with the ruling of the Chairman. The time has come when those who believe in the preservation of order should indicate the manner in which they wish our proceedings to be conducted.

Mr F E McLEAN

- Surely there can be no discussion upon this matter. We do not want any further comment upon it.

Mr Fisher

- The honorable member for South Australia, Mr. V. L. Solomon, lectured the committee as to what was the practice of the State Parliaments. The honorable member is not competent to inform the committee of the practice adopted in any of the State Parliaments save his own. We have passed certain standing

orders for our own guidance, and have elected a Chairman to regulate our proceedings. Upon matters of fact he is the sole judge, and if we take exception to his ruling, we can move that his decision be disagreed with.

Mr V L SOLOMON

- Who is doing the lecturing now ?

Mr Fisher

- I think it is wise that we should refrain as much as possible from annoying and irritating interjections. We must support the Chairman in carrying out the standing orders.

Mr KENNEDY

- I was attempting to show, when the interruption occurred, why, in the interests of the farmers and of those who want to obtain their ploughshares at the lowest possible price, those implements should not be placed upon the free list. I have previously mentioned that the price of shares in Victoria and South Australia, where a protective duty had been operating for a number of years, was less than the price at which the farmers could purchase them in New South Wales and Queensland, where they were admitted free. These shares cost only 36s. to 40s. per dozen in Victoria, but when they were imported into New South Wales the importers fixed the price at which they should be sold, with the result that they realized 52s. per dozen in that State.

Mr Poynton

- The explanation is not very clear.

Mr SYDNEY SMITH

- I ask the Chairman to observe the same rule in regard to other honorable members as he has applied to me. If any honorable member interjects he ought to be called to order-as I was.

The CHAIRMAN

- Order. The honorable member for Moira may proceed.

Mr. SydneySmith. - I insist, Mr. Chairman, that any honorable member interjecting shall be called to order.

The CHAIRMAN

- I shall apply the rule I have laid down in the only form at my command. I propose to allow everything in reason, but when interjections get beyond that I shall assert my authority.

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Mr KENNEDY

- I was saying that the price of Lennon's shares in New South Wales and Queensland was fixed by the importers. As a result, the importers in New South Wales have fixed the price at 52s. 6d. per dozen, whilst in Queensland they have fixed it at 65s. per dozen. This fact affords a splendid reason why we should support the proposal to continue the competition which has hitherto existed in Victoria. Some years ago, when the gangplough was protected by patent rights, and before a fac-simile of it could be manufactured in Victoria, I had occasion to use one. I bought a supply of shares for that particular class of plough, but discovered long before the plough itself was worked out that the type of share had been altered, and as a result the foot had to be altered, at the cost of the user of the implement. Such conditions cannot arise when we have a manufactory in our midst. Until it is shown that the cost of the implements which we propose to manufacture in Australia will be enhanced to the consumer, I see no justification for including them in the free list. By so doing, we shall practically be relegating ourselves to the position which we occupied 25 years ago. Every one knows that the conditions appertaining to farming in different parts of the world vary very considerably. If an expert in agriculture comes from America to Australia, he has to commence to learn the local conditions surrounding the industry. Some of our experts, in order to succeed here, have practically had to forget a considerable amount of what they had previously learned. The same argument applies to the implements and machines which we use in Australia. The advantage of having the manufacturer of these implements in our midst is that he is continually looking ahead to the requirements of the Victorian farmer. That is why we get a stripper which takes off a crop for an expenditure of 5s. an acre. For the reasons I have given, I shall oppose the proposal of the honorable member for Wentworth.

Mr SYDNEY SMITH

- We have been anxious to obtain from the honorable member for Moira some information with regard to the condition of the agricultural industry. That honorable member, at some considerable length,

endeavoured to prove that Victorian agriculture has prospered under a system of protection, and I asked the very fair question how it was, if he were correct, that Victoria had lost one-tenth of her population during the last ten years ?

Mr Kennedy

- I explained last night that there was not the area in Victoria.

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Mr SYDNEY SMITH

- If honorable members are anxious to populate Victoria and increase production, why is it proposed to retard the progress of agriculture by placing a heavy duty on articles which the farmer requires, in order to enable him to produce in the most economical way ? The honorable member for Echuca has stated that he is prepared to make an exception in the case of Hornsby shares. Why should the same privilege not be extended to others who make an equally good article? It seems extraordinary that an honorable member should advocate the giving of a monopoly to one particular firm ; and the fact only shows the fallacy of the claims of protectionists. In other countries, all kinds of machinery are being invented to promote production under the most economical conditions, and as many of these machines are patented, it will be impossible for our producers to have the advantage of them if a heavy duty be imposed. These patents are protected for a number of years ; and yet we find duties advocated by honorable members who are supposed to represent agricultural constituencies.' It is made to appear that all sorts of concessions are given to agriculturists by placing duties on articles they produce, whereas these duties can be of no benefit, seeing that we are now an exporting country. I cannot understand why honorable members should underrate the importance of the pastoral industry. We are anxious that all industries should succeed, and it ill becomes honorable members to endeavour to lessen the importance of any one of them. We have great difficulties to contend with in competing for the home market. Of butter alone, England last year imported no less than £1-7,000,000 worth, and we cannot enable the farmer to export this and similar products, such as wheat and other produce, if heavy duties are placed on the articles required for the working of the farm. Had we had a full House last night a different decision would have been arrived at in regard to this item ; and this shows the importance of every member being in attendance. Two members who paired against this item were in favour of a 10 per cent, duty, and counting those with whom they paired, there would have been a majority of one in favour of the views of the Opposition. That was why I protested against going to a division, feeling as I did that we were to a certain extent risking the agricultural industry. I intend to take another opportunity of testing the question, because I believe a decision was arrived at last night which was not in accord with the wishes of the majority of the people of the Commonwealth. We are told that we have to protect the manufacturers ; but according to the returns, there are only 1,500 persons employed in making agricultural implements in the various States, out of a total of 170,000 engaged in various manufacturing industries. The output of the dairying, agricultural, and mining industries amounts to over £80,000,000 sterling per annum, and in order to help the manufacturers - not the workmen, because wages are not always increased according to the benefit derived from a protective duty - we are going to handicap one of the main industries of the Commonwealth. I have often heard protectionists urge that attention should be given to the agricultural industry ; but I do not see how we can help that industry by increasing the cost of the articles required by the farmer. I cannot understand how the cost of a patented article can be lessened by the imposition of a duty. The greatest difficulty we have at the present time is that we do not obtain at the earliest possible moment, the advantages of inventions and improvements in machinery. When Minister for Mines and Agriculture in New South Wales I suggested, and my colleagues agreed with me, the sending of one of the ablest men in the department to America and other countries in order to ascertain how we in Australia stood in relation to the adoption of modern machinery, &c. A few weeks ago that officer told me that improvements which lessen the cost of production are constantly being made, but that it is often two years before we in Australia get the benefit of the new implements. It is under these circumstances we have to compete with other countries at Mark Lane. We are told that the way to get over the trouble is to compel the owners of patent rights to establish manufactories in Australia. But what is the farmer in Australia to do in the meantime? Is he to be crushed out of existence ? A serious injury has been done to the producing interests by the action already taken by this committee, and I hope that honorable members will hesitate before they further hamper those interests. We have to depend on our primary

producers, and we should endeavour, as far as possible, to place them in the best' position for competing in the markets of the world. I did not speak during the general discussion upon this item, because I was anxious to obtain a division before eleven o'clock last night. I knew how the farmers would fare if the division were postponed until after that hour, and the result was what I anticipated. No doubt the Government think they are justified in trying to force their Tariff through, but it is our duty to try to modify it in such a way as to help the producers. I think that the amendment before the committee should be carried, because it would be an extraordinary thing to place mould-boards upon the free list and to tax plough-shares. I have heard a great deal about the importance of assisting our manufacturers, but the divisions which have been taken afford very little evidence of a desire to assist the agriculturists.

Mr Crouch

- I have not given a vote against the interests of the farmers.

Mr SYDNEY SMITH

- I believe that the honorable and learned member represents a farming constituency, and so do I. But the farmers do not want to pay heavy duties. They know that the duties upon butter, cheese, honey, wheat, and other articles are of no substantial advantage to them, and are put on only as a blind to make them accept other duties. I claim to know the opinions of the farmers upon this subject pretty well, and I feel sure that if the committee place heavy duties upon agricultural implements serious injury will be done to the farming industry. The honorable member for Echuca, while he would tax ordinary plough-shares, wishes to admit the Hornsby shares free. I admit that Hornsby is a good maker, but I have yet to learn that he is the only good maker of agricultural implements.

Mr Batchelor

- The honorable member for Echuca said that Shearer's plough-shares were the best.

Mr SYDNEY SMITH

- But he spoke of his intention to move an amendment for the admission of the Hornsby plough-shares free, and in doing so I think he gave his case away, because how can an exemption in regard to one kind of share be justified when other shares are taxed? The free list of this Tariff teems with articles and implements used by the manufacturers. Their tools of trade and machinery are admitted at the lowest rates or free, and the honorable member for Melbourne has given notice of a string of further exemptions to help them. But why not apply the same principle to the farmer? Why not place his tools of trade on the free list?

Mr Crouch

- It would not help him.-

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Mr SYDNEY SMITH

- I think that farmers are the best judges of that. If a heavy duty is put upon Hornsby shares, will not the farmers have to pay more for them? The other night I quoted price lists showing that Dr. Jaeger's clothing was 25 per cent, dearer in Melbourne than in Sydney in September last, because of the operation of the duty in "Victoria. The operation of heavy duties drives trade into the hands of the merchants. It is admitted by the Age that a number of the manufacturers have their agents out here, and that many people do business direct through them instead of buying from wholesale houses. Under free-trade the small storekeepers are able to purchase direct from the home and other manufacturers, and are allowed three or six months' credit, and often have to pay nothing at all until they have sold their goods, but when he has to pay 15 or 25 per cent, duty in cash, the business of importing is driven into the hands of large merchants, because the small men cannot afford to import and pay duty. These large merchants then add the duty to the cost of the article, and, in addition, charge the storekeepers a percentage upon both the cost and the duty. The storekeepers in their turn pass these charges on to the consumers, and in this way the price paid by the consumers is largely increased under protection. For the sake of 1,500 men engaged in agricultural implement making, the Government ask us to place a heavy duty upon the farmers' tools of trade. I intend to test the feelings of the committee on this point by moving an amendment which will enable the farmer's friends to declare themselves, and will prove the sincerity of honorable members' professions. If we are to have a happy and prosperous yeomanry, we must place them in the best possible position to compete in the foreign markets of the world to which our surplus products have to be sent. Our butter industry has assumed very large proportions, and we are making a

great effort to break down the monopoly which Denmark enjoys in the English market ; therefore we must be -careful not to impose heavy taxation upon our producers. If we show proper consideration for the farmers by giving them what they require as free of duty as possible, we shall encourage the development of our resources to a wonderful extent.

Mr Kennedy

- Free-trade has done wonders for the farmers in New South Wales.

Mr SYDNEY SMITH

- We have done a great deal during the 'last ten years. In 1891 there were 840,852 acres under cultivation, exclusive of grassed lands, and in 1901 the cultivated area had increased to 2,446,000 acres. That increase of 1,600,000 acres affords good evidence that we have succeeded under a free-trade policy in developing our agricultural industry and Victoria certainly cannot show anything like the same rate of progress during the same period. Our dairying industry has also gone forward by leaps and bounds, whilst that of Victoria has been at a standstill during the last year.

Mr Kennedy

- When New South Wales catches up to Victoria she will be all right.

Mr SYDNEY SMITH

- We shall overtake Victoria if we are left alone, but we shall be sadly hampered if heavy taxes are imposed upon everything that we require. I hope that the committee will retrace its steps with regard to the division that took place last night, and I shall certainly give them an opportunity of doing so. In the meantime, I strongly urge that we should place as many articles on the free list as possible.

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Mr KINGSTON

- There is one thing which I should like to impress upon the minds of honorable members, and I venture to hope that before I have concluded my remarks those who are desirous of giving a vote which they can justify will see their way to reversing what they did on a previous occasion. To that end I would point out that this question is not whether agricultural implements generally should be taxed at 10 or 15 per cent. That has already been decided, so far as the general principle is concerned, by the votes which were given last night. We are now called upon, after having decided that implements should be taxed at a certain rate, to say whether the same principle should be applied to the parts of implements, and I am very hopeful that honorable members will consider that we should deal with the parts imported separately in the same way as with the completed implements ; otherwise the result will undoubtedly be to encourage the importation of separate parts, and the putting of them together here, the manufacturer being able to pocket - if he can be said to pocket anything - the total amount of the protection allowed on the perfected implement. By importing these parts free of duty, and putting the machines together here, the manufacturer would not be doing half as much good as if the whole implement were made within the Commonwealth. What shadow of reason can be suggested for laying down the rule that as regards a plough there shall be a 15 per cent, duty, whilst on the separate parts there shall be no duty at all 1 This would simply give the people who carry on what may be called assembling industries a distinct advantage over those who are engaged in honest manufacture. I do not hesitate to say that the result will be to increase the protection to those who assemble the parts, but not to increase it in the best way. It will not benefit the honest, sturdy manufacturer, who makes the machine or implement outright from beginning to end, but it will offer a premium to the introduction, free of duty, of the various parts which go to make up the manufactured article. Do we desire that? Surely not. By doing as has been suggested, we should encourage manufactures of a character that we do not desire, we should lose revenue, and we should increase the protection against which some honorable members protested so loudly yesterday. We are not dealing with the same point as was decided upon last night, and we should not, after having decided to place a duty on ploughs, admit the parts of those ploughs free of duty. The same condition should apply to the parts as to the complete article, and no other course can be justified for a moment.

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Mr THOMSON

- The Minister for Trade and Customs has shown very plainly the objectionable nature of what he has called "assembling industries," for which he has provided so much support in the Tariff. I would ask honorable members to note these remarks of the Minister's when we come to deal with the large number

of items which provide for the admission duty free of parts of articles which are made up here. We have already passed some of these items, such as that relating to umbrellas. With reference to the remarks upon the subject of completed ploughs and parts of ploughs, I would point out that there is nothing to prevent us from reversing the decision of last night, which was arrived at under circumstances which render it at least doubtful whether the majority of the committee were with the Government. In view of that decision, however, we have no recourse except to deal with these articles separately. If we succeed in placing them on the list of exemptions, we shall not create any anomalous situation, because it would naturally follow that ploughs would in due course also be included among the special exemptions. We can make our position perfectly logical by following up our present action, and exempting the complete machines from duty when we come to deal with the free list.

Sir WILLIAM McMILLAN (Wentworth). - The Minister for Trade and Customs has been arguing all through upon the basis of the manufacturing interests, whereas we have been arguing upon the basis of the interests of the great producers of Australia. It is of no use the right honorable gentleman introducing his logic and fine-drawn distinctions when we are arguing upon an absolutely different basis. We are struggling for a number of people who under this Tariff will be robbed right and left, who will derive no benefit from it in any way, and we intend to take advantage of everything we can to relieve this class of the community from taxation. I hope that the decision which we arrived at last night will be reversed upon the present occasion.

Question - That the words proposed to be inserted be so inserted - put. The committee divided -  
27

AYES

30

NOES

Majority ... .. 3

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir William McMillan) proposed -

That after the word " shares" the following words be inserted, "15 per cent., and on and' after 13th December, 1901, 10 per cent."

Question - That the words proposed to be inserted be so inserted - put. The committee divided -  
28

AYES

29

NOES

Majority ... .. 1

Question so resolved in the negative.

Amendment negatived.

Sir WILLIAM McMILLAN

- Do the Government intend to give way in the matter of " plough-plates cut to shape."

Sir George Turner

- No.

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Sir WILLIAM McMILLAN

- If there is any item in this division which ought to be free it is that to which I have drawn attention. Most honorable members who are connected with agriculture will know how necessary these articles are to the farmer. I move -

That after the word "shape," the following words be inserted : - " 15 per cent., and on and after 13th December, 1901, free."

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

28

AYES

30

NOES

Majority ... .. 2

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir William McMillan) proposed -

That after the word "shape" the following words be inserted : - "15 per cent., and. on and after 13th December, 1901, 10 per cent."

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

28

AYES

30

NOES

Majority ... .. 2

AYES

NOES

Amendment negatived

Question so resolved in the negative.

Mr KINGSTON

- The promise made by the Government was to place on the exempt list such machines as are not made in Australia. We cannot find that shearing machines are made here, and therefore I move -

That after the words "shearing machines " the following words be inserted: - "15 per cent, and on and after 13th December, 1901, free."

Mr McDONALD

- I wish to point out to the Minister that the men who use shearing machines are charged for the combs and cutters which are broken, and which have to be replaced. In some cases this charge amounts to as much as 7s. a week, and I ask him, therefore, to consider the advisability of placing combs and cutters upon the free list.

Mr Kingston

- Parts will be admitted free.

Mr. SYDNEYSMITH (Macquarie).I intend to support the amendment, but I wish to direct attention to the difference between the treatment accorded to the pastoralists and that accorded to the farmers. Just now, we on this side of the Chamber were asking that farmers' ploughshares and other agricultural implements, which cannot be made here, should be admitted free.

Mr Watson

- But they are made here.

Mr SYDNEY SMITH

- The honorable member for Echuca tried to provide for the admission of Hornsby ploughshares free, because of the improvements connected with them, and I pointed out that there are a number of patented appliances which cannot be made here. I am as anxious as any one to encourage the pastoral industry, but I fail to see why similar encouragement should not be given to the farming industry. I have pointed out the difficulties under which the farmers labour.

Mr Watson

- Is the honorable member in order in repeating his speech in regard to the duties on agricultural implements?

Mr SYDNEY SMITH

- I think I am perfectly in order in trying to show the inconsistency of honorable members, and in drawing attention to the fact that the farming industry is worthy of consideration equally with the pastoral industry. I believe that both should be encouraged.

The CHAIRMAN

- The honorable member is not in order. The amendment before the committee provides for the admission of sheep-shearing machines free of duty, and the honorable member is not at liberty to travel beyond that, and draw a comparison between the treatment accorded to various industries, or to reflect upon the



Government.

Mr F E McLEAN

- Do I understand you to rule, Mr. Chairman, that an honorable member is not entitled by way of comparison to refer incidentally to matters not immediately under consideration?

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The CHAIRMAN

- No ; but on the question now before the committee an honorable member is not in order in making lengthy comparisons between the treatment accorded to two industries, or in reflecting upon the conduct of the Government.

Sir William McMillan

- I do not think you mean to rule, sir, that an honorable member is not in order in showing that the Government, by proposing to place a certain article on the free list, are showing an undue preference.

The CHAIRMAN

- I have given my ruling, and I must ask honorable members to abide by it.

Mr SYDNEY SMITH

- The Government have been guilty of an act which does not reflect credit upon them. They have ' tried in every possible way to prevent reasonable encouragement being given to the farmers of the country ; but, immediately the interests of the pastoralists come under review, they are ready to give tl em very different treatment. As honorable members know, I should like all these machines to be placed upon the free list, and, failing that, I would vote for a duty of 10 per cent. But I do not see why a distinction should be made between one class of producers and another. This Tariff is teeming with exemptions in favour of the manufacturers, who already have a natural protection by reason of the high freights prevailing between this country and other parts of the world. But the farmers who have to compete in the markets of the world, and pay freights upon their produce, are put at a disadvantage by being charged heavily upon all the machinery they use.

Mr Watson

- I should like to know how these remarks bear upon the amendment before the committee. This debate has lasted three days now.

The CHAIRMAN

- The honorable member for Macquarie has had a large parliamentary experience, and I might look to him to uphold the authority of the Chair, but he is now proceeding on the same lines as when I first ruled against him. He is not in order in drawing lengthy comparisons between the treatment accorded to two classes of producers, or in reflecting upon the actions of the Government. If he wants to do that, he must seek some other occasion.

Mr SYDNEY SMITH

- Am I not in order in showing that the treatment accorded to manufacturers is different from that accorded to agriculturists 1

The CHAIRMAN

- The honorable member has already heard my ruling.

Mr SYDNEY SMITH

- I am going to vote in favour .of placing shearing machines upon the free list, but I appeal to the Government to show to the farmer the same consideration that they seem inclined to extend to the pastoralist.

Mr A McLEAN

- The addresses we have been listening to may do a great deal of harm by misleading people outside, but so far as honorable members are concerned the policy of the Government and their supporters is clear and well understood. We have agreed to give a reasonable measure of protection to those who are engaged in the manufacture of commodities which can be successfully produced here, but in the case of such things as shearing machines, which are not manufactured here, we are quite consistent in placing them on the free list. I really thought that the honorable member for Macquarie knew something about farming until he spoke on this question. The principal sheep-owners are the farmers. In the back blocks of New South Wales the large holdings may be purely pastoral, but in Victoria and Tasmania and other places that are densely populated, the great bulk of the sheep are kept by the farmers, who cannot carry

on their operations successfully unless they combine grazing with agriculture. Therefore there is nothing in all the talk about making a distinction between the farmer and the pastoralist. I think the Government are quite right in acting in accordance with their promise to place shearing machines and other similar articles on the free list. I should like to know whether seed drills are being manufactured here.

Mr Kingston

- Yes.

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Mr CONROY

- As it is the object of the Opposition to have as many articles as possible placed on the free list, we are not quarrelling with the Government for agreeing to remove the duty from shearing machines, but I desire to point out the marked contrast in the conduct of the Government, when they are dealing with a matter affecting pastoralists, and when they are asked to consider something in which the farmers' interests are involved. The pastoralists who, being wealthy and influential, can impart some weight to their representations, find their requests acceded to, but the poor farmer has no hope of favorable consideration, because he is not able to meet the members of the Government at the clubs and at dinners.

Mr Kingston

- Are not the Opposition heartily ashamed of the honorable member for Werriwa ?

Mr CONROY

- The Minister ought to be ashamed of himself.

The CHAIRMAN

- Order. I must ask the honorable member to withdraw his remarks, which impute improper motives to the members of the Government.

Mr CONROY

- I withdraw my remarks. We find the Government bowing down and displaying obsequiousness and servility when they are dealing with the interests of wealthy men, but failing to show any consideration for the poorer classes. It is a most peculiar thing that in all cases the poorer classes of people are being called upon to bear the burdens of taxation. We know that small farmers - even though they own as many as 1,000 sheep - do not use shearing machines, and it is only the wealthier squatters who are able to take advantage of them. I happened to be surveying on the Euroka station when the Wolseley shearing machine was first brought forward, and I saw the whole plant put up and some of the machines made there.

Mr Watson

- They could not make the machines on the station.

Mr CONROY

- The honorable member must allow me to be the better judge as to what took place when I was there.

Mr Sawers

- We know all about it.

Mr CONROY

- The honorable member was never on Euroka station.

Mr Sawers

- I have been there more frequently than the honorable member has been.

Mr CONROY

- I am not grumbling at shearing machines being placed on the free list, but I object to the imposition of taxation on the farmer whilst the pastoralist is exempted.

Mr Cruickshank

- The pastoralists do not care a 2d. dump for the duty one way or the other ; it is the shearers who will derive the benefit.

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Mr KENNEDY

- The honorable member for Werriwa speaks as if the shearing machine covers the whole of the plant erected in a machine-shearing shed, and that everything comprised in that plant is to be exempted from duty. It is not proposed, however, to exempt anything except the small machine which the shearer takes

in his hands, and which is operated by motive power supplied generally from a steam engine, and communicated to the machine by means of shafts and pulleys. These machines are not made within the Commonwealth, and the combs and cutters which are practically the essential parts of the machines, and which have to be replaced sometimes as often as two or three times a day, or even more frequently, are generally supplied by the shearers. When the honorable member attempts to tell the committee that these machines are manufactured on the stations, he is talking nonsense. The shearing machines are not manufactured here, and it is only a fair thing to exempt them from duty. The Government and their supporters are not making any distinction between different classes of the community. I have already pointed out that where we find there is a sufficient field of operations to induce people to lay down plant for the manufacture of a certain article, we are prepared to impose duties with a view to affording reasonable protection, but where the demand is not sufficiently large to justify manufacturing operations within the Commonwealth, we are studying the best interests of the community by admitting the goods free.

Mr. McDONALD(Kennedy).- In order to avoid misunderstanding, I may explain that my object in proposing to place shearing machines on the free list, was to decrease the cost of the machines and their parts to those who are engaged in shearing. The cost of supplying combs and cutters, when men are shearing dirty sheep, ranges as high as 7s. per week throughout the shearing, and this constitutes a very heavy tax upon the shearers. No matter what sheep are being shorn the shearers have to pay a considerable sum for cutters and combs. Under such circumstances, they are just as much tools of trade as are the hand shears, which have already been placed upon the free list. I should also like to point out to the committee that the men who have to pay for these machines comprise a class which does not enjoy regular employment. Moreover, these appliances are not made in Australia. It is perfectly true that in the earlier experiments conducted in connexion with the machines, there were one or two models made here at very great expense. But as soon as the appliance was perfected, it was taken to other parts of the world, where it could be manufactured as cheaply as possible. It is only fair that these machines, together with the cutters and combs which form a part of them, should be included in the schedule of special exemptions. I know that a number of shearers are inclined to carry their own machines. When they get hold of one which runs smoothly which works with very little vibration, and which will not run hot, they naturally prefer to retain it if possible. Taking all these facts into consideration I think it would be wise to place sheep-shearing machines upon the free list.

Mr. THOMSON(North Sydney).Whilst I think that the same argument could be used in connexion with the manufacture of this machine that is applied by protectionists in other cases, namely, that it could be made in the Commonwealth if a sufficient duty were imposed, I am still in favour of placing it upon the free list. I merely desire to draw attention to the legislative aspect of this matter. I wish to ask the Minister for Trade and Customs how he has ascertained that the " parts " of the machine will be admitted free of duty if the machines themselves are struck out. So far as I can see, even if we here strike out sheep-shearing machines, the complicated structure of the schedule will cause the machine itself and the " parts " of the machine to be dutiable. If they are to escape duty, it seems to me that they should be included in the list of special exemptions.

Mr SAWERS

- One might almost marvel that any debate should take place upon this article, seeing that no honorable member will dissent from the proposal of the Government to include it in the free list. In taking that course, the Government are perfectly consistent, because they have indicated all along that in their opinion tools of trade which cannot be manufactured in the Commonwealth, shall be exempt from duty. The only object which this debate can serve is that of allowing certain honorable members to make a little political capital, by raising a class cry of farmer versus pastoralist, and endeavouring to make the country believe that the Government are playing into the hands of the pastoralists. The pastoralists, I make bold to say, care very little whether this machine is placed upon the free list or not. I am very glad that the amendment has emanated from a member of the labour party who is an ardent friend of the working classes. The inclusion of this machine in the schedule of special exemptions will not benefit the pastoralists so much as it will the thousands of shearers scattered throughout the Commonwealth. I hope that the Government will pay particular attention to the remarks of the honorable member for North Sydney, and be careful to see that the combs and cutters connected with the actual machine are also placed upon the free list. I am sorry

indeed that any honorable member should play to the gallery by crying out that the exemption of this article from duty is intended to specially benefit the pastoralist.

Mr SYDNEY SMITH

- I am in favour of the amendment.

Mr SAWERS

- Why, then, does the honorable member make speeches to the gallery for electioneering purposes,, and endeavour to show that those who vote for the amendment are antagonistic to the farmer 1 I agree with the remarks of the honorable member for Kennedy, and from my own personal knowledge I can vouch for his statement that it often costs the poor shearer, when working with " hard" sheep, many shillings per week for combs and cutters. I sincerely hope that those articles will be placed upon the free list.

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Mr BROWN

- The honorable member who has just resumed his seat is very anxious that no such cry as that of farmer versus pastoralist shall be raised in this House. In this connexion I should like to say that those who embraced the opportunity of pointing out that recent divisions show that the Government have unjustly favoured the pastoralist' as against the farmer are not responsible for the raising of this question. It has been urged that this is a question which does not affect local industry, inasmuch as these machines cannot be made in Australia. To me this is a most remarkable statement, seeing that the sheep-shearing machine is a purely Australian invention. It was invented by a Mr. Wolseley, and was developed and perfected within Australia. The inventor and the company associated with him found that in order to cope with the demand, and to put an article upon the market which will best meet local requirements, it would be necessary to get the machines made in the more complete manufacturing centres of the old world. I contend that there is nothing to prevent this machine from being manufactured within the Commonwealth, provided that the appliances necessary for its construction and the raw material are in existence here. It has been pointed out by the honorable member for New England that this is a poor man's machine. Does not that honorable member know that one of the principles laid down by the Shearers' Union, which has formed a matter of contention between the pastoralists and the shearers for years past, is that the latter class shall not be asked to purchase these machines ? But the principle laid down by the Shearers' Union is gradually being departed from, for the reason that the pastoralists insist in many instances that the shearers shall be charged for their machines, whilst on the other hand' the shearers engaged in the work grow accustomed to a particular machine and prefer it to any other. There is no doubt a considerable amount of force in the contention that any duty which is levied upon this machine will in the last degree fall on the men who use it. It has been urged that the Government proposal partakes as much of the nature of a concession to the farmers as it does of a concession to the pastoralists. I do not know what may be the position in regard to Victoria, but I do know that in New South Wales, where farming and wool-grazing are very largely combined, the farmer, in order to compete in the open markets of the world, has to invest in the most up-to-date agricultural implements available. He is, however, under no such obligation as regards wool-growing, and in the great majority of instances in New South Wales the farmer is still satisfied to prosecute his shearing operations under the old methods. The use of sheep - shearing machines there is chiefly confined to the big' pastoralists. I am satisfied to take this concession as a small mercy to the great primary industry of the Commonwealth, even if it more immediately benefits the pastoralist than the small farmer. I hope, however, to see the time when the small farming interest will be considered, and will receive the fair treatment which is now being accorded to the pastoral industry.

Mr PAGE

- This is a most peculiar procedure. We have been battling for free-trade ever since we came into the House, and the very first concession given by the Government is howled against by free-traders. We free-traders have been beaten, and should take our gruelling like men, and not like little boys who cry for the marbles they have lost. I have always looked on the honorable member for Macquarie as one of the most consistent freetraders in the House; but, directly the Government give way, he rounds on them for doing so. If the - honorable member was not satisfied, why did he not suggest that there should be a duty of 10 cent. ?

Mr SYDNEY SMITH

- I am in favour of there being no duty, but I ask the Government why they make a distinction.

Mr PAGE

- Why should there be all this talk?

Mr G B EDWARDS

- The honorable member is doing some of the talking.

Mr PAGE

- Do honorable members think that I can let this item pass and, as the representative of pastoral districts, say nothing? Nine out of every twelve shearers in western Queensland carry one of these machines in their swag. Rightly or wrongly, whether or not it be against Union principles, these men are the possessors of machines.

Mr Cruickshank

- They are shearers ; not pastoralists.

Mr PAGE

- Some of them are selectors. The farmer is helped by having these cheap machines, and I have sent to Sydney for hundreds of them for working men. As to combs and cutters, the men have to pay for them, and I have known the cost come to 10s. per week on some men's earnings. Are these men not as entitled to a little consideration as are farmers? All the talk since the Minister for Trade and Customs gave way in this matter has arisen simply because the free-traders would not allow the opportunity for an argument to pass.

Sir William McMillan

- It is not fair to say that.

Mr PAGE

- There is no class more imposed on in the way of taxation than the farmers. Their clothes, their tucker, and their implements are taxed, and no one more than myself would like to see their load lightened. But when we make a fight and lose, let us back down gracefully. If the Government gave us free-trade all through I should support them.

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Mr Poynton

- In all but bananas.

Mr PAGE

- My votes are on record just the same as those of other honorable members, and I am not ashamed of any vote I have given. I voted for the taxing of bananas simply because my State is interested in that industry ; and the representatives of South Australia, if they had their own way, would impose a tax of £1 a ton on the salt we use in Queensland.

Mr Poynton

- I did not vote for the salt tax.

Mr PAGE

- But the rest of the South Australian members did. If we can get anything from the Government without fighting, let us reserve our forces for a greater occasion.

Mr G B EDWARDS

- There is not a single honorable member who will vote against the proposal of the Government, and I hope the question will be put at once.

Mr KINGSTON

- I simply wish to say, in reply to the honorable member for North Sydney, that when we strike out these items for the purpose of putting them on the free list we introduce them into the special exemptions.

Sir William McMillan

- Would it not be possible to also add sheep-shearing machine parts in this part of the division.

Mr KINGSTON

- We are going to strike the item out.

Mr. POYNTON(South Australia).The Government have done the right thing in putting sheep-shearing machines on the free list. . Throughout the Commonwealth there is a large body of men interested in a similar machine; I allude to the barbers, whose shears are constructed on exactly the same principle, and are all imported. I I should say there are just as many men using the barbers shears as there are men using sheep-shearing machines. Could both not be put on the free list ?

Amendment agreed to.

Sir WILLIAM McMILLAN

- Surely the Minister is not in earnest in proposing to tax horse gears?

Mr Kingston

- Yes, I am.

Sir WILLIAM McMILLAN

- This cannot be called a manufacturing industry, which requires to be protected. I suppose horse gear means gear for the working with horses in connexion with different agricultural operations. It would just be as reasonable to call cutting a beam in two, a manufacture that ought to be protected, as to suggest that horse gear should bear a duty. This gear is used by the poorer classes of farmers who are without capital or elaborate- machinery. I beg to move -

That after the word " horse gears," the following words be inserted, " 15 per cent., and on and after 13th December, 1901, free."

Mr FULLER

- This duty will apply particularly to poor struggling' farmers, a great many of whom in my district use horse gear for chaffcutting, churndriving, and other operations.

Sir George Turner

- Do they use imported gear ?

Mr FULLER

- I believe all, or nearly all, is imported. The farmers in a larger way use oil-engines, and other motive power, but the poor man is limited to horse gear.

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Mr Kingston

- These machines are made in every agricultural machinery factory in Australia, and the industry is worthy of a little encouragement.

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

22

AYES

31

NOES

Majority ... .. 9

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Sir WILLIAM McMILLAN (Wentworth). - I move -

That after the word " horse gears " the following words be inserted " 15 per cent., and on and after 13th December, 1901, 10 per cent."

It seems to me that we are going very far when we tax the machinery used by the poorest class of farmers in Australia - those who cannot afford to buy engines to furnish motive power,

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

23

AYES

29

NOES

Majority ... .. 6

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Amendment (by Mr. Kingston) agreed, to-

That after the word " horse gears " the words " 15 per cent." be inserted..

Sir GEORGE TURNER

- With regard to portable engines, traction engines, and oil engines, as they are not made here to any extent, and are largely used in the dairying and agricultural industries, I intend to propose that they be admitted free. I see no reason why they should not be made here, but it is hardly fair to make them dutiable until they are made here. What we propose is that they shall come under the provisions of Division VIa, a bonus being given to encourage their manufacture, and when the industry is established it will be a fair thing to impose a duty.

Mr GLYNN

- I wish to make gas engines free, and I therefore move -  
That after the word "oil" the words "and gas" be inserted.

There should be no distinction made, so far as the rate of duty is concerned, between oil and gas engines. I have a telegram and letter from a large firm in Adelaide who state that a contract was about to be completed by them for the sale to a mining company of a gas engine and plant of 1,000 horse-power at a cost of £5,000, and that the effect of the 25 per cent, duty would be to add £1,350 to the contract price for a £5,000 plant.

Mr McCay

- I rise to a point of order. I desire to know whether in connexion with a proposal to exempt certain kinds of engines from duty, the honorable and learned member can insert words with a view to extending the exemption. I would suggest that the honorable and learned member could achieve his object when we are considering the exemptions.

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Sir William McMillan

- I would point out that our procedure in this matter must, to a very large extent, be dictated by convenience, and that the honorable and learned member is perfectly in order in seeking to have included among the engines which are to be placed on the free list certain other engines of a similar type.

Sir George Turner

- I most strongly object to the course which is being followed by the honorable and learned member for South Australia, Mr. Glynn. Gas-engines are at present subject to a duty of 25 per cent., and when we are considering the engines which are subject to that rate of duty, the honorable and learned member will be quite at liberty to propose that they should be admitted free, or that the duty should be fixed at 1'5 per cent. I have not proposed to exempt gas-engines, because they are being made locally, and ought to be dutiable.

Mr GLYNN

- Gas-engines are not specified in this item, but will come under the operation of the drag-net clause at the end, and I think that it will be just as convenient to deal with them here as under any other paragraph of this item. However, I do not wish to cause any inconvenience, and I will endeavour to accomplish my object later on.

Amendment, by leave, withdrawn.

Amendment (by Sir George Turner) proposed -

That the words "15 per cent, and on and after 13th December, 1901, free," be inserted after the words "oil-engines."

Mr. CONROY(Werriwa) - I should like to know why any special distinction should be made between horizontal and vertical engines ? Vertical engines are used for purposes similar to those for which horizontal engines of this class are employed, and I know of no reason why they should not also be placed on the free list.

Sir WILLIAM McMILLAN

- I should like some explanation, in the interests of simplicity, and a clear understanding on the part of the 'committee as to the object and effect of the Government proposal.

Sir GEORGE TURNER

- The descriptive words inserted here have been adopted deliberately, because if they are omitted importers will be able to introduce a number of engines which should not be permitted to enter without the payment of duty. These words are well-known in the department, and cover all descriptions of engines that we wish to introduce free.

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Mr V L SOLOMON

- I suppose that what is termed a "locomotive boiler " is a tubular boiler such as is commonly used in locomotives, but I would point out that there are many vertical engines up to ten and twelve horse power which are used for purposes similar to those to which the engines here described are applied. They are engines with vertical boilers, and are fixed on small frames with wheels so as to permit of their easy transport. If portable engines with boilers of a locomotive type are to be exempted from duty, there is no reason why we should not also place on the free list engines of the class I refer to, which are extensively used for chaff-cutting, dairying works, driving small mining batteries, and a variety of other purposes. I think that a mistake has been made in including the words "'fixed on a locomotive boiler horizontally." To my mind, the words " portable engines " would cover the whole thing. The object of the Government, I take it, is to exempt from duty machinery which can readily be transported from place to place. I think therefore that the words "fixed on a locomotive boiler horizontally" should be omitted.

Mr. KENNEDY(Moira).- The classification which has been given to these articles is the only classification possible. It applies to one particular class of machinery, which cannot be defined under any other heading. Those who wish to exempt from duty a vertical boiler upon wheels which have probably been attached to it in order to make it portable, must deal with it under the classification to be found at the bottom of page 7 of the Tariff, which refers to engines and boilers of different types.

Sir WILLIAM McMILLAN (Wentworth). - I think that we have no alternative but to accept what the Government are offering . us. The honorable member for South Australia, Mr. Solomon, can subsequently move to place the particular class of 'engine to which he has referred upon the free list.

Mr. CONROY(Werriwa).- I think the fact that the Minister for Trade and Customs has been unable to give the committee a single word of information upon this subject affords one of the best illustrations of the folly of agreeing to the Government proposal. Even with the aid of his officers he is not able to inform this committee of what the Ministry propose. We are practically asked to vote in the dark. We have not been informed why one class of article is to be admitted free of duty, whilst another class is to be taxed.

Amendment agreed to.

Sir WILLIAM McMILLAN (Wentworth). - I am given to understand that road-making ploughs and machines are used to some extent by district councils. In one case I am informed that a council, by purchasing one of these machines', has saved the ratepayers £940 in two years. I understand that these implements cannot be made in Australia.

Mr Kennedy

- They are made by a dozen different firms.

Sir WILLIAM McMILLAN

- I understand that they are articles which cannot be manufactured locally. I have a note here of a patent machine from America called the " American Champion Steel Reversible Road-roller." That, I presume, will come under this heading. At any rate, I should like to have some information as to the category under which road-making ploughs and machines will come. These road-rollers clear, roll, and form roads, and they are also used in connexion with embankments. I desire to know whether this article includes everything connected with road-making, or whether other machines will come under the heading of " n.e.i." It seems to me that an angel from heaven will not be able to understand this Tariff if we continue in the way we are now proceeding. When we have come to the end of this division, and have finally settled the exemptions, it seems to me it will be an awful division. I pity the people who have to interpret it. In this Tariff we 'are building a monument to our own incapacity and ignorance. I ask the Minister for Trade and Customs if he will agree to add after the word " machines " the words " including stone-crushers, road-rollers, distributing carts, and road-making implements." What I principally object to is that we have not received a little more information from Ministers. I do not know whether the matter is worth bothering about, and I should like to hear the opinions of other members of the committee.

Mr. KENNEDY(Moira).- I take it that the word " machines " does not include anything driven by steam power, and so far as road-making ploughs, scoops, and grading ploughs are concerned, these, with one exception, are made in Australia, and scarcely any but the locally manufactured article is used. I should like to know whether the " Era " grader, which has recently been imported from America into Victoria by the State Government, and which, in this class of work, is one of the best labour-saving machines known in Australia, is included in this item.



Sir George Turner

- That machine has not been very successful.

Mr KENNEDY

- It has not succeeded to the extent anticipated, but the conditions scarcely allowed of a fair test. It was heavily timbered country where the machine was tried ; but I know that, under normal conditions, earth can be moved by this machine at less than one-half the cost of the appliances previously in use. This machine will certainly revolutionize this class of work in the putting up of embankments, constructing water channels, and similar operations.

Mr F E McLEAN

- A duty of 15 per cent, should be enough to cover all classes of machines connected with roadmaking. Do I understand that the Treasurer does not regard a road-roller as a road-making machine?

Sir George Turner

-On reconsideration I think a road-roller will come within the category.

Mr F E McLEAN

-With the honorable member for Wentworth, I think that distributing carts, which are specially constructed, ought to come under the head of road-making machines, and the same may be said of the stone crusher.

Mr HUME COOK

- Stone crushers are used largely for building purposes.

Mr F E McLEAN

- Even so, a duty of 15 per cent, ought to be sufficient.

Sir GEORGETURNER (Balaclava). There are road-rollers and road-rollers. The lighter kind of roller can be made in Australia, though the heavy steam-rollers have to be imported. I feel inclined to go further . than is suggested, and exempt steam-rollers, though horse road-rollers and distributing carts must come under the 15 per cent, duty. I shall have to inquire as to the " Era " grader referred to by the honorable member for Moira.

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Mr PIESSE

- I am very glad to hear the statement which the Treasurer has just made. Steam-rollers, or rollers worked by electricity, ought to be admitted free. They are expensive and effective machines, which ought to be more used in road-making throughout the Commonwealth.

Mr HENRY WILLIS

- I regret to hear that the Treasurer has no intention of putting horse-rollers on the free list. Horse-rollers are used almost exclusively by municipalities, and I hope it is not the intention of the committee to tax these bodies throughout all the States of the union.

Sir George Turner

- All kinds of horse road-rollers are made in Australia.

Mr HENRY WILLIS

- -There is not very keen competition in the road-roller industry. I have had twenty years' experience as councillor and alderman in more than one State, and it is often a question whether a municipality can afford a road-roller, which may cost something like £50.

Sir George Turner

- I could understand the difficulty about purchasing a steam-roller.

Mr HENRY WILLIS

-Steam-rollers may cost £300 or £500.

Sir George Turner

- I have known one cost £600.

Mr HENRY WILLIS

- Municipalities who use steam-rollers can better afford to pay an excess of cost, than can smaller municipalities which only require a horse-roller. There is another road-making machine imported from America, which is not made locally, but which I understand is splendidly adapted for the purpose. By its means an immense saving can be made, and as we want good roads all over Australia, we should encourage the importation of this machine at the lowest possible cost. Local manufacturers would then have an opportunity of improving upon it, so that in time, under the protective system they may, as we are

told is possible, give a cheaper article than under free-trade. A remark, interjected by the honorable member for Bland, causes me to refer to the scoop largely used in road-making, and in the making of dams over all the interior. That is an article which certainly ought to be placed on the free list.

Mr Kennedy

- Where is it manufactured now 1

Mr HENRY WILLIS

- I believe it is manufactured all over Australia, but there ought to be room for competition so that the Americans may come along with their improved inventions. I understand from the honorable member for Moira that the grader to which he referred will really revolutionize this class of work in Australia. If it does all that is claimed for it, it will enable us to make furrows as done in California, and irrigate our land inexpensively. That machine ought to be admitted free, and when our local manufacturers are able to do something better the committee may be consulted again. Such a machine would enable the land on the Murray, in New South Wales, Victoria, and South Australia to be irrigated with advantage, and would supply water to settlers at the minimum cost. At present the cost of water is a drawback, with the primitive system of irrigation carried on by . small farmers, who do not understand the business technically. He requires a machine which will make a furrow large enough to conduct the water, and will not become blocked or dammed as furrows made by an ordinary plough often do.

Mr McCOLL

- It seems to me that it would be better for the committee to deal separately with the last two implements in the item - road-making ploughs and machines. Road-making ploughs are being made in Victoria to great perfection, and I have a letter from the resident engineer at Tocumwal, stating that in his opinion the Victorian road-making ploughs are far superior to the American ploughs. It is, however, impossible to make a road with a plough alone. Scoops are required, and I should like to know whether they are included under the term, road-making ploughs, or come in as machines. A scoop is an implement which any country blacksmith can make, and as we admit the raw material free, I think that there should be a duty upon them. I do not know if the machine mentioned by the honorable member for Moira is a road-making machine.

Mr Kennedy

- Yes, it is.

Mr McCOLL

- There are other roadmaking machines, which crush and distribute the metal as they travel along. I saw two of these - an imported machine and a machine made by a firm in South Melbourne - at the last Melbourne show, and it seemed to me that the South Melbourne machine was simpler and stronger than the other. '

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Sir GEORGE TURNER

- I think that we should put in the word "scoop," and apply a 15 per cent, duty to all these things. I move - That after the words "road-making ploughs," the word "scoops" be inserted.

Amendment agreed to.

Amendment (by Sir William McMillan) agreed to.

That after the word " scoops," the words " horse road-rollers " be inserted.

Mr SKENE

- Before leaving this item, I should like to bring before the committee the case of a locally-invented harvester, because I think there should be further consideration of it. I have in my hand one or two printed documents giving a good many reasons why special consideration should be allowed to these machines, but the strongest reason has been communicated to me privately, and it seems to me that it should be sufficient to cause further consideration to be given. I understand that the combined harvester is a purely Australian production, invented by Australians to meet the requirements of . Australian farmers. In December, 1879, the South Australian Government offered a prize of £4,000 for a harvester, and 29 machines competed at Gawler, but none of them was considered sufficiently effective to merit the prize. Many other experiments were made, with the result that, owing to disclosures which could not be prevented, it has been impossible to obtain a patent for the whole machine as now improved, though patents have been secured for many of the parts.

The CHAIRMAN

- The Government cannot recommit the item at this stage.

Sir George Turner

- If the honorable member will furnish us with a statement of the facts, we shall be glad to give them consideration.

Mr SKENE

- These implements are, I understand, being imitated, and at least two imitations have arrived here. That seems to me to be rather unfair to the local inventors.

Item 76 -

Cutlery, n.e.i. (including manicure sets and knife sharpeners) ; also instruments, drawing, mathematical, and surveying ad valorem, 15 per cent.

Sir WILLIAM McMILLAN

- As I regard the duty upon cutlery as a revenue duty, and 15 per cent, is a fair rate, I shall not object to it. Mr. HENRYWILLIS (Robertson).Is it the intention to exempt pruning knives as tools of trade ?

Sir George Turner

- If the honorable member will give notice of his intention to exempt pruning knives, we shall have the matter looked into.

Mr V L SOLOMON

- Does cutlery include surgical instruments?

Mr Kingston

- No. Surgical instruments are included among the special exemptions in division XVI.

Item 76 -

Nails, n.e.i, viz., Horseshoe and other wrought or pressed nails, per cwt., 7s. Wire and other, and spikes, staples, brads, and tacks, per cwt., 3s.

Sir WILLIAM McMILLAN

- I consider this duty altogether too high. In 1899, we imported into New South Wales 62,111 cwt. of nails, valued at £36,609, upon which a duty of 7s. per cwt. would have realized £21,738. The Government, however, expect to obtain only £5,390, which shows that they hope to reduce the importation of nails into New South Wales, to say nothing of the other States, by at least 75 per cent. There is really no manufacture of nails here. Nails are imported under very favourable circumstances, and they are used in almost every industry in Australia. The work done in making a nail cannot be described as a manufacture. I think that a duty of 15 per cent, ad valorem would be quite sufficient, though, perhaps, it would be as well if nails were on the free list. I find that 7s. per cwt. on horse nails is equal to 3/4d. per lb., or 30 per cent, on the home cost of 2½d. per lb. ; and this rate of duty on a line of this description will amount to prohibition. It cannot increase the revenue, and it will not give employment to any large number of hands, because machinery is so largely used in the manufacture of the nails. A 15 per cent, ad valorem duty would amply protect the local manufacturers, and would tend to increase the revenue. I am told that, for many years, a ring has been in existence here which has fixed the price of nails at the cost of the imported article, plus the amount of duty.

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Mr KINGSTON

- I understand that horseshoe nails stand by themselves, and I move -

That the words ' ' and other wrought or pressed ' be omitted.

Amendment agreed to.

Sir WILLIAM McMILLAN (Wentworth). - I think this is a matter in which the Minister might give way, and reduce the duty to 3s. 6d. It would be absurd to impose a high duty upon nails, which enter into almost universal consumption, and the manufacture of which within the Commonwealth cannot represent a very large industry:

Mr Kingston

- We estimate that a 7s. duty will be equivalent to only 25 per cent.

Sir WILLIAM McMILLAN

- I will compromise matters, by moving -

That the words " and on and after 13th December, 1901, 4s" be added to the duty "Nails, horseshoe, per

cwt. 7s."

Mr HUME COOK

- The honorable member for Wentworth has stated that there is practically no manufacture of nails within the Commonwealth, but I will show him that the industry is a very important one, and one which has conferred great advantages upon the community I shall also demonstrate that, according to official figures, the duty of 7s. per cwt. works out at about 15 per cent. There was no manufacturer of horse-shoe nails within the Commonwealth up to 1882; but in that year, when there was a duty of 12s. per cwt. imposed in Victoria, a firm of Canadians- came here, and started a horseshoe nail-making industry. As a result, competition was engendered between the importers and the local manufacturers, with the consequence that whereas horse-shoe nails were selling for 1s. 1d. per lb. in 1882, they are now quoted at 6½d. per lb., or 50 per cent. less. The retail price of horseshoe nails in Victoria is from 5½d. to 6½d. per lb.. I say 5½d., because 12½ per cent. discount is given where fairly large quantities are purchased. But if we take 6½d. as the average price, I shall be able to prove that that is equal to the best selling price in Australia. And I shall further prove that the locally manufactured nails are better in quality than those sold at the same price in any other State. The American price for the same class of nails, according to the Iron Age, of August last, page 60, is 6d. per lb. wholesale. I have also an English price list, Hordern's Sydney price list, and the list of the prices paid in Brisbane and Adelaide. The product of our local manufactures is being sold at 6½d. per lb. retail ; and Hordern's price for the No. 8 nail - which is the average nail I have adopted for the purpose of comparison right through - is 7d. I have had handed to me, from an authoritative source, a paper which shows that Hordern and Sons are now selling the same nail at 6½d. per lb., or ½d. per lb. less than the amount quoted in the printed price list. According to the English price lists, No. 8 nails are sold in Great Britain wholesale at 4½d. per lb., or exactly the same price as is paid in Victoria for wholesale quantities.

Sir William McMillan

-Is there more than one horse-shoe nail factory in Victoria?

Mr HUME COOK

- No. There is only one horse-shoe nail factory in Great Britain, and only one in Germany, and there are only five in the United States. Machinery enters so largely into the manufacture of horse-shoe nails that a comparatively small factory can turn out a very large supply. As a matter of fact the plant and machinery in the Victorian factory - Pender's- -although it is not working at full power, is capable of turning out 175,000 horse-shoe nails in an eight hours' day, or a sufficient number for the shoeing of 2,500 horses. Messrs. Pender and Co. make their own machines, and will be prepared to supply the Commonwealth with all the nails they require, three months after the passing of this Tariff if the rate remains. Taking Nettlefold's English list, of 2nd December, 1899 - the latest I was able to obtain - I find that their nails are being sold at 4½d. per lb. in England.

Mr Thomson

- What discount is allowed ?

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Mr HUME COOK

- That is the price with the discount off ; and the same price is quoted for locally-manufactured nails in Victoria. If honorable members are sufficiently interested to glance at the samples which I have here, they will see at once the difference in the quality. Nettlefold's nail is very easily distinguished from the others. It is a forged nail of very fair quality, but not equal to the American or the Australian nail, for this reason, that it has a flat head- it is not countersunk. There is no nail equal to the American nail except the Australian, and Nettlefold's nail is the next best in the world. The nail that is being principally sold in Australia comes from Germany, and is a cold cut nail, not nearly equal in quality to Nettlefold's or the American or Australian nail. That and a Swedish nail, called the "Globe," are principally sold throughout Australia. In New South Wales, Messrs. Hordern and Sons are selling the "Globe" nail at 6½d. per lb., and we are supplying a forged nail in Victoria, equal to the American, at the same rate. The "Globe" nail is being sold in Queensland at from 7d. to 7½d. per lb., but in Western Australia the German nail is almost exclusively used. Therefore, briefly put, the position is this : that we are selling horse-shoe nails in Victoria at exactly the same prices, wholesale, as in Great Britain, and at 1½d. per lb. less than in America. We are selling a better quality nail than is to be obtained in any other part of Australia, and at a cheaper rate. In

1894, when trade was fairly brisk, and the manufacturers were making a little money - they have not made any money since the importers endeavoured to drive the local manufacturers out of the market by bringing down the price of nails by 10s. per cwt.

Sir William McMillan

- How is it that the people of New South Wales do not buy these nails, if they are so much better?

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Mr HUME COOK

- The people of New South Wales are buying them, but in very small quantities, for the reason that the importer makes only 50 per cent, profit out of the locally-manufactured nails, as compared with 100 per cent, profit upon the imported nails. The attempt of the Victorian importers to shut up the local manufactory was met by the enterprise of Messrs. Pender and Co., who sent travellers throughout the State of Victoria, and reduced their price by the whole amount of the duty. By this means they were enabled to keep their works open, although they made no money out of their business, hoping, under federation, that they would have a much extended market. When the duty was reduced from 14s. to 7s., the first impression of Messrs. Pender and Co. was that they would have to close their works; but after having looked into the matter more carefully, they have come to the conclusion that the larger market available to them under Inter-State free-trade will compensate them for this immense reduction. If, however, they are obliged to close their works, conditions will soon prevail throughout the Commonwealth similar to those which existed in Victoria prior to the establishment of the local manufactory. The Sydney importers, - taking the declared value at the Custom-house - have been able to import nails at a cost of 3½d. per lb., and to sell them at 6d. per lb., so that they made 70 per cent, profit. The facts can be elicited by reference to the Customs returns. This profit was obtained by selling an inferior German or Swedish nail at the price of a first-class American nail. So far as Victoria is concerned, the result of the keen competition between the manufacturer and importer has been that since 1894 no American nails have come into the Australian market. The American manufacturers can obtain more money for their nails in their own country, and upon the Continent, than in Australia, and competition has thus been limited to the German cut nail, and the Swedish nail, which is a forged nail. These nails are of inferior quality, but they nevertheless find a market. We are now told that the trade is likely to go to Japan, and that, as a matter of fact even the Swedes, who work very cheaply and have the iron ore at their doors, will probably be ousted from it by Japan. In the Ironmonger of 7th September last, I find that the British Consul at Hakodate, Japan, makes the following report-

A Japanese merchant is about to open a nail factory at Otaru. He proposes to turn out £50,000 worth annually, and hopes to monopolize the market in the north.

It is bad enough to be asked to compete against the Swedes, who, owing to the fact of the iron being at their very doors, and on account of the cheap labour which they employ, can come into unfair competition with us. But now it is proposed to employ even the cheaper labour in Japan. But I do not wish to dwell upon the wages which are paid by the Japanese. Here the operatives get so much per cwt. for making the nails, just as they do in America and England. In Victoria they are paid for eight hours a day 33 per cent, more than is paid in America for ten hours a day. Another point to be remembered is that a certain amount of waste necessarily takes place in the manufacture of nails. This waste represents about 6 cwt. per ton. The very best iron costs. £15 per ton. Of that 6cwt., 3 cwt. out of every ton is absolute waste. It is absorbed in scale, burnings in the fire, &c. The remaining 3 cwt. is sold to be again converted into nails, and this realizes 37s. 6d. per ton. There is thus a very heavy loss in connexion with waste. But though this waste takes place in importing the iron used in the manufacture of nails, it certainly does not take place in importing the nails themselves, and the freight paid upon the nails is no more than is the freight paid upon the iron. With respect to wire nails, the freight is actually less than is the freight upon the iron. The freight upon the horse-shoe nail iron is exactly the same as is the freight upon the nails themselves, and "thus the natural protection which is talked about goes by the board. Now, as to the percentage. I hold in my hand a return supplied by the Victorian Customs Department showing the quantity of nails imported into this State from the year 1882 up to 1900 inclusive, their declared value at the Customs, the average per cwt., the quantity entered for home consumption, the amount of duty paid, etc. Taking these figures throughout, the average cost of the nails "was 44s. lid. per cwt. A protection of 44s. per cwt. is thus equivalent to about 31 per cent. As the Government have reduced ~£hat amount by

one half, obviously the amount of protection which this industry is to be afforded is only 15<sup>^</sup> per cent. In the most favoured year of all, namely, 1900, we find that the protection accorded to the industry upon the declared value of the imports at the Custom-house, represents 23 per cent. But it is not fair to take that year only, because for many reasons it was an unfavourable one from the manufacturers' point of view, although an exceedingly good one from the point of view of the importer. I might here remind the -committee that the manufacturers of metals and screws are to receive a protection of ~25 per cent., although there is not nearly "the same amount of work involved in the making of screws, as there is in the making -of nails. A screw has to pass through three processes, whereas a forged horse-nail has to undergo eight processes. As a fact screws are not made here. I am there"fore prepared to vote in favour of placing screws upon the free list.

Mr Poynton

- How many men are employed in the nail industry 1

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Mr HUME COOK

- There is, I believe, between 20 and 30 men employed in the making of horse-shoe nails. The number, however, does not affect my argument. My desire is to give the consumer an advantage'. If it can be proved that he has derived no advantage from the manufacture of horse nails in Australia, I am willing to support a proposal to place them upon the free list. I wish also to remind the committee that if we wipe out the manufacturer there will be no proper competition. On the other hand, if we keep him in existence, he will be the means of conferring an advantage upon the consumer, and it is the consumer whom I am considering. I find that in 1900 there were 655 cwts. of horse nails imported into Victoria, whilst the local manufacture totalled 2,548 cwts. Taken together, the quantity of nails used in home consumption in this State was 3,203 cwts. At the Queensland rate of duty, namely, 3s. per cwt., £480 in revenue would have been collected, whilst under the Tasmanian rate of 2s. 6d. per cwt. the receipts from this source would have represented £400. As a fact, however, £459 was collected at the Customs. This shows that the higher rate of 14s. brought in a greater revenue ; and that the prohibition spoken of really did not exist. If revenue be the committee's aim and end, then 7s. will give more than 4s. will give. Adverting to the nail factory which has been established in Victoria, .1 may mention that £12,000 has been invested in the industry. This factory is capable of turning out 175,000 horse nails per day of eight hours. With three months' notice to prepare the plant and machinery it could manufacture enough nails to supply the yearly wants of the whole of the Commonwealth. The amount of protection which is afforded to this industry in other parts of the world is very much in excess of that which it is proposed to confer upon it here. In America the protection which is given to the industry represents ltd. per lb., in Canada it is equivalent to 1 1/2d.. per lb., whilst the Australian rate only represents f d. per lb. In Germany and France it averages 2d. per lb. I have been asked what sort of Wages are paid by "this factory. In reply I may state that one man - who. I presume is the foreman - receives £5 per week, another £4 5s., a third £3 6s., whilst four operatives get £3 each, and eight others £2 10s. each. The balance of the employees who are made up of apprentices and lads receive from 10s. to 25s. weekly. All the men working in this factory are constituents of mine, and I know that they are well satisfied with the wages they are receiving. If there were no competition between the manufacturer and the importer the profits of the latter would be very large indeed. They used to be about 100 per cent. In Sydney we find that the importer at the present time is making 70 per cent, profit upon the nails that he sells, taking the declared value of the imports at the Customs as the basis of the calculation. It may be interesting to observe how the protection afforded to this industry under the Government proposal will affect the consumer, if we admit the argument of the free-trader that the imposition of any duty correspondingly enhances the price of the article. If we take the quantity of nails required to shoe a horse, weigh them, and make a charge of 6½ per lb. upon them, we find that they will cost 1½ d. If we add the whole of the duty to the cost of the nails it will represent an extra farthing for every horse that is shod. Of course, I do not admit that that farthing is added, but if it were it would not hurt the farrier very much. He is as entitled to pay his share of the taxes as any one else. It is also interesting to notice that the iron necessary to shoe a horse costs about 9d. But the average charge in Victoria for shoeing horses is about 5s. per set, so that the blacksmith gets a fair profit, and even if he had to pay the whole of the duty he would not fare very badly. I hold another article in my hand which to a certain extent is related to nails. It is a horse rasp. Horse rasps and horse nails are

inseparable in the stock-in-trade of the blacksmith. Horse rasps are not made in Australia, but nails are. I also hold in my hand an invoice which shows that a 16-inch horse rasp landed in Victoria costs 1s. 1d. I went to the trouble of purchasing one from a leading ironmonger in Melbourne the other day, and I paid 2s. 3d. for it ; so that the importer is making a profit of 130 per cent, upon an article which is not manufactured here, whilst he has to be content with a profit of 50 per cent, upon an article that is locally manufactured. The same price is charged throughout the shops. If we take the most favourable view we find that the Hardware Association's price for rasps is 21s. 6d. per dozen, so that the least profit under any circumstances is 60 per cent., while the consumer has to pay 130 per cent. That is how the importer treats the consumer.

Mr. Thomson. - You mean the shopkeeper, not the importer.

Mr HUME COOK

- I bought this rasp from the man who imported it, and he charged 2s. 3d. for an article which cost him 1s. 1d.

Mr JOSEPH COOK

- Did he give you the invoice ?

Mr HUME COOK

- It is not likely that the man from whom I bought the rasp would show me the invoice. It is the same size of rasp made by the same maker, and I do not suppose that one. importer is charged more than another. If we are to give any benefit to the consumers of horse nails, we must preserve the manufacture of horse nails here ; and if the duty be cut down, that becomes utterly impossible. It is doubtful whether these nail makers can live with a duty of 7s., but if they can, then consumers all over the States will get the advantage. We have had the advantage in Victoria already, because, instead of paying 10d. to 1s. 1d. per lb., we have been paying from 5½d. to 6d. for an article than which no better is produced anywhere in the world. In order to show the difference in the way industries are treated elsewhere, I shall make another reference to the American paper called the Iron Age, of 10th October of this year. This is an advertisement, signed by La. Smith, the secretary of the Chamber of Commerce, Muskegon, Michigan, and it states that that chamber has a cash fund to be used to secure the location of reliable manufacturing industries. The advertisement goes on to say that amongst the factories now operating in the locality are the Alaska Refrigerator Company, employing 260 hands ; the Standard Malleable Iron Company, employing 250 hands ; the Central Paper Company, employing 180 hands, and a number of other industries. The advertisement concludes by saying that there are 60 other industries, employing 1,500 hands, and soliciting correspondence. All that is done for the benefit of the district in that particular State.

Sir William McMillan

- What have these advertisements to do with the. question under discussion ?

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Mr HUME COOK

- While free-traders here say that our manufacturers ought to be allowed to compete in the markets of the world, Americans are not only protected at the ports and custom-house, but people are patriotic enough to get together cash funds in order to encourage manufacturing industries. Here is another advertisement from the Iron Age, asking for the establishment of more manufactories in the district of Wheeling. The advertisement states -

Wheeling is only 27 miles from the greatest natural gas-field in the world. Low-priced coal, low-priced gas, low-priced sites, low-priced coal property, extraordinary shipping facilities by rail and river, are the advantages Wheeling offers to manufacturers seeking location. Freights east and west, same as Pittsburg. Taxation, lowest rate of any city in the United States.

And so on. Whilst we, apparently, are callous about starting new industries, there are people in America who use all the means I have indicated to establish manufactures among them. In conclusion, I say that as a result of the manufacture of nails in Victoria the consumer has the benefit to the extent of 50 per cent., the importer having been forced to bring his nails down to the manufacturer's price. And if we retain the manufacture. of nails by retaining the duty, the benefit which has hitherto been confined to Victoria may be extended to the whole of the Commonwealth, the machinery, plant; and capital being available to supply all that the Commonwealth requires.

Mr. HENRY WILLIS (Robertson). The honorable member for Bourke has convinced me that this industry

requires no protection. He has told us that one factory in Australia will be able to supply all the nails required in the Commonwealth. The iron used in this industry in all parts of the world has to come from Sweden, and even that used in Japan has to be paid for at the same rate that we in Australia have to pay. The honorable member has shown us that the making of nails in Victoria will give the same profit as is received in Sydney for an article sold at the same price, and he has told us that 70 per cent, is the amount of the profit in Sydney.

Mr HUME COOK

- This is on the imported article.

Mr HENRY WILLIS

- The imported nail is of the same size and answers the same purpose ; and though it may not be quite as good as the local article, still a profit of 70 per cent, is made on the sale. The honorable member has further stated that the machine in the making of nails is the chief factor. That is so, and even if the nails are made in Japan, it is not a question of cheap labour but one of machinery. One man and a boy could manufacture enough nails for the whole of Victoria. On the honorable member's own showing there are only fifteen men and ten boys employed in the industry, and it is most likely they are also doing some other kind of work. Moreover, he affirms that the Victorian manufacturers can in three months make nails enough for the whole Commonwealth.

Mr HUME COOK

- They are solely employed in making horse-nails.

Mr HENRY WILLIS

- However that may be, they can manufacture enough nails in three months to last the Commonwealth for a year.

Mr HUME COOK

- I did not say that.

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Mr HENRY WILLIS

- The whole case is that there is a profit of 70 per cent, to be made on horse-nails at the figure at which they are sold in Victoria. Horse-nails are no dearer in Melbourne than in Sydney, and in Victoria in the past the manufacturers have been able to take off £7 per ton, and still compete with the imported article. If there is a profit of 70 per cent., they will be able to compete successfully against New South Wales, or any other part of the world.

Sir WILLIAM McMILLAN (Wentworth). - It seems to me that the honorable member for Bourke is entirely "out" in the way in which he has put this matter before us. He said that the policy of Victoria has been to create healthy competition between the manufacturer and the importer, and in the same breath he told us that the value of the imports of this article to Victoria has been reduced to £500. He desires to make out that because there was some importation, the duty was not prohibitive. But nails of all kinds were imported into New South Wales in 1899 to the value of £36,609, of which, I take it, a large proportion was horse-nails ; and surely when the value of importations is reduced to £500, that may be looked upon as practically prohibition. The facts show that the duties in Victoria were not imposed on the basis of healthy competition, but were intended to absolutely prohibit imports. I agree that this horse-nail-making is a peculiar industry. There is only one manufactory in England, that of Nettlefold, and a manufactory in Germany. The very fact that these articles are produced at only one manufactory in Victoria is a most powerful reason why we should safeguard the interests of the public, and have healthy competition ; and we may depend on it that if there is a manufactory in Germany, there will be pretty warm competition everywhere. It seems to me that a great deal of the honorable member's argument falls to the ground. The duty of 7s. works out at a rate of about 24 per cent. - I admit I was a little out in my figures previously - and , to that must be added the cost of freight and charges.

Mr HUME COOK

- The loss by waste must not be forgotten.

Sir WILLIAM McMILLAN

- No doubt there is a certain amount" of waste, but against that we can place the natural protection.

Mr HUME COOK

- There is none. It costs more to send a ton of nails from Melbourne to Brisbane than from New York to



Brisbane.

Sir WILLIAM McMILLAN

- I cannot imagine that the freight on the bar iron is the same as the freight on the nails. We are now dealing with an article which is as common as pins, and surely the people ought to be protected against a monopoly in any business of the kind. A remarkable feature of the honorable member's argument is that while he sees no difference between the price in Sydney and in Melbourne, he asserts that a very superior article is made in Victoria. According to the honorable member the Victorian horse-nail is much better than that turned out at Nettlefold's, who for generations have been improving their machinery, and who send their nails to every part of the world. When we consider the enormous advantages enjoyed by the manufacturers on the other side of the world, and when we find that the people of New South Wales, with their free port, do not buy the Victorian article, it is stretching it rather far to say that the local nail is superior. The honorable member has admitted that there is 70 per cent, of profit, and that all the Victorian manufacturer could do was to equal the price in Sydney. I cannot imagine that any such state of things exists. This industry is carried out in one factory in Victoria, and it is proposed to create an absolute monopoly for all Australia. That monopoly has been created in Victoria, and though the duty is reduced, I contend that the Victorian Tariff is absolutely unreliable as a basis. In that State there seems to have been absolute recklessness in regard to rates of duties. There have been piled on imposts to a prohibitive degree ; but it is monstrous to propose to create a monopoly in one little corner of Australia, and thus handicap the whole of the Commonwealth. I now make what I consider a liberal offer, to reduce this duty to 4s. The reductio ad absurdum of the principle of protection is reached when it is proposed to make cleaver an article in all parts of Australia, for the sake of one factory, which, at the best, employs only a handful of men. ' That is protection gone mad, and I wonder that an honorable member of the intellectual power of the honorable member for Bourke could allow himself to make a special pleading speech of the kind we have heard. Had he only applied his common sense, he could have knocked his own argument into pieces. The honorable member has proved too much, and he stands condemned by his own arguments, which simply mean the creation of a monopoly with enormous profits.

Mr. HUMECOOK (Bourke).- I desire to explain one matter in order to avoid misapprehension. I did not wish it to be understood that machinery entered so largely into the manufacture of these nails as some honorable members seem to suppose. As a matter of fact, 70 per cent, of the cost of producing the nails is represented by labour. I said that the Sydney merchants made a profit of 70 per cent, out of imported nails, and it was assumed that the manufacturer here derived a similar advantage ; but that is not correct. The imported nails are landed in Australia for less than it costs to manufacture nails here. The imported nails are cheaper, because they are cold cut instead of being forged. I desire to see the consumer benefited just as much as does the acting-leader of the Opposition, but we differ as to the means by which that object is to be attained. Anything short of 7s. per cwt. will not permit the local manufacturer to compete with the importers. It costs the local manufacturer 4d. for every pound of nails he produces, or at the rate of 37s. 4d. per cwt. The invoice price of the imported nails is 30s. per cwt., and if the duty is added to that price, it still leaves the local manufacturer at a disadvantage of 4d. per cwt., and he will have to carry on a terrific fight with the importers-, even with a duty of 7s. to assist him. If we are to have revenue without destruction, I think we should permit this duty to remain, because the consumer will be benefited by the competition between the local manufacturer and the importers.

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Mr KINGSTON

- I hope the committee will be able to see their way to support the Government proposal. In the first place, it is a very substantial reduction upon the rate of duty under which the industry has grown up in Victoria. The Victorian Tariff provided for a duty of 14s. per cwt., and the present reduction of 50 per cent, is one which few industries would be able to stand without serious injury. Furthermore, it is shown that the industry has grown up under conditions which are a credit to all concerned, that a capital article has been produced at a reasonable price, and that no undue advantage has been taken of the fiscal conditions. The duty we propose does not amount to 25 per cent, ad valorem. - it is something between 23 and 24 per cent. We are very much indebted to the honorable member for Bourke for the valuable information which he has given us, and for the trouble he has taken to possess himself of the facts. What he has stated has been in no way discounted by honorable members of the Opposition. The protection accorded

to this industry amounted to 50 per cent. ad valorem for many years, and now the Government are cutting the duty down to 23 per cent. ; and, because of the struggle that has been gone through in establishing this industry, and in giving the Commonwealth a valuable asset, I think the manufacturer is entitled to the fullest consideration.

Sir WILLIAM McMILLAN (Wentworth). - I do not wish to crush out any industry, but only to arrive at a fair rate of duty which will present facilities for reasonable competition. Looking at the importations into New South Wales in 1899, I find that Victoria furnished us with nails to the value of £2,534. From the United Kingdom we received nails to the value of £6,550 ; from Belgium, to the value of £1,975 ; and from Germany, to the value of £22,590. These figures tend to show that there is fair competition.

Mr HUME COOK

- Those figures include all classes of nails.

Sir WILLIAM McMILLAN

- I know that the Germans, acting on protectionist principles, sweat their own people for the sake of the foreigner, and export their goods at cheaper rates than those at which they are obtainable by the home consumer. Our consumers get the benefit of that system, and we must look to their interests first. We do not wish to encourage monopoly. We do not believe in having the whole of Australia sweated for the benefit of one industry ; but if the horse-shoe nail manufacturer of Victoria has built up his industry under cover of the Victorian Tariff, he deserves every consideration that can be given to him so long as it does not involve injustice to the rest of the community. It must not be forgotten that a very much extended field of operations will now be thrown open to this manufacturer, and that with the wider market afforded in South Australia and in New South Wales, he ought to be able to do with less assistance than he has previously enjoyed. My first opinion was that a duty of 2s. 6d. per cwt. would be sufficiently high, but on finding that my ad valorem calculations had been somewhat excessive, I increased the amount to 4s., which I think is a reasonable compromise, and I must test the feeling of the committee with reference to that rate. The fact that there is only one manufacturer engaged in this industry makes our position one of greater responsibility, and we should be careful that we do not impose duties that afford anything more than a reasonable protective incidence.

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Mr CONROY

- I confess that after having heard that there is only one manufacturer engaged in this industry, I regard the compromise that has been offered by the acting leader of the Opposition as representing the extremest point to which we should be asked to go in regard to this duty. We do not hold with the establishment of industries of this kind, if they are to be maintained at the expense of the rest of the people of Australia, and it is perfectly clear that in this case the people of Australia would have to pay a large amount of taxation for the sake of one individual. We are told that practically the whole of the work is done by machinery, and we are expected to levy upon the people to the extent of something like £20,000 a year to maintain an industry which affords no appreciable employment. This is for one individual. When has the Ministry ever shown any consideration for the farmer who puts in a crop which is destroyed ? But a manufacturer comes along. and says to them - "I have put a certain amount of capital into an industry, and you must allow me to have a law passed which will enable me to extract from the people of Australia sufficient to recompense me." If the honorable member for Bourke says that the price of nails has been lower than it would have been except for the duty, the best thing would be to take off the duty, because that would enable the manufacturer to get a higher price. If the price of nails was higher in the free-trade State of New South Wales than in Victoria., we had better take off the duty, and allow the manufacturer to get that higher price. One is amazed that any Government should venture to come to Parliament and say - " A manufacturer has come to us and made representations, and we think a duty of 4d. per lb. ought to be imposed." Because this duty amounts to that.

Mr HUME COOK

- No ; to 4d.

Mr CONROY

- By the time the interest is paid the rate comes to something like 4d. per lb. Why should we, because a man puts a certain amount of capital into this industry, guarantee him against loss ? The farmer who has planted his crop this year may lose all from storm or drought. But he will not be guaranteed against loss.

No persons in the community are guaranteed under this protectionist system except a few manufacturers to whom, at the expense of the people, the Government guarantee that they shall get their money back with something added. If honorable members opposite like to subscribe together to guarantee this manufacturer, there is no more to be said ; it is open for them to do so. What I object to is bringing in other people and saying that because we are sitting here as legislators we will compel them to pay something which they do not want to pay. If the argument put forward by honorable members opposite be a sound one, I can show them how I should be prepared to start a factory giving employment not to twenty but to 50 men. All I ask is that Parliament will grant to me the amount of money that goes into the pockets of this manufacturer. It comes to about £20,000 indirectly. I 'will take half of that, and" with the £10,000 a year, I will guarantee to employ 50 men, giving them the wages that this nail manufacturer pays. I will pay them 30s. a week, and will give them 36.5 days' holiday per annum. I will spend £7,000 upon wages, and will pocket the remaining £3,000.

Mr O'Malley

- I rise to a point of order. I must object, on the ground that the honorable and learned member is trying to make a bargain with the committee, which will involve £3,000 being put into his pocket. That indicates corruption. We know that he is not going to start a factory at all, but that he would give the men a pension to go round and do nothing.

The CHAIRMAN

- The honorable and learned member for Werriwa was not in order from that point of view. I have been trying to connect his remarks with the item before the Chair, and have not been able to do so.

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Mr CONROY

- The arrangement I suggest would, according to protectionist arguments, be advantageous to the country, because instead of employing 20 men I should employ 2-j^ times that number. All the money would be kept in the country, and the men would have nothing at all to do. When I think of the prospect, I see a regular Eldorado before me. But when the protectionist arguments are stated in that way, can we not all see the utter absurdity of them and their complete lack of logic? One is absolutely astonished to hear honorable members put forward such statements. Let us put the case in another way. The one argument used by the Minister for Trade and Customs that was sound, was that this duty would be a good thing for the manufacturer. I do not deny that for one moment. In fact a duty of 2d. per lb. would be better for him, and a duty of 6d. would be better still. No free-trader has argued that it would not be a good thing for the manufacturer. What we ask is : Why should we allow a particular individual to get this benefit at the expense of the rest of the community ? What does this man do any more than any other citizen that he should be singled out and allowed to appropriate part of the people's earnings to himself. If this individual went to 75 people outside and tried to induce them to compel the public to contribute towards his benefit, what would happen to him? We know that he would be brought up with a right about turn by the law. But instead of going to that number of private individuals, he comes to members of Parliament, and asks them to legalize this wrong. What right have we to legalize a wrong? What right have we to grant to a particular individual an advantage at the expense of the rest of the community? I decline to give my vote in favour of allowing any individual to extract a sum of money from the pockets of the people. In the present instance protectionists are abandoning the principle which they themselves have insisted upon, namely, that there should be competition. According to the honorable member for Bourke, the nail factory established in Victoria can supply the whole needs of the Commonwealth, and yet we are asked to create a monopoly for the benefit of the particular individual who is interested in that factory. If the contention of the honorable member for Bourke is correct, he ought to have jumped at the proposal of the acting leader of the Opposition to impose a duty not exceeding 4s. per cwt., because that amount represents as nearly as possible a protection of ½d. per lb. Upon reference to the other States I find that in New South Wales horse-shoe nails were admitted free ; in Queensland a duty of 3s. per cwt. was charged upon them ; in South Australia 2s. per cwt.; in Tasmania 2s. 6d. per cwt., and in Western Australia they were admitted free. In the face of these facts how can the Government proposal for the imposition of a duty of 4s. per cwt. be justified ?

Mr.G. B. EDWARDS (South Sydney). - It is quite clear that the duty proposed is an indefensible one.

None of the arguments advanced by protectionists in favour of other duties can have any application to

this particular industry. It is admitted that there is only one factory to be considered, and that that factory could supply the whole needs of the Commonwealth. By levying any such duty as that proposed, it is abundantly evident that we shall be giving a monopoly to one man who employs only from seventeen to twenty hands. The honorable member for Bourke, in his excessive zeal, has contended that 70 per cent, of the cost involved in the manufacture of these nails is absorbed by the labour employed. Such a statement is absolutely ridiculous. There is no justification whatever for affording fiscal support to such a small industry. It is not our duty to create a monopoly for any one man, no matter what may be the nature of the industry in which he is engaged. To me it is patent that the honorable member for Bourke is radically wrong in his alleged facts. Instead of "revenue without destruction,"<sup>1</sup> this is one of those items in regard to which we might safely say that we will have destruction without revenue. We are bound to act justly, and I would prefer that Parliament should vote this man compensation for closing his factory, than that we should saddle the community in perpetuity with the tax proposed. When the acting leader of the Opposition moved for a reduction of the duty to 4s. per cwt., he did what was absolutely just. I might further point out that the particular manufacturer in question would be better off with a duty of 4s. per cwt. operating and the market of the whole Commonwealth open to him, than he has been in the past under a 14s. per cwt. duty.

Mr McCAY

- I must confess that I knew very little of the horseshoe nail industry until I heard the discussion which has taken place in connexion with it this afternoon. I have listened carefully to the arguments advanced on both sides, and have endeavoured to make up my mind as to what will be a proper protection to afford that industry under the circumstances. I cannot forget that a duty of 14s. per cwt. has been operating in Victoria, and that we have had supplied to us horse-shoe nails of as good a quality as those which could be purchased in the other States, and at as low a price. I admit that we cannot hope to build up a great industry in horse-shoe nails, because there is not the demand for them. But it seems to me that the consumer has benefited by the competition which has taken place, and it is my desire to see that benefit continued. I am quite satisfied that the unrestricted sale of horse-shoe nails by the importer without local competition is not a good thing, any more than is the creation of monopolies. I venture to suggest that the imposition of a duty of 5s. per cwt. would, perhaps, be a fair compromise under the circumstances. References to the duties which have prevailed in other States are utterly beside the question. They were purely revenue duties. My fear is that unless we protect the local manufacturer to some extent, the price of nails will inevitably be raised to the consumer. To my mind it is inconceivable that by increasing the duty from 4s. per cwt. to 5s. per cwt., there will be a chance of continuing the competition which has hitherto taken place, and of preventing that duty from becoming solely a revenue duty. Personally, I believe that a tax of 5s. per cwt. is high enough to enable justice to be done to all parties. Therefore if the proposal to levy a rate of 4s. per cwt. upon nails be lost, I shall move in favour of imposing a duty of 5s. per cwt.

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Mr O'MALLEY

- I trust that the committee will not reduce the duty on horse-shoe nails below 7s. There is no wonderful principle at stake, and surely the toiling millions of the Commonwealth will not suffer any immense loss by the imposition of such a duty. The manufacturer of these nails came here from Canada at a time when a reasonable duty was in operation in Victoria, and since he established his works the price of nails has never risen. That manufacturer came here because he was offered inducements, and it is claimed that British countries keep an honest contract with honest men.

An Honorable Member. - It was a contract by Victoria.

Mr O'MALLEY

- Victoria is a part, and an important part, of this union. I heard the same identical, indefensible arguments 25 years ago, in the United States and Canada, as are now advanced against this duty, and to my mind they are absolutely "flyblown" arguments. "When Andrew Carnegie was establishing his great steel works in Pennsylvania, and he asked for a little protection, he was told that it would pay to pension him off rather than accede to his request. But the result there has been, that after 25 years of protection, some 167,000 men are employed in an industry which started on nothing.

An Honorable Member. - And Carnegie has made £40,000,000.

Mr O'MALLEY

- While Carnegie has made £40,000,000, the men employed have made for themselves splendid homes. Many men who travelled from Scotland in the holds of ships, now have their own houses in Pennsylvania ; and a similar state of things prevails in Canada. To my mind the absolute free-trader is a most unreasonable being. It is admitted that free-trade will not lessen the price of these nails, and that the people of the Commonwealth are not being robbed now.

Mr Conroy

- The people are being robbed to the extent of 1d. per lb.

Mr O'MALLEY

- There is nothing to be gained by free-trade. It would break up an industry which is employing a good many men, and enabling them to keep together nice little homes. This manufacturer, who found a suburb of Melbourne a wilderness, has turned it into an oasis ; in fact, that suburb has become one of the most important in the Commonwealth, all owing to the fact that this Canadian had the pluck to go there and build an industry which no man in the country had the intelligence to think of. Reason is the seed that the Lord sows in the heads of some, but unfortunately there is often barren soil. I appeal to the thinking men of the committee to vote for a duty of 7s.

Mr F E McLEAN

- I am rather surprised at the information given to the committee by the honorable member for Tasmania, Mr. O'Malley. At a liberal estimate, I understand there are some 55 persons employed in this industry, a fair percentage of whom are probably not adults; and yet we are asked to believe that the planting of this factory has transformed one of the suburbs of Melbourne into what has been described as an " oasis." Such an idea seems beyond all comprehension. I should like to disabuse honorable members' minds of the idea that there is any deep-laid scheme on the part of free-traders to put people out of employment, or that we do not wish to see factories established. There is as great desire on our part to see industries legitimately flourishing, as there is on the part of protectionist honorable members. But it is a fair question whether we should be asked to consent to a high duty in order that this small industry may be protected, and enabled to enjoy a monopoly within the Commonwealth. The honorable member for Bourke put before the committee some facts which seem to require a little further explanation. He told us that horse-shoe nails were sold in Victoria, with a closely-protected market, at the same price at which similar nails were sold in freetrade New South Wales ; in point of fact he -alleged that the closing of the market in Victoria had not increased the price to the consumer. We have heard that kind 'of argument over and over again. But what is the intention in imposing high duties if it is not to give the manufacturer a higher price for his article? If protection does not in some way enable him to get an enhanced price, how is he to pay the higher wages said to be demanded by the conditions of Australian life ? If wages and the cost of production are higher here, how can it be contended that the articles do not reach higher prices than when no duties are imposed?

Mr HUME COOK

- Because the manufacturer forces the importers' prices down.

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Mr F E McLEAN

- I could understand the argument if protection had led to local competition ; but it is admitted that there is no such competition in this industry.

Mr HUME COOK

-There is competition between the importer and the manufacturer.

Mr F E McLEAN

- There is only one factory in the Commonwealth, so that it cannot be contended that competition amongst local producers has reduced the price. If the honorable member's contention is correct, that these nails can be produced here, and sold as cheaply as the imported article, it is fair to ask why these nails are not extensively sold in the adjoining free-trade State? I gave the utmost attention to the honorable member's statement, being much interested in his sketch of the history of the industry, and I may say, without any reservation, that I am pleased to know that a factory of the kind has grown up under any conditions, and that it is possible to manufacture nails of a quality equal to those imported. But I cannot be persuaded that it is necessary to have the enormous duty proposed. I do not intend to enter

into any discussion on the point raised as to the enormous profits made by importers. Those who understand the conditions of commercial life in Australia, or any other country, will agree that it is utterly impossible for such a state of things as that described to exist for any length of time. Where the world's imports are allowed freely into a market, it is impossible for trusts, combinations, or conventions to keep prices at an extravagant level for more than a comparatively brief season. I do not say that this article should be placed on the free-list, but I believe that the compromise suggested by the acting leader of the Opposition is fair and reasonable. The committee have admitted that a certain measure of protection or consideration should be conceded to industries that have existed for a considerable time. The doctrine of the Maitland speech, "Revenue without destruction," has been accepted to a certain extent, as was shown in previous divisions; but I ask the committee not to unreasonably press the demand for consideration. When a proposal of a reasonable and temperate character is submitted, it ought to be accepted by honorable members in that spirit of compromise which should pervade all sections in the Chamber.

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Mr SYDNEY SMITH

- I do not wish to delay the committee in coming to a decision on this matter, but it does seem really remarkable that in connexion with every industry in which a few men are employed in Victoria, strong efforts should be made to tax the whole of the people of the Commonwealth. I am told that the duty proposed by the Government amounts to fully 40 per cent., and that the extra price that will have to be paid by the consumer will represent a still larger percentage upon the cost of the goods landed here. We ought to be extremely careful how we impose these duties, and I hope the committee will vote for a substantial reduction of the duty.

Mr. HUMECOOK (Bourke).- I desire to explain that the honorable member for South Sydney was wrong in supposing that I stated that the cost of labour presented 75 per cent, of the selling price of the nails manufactured in Victoria. What I said was that 70 per cent, of the cost of production was represented by labour, and that, of course, is a very different thing. Upon the question of natural protection, I wish to point out that it costs more to send nails from Victoria to Queensland than to transport them from Belgium to Queensland, and that for this reason, amongst others, it is necessary to give the local manufacturer a chance. What I contend is, that if we keep the manufacturer in competition with the importer the consumer will benefit. On that proposition I stand, and upon it I ask honorable members for their votes.

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

27

AYES

33

NOES

Majority..... 6

AYES

NOES

Question so resolved in the negative.

Amendment negatived.

Amendment (by Mr. McCay) agreed to -

That the words "and on and after 13th December, 1901, 5s." be added to the duty, "Nails, n.e.i., namely, horse-shoe, per cwt., 7s."

Sir WILLIAM McMILLAN (Wentworth). - With regard to wire and other nails, upon which it is proposed to impose a duty of 3s., I think that 2s. is the highest amount we can reasonably be asked to agree to. The arguments applied to the horse-shoe nails can be used with equal force in regard to the other nails mentioned. There has been practically a monopoly in this line of goods, owing to the operations of a ring, and if we agree to the duty now proposed all Australia will have to pay for the maintenance of this monopoly. I do not think honorable members desire anything of that kind. If I were to study my own feelings in this matter, I should place nails on the free list, and as the Government have not responded to my suggestion to reduce the duty to 2s., I move -

That the words "and on and after 13th December, 1901, free," be added to the duty, "Nails, wire, and other, and spikes, staples, brads, and tacks, per cwt., 3s."

Mr TUDOR

- I trust that the Government will adhere to their proposal to impose a duty of 3s. per cwt. on wire nails. The honorable member for Wentworth states that the argument used with regard to horse-shoe nails applies with equal force in this instance. That would leave any one to imagine that there is only one factory in Victoria for the making of wire nails.

Sir William McMillan

- I understand that there are several factories.

Mr TUDOR

- There are ten in Victoria. The honorable member states that this industry is practically a monopoly, and that the people of the Commonwealth are asked to pay for it. There is no evidence to show that the persons who buy nails retail in Melbourne pay more per lb. for them than persons who buy them in New South Wales.

Mr Thomson

- Yes, there is.

Mr TUDOR

- I can prove from advertisements that these nails have been sold at 2d. per lb. in Melbourne. I can show honorable members a copy of the Age for 22nd July, 1899, where wire nails are advertised at 2d. per lb. I do not think that ordinary wire nails are sold in Sydney for less than that.

Mr Page

- How many are employed in the industry ?

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Mr TUDOR

- I cannot say, but certainly there are ten factories. In addition to that, some of the box-makers have their own wire nail-making machines. No doubt if the duty is knocked off they will cease using these machines, and will buy their nails. Two of the biggest box factories that I know of manufacture their own wire nails. Some honorable members appear to think that brads are not made in Victoria. I cannot say anything about tacks, but I know that 3 tons of brads a week are made in my own electorate. Various honorable members speak of the number of farmers they represent, but I think I can state that I represent more kinds of factories than any other honorable member. Not only the common wire nails but also roofing nails are made here. We are assured that the machine is only a one-boy machine, but as a matter of fact the cost of labour in that industry is from 25 to 45 per cent, of the cost of the article. I have no doubt that some honorable members will try to prove that prices have been reduced since the reduced duty came into operation. But they will not state what was the discount prior to the duty coming into operation. I have here a copy of an advice from a merchant, dated the 14th September of this year - more than three weeks before the Tariff was introduced - stating that his firm was prepared to offer a parcel of assorted sizes of wire nails at 35 per cent, discount off the lowest price. This advice is from one of the leading firms of ironmongers in the city.

Sir William McMillan

-In Sydney the price was 11s. 6d. net, but in Melbourne 19s. 4d. net.

Mr TUDOR

- I do not know that, but I have seen price lists showing that the price is 15s. net. The price to-day, I believe, is 15s. 6d. with 10 per cent, off for discount. I know also that in this State prior to wire nails being manufactured here the price was 4d. and 5d. per lb. It was owing to the high price of nails that a manufacturer started business in Melbourne. We have been able to extend the industry since. Is the policy of the Opposition "revenue without destruction" when they propose to make this article free of duty ? Do they want to close every industry that is already in existence here? We are now going to reduce the duty to less than half what it formerly was in Victoria, and I trust that honorable members will consider carefully before they consent to any reduction below what the Government propose.

Mr PAGE

- The circular which honorable members have received from the Anchor Nail Works is one of the softest impeachments that any man ever made to give his own show away. I am going to vote for a duty of 2s., because this fellow is honest. I confess that I should like wire nails to be free, but he has completely won me over by his candour. He says -

I lost . £9,000, and to pay this back I saw that there was only one hope, and this was to induce the Government to increase the Tariff, which they did in 1880, making it 5s. per owt.. The warfare still went on owing to this duty not being sufficient, and I lost another £7,000 under the 5s. Tariff, and to save myself I again induced the Government to further increase the duty, which they did, raising it to 7s. 6d. in 1892. This enabled me to pay back the £16,000 that I lost, and the consumer has not been the sufferer, because nails have been sold over the counter for years at 2½d. per lb., against 6d. per lb. seventeen years ago. With my past experience I can assure you that the present Tariff proposed will be the means of wiping my industry and all others out of existence, and the £12,000 that I have spent in machinery alone will be worthless to me in the future. In conclusion, I beg for your earnest reconsideration of this item in the Tariff to save the destruction of this industry that has taken the best years of my life to establish, and were I offered the whole of Melbourne I would not again go through what I have done in paying back £16,000 that I lost under a Tariff of 3s. per cwt.

All I can say is that, if any other industry has paid as well as this nail industry under the Tariff that has existed in Victoria, I should be prepared to go through the same experience quick and lively. I venture to think that there is no honorable member who would not like the opportunity of going through that experience. Before this manufacturer sends out another circular I should advise him to consult his solicitor in order that it may be drawn out as a proper document. I do not know any other man in Australia who would give his show away in the manner that this gentleman has done. It is quite enough for me to know that the nail-makers have been making enormous profits. I should be inclined to vote for placing wire nails on the free list, but as I have already said, this circular is so honest and candid that I shall vote for a duty of 2s.

Mr MAUGER

- Let me bring under the notice of the committee the conditions under which nail-making is carried on in England. I hold in my hand an article published in Pearson's Magazine, entitled, "The Nail-workers of Broomsgrove." The following paragraph contains an account given of the industry by Mr J Powell, the former secretary of the now disbanded Nail-makers' Union. I call attention to it because I feel sure there are many honorable members opposite who would not support the importation of cheap nails if they knew that that industry meant cheapness, at the expense of the lives of the workers.. Ruskin says that one can get cheap charcoal by burning his own roof ; and it is perfectly true that we can get cheap nails by destroying our own people. This writer says - "Nail-making," said to me Mr. J. Powell, formerly secretary of the now disbanded Nail-makers' Union, "is one of the worst trades in the kingdom. There are scores of men in this parish who are not earning 9s. a week for 70, 80, or 90 hours' work, and out of these earnings have to pay from 1s. to 1s. 6d. a week for firing, and about 6d. for keeping their tools in order."

Mr Hughes

- The honorable member is speaking of forged nails. The use of the word "firing" is sufficient to show that.

Mr MAUGER

- I say that these nails, are coming into competition with our own.

Sir William McMillan

- Why does not the honorable member be candid ?

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Mr MAUGER

- My honorable friend does not know me or he would not make that remark. I try to be candid on all occasions. These are the conditions under which nail-makers work in England, and are we to bring our workers into competition with them?

Mr Hughes

- Wire nails are not the same kind of nails. This is a cut nail.

Mr Bamford

- Wire nails come from Belgium.

Mr MAUGER

- Would the honorable member like our workers to work in competition with people in Belgium ? A certain class of nail made abroad comes into competition with the nails made in this country.

Mr Hughes

- Does the cut nail come into competition with horse - shoe nails ?



Mr MAUGER

- The horse-shoe nail and the cut nail are two different things, and the cut nail comes into competition with the wire nail.

Mr Hughes

- They are both the same. The extract the honorable member read refers to the wrought nail.

Mr MAUGER

- I know what I am talking about as well as the honorable member does. I am pointing out that these are the conditions with which honorable members opposite are asking to bring our workers into competition. We have been supplied with nails in Victoria made by our own people without extra cost to the consumer, and if the Government proposal is adopted no one is going to be injured. In regard to other items where there is local competition, we have nothing to fear, but it is not fair that our workers should have to compete with nail-makers working under conditions such as I have described.

Mr HUGHES

- I do not think that my honorable friend, the acting leader of the Opposition, or any one else who has spoken on this subject, has made it clear that this is an industry that has to be seriously considered in the industrial life of the Commonwealth. I do not know how these nails are made. I presume that they are made principally, if not entirely, by machinery. Indeed, there is no room for hand-work in connexion with them. Any one who knows anything about work in metals must see that. The honorable member for Melbourne Ports, who has spoken about the conditions under which wrought iron nails are made in England, was endeavouring to prejudice the mind of the committee by making honorable members believe that by putting nails upon the free list we should be encouraging people to make nails in competition with those most damnable conditions which he has described as existing in England. I reply that it is not so. I venture to say, without having exact knowledge on the matter, that at least 90 per cent, of the cost of these wire nails is in the material, and not in the labour.

Mr Mauger

- That would also apply to a greater extent to the kind of nail made under the conditions I have described.

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Mr HUGHES

- No. The honorable member does not seem to understand that he was talking about clout nails, or wrought metal nails. One cannot compare the two industries. At the same time I see no reason why these nails should not be made here just as well as anywhere else. I do not wish to hurt anybody who has an industry established here, and who is endeavouring to do his level best. The circular which was read by the honorable member for Maranoa states that unless the gentleman who is engaged in this industry receives a protection of 7s. per cwt., he will scarcely be able to carry on his business. He declares that under a tax of 3s. per cwt. he lost money, and that the same thing occurred under a duty of 5s. per cwt. It was only after the imposition of a tax of 7s. 6d. per cwt. that he began financially to feel his feet. The Government propose now to impose a duty of 3s. per cwt. If I am afforded an opportunity of voting either to admit these nails free or to place a duty of 2s. per cwt. on them, I shall certainly vote in favour of the latter course. I do not agree with the gentleman who declares that he cannot carry on without a protective duty of 5s. per cwt.; neither do I agree with the honorable member for Maranoa when he says that the manufacturer in question gave the show away. He gave the show away in that he stated that he made a good deal of money under a duty of 7s. 6d. per cwt. Now, he is asked to continue his business with the aid of a duty of 3s. per cwt., but with this difference, that he will have the whole market of the Commonwealth at his command, which he never had before. He has further the assurance that he will have a permanence under this Tariff, and therefore he has good business prospects. His industry is established ; he has the start of all other competitors, and under a duty of 2s. per cwt. he ought to do very well. I venture to suggest that he would prefer a duty of 2s. per cwt. to nothing. If an opportunity is not given me to vote for a duty of 2s. per cwt., I shall support the proposal to admit the goods free.

Mr. HUMECOOK (Bourke).- It may be very amusing to the honorable member for Maranoa to take up the circular of a nail manufacturer, and endeavour to extract fun from the statements which it contains ; but the point is that the profits which are therein referred to cover a period of nine years - in other words, they represent something less than £2,000 annually. I do not know that even importers are exempt from the desire to make some money out of their businesses. I suppose it is proper that all men should make a

legitimate profit. I do not know that the amount of profit which this particular individual himself admits having made is an unfair one. What he ought to get credit for is that he devoted the whole of those profits to paying the amounts due to his creditors. He was utterly unable to carry on under the conditions which previously existed, and, like an honest man, he utilized his profits to liquidate past liabilities, although, owing to six years having elapsed, there was no legal obligation on his part to do so. The facts in connexion with this kind of nail industry are almost as interesting as are the facts relating to the manufacture of horseshoe nails. It appears that the Government of Victoria wanted to get the wire-nail industry established. In order to do so they imposed a duty of 3s. per cwt. upon wire nails. That did not offer a sufficient inducement for anyone to begin operations, and accordingly a duty of 5s. per cwt. was levied, under which rate two factories started. When the measure of protection was raised to 7s. 6d. per cwt., nine or ten factories sprang into existence. As a result, so far from any ring being established, these factories came into competition not only with the importers, but with one another ; and consequent upon this double-barrelled competition, nails were sold all round at 2d. per lb., despite the fact that people in the other States were paying from 3d. to 7d. per lb. for their nails.

Sir William McMillan

- That is a mere incident in the business.

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Mr HUME COOK

- It is the kind of incident that the consumer appreciates. It has been asserted that this industry is scarcely worth considering, but it will probably surprise the committee to learn that upwards of £100,000 is invested in plant, machinery and buildings in connexion with the manufacture of these nails. So far from the industry employing only a few men, over 120 hands are engaged in these factories, and the average rate of wages paid to adult males is 45s. per week. The cost of labour in Victoria is equal to £2 a ton more upon the best basis than is the cost of labour upon the Continent. Moreover, in quoting the prices in the Australian market of nails from foreign sources, the cost of the cases in which the nails are enclosed is always thrown in, whilst here, in order to help another industry, the cost of the case has to be added to the cost of the manufacture. Every case costs 1s., so that practically there is 20s. per ton to be added to the cost of the nails. Regarding the so-called natural protection, I may mention that I have here a copy of an invoice which shows the exact cost of importing a ton of nails, and the exact cost of importing a ton of wire for making those nails. The most interesting fact in this connexion is that 100 lbs. weight of wire can be purchased in America for 1 dollar 65 " cents, whereas the wire nails themselves can be bought for 1 dollar 60 cents per 100 lbs. It is quite clear, therefore, that the cost of the wire nails is actually less than the cost of the wire for the Australian market. I will prove that by a quotation from, the American Export Monthly, of 9th November of the present year. Arkell and Douglas, in their South African Market and Australian Market Report, under the heading of " Nails," says -

Wire nails are now 1 -50 dollars per 100 lbs.

Under the heading of "Wire," the report of this firm states -

The market is somewhat weaker. ' The price is now 1 '45 dollars per 100 lbs.

It will thus be seen that the nails are 5 cents per 100 lbs. cheaper than is the wire for making them. These are not the prices quoted for any other place except Africa and Australia. For every other country in the world the Americans are quoting their nails dearer than the wire ; but in order to break down the manufacturers of Australia, they are quoting their nails for the Australian market cheaper than the wire. The importers are anxious to assist them to break down the manufacturers, and if that happens the prices will be raised immediately I have already stated that as a result of the manufacture of nails in Victoria, the consumer of this State has been able to purchase nails cheaper than has the consumer in the other States. In this connexion I may mention that I have taken the trouble to secure the purchase of nails in each State of the Commonwealth. It is interesting to note that in every case the nails were dearer than in Victoria. A gentleman in Brisbane, who bought some wire nails writes to say that he paid 5d. per lb. for 1-in. nails, which were sold in Melbourne for 2d., and for 1¼in. nails he paid 4d. as against 2d. in Victoria. A quotation from Sydney shows that nails which were 2d. per lb. in Victoria were sold in the former place at 3d and 5d. per lb.

Mr Cameron

- What about Tasmania?

Mr HUME COOK

- I have no quotation from Tasmania.

Mr Cameron

- Wire nails are 2d. per lb. in that State.

Mr HUME COOK

- I want to show from another source the way in which the nail market is operated. Messrs. Mailer and Quereau, who are an American firm with an office in Sydney, are amongst the greatest nail manufacturers in the world.

Mr JOSEPH COOK

- Are the prices quoted those paid across the counter ?

Mr HUME COOK

- Yes. Retail prices. The wholesale price in Melbourne is 12s. 6d. per cwt., and 13s. 6d. in Sydney. The American firm I have mentioned, show, in their report, dated New York, 2nd May, 1901, that wire nails, in 112 lb. cases, were sold at 1 dollar 65 cents, and bright nail wire at exactly the same price. But what did this firm say at a later stage, when the Tariff was announced, and there was a chance of breaking down the manufacturers in Australia? They quoted nails at a less price than the wire, nails being at 1 dollar 65 cents, and nail wire at 1 dollar 70 cents. This was a decided attempt to wrest the Australian market from the local manufacturers in order to give the importers a chance of putting up the price. The freight on a ton of wire and the freight on a ton of wire nails are practically the same, so that the argument as to natural protection disappears to a great extent. I want to answer a statement which has been persistently made as to the price of nails in Melbourne after the announcement of the Tariff. It was stated by the Argus newspaper that although the duty had been dropped 4s. 6d. the price of nails came down in the market by 10s. 6d., and the argument was that if the industry could afford to make that reduction no protection was necessary. The answer to that statement is that as soon as the Tariff was announced the manufacturers held a meeting and concluded, somewhat hastily, that there was no possible chance of the industry living, and rather than lose their stocks altogether, they determined to realize the best prices possible. Immediately the importers thought the manufacturers had gone out of competition, they put the prices up. In order to prove what I have said, I have brought with me some purchases which were made in half-a-dozen suburbs of Melbourne. In Richmond, 2 lbs. of 2-in. nails were bought at 4½d. per lb., though when the manufacturers were in competition the price was only 2d. Then, at Moonee Ponds, Collingwood, and in Swanston-street the price was 3d. per lb.

Mr Thomson

- Does the honorable member say that these nails were not locally made?

Mr HUME COOK

- I do not know whether they were locally made or imported. My point is that the importers, when they thought the manufacturers were no longer in competition, put up their prices.

Sir William McMillan

- Was not the price increased exactly to the extent of the duty in Victoria ?

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Mr HUME COOK

- That was so, because the manufacturers had gone out of competition, and the importers took advantage of the market. Nails were also purchased from a leading house in Elizabeth street, City, at 3d. per lb., though the same nails were advertised in the Age newspaper in 1900 at 2d. per lb. If this industry is closed up, the advantage which the consumer has had in Victoria, and which may be extended to the whole of Australia, will be lost. The fact that several factories can come into competition with the importers has a tendency to equalize the market and reduce prices. That has been the case in Victoria, and might be the case in all the States. The reduction of prices, owing to the competition between the manufacturer and the importer, amounted to 50 per cent on horse-shoe nails, and more than 50 per cent, on wire nails. Will any one affirm that that is not a tremendous reduction? Can it be said that the manufacturers can compete on a lower basis than a 3s. duty ? In Belgium and in Germany woman workers are employed, and the wages are much lower than in Australia, and it will be utterly impossible to compete against the cheap labour in the projected Japanese factory, which it is said will be capable of turning out £50,000 worth of nails in a year. If we are to maintain the factories, and have wholesome competition, we ought to

give a fair margin, which cannot be supplied with less than a 3s. rate.

Mr THOMSON

- I am astonished at the fairy tales about the prices at which nails are sold in the different States, and the profits that are made. It will be noted that the profits named quite contradict the prices ; and it is perfectly evident that the honorable member has taken the retail prices in the different cities.

Mr HUME COOK

- Is it not the retail price the consumer has to consider 1

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Mr THOMSON

- Perfectly right; but we all know that every variety of retail price can be found in shops in the suburbs. That the evidence is worth nothing is shown by the inference which the honorable member drew from the fact that nails were obtainable retail at 2d. per lb. in Victoria over the counter - which I do not deny - and that after the manufacturers had for some extraordinary reason determined to realize their stock at low prices, nails were sold at 3d. and 4d. per lb. The honorable member drew the inference that this was because the importers had been relieved from the competition of the manufacturers, and had at once taken advantage of the opportunity to put up their prices. But the honorable member had told us immediately before that the manufacturers had determined to realize their stock at a heavy discount - which they have not done yet - and yet the fact that the importers had raised and the manufacturers had reduced their prices is supposed to account for nails selling at a higher price over the counter. The whole argument contradicts itself, because, no doubt, some of the nails which were purchased were locally made. If the importers put the prices up, as has been stated, what effect could that have on the retail selling price when, according to the honorable member, the manufacturers had put their prices down? As a matter of fact the manufacturers did put their prices down very considerably. The arguments advanced by the honorable member are such as nobody can accept in justification of the continuance of the duties proposed by the Minister. "We have to recognise the existence of these industries ; but if they were not in existence the' committee would never consent to the imposition of protective duties with a view to enable them to be . established. The honorable member for Bourke has shown conclusively one reason why this nail industry is not a suitable one to carry on here under a protective duty. In the first place, the manufacturers have to import what is practically the nail, that is, the wire requiring only pointing and heading, which is done by machinery. Further than that, the honorable member has admitted that there is a large waste - amounting to one-third of the material used in the case of horse-shoe nails - for which practically the people of the Commonwealth have to pay. There is not so much waste in the case of wire nails, I admit, but the people of the Commonwealth have to pay the cost of that waste which, in the natural order of things would be disposed of at the other end. A nail-maker who gave evidence before the Tariff Commission of 1894 rather contradicts the statement made by the honorable member for Bourke. He says that nails used to be sold at an all-round rate before their manufacture was commenced in Victoria, but after that they were sold by gauge. When he was asked as to his output, he stated that he turned out 5 tons of flooring brads per week, and that of brads, wire nails, and roofing nails his output was about 800 tons per year. In answer to another question, he stated that he employed sixteen hands. He was asked further how it was that roofing nails were retailed at £140 per ton, whereas the manufacturer's price was only £50 per ton, and he said that he could not help that. That shows that there is a heavy profit made by the retailer upon the locally-manufactured article. Assuming that the men and boys employed in turning out 800 tons of nails average 35s. per week - which is above the average wage stated by the Inspector of Factories - the total amount of wages paid would be £1,500 per year. Distributing that amount over the 800 tons of nails produced, we arrive at an average cost for labour of less than £2 per ton, or 2s per cwt. The honorable member for Wentworth is willing to impose a duty of 2s per cwt., and even if the imported nails cost nothing in the way of labour, the local manufacturer would be amply covered by the duty. A circular has been sent out containing an extract from The Ironmonger. I believe it has emanated from some of the nail manufacturers as an illustration of the conditions that exist in America, and it shows what can be done under the shelter of a protective duty. It is stated - The American makers, thanks to their Tariff barrier, are able to sell at relatively higher prices to the home consumers, and the)' have come to the conclusion that their interests in foreign ".trade only concern them as regards surplus production, hence they have decided to content themselves chiefly with their home

market.

Some time ago, after it was seen that federation was practically accomplished, a gentleman in Sydney, who is a protectionist, was approached by a gentleman from Melbourne with a suggestion that he should establish the nail industry in New South Wales. Melbourne prices were shown, and it was demonstrated that a large profit was being made under the protection of a duty of 7s. 6d. per cwt., the wire being admitted free of duty. The Melbourne gentleman represented that there was sure to be a duty imposed under federation, and that there would be a good opportunity then of making excellent profits such as have been reaped in Melbourne. The Sydney gentleman replied that the people of the Commonwealth would never stand such a duty, and stated that the duty was- a jobbery of the users of the nails, and that he did not desire to have anything to do with an industry which stood on such a false basis. The Sydney gentleman was a man who has been largely interested in local industries for many years, but he was quick to recognise that a duty of 100 per cent, would never be continued by the people of the Commonwealth. As I have shown that the duty of 2s. per cwt. will be sufficient to cover the whole cost of labour employed in the manufacture of nails, I think that the committee may safely agree to a reduction of the duty.

Mr GLYNN

- I should just like to say a word or two to supplement the excellent arguments used by the honorable member for North Sydney, which ought to be conclusive to any unprejudiced mind. The honorable member for Bourke has mentioned that the American manufacturers, in order to break up the manufacture of nails here, had agreed to export their products to Australia, at what would be considered a sacrifice in prices, with a view to securing the local market. That statement, however, does not seem to be borne out by the statistics, which show that only a small proportion of the nails used in Australia come from the United States. It would be futile for the American manufacturers to export their nails at small prices, with a view to securing a monopoly of our market, if their importations for years back had represented only a small proportion of the total consumption. New South Wales last year imported 65,000 cwt. of nails, of which only 6,000 cwt. came from the United States, whilst 45,000 cwt. were imported from Germany. In South Australia the position of the American manufacturer is no more hopeful, for out of a total importation of 13,000 cwt. of nails and screws in 1900, only 923 cwt. came from the United States. I do not think, therefore, that there can be very much in what has been stated by the honorable member for Bourke as to the attempts of the American manufacturers to monopolize the local market by selling at losing prices. A circular has been read by the honorable member for Maranoa in which some local producer of nails shows that through the beneficence of the Victorian protectionists he had wiped off a loss of £14,000, and had made profits subsequently. He pointed out, moreover, that the consumers were not required to pay any more for their nails. The writer of this circular has adopted an entirely false method of comparing prices, by quoting those now prevailing with those which were current 20 or 30 years ago. Machinery has, in the meantime, tremendously cheapened the cost of production, and the raw material has been considerably reduced in price, and the true method of comparing the effects of a free-trade or a moderate Tariff with a high Tariff would be to quote "prices prevailing in New South Wales and in Victoria on the same date.

Mr HUME COOK

- -That is what I did. I quoted last week's prices.

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Mr GLYNN

- The prices quoted by the honorable member have been pretty well disposed of, because it has been shown by the honorable member for North Sydney that retail prices vary considerably from shop to shop.

Mr HUME COOK

- I also quoted the wholesale prices.

Mr GLYNN

- I will go through the trade journal prices, which I quoted before in connexion with the debate on the motion of censure, and which I think give clear evidence of the effect of the 7s. 6d. duty in Victoria as compared with that of freedom of trade in New South Wales. The position is this : From September down to 8th October, the date on which the Tariff was introduced, the prices in Melbourne were 21s. 6d. per cwt., less 10 per cent, discount, which was equal to 19s. 4d. a cwt. The Sydney price was 11s. 6d. neb.

The duty in Victoria was 7s. 6d ; so that there was an increase of the local price proportionate to the duty. What occurred after the duty was reduced from ' 7s. 6d. to 3s. per cwt, ? That duty came into force in Sydney, as well as in Melbourne, so that the price ought to have been the same in both cities, and, as a matter of fact, the Sydney price went up on 10th October from 11s. 6d. net to 14s. 6d. net, and the Melbourne price shrank from 19s.. 4d. per cwt. to 14s. 6d. per cwt. - that is, the same price as in Sydney.

Mr Kennedy

- From what list is the honorable member quoting ?

Mr GLYNN

- I am quoting from the journal of the ironmonger trade. These prices are pretty conclusive as to the effect of the duty.

Mr HUME COOK

- The remarkable thing about them is that they are not correct.

Mr GLYNN

- The honorable member thinks that his individual purchases, or those of his friends, at retail prices, in various parts of Melbourne or Sydney, are more conclusive than the statistics given in the journal of the trade.

Mr HUME COOK

- The journal does not give the discount.

Mr GLYNN

- It does. The discount was 10 per cent.

Mr HUME COOK

- It is 35 per cent.

Mr GLYNN

- However, I have said what I have to say, and there is a justification for placing nails upon the free list, but if the honorable member for Wentworth proposes to make the' duty 2s., I will follow him.

Sir WILLIAM McMILLAN (Wentworth). - The real point at the bottom of this matter is that the Victorian Government should never have put a duty upon this article. I hold in my hand one of these wire nails. It is simply a bit of wire, nipped by some means or other at the point, and with a little cap on the other end of it. Will any one torture an industry of this kind into a manufactory ? The thing is absolutely absurd. It is a great object-lesson to the free-traders from other States, who never knew before to what heights of absurdity protectionists would go. Yet Victoria had at one time a duty of 14s. upon the other class of nails, and 7s. 6d. upon this class - a prohibitive duty, which it is admitted by honorable members opposite increased the price of the article in Victoria to the extent of the duty. Wire nails go into general consumption, and the making of them is no more a manufactory than is the hemming of handkerchiefs. Victoria might as well have protected blacksmiths' shops by a duty. We now know how Victoria was able to pile up statistics about her manufactories, many of which are doing simply child's work.

Mr HUME COOK

- There is £100,000 invested in this industry.

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Sir WILLIAM McMILLAN

- At the same time we are all flesh and blood, and we have some consideration for people who have been led into this sort of thing by those wicked statutes of Victoria. Consequently we do not want to deal unnecessarily harshly with them. From the Commonwealth point of view, the interests of one or two individuals, who have invested money in an industry, should not weigh with us more than a grain of sand in the scale when we are dealing with the great population of Australia. But the Opposition are willing to carry out their compact, and get "back to Maitland," as the saying is. Therefore I shall not press my amendment to place wire nails upon the free list, but shall content myself with moving that the duty be reduced to 2s. For the present I ask leave to withdraw the amendment now before the Chair.

Amendment, by leave, withdrawn.

Sir WILLIAM McMILLAN (Wentworth). - I have gone carefully into this subject, and in agreeing to a duty of 2s. the Opposition are going to the very utmost they can go in extending protection to the industry. It is really a bogus manufactory in a sense. When I say that I do not wish to criticise the manufacturers ; but what I mean is, that it is not a manufactory which ought to be bolstered up by the State. I beg to move -

That the words ' ' and on and after 13th December 1001, 2s." be added to the duty, "Nails, wire and other, per cwt., 3s."

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Sir JOHN QUICK

- I trust that the committee will reject the amendment of the acting leader of the Opposition. I was very sorry to hear him so persistent in indulging in contemptuous expressions with respect to the manufacture of wire nails. He said that he had studied the subject, but I venture to express a doubt as to whether the honorable member ever went inside one of these factories. If he had done so, he would never have described the nail industry as a bogus industry. Those honorable members who visited the nail factories recently are aware that they are regular hives of industry. Instead of there being one machine turning out nails upon the penny in the slot principle, there are a number of machines, all requiring the superintendence of expert workmen, who have had to be trained in the business, and who are paid standard rates of wages. In addition to that, there is the motive power which has to be provided and supervised, and the packing, as well as the various offices and accessories constituting the usual essentials of a factory. Yet the honorable member for Wentworth has stated time after time that this is only a bogus business. I am sure that if he had looked into the matter fairly he would have realized that he has not done justice to a great and genuine industry, which has been established with the assistance and under the patronage of the Government of "Victoria. The honorable member was not justified in denouncing the policy of the Victorian Government, which has been pursued for years past. It has been a righteous policy, and has been amply justified by experience. I would take the opportunity of drawing attention to the argument of the honorable member for North Sydney. It is a surprising argument, taken in connexion with the production of raw material in Australia, and the manufacture of it. He said that we ought not to produce nails here because we do not produce the wire, and that we ought to allow them to be produced where the wire is made and where the waste takes place. A more cold-blooded and brutal argument of a freetrade character I never heard. Apply that argument to the woollen industry. Would the honorable member contend that the woollen factories ought to be in Australia, and not in England 1 The raw material is produced in Australia, but it is sent to England and converted into marketable products. He would contend, I presume, that the wool ought to be made up here, where the waste takes place. I hope that the committee will give due weight to the strong case made out by the honorable member for Bourke in favour of a duty of 3s. It should not be forgotten that there has been an enormous reduction of the duty - from 7s. 6d. to 3s. Yet the free-trade party say that no consideration whatever should be given to this moderate provision. This is an instance of extremely moderate protection. It seems to me that the more reductions are granted by this Government the less grateful are the members of the Opposition, and the more reductions they want. They wish to reduce industry to a vanishing point, and protection to the bare bones. They would not be satisfied until they had utterly extinguished these industries. Yet the acting leader of the Opposition tells us that he is in favour of the Maitland policy of "revenue without destruction." At the same time he and his followers wish to reduce duties so low that the industries cannot stand against the tremendous forces brought against them. Allow me to remind the committee of what was stated by the honorable member for Bourke as to the tactics of the foreign merchants and manufacturers in their endeavour to extinguish the nail manufacturer of Victoria. They actually raised the price of the raw material - the wire itself - up to the very level and standard of the price of wire nails, so far as Victoria was concerned, because they knew there were a few straggling factories here ; but in South Africa, where there were no nail factories, the raw material was sold at the normal price. I contend that we ought to have a reasonable and substantial duty, higher than that proposed by the Opposition, in order to meet the tremendous force which is evidently at work in order to extinguish the manufacture of wire nails in Australia. Owing to these influences even 3s. per cwt. is too low ; and I can assure all those who understand the question that there is a great danger of these Victorian factories being extinguished, even at the rate proposed by the Government. Under all the circumstances, I sincerely hope that the committee will reject the amendment, and stand by the duty which the Government have proposed.

Mr KINGSTON

- I trust that honorable members will see their way to accept the rate of duty proposed by the Government. I think it is a great pity that any attempt was made to discount the utterances of the honorable member for Bourke, because he has the advantage of having given particular personal

attention to this matter, and of having collected his statistics most carefully. He has placed before the committee the contents of a mind filled with a knowledge of the subject under discussion. Regarding the application of the theories of honorable members to the dissection of his figures it was very patent that he knew what he was talking about, whilst they did not. The result has been to confirm the views which were expressed by the honorable member rather than in any way to weaken the position which he took up. What I put to honorable members is - "Have they any idea as to the ad valorem rate which they are suggesting?"

Mr Conroy

- It is 25 per cent.

Mr KINGSTON

- Is it! Of course nails vary in price.

Mr Cameron

- No; they are sold by weight. One gets fewer nails per lb. according to their weight, but the rate is the same.

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Mr KINGSTON

- Do honorable members of the Opposition agree with that statement? Do nails vary in value per lb.? If they do the honorable member for Tasmania, Mr. Cameron, retires extinguished, because he asserts that they are sold at so much per lb., and that one gets fewer nails per lb. according to the weight, but the rate remains the same. The honorable member is talking nonsense, and so are those who are associated with him. I have in my hand a certain nail. What is the value of the nail which I am exhibiting? At Liverpool, f.o.b., it is 28s. per cwt. What does a protective rate of 2s. per cwt. upon that price represent? Is it 25 per cent.? Certainly not! It is more like 7 per cent. Under such circumstances, the proposal which the Opposition are making, is simply preposterous. If the acting leader of the Opposition chooses to take the quantity of nails imported into Queensland during 1899, he will find that their average value was about 13s. 9d. or 14s. per cwt. Does 2s. upon 14s. represent a protection of 25 per cent.? Nothing of the sort! It is much more like 14 per cent., which I venture to consider is by no means an excessive duty. At this time, I think, we ought to be specially careful to do everything that is necessary for the protection of our markets. Whenever a crisis comes in the industrial history of a nation, there is always a strong attempt made by outsiders to prevent the establishment of home manufactures. That time has come now in the history of Australia. The position is intensified to-day to a degree in which it never existed before. The Australian market is worth six times as much as is the market of any particular State. Previously the wiping out of an industry in any particular State simply meant that those who wiped it out secured the admission of their goods to that State free of duty. Now, however, the destruction of any particular industry means that the foreigner gains admission to the Australian market. We are fighting for the home control of that market, but the foreigner is fighting still harder for the purpose of preventing the Australian having a fair control over it. It behoves us therefore to do all we fairly can to prevent the foreigner being successful. We were told by the honorable member for Bourke - and we all know - that the manufacturers abroad are making almost superhuman efforts to wipe out Australian industry in this connexion. The particulars have been given. It is a fight for the market, and ought we not to do what we can to give the Australians a fair show? If the duty proposed represented a protection of 25 per cent., it would not be a penny too much; but when it is a matter of only 15 or 16 per cent., it is preposterous that exception should be taken to such a fair thing in the interests of an Australian industry. Whether one man or half-a-dozen are concerned in it matters little. How often have we been told that the industry of the individual is a national asset? Certainly the industry of the individual in this connexion is a national asset. We know perfectly well that the conditions under which it has been carried on in the past are of a character of which we have no reason to complain. I ask the committee to wake up to the true condition of affairs, to realize the crisis in our history, to remember the duty that is cast upon us to preserve Australian industries, and to say whether the proposal of the Government is in the slightest degree in excess of the demands of the occasion.

Sir WILLIAM McMILLAN (Wentworth). - Before taking a vote upon this matter I should like honorable members to study carefully the words of the Minister for Trade and Customs. The object of this duty he says is to give to three or four manufacturers in Victoria the control of the home market. In other words,



the interests of a mere handful of people are to be weighed against the interests of the whole of Australia. Amongst all the duties which have been proposed, and all the industries which honorable members have tried to bolster up, this constitutes the most nefarious attempt to rob the great mass of the people for the benefit of a few individuals.

Mr. F.E. McLEAN (Lang).- It seems to me that the Minister for Trade and Customs, in finding fault with honorable members upon this side of the Chamber for what he called their "lack of knowledge," has failed to give the committee any valuable information, although he must be in possession of facts which would enable him to communicate such information. Instead of selecting a nail which enters largely into use, the right honorable gentleman has selected a nail of the very highest price, and has worked out what an ad valorem duty of 2s. per cwt would represent upon an article valued at 28s. per cwt. The right honorable gentleman must know that the cheap nails constitute the greatest bulk of the imports in this line - the commonplace articles of every day use - which I unhesitatingly say are not worth more than £10 per ton at the other end of the world. I venture to assert that 20 per cent, represents more nearly the real ad valorem rate, which the imposition of a duty of 2s. per cwt. would mean upon the class of nails that enters into general consumption than does the percentage quoted by the Minister. I have purchased and sold hundreds of tons of nails, and have had access to invoices relating to thousands of tons, and I repeat that the class of nails which are ordinarily used could have been bought in Sydney at any time during the past eleven years at prices as low as £12 10s. and £11 10s. per ton.

Mr Kingston

- Does an ad valorem duty of 2s. per cwt. upon those prices represent 20 per cent ?

Mr F E McLEAN

- Those are the prices at which parcels of 1 ton were sold to the merchants in the city. These nails were not worth more than £10 per ton at the other end of the world. Therefore, I repeat that, taking the average class of nails, the duty which the Government proposes more nearly represents 20 per cent, than it does the percentage given by the Minister for Trade and Customs. I admit freely that when we come to deal with the higher-priced goods the duty will work out very much lower. I do not know whether the information given by the right honorable gentleman represents the average price of the nails imported into Queensland, but in any case he did not make a fair statement to the committee.

Mr Fisher

- They are sold at 2d. per lb. in Queensland.

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Mr F E McLEAN

- And they have been retailed at 2d. per lb. in New South Wales for the last eleven or twelve years at a good profit. The proposal of the honorable member for Wentworth gives a fair and reasonable measure of consideration to the local manufacturer. It may be said that this is an industry worth preserving even with a duty of 25 per cent, or 30 per cent., but the common sense of the committee will agree that 15 per cent, is reasonable for an industry which is well established, especially when it is remembered that we are practically placing the whole market of the Commonwealth at the feet of the Victorian manufacturer. One of the strongest arguments against New South Wales entering into federation was that that State would simply give an open market for Victorian manufacturers, and the reply given by those who favoured the union was that we would be met in a fair and reasonable spirit of compromise by the representatives not only of Victoria, but of all the States. But we have come to learn that there is not a very generous spirit of compromise abroad. There have hitherto been no duties on this article in New South Wales, and yet the proposed reduction, which leaves the duty adequate for revenue-producing purposes and for affording fair consideration to the industry, is simply scouted by the Minister for Trade and Customs. I do not blame the honorable member for Bourke for doing his best for the preservation of an industry in which he takes a great interest, but it must be remembered that we represent other interests and other people, who have not been subject to any kind of taxation on this article. Victorians must know that it is a great concession on the part of free-traders to accept a duty of 15 or 20 per cent., and it is only fair that we should be met in the same spirit of compromise.

Mr. TUDOR(Yarra).- The honorable member for "Wentworth held up a horse-shoe nail, and asked whether that was a manufactured article. We might have held up a pin and have asked is that a manufactured article, but we have all read that there are many processes in the manufacture of a pin, and

probably there is just as much work in making a nail as in making a pin.

Sir William McMillan

- I asked whether the nail represented a manufacture which ought to be protected.

Mr TUDOR

- The honorable member for Lang states that the market has been handed over to a few Victorian manufacturers. Are the people so backward in New South Wales that they cannot start manufactures? I believe that these industries would be started in the adjoining State if there was a good opportunity of making a profit. It was asked why the honorable member for Bourke did not give the average price of nails imported into New South Wales. On this point I have taken the trouble to look into Coghlan.

Mr Thomson

- Does Coghlan specially mention wire nails or horse-shoe nails ?

Mr TUDOR

- All nails are bunched together in the figures given. . There were over 80,000 cwt. of nails imported into New South Wales last year, and I do not suppose that any honorable member will say that more than one-twentieth of that quantity is represented by horse-shoe nails. We find that the price works out at nearly 16s. per cwt. If we take off that quantity for horse-shoe nails it would not be much less.

Mr F E McLEAN

- The bulk of the importation could be bought at about 13s. per ton.

Mr TUDOR

- Some nails cost free on board at Liverpool 28s. and 29s. per cwt., and there are some nails sold at 60s. a cwt. The price all depends on the gauge of the nails, and for sizes below 1 inch the price rises. The average price retail is about 2d. per lb. in Victoria, and to remove the duty will not benefit the consumer but the merchant, who is anxious to wipe out the manufacturer in order to make up for what he may have lost in the past. The proposed duty is not sufficient to give a monopoly, and the manufacturer will have to fight hard to hold his own.

Mr. THOMSON(North Sydney).- The Minister for Trade and Customs gave credit to the honorable member for Bourke for having stated facts which he knew, and which could not be controverted ; and the -Minister should have shown more belief in his own words than to attempt to controvert the facts put forward by that honorable member. I heard the quotation given b)r the honorable member for Bourke in regard to the price of wire nails in the United States, and he has been good enough to hand me the price list which he used. The quotation is an all-round one of 1 dollar 45 cents per cental in car-load lots, which means less than 7s. per cwt. That is the price on which, under the Customs Regulation Act, an ad valorem, duty would be paid. I only allude to this because the Minister asked me a question, and when I gave an answer he made merry over it. The cost would have to be about 8s. per cwt.. to make a 2s. duty 25 per cent., and consequently the honorable member for Bourke was correct, and the Minister altogether wrong. The honorable and learned member for Bendigo spoke about a " cold-blooded proposal," but I am not aware that honorable members on this side are any more coldblooded than our friends opposite. We do not desire to deprive men of employment, but rather to direct their energies to better and more profitable industries which can be carried on without the necessity for a barrier of duties. Has the honorable and learned member, or any of his party, ever proposed to support a duty of 25 per cent, on cotton 1 Why have they not done so ? If it is cold-blooded in us not to support a high duty on nails, or to say that nail-making is an industry that should not have been started, it is equally cold-blooded on their part to acknowledge that the cotton industry is one which they ought not to attempt to establish. They look on the nail industry as one which ought to be encouraged, and the cotton industry as one which ought not; but if I were a protectionist, I should favour cotton and leave the nails alone.

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Mr CAMERON

- The Minister for Trade and Customs affords us a- lot of information which is not instructive, and, I am afraid, is sometimes not quite correct. The right honorable gentleman waa inclined a few momenta ago to make merry at my expense, and asked whether all nails stood at the same price per lb. I replied that a large proportion sell at the same price per lb., and the Minister, if he makes inquiries, will find that such is the .case in regard to nails from 1 inch up to' 4 inches, though occasionally, when they are longer, they become more expensive. Practically the price for nails is about 2Jd. per lb., the only difference being .that

one gets fewer nails to the lb. in the larger sizes: I hope the Minister is satisfied.

Mr. HUMECOOK (Bourke).- I wish to correct one or two statements by the honorable member for North Sydney, who -said that the local manufacturers have not sold their stocks, and that therefore my argument as to retailers having raised prices is incorrect. The facts are that the Hardware Association practically purchased the whole of the stocks of the local manufacturers, and then had a meeting, and decided to raise prices. We have been told that this is an exceedingly high rate of duty, but I would point out that it is exactly the same rate as has prevailed in Queensland for years past. It is looked upon there as a revenue duty, but the revenue Tariffists say now that it is a high protective impost. The duty of 2s. 6d. per cwt. levied in Tasmania is also regarded as a revenue duty..

Mr JOSEPH COOK

- Will a 3s. duty keep this industry going?-

Mr HUME COOK

- I doubt it, but I hope it may. I wish to correct an impression-- 61011 that was sought to be left on the minds of the committee by the honorable and learned member for South Australia, Mr. Glynn. He evidently misapprehended what I stated. What I said was that the export price of wire had been raised by the American makers with a view to prevent it being used as raw material for the manufacture of nails in Victoria. The honorable member for North Sydney said that we ought not to encourage the nail-making industry, because we do not make the wire here ; but the Tariff embraces proposals which are intended to encourage the establishment of the iron industry in Australia. If we succeed in bringing this about I hope we shall not only make pig-iron, but all sorts of iron, including the wire required for nail-making. It is well known that in the district represented by the honorable member for Parramatta, there are very valuable iron deposits, which I hope will be developed and go a long way towards supplying the iron required for use throughout the Commonwealth.

Mr JOSEPH COOK

- The honorable member declined to give us a duty on iron the other night.

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Mr HUME COOK

- On the contrary, I voted in favour of the duty on iron, and I will also vote in favour of giving bonuses to the iron industry, which I shall assist by every means in my power. As a result of the establishment of the nail industry in Victoria two things have happened which would not have come to pass here otherwise : We have had an invention brought out, known as the lead-headed roofing nail. The inventor of this nail is drawing a royalty to-day, and has refused £10,000 for his patent. The lead-headed nail is a splendid nail - the best ever invented for the purpose - and specially adapted for use in Australia, where so much galvanized iron is employed for roofing purposes. Another invention which is to be directly attributed to the establishment of the nail industry here is the butter-box nail, which has replaced screws to a very great extent in the putting together of butter-boxes. That nail is patented, and the people who use butterboxes find it to their distinct advantage to use it, because it altogether dispenses with the use of screws. Therefore, the industry, in addition to supplying ordinary demands, has given an incentive to the inventive genius of our people, and has conferred lasting benefits upon the community. I fear that a duty of 3s. will not be sufficient to enable the industry to be carried on in competition with the imported article, but I am absolutely certain that a 2s. duty will be insufficient, and that the industry will go by the board if the protection is reduced to that amount.

Mr. SYDNEYSMITH (Macquarie). - I see by the returns of the imports into New South Wales for 1899, that the nails imported were valued on the average at not more than 12s. 6d. per. cwt. As a large proportion of these would be horse-shoe nails, honorable members will see that that is a very low average. I admit that according to the returns for 1900, the average price is much higher ; but the only reliable method of arriving at a conclusion with regard to the price of nails is that of obtain-

I king quotations for particular kinds of nails-

The honorable member for Lang has told us that when the Federal Bill was under discussion in New South Wales it was stated that there would be some difficulty in overcoming the great influence which the Victorian representatives would wield when the Tariff came under discussion, and he now admits that the fears then expressed have proved to be well founded.

Mr Mauger

- Look at the Victorian Tariff, and see what we have had to accept.

Mr SYDNEY SMITH

- I Would ask the honorable member to look at the New South Wales Tariff, and see what we are asked to put up with. We have prospered in New South Wales without any of the iniquitous protective duties that have been imposed in Victoria. We have held our own satisfactorily, and all the unfair criticisms which have been passed upon our conditions by honorable members on the Government side of the Chamber cannot shake the undeniable facts of the case. I shall not further delay the committee, but shall take another opportunity of defending New South Wales against the attacks which have been made upon her. Mr. CONROY(Werriwa).-In view of the fact that the raw material for nail-making is not. produced within the Commonwealth, I am surprised that the protectionists consider it desirable to build up the. industry - an exotic industry. I find that the number of men employed in the nail industry is only 1 20, and that a duty of £3 per ton on the quantity of nails hitherto imported would represent £33,000. Allowing for the payment of 120 men at the rate of 31s. per week, which would represent a total of over £9,000, there still ought to be £20,000 a year coming to the Treasury. The estimate we have only shows £13,000 a. year, so that a large bonus is being given to a number of manufacturers in an industry which is not natural. I certainly should like to see this item placed on the free list, but that not being possible, I should like to get as near to it as I can, and shall support the proposal of the honorable member for Wentworth.

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

The committee divided.

24

AYES

31

NOES

Majority ... .. 7

AYES

NOES

Question resolved in the negative.

Amendment negatived.

Progress reported.

PUNISHMENT OF OFFENCES BILL

Bill received from Senate, and (on motion by Mr. Barton) read the first time.

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22:54:00

House adjourned at 10.54 p.m.