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House of Representatives.

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

PRESIDENT McKINLEY.

Mr. SPEAKER.-I have to inform the House that I have received the following letter from His Excellency the Governor-General : -

Melbourne, 23th October, 1901.

Sir, -Adverting to previous correspondence respecting the message from the House of Representatives relative to the attempted assassination of the late President McKinley, I have the honour to state that I have received a despatch from the Secretary of State for the Colonies, intimating that the United States ambassador has requested that the thanks of the President and people of the United States intent be conveyed to yourself and members of the House of Representatives for the earnest and fraternal sympathy expressed in your message of the 10th of September ultimo. I have the honour to be,

Sir,

Your most obedient servant,

HOPETOUN,

Governor-General.

LIGHT-HOUSE- WEST POINT.

Mr. O'MALLEY. - I wish to ask the Prime Minister if by this time he has changed his mind, and will put up a lighthouse at West Point, in Tasmania ?

Mr. BARTON.-My honorable friend is well aware that questions on grave matters of policy cannot be answered when the Government is in jeopardy.

MOTION OF CENSURE.

Debate resumed (from 26th October), on motion by Mr. Reid -

(1) That this House cannot accept the financial and Tariff proposals submitted by the Government -

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

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

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

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

Mr. FULLER (Illawarra). - I desire to thank the House for giving me an opportunity to continue my remarks to-day. When the debate was adjourned on Friday afternoon I was speaking of the exportation of dairy produce from Australia, and endeavouring to point out that in order to have this magnificent industry properly carried out and developed, it was necessary for the Government and Parliament to adopt such a Tariff as would offer the least possible obstruction in that respect. To show that we are dependent on exportation for the development of this great industry, and that the price here is really ruled by the price in the markets of the world, I shall quote some remarks which were made by the honorable member for Gippsland on the 13th July, 1899, when he was introducing a deputation to the Premier of Victoria in connexion with a reduction of railways freights on grain -

Grain values here, as well as in New South Wales, were regulated by the prices ruling in the London market, and it did not matter what expenses were piled on, all that the farmers could get was the value of the wheat in Mark-lane. They could not get a better price here than could be got by the New South Wales farmers. I shall next make a quotation from the Age of 3rd October, 1899 -

As we have said, the Australian farmer has to sell his produce in times when he has a great surplus to home consumers at London prices. This is because the export price rules the domestic market.

In this industry, the same as in others in Australia, we are in the position of having a very large surplus, so

that it is of no use to talk to the farmers and other producers about the home market. We have got beyond that stage, because, as has been pointed out by the honorable member for Gippsland, and others, very clearly, the price of our produce depends not on our home market, but on the price ruling in the markets of the world. Speaking on this matter, the honorable member for Mernda said -

It is clearly our duty and our interest to see that these sources of the supply of our exportable surplus are placed in the best position to produce effectively and satisfactorily for themselves, because, if the woollen manufacturer feels aggrieved when he cannot make a profit, if the boot and shoe maker comes up to Parliament and whines because trade is not in a paying condition, and wants an extra percentage of protection, what must we think of the position of the farmer, the miner, and the grazier, who, from the nature of their callings, have got to produce the exportable surplus to which I have referred, and the prices of whose surplus products are not ruled by the prices in the colony, but by the prices obtained throughout the world? If those who engage in these great producing industries are not placed in a fair position to obtain ease and comfort of life, which they have as much right to enjoy as those who are engaged in the protected manufacturing industries of the colony, how can we expect them to produce that exportable surplus in sufficient abundance to meet our obligations, and provide for all our requirements?

Mr. Joseph Cook. - Do they call it whining?

Mr. FULLER. - Whines is the word used. I have a number of quotations here from the speeches of different honorable members, particularly those representing Victoria, but I shall not weary the House by reading them, because those I have quoted are quite sufficient to show the position which at one time they took up. The honorable member for Echuca, who is one of the farmers' representatives in the House, said during the debate on the Tariff in Victoria, on 29th September, 1892 -

Protection had succeeded, not so much by its inherent merits as by the fact that the ports of Australia were open to us, and that our surplus produce could be sent to the other colonies, and sold for less than it was sold for in Melbourne. The honorable member pointed out that by virtue of the imposition of the duties, agricultural implements would be made in the colony, and sold at a lesser price to the farmers of Victoria and other parts of Australia than those imported from other parts of the world. That is a remarkable change of front from what he said during the debate on the Tariff on the 28th June, 1895.

Mr. McColl. - Does the honorable member know what the Victorian duties were then?

Mr. FULLER. - I do not know exactly; but perhaps the honorable member can tell me.

Mr. McColl. - From 20 to 30 per cent. higher than they are now.

Mr. FULLER. - That does not affect the argument at all. What the honorable member said in 1895 was this -

In 1889 Parliament increased the duty on agricultural implements, and the increase was not on more than eight weeks before there was a combination of implement manufacturers, and circulars were sent round the whole country notifying that the prices of agricultural implements and machinery had been increased 10 per cent.

Clearly showing that by reason of the increase of the protective duties on agricultural implements the manufacturers had combined together and robbed the farmers to the extent he stated. The honorable member went on to say -

The other colonies, with lighter duties on machinery and manufactured goods, are far more thriving than we are with heavy duties of customs.

Mr. McColl. - I do not think that is fair.

Mr. FULLER. - This is taken from the Hansard report of the honorable member's speech on the 25th June, 1895.

Mr. McColl. - It is all very well to pick out isolated passages.

Mr. FULLER. - I do not wish to make further reference to the dairying industry. The position I take up, as I stated at the beginning of my speech on Friday, is that this Tariff affects the whole of the primary producers of the country. The next industry I shall refer to is the coal-mining industry, which is of very great importance, particularly in New South Wales. We have the coal-mining industry in Newcastle to the north of Sydney, in the Illawarra district to the south, and up at Lithgow and other places in the west. We have 88 mines open, and there are employed in connexion with them 10,329 persons, comprising 5,217 who are engaged underground, and 2,112 above ground. From New South Wales in 1899 we exported 2,798,523 tons of coal, valued at £1,005,794, while the total amount of coal raised in the whole of the

Commonwealth was 5,450,866 tons. Now this great industry in New South Wales is dependent to a very large extent upon the export trade. We have been exporting coal from New South Wales to Victoria, to San Francisco, and various other parts of the world ; and if we have a high protective Tariff which will stop steamers and other vessels from coming here with imports, we shall strike an immediate and direct blow at the coal mining industry. Now, what are the miners to get in return for what they will have to pay under these protective duties ? It is not necessary for me to say anything to show clearly that the miner will have to pay for all the necessities of life ; his boots and shoes and all the other things which have been so often enumerated by honorable members, will be subject to heavy duties, -whereas no proposition has been made in any shape or form under this Tariff to confer any benefit on the miner.

Mr. JosephCook.- The Dibbs Tariff paralyzed the coal industry before.

Mr. FULLER.- That is very true. Are the men who are engaged in this very dangerous industry - because it is not very many years ago since we had the great Bulli disaster, through which a great many miners were entombed, and which rendered it necessary to support by charity a large number of wives and orphans - to be looked upon as outlaws ? On their behalf I raise a protest against the Tariff, because I believe it will be inimical to the coal mining industry. Then we have another industry, which it appears to me cannot be helped by any protection. There are very large smelting establishments at Cockle Creek, Newcastle, and also at Lake Irrawarra, in New South Wales ; and the honorable member for Tasmania, Mr. Piesse, has reminded us that they have large smelting works in Tasmania also. In the smelting works that I have mentioned, in New South Wales, there are 3,339 hands employed at these works. I do not know how many men are employed in Tasmania, or how many are engaged in smelting operations in South Australia, but I understand that a good many men are employed in South Australia in connexion with this industry. I should like to know how any system of protection could possibly benefit these men ? It appears to me that the only effect of this Tariff will be to make these men pay in just the same way as will the coal miners and the "other classes of miners on whose behalf the honorable and learned member for Indi made an appeal some time ago, because it was proposed to tax them on everything they used - on their tools of industry, and even to the knives and forks on the tables in their homes. What I have said regarding the coal mining industry and those employed at the smelting works applies with equal force to those engaged in wheat growing, in pastoral occupations, and in all the other great primary industries. The Treasurer, when he was making his speech in connexion with the Tariff, stated that it was a moot point as to who paid the duty under a protectionist Tariff, and he suggested that it might be the foreigner who had to pay the duty on imports. I think, however, that the time has gone by when people are to be gulled into entertaining any such idea. Even the protectionist organ in Melbourne - the Age - in 1892 said that-

The system of indirect taxation throws the burden of taxation on the working classes.

How can that be, unless it is that the working classes -who are the largest consumers - pay the duties that are levied through Customs? That was stated by the Age on 17th February,1892.

Mr. Conroy.- That was during an honest spasm.

Mr. FULLER.-On 9th November, 1894, the Age also said -

To double the customs duties would be to tax the wealthy only in a slight degree, and would place the public burdens chiefly on the shoulders of labour. The farmers can hardly be expected to favour this method of squaring the finances.

Mr. McCay.- That referred to a revenue Tariff, pure and simple.

Mr. FULLER.- But it was intended to double the protectionist duties that were then in force, and we all know what the duties were at that time. If it is the foreigner who pays the duties, I should like to know why, in the Federal Customs Bill which was introduced by the Minister for Trade and Customs, clause 142 was included, enacting -

That all contracts between private persons for the delivery of foreign goods, duty paid, shall be interpreted as giving the seller the right to increase the price by any amount of duty which shall be imposed on such goods subsequent to the date of contract ; and giving the buyer the right to reduce the price by any amount of duty which shall be removed subsequent to date of contract. Provided that such alteration of duty takes place previous to the passage of the goods through the Custom-house.

Mr. Kingston.- That is not the clause.

Mr. FULLER.- No, that is my summary of it. It appears to me that that is a direct admission that the duty

forms a part of the selling price - a part of the price under the contract between the two parties. It is therefore clear that the seller of the goods adds the duty to the price at which they are quoted in the outside world, and that it is the consumer who has to pay the increased price. Furthermore, how is it that in all protected countries there are drawback regulations under which the duty is returned if the goods are re-exported 1

That drawback does not go to the foreigner, but into the pocket of the merchant who pays the duty in the first instance, and who, in the ordinary course, passes it on to the consumer. It seems to me that import duties are not paid by the foreigner, but by the great consumers of the countries into which the imports come. Much has been said with regard to the wages paid in the different States. I do not wish to go into the great number of instances which I have here, but I will take one example of the wages paid in Victoria in connexion with an industry and compare them with the wages paid in a similar industry under similar circumstances in New South Wales. The industry to which I propose to refer is that of glass bottle manufacture. The managing director of the Melbourne Glass Bottle Works, who was a witness before the Turner Tariff Commission, made a statement that if the duties then existing - which were a trifle over 100 per cent. - were reduced, the industry would be ruined.

Mr. Mauger.- When was that?

Mr. FULLER.- 1897. He was asked why he sold bottles to his Sydney customers at lower prices than he charged to his Melbourne customers, and he gave this answer -

We sell our bottles (soda special) for 20s. in Sydney, and 25s. in Melbourne, per gross, because we have no sale locally for all we make. Our establishment is built on rather a large scale, and in order to keep it up to a fair output, we take orders from other colonies at cost prices. We only take these export orders during winter, when we are slack, so as to keep our hands together. If the duties were lowered, we could not compete against the cheap bottles of Germany -

Germany is the country to which so much reference has been made by my friends on the other side of the House - because these are put into the ships as a sort of dunnage, and a free port like Sydney would be called the dumping ground of such an article. A reduction of duty would not lower the price of the article. Now I will quote the prices in Sydney and Melbourne of the various classes of goods turned out at the factory : - Mason jars, pints, are sold at 28s. in Sydney, and at 36s. in Melbourne ; and quarts, at 38s. in Sydney and 45s. in Melbourne; and halfgallons at 48s. in Sydney, and 57s. in Melbourne. Right through the list the price is considerably lower in Sydney than in Melbourne. The managing director of the Melbourne Glass Co. removed his operations to Sydney, where there was no duty of 100 per cent., and was able to carry on the industry there. From the annual report of the Amalgamated Glass Bottle-Workers' Union, we gather what are the wages paid in Sydney and Melbourne respectively. I will not read the full list, but will take one or two cases as examples. By weight, per gross, for bottles, from 26 ozs. and 32 ozs., 2s. 4d. is paid to finishers and blowers in Sydney, and 1s. 9 1/2d. in Melbourne. In another case 3s. 9d. is paid in Sydney, and 2s. 11d. in Melbourne, and in another example 4s. 6d. is paid in Sydney, and 3s. 3d. in Melbourne. In every case we find higher wages paid in Sydney, where there was not the high protective duty which prevailed in Melbourne. We heard from the Minister of Customs when he was introducing the Tariff that the protection proposed would break down rings of importers. I am not quoting the exact words of the right honorable gentleman, but merely giving the effect of his statement. We have heard a great deal about reapers and binders, and so far as the establishment of rings of importers is concerned it appears to me from all I have read and studied that it is the protective system which really affords those engaged in industries the opportunity of forming rings, trusts, and monopolies. I have not to go further than the well-known newspaper, which has been so much quoted, in order to show that the observations of protectionists agree with my own. In August, 1896, the Melbourne Age contained the following : -

Even the old-established and legitimate merchants of Sydney are now regretting that Mr. Reid went so far with his fiscal proposals. They were doing well enough under the semi-protective tariff of the Dibbs administration; but Mr. Reid's extreme free-trade Tariff has led to an influx of foreign agents and representatives, who employ little or no clerical labour, and occupy no warehouse, but are cutting into the trade of old merchants with indent orders.

In 1890 we read in the same organ -

With free-trade, the importers, it is declared, would be in competition with one another, with the result that

the farmer and grazier and the run holder would get their barbed wire at the level of the world's market, whatever that may mean. That statement is one of the deceptions of free-trade advocates. We hear very little about associations of importers for the express purpose of keeping up prices. The subject was not alluded to by Mr. Reid in his address at the Town Hall, nor is it even mentioned by the local free-traders. But these associations for this special purpose exist, and there are some specimens of such organizations in Melbourne.

That bears out exactly what I have said, namely, that it is under the protective system that opportunity is given for establishing trusts and monopolies, with results familiar to the consumer.

Mr. Watson.- That quotation speaks of rings of importers.

Mr. FULLER.- Another subject touched on by the Minister for Trade and Customs, was that of bonuses, which it is proposed to give in connexion with the establishment of certain industries. The right honorable gentleman at page 5715 of Hansard's reported -

When the people want the manufactured goods that would be produced as the result of the local carrying on of a certain industry, it is a fair thing to provide for a bonus to encourage the establishment of that industry, and, as soon as the industry is established, to call certain duties into existence for the purpose of securing the maintenance of the industry.

I am not going to say that a bonus might not be a good thing, but I do object to the further statement by the right honorable gentleman -

We say to all the world, and we ask this House to say - "Come and establish your industries here. Turn out a certain number of machines. We will give you a certain bonus on every one you produce up to a certain number. When you produce that number, protection shall be given to your manufactures which will sustain you against outside competition."

Whatever good there may be in bonuses in connexion with the establishment of industries, it appears to me, from these remarks, that we are going to have the same old story over again. Bonuses are to be given for the establishment of industries, and when those industries are established, then, according to the Minister, they are to be placed in the same position as protected industries in Victoria and other places. Outside competition is not to be allowed; men who use agricultural implements, which they will have to purchase from manufactories established under the bonus system and placed beyond the reach of outside competition, will have to pay through the nose, and the proceeds, instead of going into the public Treasury to be treated as revenue and spent for the benefit of the people, will go into the pockets of private individuals, who will thus be enabled to enrich themselves at the expense of the community. I, amongst other honorable members, have been afforded an opportunity to inspect many of the industries which are carried on in Melbourne, and I take this opportunity of thanking the gentlemen who arranged these expeditions. It is remarkable that no free-traders were ever given an opportunity to return thanks at any of the social functions in connexion with these visits to protected manufactories, that duty always being deputed to gentlemen on the other side.

Mr. Kennedy.- I think I heard the honorable member on one occasion.

Mr. FULLER.- The honorable member may have heard me interrupting, but he did not hear me replying to what had been said. However, I now take the opportunity of thanking the gentlemen who organized those trips, and afforded us an opportunity of becoming acquainted with the industries of Melbourne. I was very much impressed with the way in which gentlemen engaged in these manufactures pointed with pride and pleasure to their magnificent industries. But I thought to myself, that if these were such magnificent industries, after thirty years of protection, when we were throwing down the barrier throughout Australia, and opening a market from one end of the continent to the other, surely the time had come when protection could be dispensed with, and when the industries could bear competition with the outside world. If, after thirty years of protection, these industries are not able to face outside competition, then, much as I should regret the destruction of the industries, I believe it would be in the interests of the community to abolish the whole of the protective duties, so that consumers may be afforded an opportunity to buy in the cheapest market, as we revenue tariffists believe in doing. I should like to take into consideration for a few moments the important subject of wages. I concede, for the sake of argument, that a protective Tariff does increase the wages of those employed in factories. But how about all those who are employed outside factories, such as bricklayers, quarrymen, and men in similar occupations? How does protection increase their wages in any shape or form? It may be true - although I do not agree

with the argument, and only concede it for a moment - that protection does increase the rate of wages in factories ; but, if it does, why has it been found necessary to establish factory boards and wages boards in Victoria ? The very fact that these boards have been called into existence, shows clearly that protection does not increase wages.

Mr. Kennedy.- The ever-present sweater is to blame.

Mr. FULLER.- I know perfectly well that in every industrial centre of the world we find sweated labour. We find it, unfortunately, in England, in America, and in Germany, and we also find it in the State of Victoria. Not very long ago an anti-sweating league was established in Victoria, for the purpose of inquiring into this question. And amongst the members of that league were the Attorney-General as honorary treasurer, the honorable member for Melbourne Ports as honorary secretary, and Mr. W. A. Trenwith, a well-known labour representative, as a member of the council. I should like to make a few quotations from thereport of that league, as vouched for by the three gentlemen I have named. We will deal with the butchering trade first.

Mr. Mauger.- We have changed all that now.

Mr. FULLER.-

Many are working as long as 90 hours per week, married men being paid as low as 7s. 6d. per week. The complaints from this trade are numerous and bitter.

Now we will take tanners and curriers. They are said to be as badly affected by the sweating scourge, as are men in other trades -

Full grown men - a great many, too - are getting as low as 18s. per week ; and there are other practices in sweating ; getting boys, say seventeen or eighteen years of age, at perhaps 5s. to 10s. a week, not to be taught the trade, but to do the work cheap. As soon as they want more wages they are discharged to make room for more of the same sort. Sunday work is increasing.

Now, take the case of painters -

Skilled journeymen working for as low as 3s.6d. and 4s. per day.

There are numerous other examples given by this board, but these quotations are sufficient to show the sweating going on in Victoria at that time.

Mr. HumeCook. - What is the date of that?

Mr. FULLER.-1899.

Mr. Mauger.- That is a recent statement of old facts. All that has been altered.

Mr. FULLER.-I should like now to refer to the wages paid to the workers in factories in both States. I will take the facts furnished by the New South Wales

Government statistician, who gives particulars of wages paid in Victoria in the trades under wages boards. He only gives a partial statement of the wages paid in the other trades because the figures as to those trades were not furnished by the Victorian authorities. But if we take the case of the trades in Victoria not dealt with by the wages boards, for which particulars are available, and compare them with the wages paid in the same trades in New South Wales, we shall be able to come pretty near the mark.

Mr. Coghlan makes a comparison of the wages paid in the trades under wages boards in Victoria and those paid in similar trades in New South Wales per 100 of the operatives. In Victoria the number of male operatives per 100 is 65, and the number of females is 35.

Mr. Mauger. - How many trades are included?

Mr. FULLER.- I do not know the total number. I am giving the average, which, as I said, amounts to 65 males and 35 females per 100, whilst the average wage is £136 12s. 11d. In New South Wales in the same trades there are 75 male operatives and 25 females, and the average wage is £139 13s. 11d. In regard to the other trades the number of males per 100 operatives in Victoria is 61, and the number of females 39. In New South Wales in the same trades, the number of males is 74, and the number of females is 26. The wages paid in the Victorian trades average £126 5s. 6d., and in the New South Wales trades the average is £146 6s. 6d. So that, adding the figures together, we find that £20 more per 100 employes is paid in New South Wales than in Victoria, or 4s. per head to every man, woman, and child. In regard to employment and wages in the year 1900, I find - also taking the facts from Coghlan - that the number of males employed in Victoria in the trades under wages boards was 17,286, and the amount of wages paid was £29,242. In New South Wales in those trades the number employed was 13,297 and the amount of wages paid to them was £22,273. In the other trades in Victoria the number of males employed

was 27,255, whereas in New South Wales the number was 36,959. The amount of wages paid in Victoria was £45,311, against £65,294 in New South Wales. Now, I will take the females employed under similar circumstances. In the wages boards trades in Victoria the number of females employed was 9,274 ; in New South Wales, 4,455. The amount of wages paid was in Victoria, £7,071 ; in New South Wales, £3,043. In the other trades the number of females employed in Victoria was 9,141; in New South Wales 5,943. The wages paid to these operatives in Victoria was £5,827; in New South Wales, £3,788. If we take the totals, we find this result - that the total number employed in Victoria was 62,958, and the amount of wages paid to them was £87,451. In New South Wales the number employed was 60,663, and the amount of wages paid to them was £94,398. So that, although there were 2,295 fewer people employed in New South Wales than in Victoria, the excess of wages paid over the amount paid in Victoria was £6,947. The classification of the operatives per 100 works out in the following manner : - Taking first Victoria, the number of males of the age of nineteen and over was 49 per 100 ; in New South Wales the number was 60. The number of males under nineteen in Victoria was 14 per 100, in New South Wales 15. In regard to the females the number of those employed in Victoria of the age of nineteen and over was 25 per 100, in New South Wales 15. As to females under nineteen, there were 12 per 100 in Victoria, and 10 in New South Wales. Those figures show clearly to my mind that as regards the kindred industries of these two States the amount of female labour employed in Victoria is out of all proportion to the amount of male labour employed. I will now turn for a moment to Great Britain. We have been told by the honorable member for Gippsland, and others, that Great Britain was in a happy and prosperous condition under protection, and has been brought to a condition of distress under free-trade. Let me take the condition of the woman and child labour in England under the system of protection. I quote from The Industrial History of England, by Mr. H. de B. Gibbins, referring to the apprentice system by which gangs of work-house children were practically sold in slavery to manufacturers at the end of the eighteenth century - The manufacturers wanted labour by some means or other, and they got it. They got it from the work-houses. They sent for parish apprentices from all parts of England, and pretended to apprentice them to the new employments just introduced. The mill-owners systematically communicated with the overseers of the poor, who arranged a day for the inspection of pauper children. Those chosen by the manufacturers were then conveyed by waggons or canal boats to their destination, and from that moment were doomed to slavery. Sometimes regular traffickers would transfer a number of children to a factory district, and there keep them, generally in a dark cellar, till they could hand them over to a mill-owner who wanted hands, who would come and examine their height, strength, and bodily capacity as exactly as did the slave-dealers in American markets. After that the children were simply at the mercy of their owners, nominally as apprentices, but, in reality, as mere slaves, who got no wages, and whom it was not worth while even to feed or clothe properly, because they were so cheap, and their places could be so easily supplied. Their treatment was most inhuman. The hours of their labour was only limited by exhaustion, after many modes of torture had been unavailing!} applied to force continued work. Children were often worked sixteen hours a day, by day and night ; even Sunday was used as a convenient time to clean machinery. They were fed upon the coarsest and cheapest food, often with the same as that fed to the pigs of the master. They slept by turns and in relays, in filthy beds which were never cool, for one set of children were sent to sleep in them as soon as the others had gone off to their daily or nightly toil. There was often no discrimination of sexes, and disease, misery, and vice grew as in a hot-bed of contagion. Some of these miserable beings tried to run away. To prevent their doing so, those suspected of this tendency had irons rivetted on their ankles, with long links reaching up to the hips, and were compelled to work and sleep in these chains, young women and girls, as well as boys, suffering this brutal treatment. Many died and were buried secretly at night in some desolate spot, lest people should notice the number of the graves, and many committed suicide.

Mr. O'Malley.- Where did this take place 1

Mr. FULLER.- In England.

Mr. Kingston.- And Cobden and Bright would not alter the law.

Mr. FULLER.-Under free-trade this condition of affairs has been done away with to a very large extent. The labour leaders, John Burns, Keir Hardie, and others, tell us without hesitation that the condition of the workers in England to-day compares more than favorably with that of the workers in the protected countries of Europe and in America.

Mr. Kingston.- Did Cobden and Bright favour legislation to prevent this condition of affairs ?

Mr. FULLER.-Under the system of free-trade established by them the condition of the workers in England has been ameliorated to a very large extent. The same writer continues -

The result was that other children, came to work in the mills and were treated almost as brutally. During the whole period of 1800 to 1820, and even to 1840, the results of their suffering were seen in the early deaths of the majority of the children, and in the crippled and disordered forms of the majority of those who survived. On the women and grown up girls the effects of long hours and wearisome work were equally disastrous. A curious inversion of the proper order of things was seen in the domestic economy of the victims of this cheap labour system, for women and girls were superseding men in manufacturing labour, and, in consequence, their husbands had often to attend in a shiftless, slovenly fashion to those household duties which mothers and daughters, hard at work in the factories, were unable to fulfil. From official documents we hear of children and young people in factories overworked and beaten as if they were slaves ; of diseases and distortions only found in manufacturing districts ; of filthy, wretched homes, where people huddle together like wild beasts ; we hear of girls and women working underground, in the dark recesses of the coal mines, dragging loads of coal in cars, in places where no horses could go, and harnessed and crawling along the subterranean, pathways, like beasts of burden.

That is a picture of the condition of England under protection - a system which it is proposed to establish here. Let us now take the condition of affairs in America,, where protection has been in force for a great number of years. I would ask honorable members to bear with me while I read an extract showing the opinion expressed by Mr. John Burns,- M.P., on the condition, of affairs in America. I quote from the- Age of 2nd March. 1895-

Mr. John Burns, M.P., made some very damaging remarks upon the social life and institutions-, of the United States, whence he had just returned. Having stated that the average wages were lower than in Britain -

And I think Burns is a labour leader whose words we are entitled to respect in this, matter - he pointed out that the great wealth of America was in a very small number of "hands. He did not find labour 'is well off as he had expected, and the standard of comfort was gradually diminishing. As regards sweating, he could tell them that at Pittsburg he had seen Jews working 70 or 80 hours a week for from 12s. to 21s. Skilled labour received higher wages, but they were relatively worse off than their English brothers. Miners were paid less than in England, and many of them received less than a dollar a day. Street labour was paid less than in any London parish ; and, as for the clerk, he was sinking more and more into the position of an unskilled labourer. He seems to consider that the United States should be severely left alone; by any working man desirous of bettering his position.

Owing to the splendid statistics which have been kept in connexion with the mining industry in Australia, we can compare it very well with the same industry in Great Britain and America, and also glance at its relative position in New South Wales and Victoria. In America there is a duty on various articles used in mining, and I should like to quote extracts from a report rendered by a committee of congress appointed to investigate the relations of capital and labour on the anthracite coalfields of Pennsylvania, and reprinted in Hobson - Evolution of Modern Capitalism -

Congress has found that the coal companies keep thousands of surplus labourers in hand to underbid each other for employment, and for submission to all exactions ; hold them purposely ignorant when the mines are to be worked and when closed, so that they cannot seek employment elsewhere . . . " pluck " them at the companies' stores, so that when pay-day comes round the company owe the men nothing, there being authentic raises where sober, hard-working miners toiled for years, or even a life-time, without having been able to draw a single dollar, or but few dollars, in actual cash, in debt until the day they died ; refuse to fix wages in advance, but pay them on some hocus-pocus sliding scale, varying with the selling price in New York, which the railway (which owns the mines) slides to suit itself, and, most extraordinary of all, refuse to let the miners know the prices on which their living slides - a fraud on its face. The companies dock the miners' output arbitrarily for slate and other impurities, and so can take from their men live to fifty tons more in every hundred than they pay for. . . . Labour organizations are forbidden, and the men intentionally provoked to strike to affect the coal market. The labouring population, finally, is kept "down" by special policemen, enrolled under special laws - and often in violation of the law by the railroads and coal and iron companies, practically - when and in what number they choose, who are



practically without responsibility to any one but their employers, armed, as the company sees fit, with army revolvers or Winchester rifles, or both ; made detectives by statute, and not required to wear their badges, provoking the public to riot, and then shooting them legally. By the percentage of wages, by false measurements, by rents, stores, and other methods, the workman is virtually a chattel of the operator. I will now show the position of the mining industry in Germany under protection.

Mr. Sawers.- In what year?

Mr. FULLER. - 1 4th October, 1896.

Mr. Mauger.- What is my honorable and learned friend quoting from?

Mr. FULLER.- I am quoting from the Prussian Government reports on the employment of women and children in the Prussian mines in 1895. According to those reports, the total number of young persons under 16 years of age employed in the industry was 10,591, while there were also 8,434 women working in connexion with it. In the collieries of Upper Silesia the average wages paid per shift were 10d. to the young persons, 10d. and 10<sup>3</sup>/<sub>4</sub>d. to the women. In no case did the wages exceed 1s. 11<sup>1</sup>/<sub>4</sub>d. per shift for the young persons and 1s. 5d. for the women. I find that, according to The Times of 11th June, 1897- At the Miners' International Congress, London, M. Marville, member of the Belgium Parliament, gave the wages of Belgium miners, according to official statistics, as averaging 3.8 francs (2s. 6<sup>3</sup>/<sub>4</sub>d.) in 1893 ; 3.12 francs (2s. 7<sup>1</sup>/<sub>4</sub>d.) in 1894, and 3.17 francs (2s. 7<sup>3</sup>/<sub>4</sub>d.) per day in 1895.

I will turn now to the condition of the coal mining industry under free-trade in that impoverished country - England. M. Lamendin, the French delegate to the Miners' Congress, in Berlin, in 1894, said on his return

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The English miners were absolutely indifferent to the miseries of the miners on the Continent, because they did not experience them themselves. The economic conditions in England were infinitely better than those affecting the Belgians, the Germans, and the French. In truth, the English could afford to scorn the discussion of the minimum wage question, because they literally dictated their pay themselves.

The Times in April of the present year, speaking of the condition of the miners in England, said -

The miners of South Wales and Monmouthshire are receiving higher wages than at any time in the history of the coal-field. Colliers and their leaders generally display a peculiar desire to minimize their earnings, but in recent actions under the Workman's Compensation Act colliers have been declared to have earned on an average £3 and over per week. Pay-sheets of colliers show that at the end of March men engaged in coal-getting have received as much as 18s. to 20s. per day, and that some men have taken as much as £10 to £12 at the fortnightly "pays." The average of the colliers' earnings in the pits may be set down as between £2 2s. and £3 3s. per week. Colliery proprietors readily admit that their profits have been large, and their chief complaint is that the men will not produce as much coal as they might if they worked regularly ; in fact, that while the wages bill has doubled since the strike of 1898, when men were paid from 4s. to 9s. per day, the output of coal per man at present is less than it was three years ago.

Mr. Mauger.- How much has the war had to do with that?

Mr. FULLER.- I know perfectly well that the English coal mines depend to a large extent - as do those of New South Wales - on what they export to foreign countries. I have no statistical information as to how much the war has had to do with this condition of things. But in this connexion I should like to institute a comparison between New South Wales and Victoria. In the coal mines of those States the conditions vary a good deal. The actual average earnings of the Victorian coal-miners are not more, but are probably less than 30s. a week, whilst the wages in New South Wales are fairly well maintained - and I speak as one who comes from a coal mining district - at 45s. a week. I should further like to point out, that in France the coal miners work eleven hours a day for a wage of 21s. per week. In protected Germany of which we have heard so much, and which according to some honorable members is going to drive old England out of the markets of the world, they work eleven hours per day for 21s. per week. In Austria they work twelve hours per day for 16s. per week. In the United States of America - another highly protected country - the coal miners work ten hours per day for 26s. 6d. per week ; in Victoria eight hours per day for 50s. per week. In New South Wales they work eight hours per day for 54s. per week, and in Great Britain from seven to nine hours per day for 52s. 6d. per week. When, therefore, we institute a comparison between the hours of labour and the wages paid in this great industry we find that in free-trade Great Britain and in the free-trade State of New South Wales wages are higher than those which obtain in all these protected countries, whilst the hours of labour are very much shorter. In conclusion, I oppose this Tariff, not from

any factious motives, because I thoroughly recognise that the revenue of the Commonwealth must to a large extent be raised through the Customs. But revenue tariffists from New South Wales - and I believe the same remark is applicable to those who represent other parts of Australia - entered this House with a fixed determination to keep the taxation of the Commonwealth down to the lowest possible point consistent with the raising of a sufficient amount of revenue to carry on the Government of the country. We believe that all the revenue thus raised should go into the public Treasury to be spent for the benefit of the whole people, and we are here to prevent any of that money filtering into the pockets of private individuals at the expense of the community. Believing that this Tariff will press harshly upon the great primary industries of the Commonwealth - the mining, farming, dairying, and pastoral industries - I have no hesitation in supporting as strongly as I possibly can with my voice, and certainly with my vote, the motion of censure moved by the leader of the Opposition.

Mr. McCAY(Corinella).- I do not think that any honorable member of this House can complain that we have not been provided with sufficient material for discussion in the Budget statement of the Treasurer, and in the Tariff submitted by the Minister for Trade and Customs. Neither do I think that any one who has listened during the past fortnight to all that has been said - chiefly, I must confess, by honorable members on the other side of the House - will deny that full advantage has been taken of the variety of subjects offered to us. I must also do those honorable members on the other side of the House the justice of saying that they have not confined themselves to the wide range of subjects offered for discussion, but have expatiated freely upon everything connected with what has come before us. In this debate we have seen a literal fulfilment of the poet's injunction -

Let observation with expansive view,  
Survey mankind from China to Peru.

Certainly every authority which treats of the conditions and resources of the various peoples of the world, from China to Peru, has been ransacked in order to provide material either in support of, or in contradiction to, the statements which have been put forward from time to time during the debate.

Mr. Fisher.- It has been very mild over here.

Mr. McCAY.- I do not regard the corner which the honorable member occupies as the " opposite " side of the House in the technical sense of the term. Honorable members who sit there do so merely for convenience, and not because their convictions are at variance with those of the gentlemen who occupy seats upon the Treasury benches. Of the subjects which are offered to us I do not propose, on this occasion, to speak completely. I shall be compelled to limit my remarks to one or two points which I conceive to be more directly at issue, in order to prevent my speech extending to an inordinate length. I have never succeeded in speaking for four hours. I trust that I shall never attain to that ideal. The ideal is always a thing for which we strive, but which we never attain and I regard a four hours' speech as distinctly an ideal thing. During this debate the question of our loan policy has been raised, and incidentally discussed, but as we shall have an opportunity of dealing with that matter at a later stage, I do not propose to say anything in reference to it just now. In connexion with the main subject, namely, the Tariff policy of Australia, combined with the particular Tariff proposed by the Government, I should like to observe that apparently in order that they' might not become too monotonous the floods of eloquence which we have heard in denunciation alike of the policy and the Tariff, have been from time to time flavoured with a certain spice of abuse, as well as charges of deceit, and of wilful misleading which have been levelled chiefly against the leader of the Government. In fact, so far has it gone that the other afternoon we heard one honorable gentleman who declaimed against the Government declaring that the Prime Minister had misled the farmers of Victoria into believing that they were to get a free-trade policy, or something like it, and had thereby deluded them into voting for federation by that wicked announcement in the Maitland speech. It was the first time I had heard that the Maitland speech preceded the federation of Australia; but there was an honorable member who said it. I interjected at the time, and asked the honorable member whether he really meant that. He said he did, and so, I presume, he did mean it.

An Honorable Member. - What is the honorable member's name ?

Mr. McCAY.- I could give the name, but the honorable gentleman does not happen to be in the chamber at the present moment, or I should say more on the subject. It only shows the length to which one's excited eagerness can carry one in attempting to justify anything that appears like a sudden change of position, for example. I do not grudge the glorification of free-trade that has taken place in the House ; I

do not grudge either the exultant cry of the right honorable member for Tasmania, Sir E. Braddon, that in this Parliament, or if not in this Parliament, then in the next, this country would see the triumph of the free-trade party. It strikes me, however, that it is rather a Pyrrhic victory, in which the cries of triumph are simultaneous with the admission that free-trade cannot possibly be introduced ; that while the principle of the party is triumphant, the practice of the party has to fall away wholly from everything that could previously have been conceived to be its practice. I do not grudge the cry, nor do I grudge the length of the orations in favour of free-trade, because we all knew that when one's friends die, one is at liberty to indulge in lengthy panegyrics of their virtues. The free-trade party are triumphing over, and at the same time mourning, the death of their cause - - and I venture to think their cause is dead, because they have themselves admitted it. I say that we are allowed to utter panegyrics over the dead, and the free-trade party has admitted that Australia cannot have free-trade; that the circumstances of the continent are such that we must raise a very large revenue through the Customs. They say it is the force of circumstances. Of course it is the force of circumstances, but the force of circumstances all the same has produced the abandonment of the primary platform of the party, and compelled them to seek refuge in that composite, that hybrid thing known as a purely revenue Tariff. I have been convinced, too, that the party recognise that it is in a parlous way, by the excessive joy with which any expected or unexpected accession of strength to its ranks has been received. We all recollect the scene of almost wild excitement we witnessed on Thursday afternoon and evening when first the honorable member for Flinders, and then the honorable member for the Grampians, announced their intention of crossing the floor and sitting in opposition. The honorable member for the Grampians said he did so reluctantly, and I have no reason whatever to doubt what he said. The honorable member for Flinders, I must say, did not display any great reluctance, for he went over to the enemy, horse, foot, and artillery ; and, with the zeal of a new convert, went at any rate quite as far as the seasoned hands of the party would have done. I recollect the enthusiasm which prevailed, the cheers with which the first honorable member was greeted when he rose, and the increasing excitement as he made his position plainer and clearer. I must say that I think honorable members opposite, while expecting the honorable member's vote, did not expect his voice in as emphatic and decided a manner as they got it, because I did not hear any enthusiastic cheers when the honorable member said at the conclusion of his speech that he went over as a moderate protectionist. I am still at a loss to understand how the honorable member will reconcile moderate protection, or protection of any kind, moderate or otherwise, with the freetrade principles he will find over there, which I shall do honorable gentlemen opposite the justice to say can only be characterised as immoderate. We recollect the reception also of the honorable member for the Grampians, who announced that he went across as a moderate free-trader. The Opposition have enjoyed the accession of these two honorable members, who have proclaimed themselves believers in moderation, and I may say it is a quality which the Opposition will find itself not unnecessarily supplied with. I was reminded of the well-known scene in Dickens, when the Honorable Samuel Slumkey went forth to join in the procession through the borough of Eatanswill at the time of the keenly contested election between the two old parties, the " blues " and the " buffs." We all recollect that his election manager, Mr. Perker, was in one of the carriages at the back of the procession, and could not see exactly what was going on. But when the noise had grown very loud, and the cheering was enthusiastic, he said " He is kissing one of the babies." There was another roar - "He has kissed another." And when the noise became simply deafening and tumultuous ? he said "He is kissing them all." I in. ist confess that the conduct of the Opposition for the time reminded me of that scene. Over went the honorable member for Flinders- and the Opposition was kissing one of the babies. Over went the honorable member for the Grampians, and the Opposition was kissing another. Then it suddenly occurred to them, "If we kiss them all, we shall win. This will never do, because whatever happens, we do not want to win on this occasion." Honorable gentlemen sitting opposite know that perfectly well. They know that the very worst thing that could happen to them would be to have to come over here, because they know that they would then have to do what they have not done yet during the whole of this debate - they would have to disclose something like a consistent and harmonious policy, and would have to tell the people of the country that they, the champions of the people, who are now anxious to take off the duties, as opposed to the wicked people here who are putting them on - that they, the champions of the people, were going to put practically the same shackles upon them that we on this side are said to be putting upon them. The Opposition knew that, and they know it now. They know that

the worst thing that could happen to them would be to have to come across here. I see present now the right honorable gentleman who has expressed his belief in the triumph of the free-trade party - the Pyrrhic victory as I have called it.

Sir Edward Braddon. - Hear, hear ; it is coming.

Mr. McCAY.- It is coming, like the Greek Kalends, I venture to assert, because the triumph of the free-trade party means the triumph of direct taxation, and the triumph of the land tax party. I am not going to discuss whether that is right or wrong, as the subject is too large a one to enter upon ; but we may as well let the public of Australia know that there is no reality and no sincerity in the profession we have heard from the opposite side that all these duties are to be swept away, and that all the industries of Australia are really to be left free, with the result that we shall have a magnificent revenue, and nobody paying it. There is the alternative of this Parliament passing sufficient duties and imposing heavy direct taxation on every producer, primary or secondary, and there is the alternative of placing light burdens on to the people, and passing on to the State Parliaments the unavoidable, inevitable, absolutely necessary duty of imposing direct taxation themselves in order to make up the deficiency we should be creating.

That is the situation.

Mr. Poynton.- The honorable and learned member is flogging a dead horse.

Mr. McCAY.- I shall flog the dead horse of the honorable member's Tariff' before I sit down. I am going to draw the attention of the House to the Tariff which he proposes, and we shall find that it more closely resembles a dead horse than does any other that has been suggested or hinted at from the opposite side. The honorable member - waves Rannard at me. I believe it is a heavy weapon, but I am not afraid of it. We have been told to prove that protection is a bad thing and free-trade a good thing. We have been told that the struggle for life is keener in Victoria than it is in New South Wales, and that it can be seen in the faces of the Victorians. I ask you, sir, to look around the Chamber, and see if you can tell by the keen and anxious expressions on the faces of honorable members - who, I suppose, are fair types of the States they represent - whether they are Victorians or New South Welshmen. I venture to think that we can, on the whole, produce as comfortable-looking a set of members from Victoria as they can from New South Wales. There is one struggle, however, that is keener in New South Wales apparently than it is in Victoria. It is not the struggle for life, though; it is what is commonly known as the struggle for office, and we are perfectly willing to give the palm in that respect to our friends from across the border. Then we have had denunciation after denunciation hurled at Victorians and at Victoria. I am not going to institute any comparisons between the State to which I have the honour to belong and any of the neighbouring States, nor between England and America, nor between any two countries. I think, with Mrs. Malaprop, that comparisons are decidedly odorous, and we have had quite enough of them, for the present at any rate. We had the leader of the Opposition announcing practically that he came here to destroy the Victorian manufactories. We had the honorable member for North Sydney announcing his utter disapproval of every thing in the way of duties. We had the honorable member for West Sydney - it will be observed that it is all Sydney - pointing out the wickedness of Victoria, and denouncing Victorian workmen as scabs and blacklegs, because that is practical]]' what his remarks came to.

Mr. Poynton.- He did not use those terms.

Mr. McCAY.- I said that is practically what his remarks came to.

Mr. Poynton.- Quote him fairly.

Mr. McCAY.- I have not begun to quote yet ; I tell the honorable member once more that he is about the only one I shall quote, and then he will be able to say whether my quotations are fair or not.

Mr. Poynton.- I am not afraid.

Mr. McCAY.- The honorable member for West Sydney said that when New South Wales workmen were out on strike, Victorian workmen went over and took their places.

Mr. Joseph Cook. - It is quite true, too.

Mr. McCAY.- If that is not what is called a scab or blackleg, I do not understand the meaning of the term. I am not going to discuss it ; I merely draw attention to the fact that these allegations are made. Then we had the honorable member for South Sydney, so to ' speak, after the other three, summing up the situation by - I shall not use such a strong term as "denouncing": he was milder in his utterances - disapproving of practically everything Victorian, because of the wicked system under which it had been reared. He felt more in sorrow than in anger compelled to draw attention to it. It will be seen that Sydney -

North, South, East, and West - has joined in condemnation of Victoria and things Victorian. I am surprised at it, because the right honorable member who leads the Opposition told us in his speech that, after all, whatever Tariff we might have, New South Wales would reap the harvest. If the harvest is to be reaped by New South Wales, why all this denunciation of Victoria? New South Wales undoubtedly will be one of the great centres of Australian commerce and industry. But I do not see why on that account we should have its representatives united in heaping on our unoffending heads all these offensive and unpleasant epithets. If I were inclined to retort I might ask honorable members whether such conduct would not justify one in saying that Sydney, with all her natural advantages, is, to use the words of the wellknown hymn, "a place where every prospect pleases." I leave honorable members opposite to supply the next line of the hymn if they recollect it. I prefer not to do so. I do not wonder, however, that all these speeches have been made, because I fancy that some of those honorable members recognise, as some of us do, that free-trade, after all, is not an axiomatic truth; that the fundamental policy of it, viewed, at any rate, from the axiomatic point of view, is sufficiently obvious not to require any special elaboration; that the whole of the free-trade theory is founded on the existence of what is called the economic man; that is to say, the labourer who has the wonderful carpet - I forget the particular hero of the Arabian Nights who owned it - which would transport him from one end of the world to the other at any moment. It is all founded on the theory that labour is perfectly free to flow without the least delay in any direction it chooses and at any moment it pleases, and that it is able to adapt itself to any conditions that may happen to present themselves; that the artisan in one trade is able to turn himself to another without any training, without any instruction, or without any delay. If labour were immediately adaptable to every trade or calling, it is conceivable that then on paper free-trade might be correct; but when we come to discuss it from the point of view of actual facts, we know that it is not so, and that the theory will not work out in daily life as honorable members would like it to do. That is the reason why they have to fall back on their second line of defence, and endeavour by the institution of comparisons to show that, in fact, whatever the theory, one country with free-trade is better than another with protection. As I said before, I am not going to institute any comparisons. But I think I can say, without being charged with an attempt to belittle the old country, that 60 years ago, or thereabouts, when Britain changed her protectionist policy for a free-trade one, she was without any rival in the world of commerce - that it was a case of Eclipse first, and the rest nowhere. To-day she has at any rate dangerous rivals; I am not going to say that they have passed her, or that they are more successful than she is, but she has rivals to meet and fight, on something like even terms in the markets of the world, whom she had not 60 years ago, and I am rejoiced to say that her advance has been great. I should be very sorry indeed to have to prove the case for protection if there were no other way of doing it than by being able to point to the decay of free-trade England. I have sufficient belief in the sturdiness and capacity for advancement of the AngloSaxon people to know that, whatever policy we may adopt, they will still advance. If Australia were to become free-trade tomorrow, I am satisfied that she would still advance.

Honorable Members. - Hear, hear.

Sir Edward Braddon. - She would begin to advance then.

Mr. McCAY. - I admire these occasional cheers from the Opposition. If an honorable member says a single thing with which they can agree, and which, if built to the height of the Tower of Babel, might ultimately produce a result in their favour, they immediately cheer it. They remind me, I must confess, of some boys who are backing the losing side at a football match. Honorable members all know that when the ball by some sudden miracle, so to speak, travels along towards the winners' goal, the small boys raise an immense cheer; they are determined to be happy while they can. So honorable members opposite, when an occasional episode appears to favour them, must cheer.

Sir Edward Braddon. - An occasional glimpse of reason on the part of the other side.

Mr. McCAY. - They are determined to be happy while they can. I applaud them for that habit and that action, because, as I have said, they recognise by their cheers that it is only an occasional glimpse of happiness, from their point of view, that they can possibly have. They have abandoned their own cause, and they cannot expect anyone else to support it. Therefore, I am not surprised to hear these cheers, because I quite recognise that the position of honorable members on the free-trade side is on a par with that of the small boys who become happy as they get occasional glimpses of the success of their side, which however, is steadily losing all the time. Undoubtedly Australia, if she were a free-trade country, would

progress, but equally she would undoubtedly advance much more under a system of protection, and that is why I have always been a protectionist. In saying that, I wish it to be understood that I have never been what has been called a rabid protectionist or a prohibitionist. I have never had an opportunity of taking part in a fiscal debate before. Although my political lines have not always been cast in pleasant places they have been sufficiently so to enable me to avoid a fiscal debate, and consequently whatever else honorable members may do they cannot on this occasion quote my previous speeches on the fiscal question. That, perhaps, is an advantage ; although, I must confess that I do not regard as of much value the habit of quoting former speeches. It does not prove anything, except that an opponent has changed his mind - even if it proves that. It does not go to prove that the case is good or bad, any more than a litigant's case in the court would be proved to be sound or unsound, because the lawyer who was acting for him had on some other occasion given an opinion which would be in favour of the opposing party in the case. The question is whether what honorable members now say is right or wrong - that is the only point at issue. These references to what honorable members have said before, are all very well as a part of a game, but politics in this Australian Parliament should not be regarded as a game, and we should be more concerned in ascertaining what is correct now, than in proving whether someone has done right or wrong on a previous occasion. I have never believed that protection was the be - all and end - all of existence, and I do not now believe that protection can cure everything, any more than I believe that free-trade can cure anything. I do believe, however, that with a reasonable amount of protection, as far as the circumstances of the case will permit, we may attain more easily, quickly and surely than we can under a system of freetrade to that happy condition when every one will have some reason to be satisfied. I believe that protection affords a surer, safer and better foundation upon which to build our economic legislation than freetrade can give us. I believe that it acts as a sort of shield against those storms from outside, which would almost inevitably wreck our industrial edifices, before we could get them thoroughly well constructed. I would point out that that view - whether it be right or wrong - is in harmony with the general theory that prevails nowadays, as to the extent to which State powers should be exercised. The doctrine of laissez faire has now been abandoned, except in a very few high and dry quarters, and we can all recognise that it is now the business of the greatest force in the State - that is, the whole community - to interfere to a greater or lesser extent in the management of the affairs of the State - that the combined people should interfere with individuals for the benefit of the others, who form the community. Protection is only one manifestation of that particular method of political and united activity, and that being so, those who advocate free-trade must, if they support any other kind of interference by the State in the affairs of the people, beyond the mere protection of life and property, show why it is that they are prepared to make flesh of one and fowl of another - why they are prepared to act one way in regard to some things, and to act in another way with regard to others. That duty, at any rate, is cast upon the free-traders. I should like to know whether we have heard any explanation of that attitude from any of the leading free-traders during the present debate - whether we have had it explained to us why it is right for workmen to combine together in trades unions, and wrong for a nation to protect itself, or wrong for the individuals composing a nation to protect themselves. We have not had any such explanation, and I feel sure we shall not have any. I can quite understand the rejoicing there is in the free-trade ranks when labour members are found to be free-traders, because the very novelty of the situation, and the very fact that these honorable members are in an anomalous position which requires explanation, excites special interest. Now I would like to say a few words about a matter that was discussed very fully the other night ; that is with regard to the effects of exportation and importation, as compared with local production. I do not think I can act more fairly than by taking as my text the illustration used by the honorable member for Flinders. The honorable member referred to what he regarded as a superstition held by the honorable member for Gippsland, that the country which imported more than it exported, was in a bad way of business, and he said - " I will give you an illustration." He said - " Take a thousand tons of butter, and suppose it is worth £75,000 in Victoria, and that it is exported to England and realizes £100,000 ; with that £100,000 the exporter buys goods and imports them into Victoria. The charges on those goods would amount to 10 per cent, at the very least, and would thus make them worth, landed in Victoria, £110,000. There you have £75,000 worth of butter sent away, and £110,000 worth of goods sent back to Victoria - is not that a good deal?" It would be a mighty good deal by which for £75,000 we should get £110,000, and it would be a deal worthy of all the praise that could be

bestowed upon it. It is the sort of deal that I should very much like to be engaged in, and if I could satisfy myself that the honorable member's scheme was sound, I should at once engage in the export trade, and cease to supply goods to the home market, because I know I could not get such prices there. But why is the honorable member so modest? Like alive, he should stand astounded at his own moderation.

Speaking in round figures. his exporter sent away £75,000 worth of butter, and got back what our grandfathers would have called a "plum," in the shape of £110,000 worth of goods. But why so moderate? If the charges had been 20 per cent, to bring the goods out, he would have had goods worth £120,000 instead of £110,000. If he had taken care to ship the goods in an expensive manner, and made the charges 50 per cent., he would have got back £150,000 worth of goods. If he had chartered a steamer to carry each separate bale of goods of £100 worth, at the cost of £1,100,000 for freight, he would have got £1,100,000 for his £75,000, and would have become a millionaire straight away.

Mr. Fisher.- He would have some difficulty in selling at that price.

Mr. McCAY.- But the honorable member for Flinders made up the £110,000 by bidding the charges. Honorable members may say that it is nonsense to speak of making money in that way, but it is nonsense only so far as the original illustration was nonsense; and if the original illustration were correct then assuredly my elaboration is also correct.

Mr. G.B. Edwards. - Money is made that way every day.

Mr. McCAY.- The honorable member for South Sydney says that money is made every day by paying freights and charges to shipping companies.

Mr. G.B. Edwards. - Not at all.

Mr. McCAY.- The honorable member said that money is made "that way" every day, and "that way" is the way I have described.

Mr. G.B. Edwards. - The honorable and learned member was distorting the facts.

Mr. McCAY.- I was confident I should be told I was distorting facts, and I am sorry the honorable member for Flinders is not here to say whether I have put the case fairly. Nobody said I was distorting when I put the case of the honorable member for Flinders; but when I show to what the argument of that honorable member leads, the accusation is at once made. I say again that the honorable member for Flinders told us that by the operation of exporting £75,000 worth of butter he got in return goods worth £110,000, and he made up that £110,000 by adding £10,000 as freight and charges on those goods. If that £10,000 for freight and charges is made part of the £110,000, it is impossible to deny that if the freight and charges had amounted to £20,000, then he would have got in return £120,000 worth of goods. If the honorable member for South Sydney says that in putting the case in that way I am still distorting, he must be looking at the matter through spectacles that will distort anything.

Mr. G.B. Edwards. - Men export butter and import goods and make a profit every day.

Mr. McCAY.- Of course they make profit, because the amount they sell the butter for is less than the amount the butter cost them. It is not because they have exported the butter; it is because the prime cost of the butter is less than the market price. Men who make butter do not make profit by exporting it to Britain, but they make profit out of the sale in the market, wherever the market may be.

Mr. G.B. Edwards. - The honorable and learned member fails to see the argument.

Mr. McCAY.- I do not fail to see the argument, but only fail to admit that an absurd argument is anything but absurd. I shall now turn to another point in connexion with the same matter. Honorable members opposite allege that once we have an exportable surplus of local products - a surplus, not ephemeral, but of a substantial kind - then the local price is dependent on the price in the foreign market. That is to say, the local price equals the price in the foreign market, less the charges for taking the goods from Australia to that foreign market. Does the honorable member for South Sydney admit that that is not a distorted representation of the theory?

Mr. G.B. Edwards. - I decline to be drawn into interruptions.

Mr. McCAY.- The honorable member will not even admit that I put an argument fairly when I do so. The theory, which I accept for the moment, is that the local price equals the foreign price less the charges of exporting to the foreign market.

Mr. Conroy.- If there is no local trust.

Mr. McCAY.- There are a hundred "ifs" in all these matters, but the fundamental theory is that the local price of wheat, for example, depends on the price in

Mark-lane - that the local price is less by the amount of the charges from Melbourne or Sydney to Mark-lane. I think that is a fair way of putting the theory, and in such a case, I am afraid that the honorable member for Flinders cannot be quite correct. That, I think, is what most free-trade journals or advocates will admit as a fair statement of their position, and I repeat that if that be so, the case of the honorable member for Flinders is not quite correct. I can hardly conceive that freight and charges would amount to £25,000, and it is only fair to put the freight and charges at about the same figure for taking the butter home as for bringing goods out. I will adopt the view that it cost £10,000 to take the butter home and £10,000 to bring out the goods in exchange; and this, in other words, means that the local producer could have sold his butter in the local market for £90,000. Let us see what the actual transaction was. The dairyman, in the case given by the honorable member for Flinders, had in Melbourne £90,000 worth of butter. He paid £10,000 to have that butter taken to London, and he sold it there for £100,000. Then he paid another £10,000 cash to bring goods out from London, and he had back in Melbourne goods worth £110,000. For these goods he had paid all his butter and £20,000 in cash. I am assuming that there are no duties, which are such dreadful things that, like facts, they upset free-trade theories very often. In other words, this dairyman, for £110,000, got £110,000. That is the real transaction that took place, and is the transaction that would have taken place if he had never shipped his goods to England, but had sold them in the local market for £90,000. He would have had £20,000 in his pocket, and £90,000 for the butter sold - he would have had £110,000 without exporting just as he had with exporting.

Mr. A. Paterson. - What about interest in the meantime?

Mr. McCAY. - I shall not bother about the question of interest. We will suppose that this exporter bought 5,000 cases of boots at home. Boots are a favorite subject of free-trade philippics - the dreadful duty on boots in Victoria. If he bought 5,000 cases of boots, at £20 a case, and shipped them out. then for his £90,000 worth of butter and £20,000 in cash he would have 5,000 cases of boots. Let us see what would have happened had he bought the boots in Victoria, still leaving out the question of duties, and dealing with the matter only as one of export and import.

Mr. Cameron. - Will the honorable and learned member distinguish the kind of boots?

Mr. McCAY. - Boots worth £20 a case are the kind of boots I am discussing; that is to say, a case containing perhaps

50 pairs at 5s., which is £20. For £20,000 in cash, and £90,000 worth of butter, he gets 5,000 cases of boots. But suppose he bought the boots at £20 a case in Victoria, then for 90,000 he would get 4,500 cases of boots, and would not have to pay any cash for freight. He would have only 500 cases of boots less, and he would save £20,000.

Mr. Cameron. - What is the quality of the boots?

Mr. McCAY. - Now the honorable member wants me to go into the question of the comparative quality of Australian and English goods. Will he allow me to assume, for this occasion only, such an unwarrantable tiling as that the goods are of the same quality? I will admit that the man must sell his goods in order to live. Of course, he could not live on butter any more than he could live on boots. If he bought boots at the same price in Melbourne or anywhere in Australia he would get 4,500 cases. In other words, as the 5,000 cases cost him £110,000, and the 4,500 cases only cost him £90,000, he would be £10,000, or 500 cases of boots, better off by buying in the local market. But I will assume that the boots are £22 a case - that is £2 a case dearer in the local market. Then, by buying in the local market, he will get practically the same quantity of boots for his £90,000 as by sending the butter home to England and buying the boots there, although the boots are dearer in the local market. But it will be said that the producer cannot sell all his butter in the local market. I will assume that that is the case, and that he sells his produce for £100,000 in England, and obtains a draft on Victoria for the money.

Mr. Conroy. - In trade all round that is not possible.

Mr. McCAY. - Of course it is not possible all round, but there are other things that may be imported and that may be bought.

While we have to pay £12,000,000 or £14,000,000 a year in interest to the Home country it is an easy operation indeed to perform. The payment of our interest bill enables that to be done every day, for the simple reason that the man in London buying produce from Victoria and having money owing to him in Victoria, will say to his debtor, "Pay the £100,000 for me instead of sending the £100,000 home."

Suppose the producer gets his money out by draft. In that case he can buy with his £100,000 as many



boots at £22 a case as he could buy of English boots. In other words, the total Victorian price can be £10,000 higher than the English price and yet the man can do as well by buying in the local as in the English market. That is where the possibility of advantage comes in to those whose industries have the benefit of a protective duty. I am putting my -views before the House as those of one who is at least as well informed as a good many honorable members who have already spoken in like manner. That is to say, they are not the views of a commercial man any more than the views of many honorable members opposite were those of commercial men. The case I have just mentioned is an illustration of the possible advantage, at any rate, to the local producer, of a protective duty on articles he does not make himself. Because, as I have already pointed out, if the boots are £22 a case in Victoria instead of £20 per case as at home, the boot producer is on the same footing by buying locally as he would be by buying in England. The duty on boots thus confers an advantage on the man who buys them, the man who sells them, and the man who makes them. Such operations of trade as I have instanced do actually take place. Where do we get the money from with which we buy our locally made article? Does not some of it come from elsewhere? Is not some of it the result of profits on our exports?

Mr. Conroy.- It is the result of profitable industries only.

Mr. McCAY.- That observation is like "that blessed word Mesopotamia," which really has no meaning at all. Now I want to say a few words about the Tariff itself. First of all, I should like to say something about the Opposition Tariff, though it is difficult to say what that is. I have been trying to give the Opposition Tariff something like "a local habitation and a name," but have not succeeded in doing so. As far as I can make out, there are three Tariffs suggested by honorable members opposite. We first of all had the Tariff of the leader of the Opposition, which may be called the silk Tariff, because apparently silk was the only article which the right honorable member would tax. Everything else was to go upon the free list, but there was to be a duty of two or three million per cent, on silk, and no one except the unfortunate individuals who pay for the silk dresses which other people wear was to pay anything! Then we have the Tariff of the honorable member for South Australia, Mr. Poynton. He delivered a speech in which he devoted attention to a large number of duties, which he said would have the result of taking money out of the poor. He proposed that the bulk of the articles he mentioned should go upon the free list. If I name any article which I think the honorable member suggested should go upon the free list, and I am in error in doing so, I shall be happy to be corrected. Molasses and golden syrup were the first he mentioned. He asked what was the use of a duty on these articles. Then he mentioned arrowroot, tapioca and sago. He said that these articles should be upon the free list. I hope the honorable member will correct me at once if I say anything that is not accurate, concerning his suggested Tariff.

Mr. Poynton.- I shall have a "say" after the honorable and learned member has done.

Mr. McCAY.- I do not think that you, Mr. Speaker, will regard it as a highly disorderly interjection if the honorable member says I am erroneously attributing any statement to him. It strikes me that it would be a fair thing if the honorable member corrected me so that I may put his view of the case fairly. The next item he mentioned was candles, which he also said should be on the free list. Then he mentioned coffee, invalids' and infants' food, preserved milk, and rice. From rice, he said, the Government expected to get £142,422. As to the proposed duty on tea, the honorable member said, as reported in Hansard, page 6,129 -

There is no champagne and no silk about this: business. This money will be taken out of the pockets of the poor.

He mentioned that from this source the Government expected to raise £354,312, and he said as to the articles I have mentioned -

These are lines that might have been put upon the free list.

Then the honorable member went on to discuss the Tariff in its bearing upon blankets, woollens, piece goods, cotton, and linen. In regard to cotton and linen piece goods we find that at page 6128 of Hansard he is reported to have said -

South Australia, Victoria, Queensland, and New South Wales have hitherto had these articles on the free list..... I was showing the lines on the free list in, at any rate, four States.

It is quite true that he did not say absolutely that these goods ought to be on the free list, but surely the honorable member does not want us to infer that he intended to convey anything but the opinion that they should be free? I take his silence to mean consent. Then he criticised the duties on blankets and drugs,

and apparel, and attire - not elsewhere included - barbed wire, kerosene, cement, linseed, galvanized iron, etc. Exclusive of sugar, cocoa, and dried fruits, in regard to the duties on which there may be some doubt as to the honorable member's opinions, the items which I have enumerated are estimated to realize £2,130,961. I had the pleasure of listening to the honorable member's speech, and I do not think that any one who heard him, or any one who has read his speech, believes that he meant to convey anything else but that these articles should come in free. If he did intend to convey a different meaning he should have made it clear. That is the Tariff he would give us. I should be inclined to call it a disappearing Tariff. It illustrates the kind of Tariff which is put forward in opposition to the Government proposals. We get nothing in exchange. We are not told how we are to raise the necessary revenue if we allow these articles to come in free. As a matter of fact the Opposition does not want to win on this division, because it knows that if it did it would have the unpleasant duty of imposing a Tariff. This is merely a preliminary skirmish to damage the Ministry. I am more concerned in obtaining a Tariff that will benefit the people, and I would not make such proposals as those to which I have referred, unless I were prepared to submit some alternative scheme. Other honorable members appeared to scorn certain duties. The honorable and learned member for Werriwa, for example, talked about the duty on eggs.

Mr. Conroy.- I have not spoken yet.

Mr. McCAY.- The honorable and learned member talks a great deal without making a speech. He wanted to know whether the protectionist Tariff would make the protected hens produce more eggs.

Mr. Conroy.- I thought that a humorous man might post up a notice to that effect in his hen-yard, and as the honorable and learned member is humorous, I felt that perhaps he had done so already.

Mr. McCAY.- I have not done so, for the reason that I have not got a hen-yard, nor have I any collection of natural curiosities. I do not imagine that protection would make protected hens lay more eggs, although it might cause the free-trade roosters to crow less. It is true that this Tariff has not been received with unanimous enthusiasm by the people of Australia. It is equally true that there have been numerous criticisms and numerous faults found with it. Some have not been entirely unjustifiable. There are duties in the Tariff which I, as a protectionist, dislike, just as much as any free-trader could dislike them.

Mr. Kirwan. - What are those duties?

Mr. McCAY.- The honorable member does not expect me to go through the Tariff line by line? I have made a note of a few of the duties, and I shall mention them in due course. There are some duties to which every protectionist objects just as strongly as do the free-traders.

Mr. Conroy.- Certainly not, if the foreigner pays the duty?

Mr. McCAY.- The honorable and learned member has been corrected already in regard to that point, but he is not yet able to understand the fact that the duties which the foreigner does not pay are those which his party desire to impose - revenue duties - duties in respect of which there is no local competition to compel the foreigner to pay. In the illustration which I gave a few minutes ago, I showed that if boots locally made came down to £21 10s. a case, in order to compete with them the foreigner knew that he had to sell at under £22 a case. That is to say, in order to get a market he had to pay out of his own pocket 10s. per case off the freight and charges, which, according to honorable members of the Opposition, constitute the natural duty. If there had been a duty of 10 per cent. on those goods, amounting in round figures to £2 a case, and if the local manufacturers had been selling them at £21 10s., the importer would have had to pay that £2 per case out of his own pocket in order to get his goods on the local market.

Mr. A. Paterson. - What about the drawback?

Mr. McCAY.- I do not know what the practice has been in Queensland, but in Victoria there has been no drawback in respect of boots sold in the local market. When a man puts his boots on his feet he has no drawback to take into consideration, except when in the case of imported boots he finds that they have brown paper soles. The duties which the consumer must pay are those which are imposed on articles not locally produced - on articles which have to be imported in order to be obtained here. When the local article comes into the market he does not have to pay. The honorable and learned member for Werriwa should know that an article produced within a protected country does not pay any duty.

Mr. Conroy.- To the Treasury.

Mr. McCAY.- Such an article does not pay any duty. Articles made in a protected country do not pay any import duty. Surely that is correct? Surely I may have the pleasure of making one remark in the course of

my speech the truth of which honorable members on the other side will admit ? It is quite possible of course that a manufacturer may have a chance to put more money in his pocket than he ought to do by keeping up the price of his goods by artificial means, provided that there is no other manufacturer in the same line. If there is, then he has to come down. We never pay too much for imported goods, unless importers combine. My experience is that importers can combine much more easily than the local manufacturers are able to do. Victoria has had more or less of protection, during the last 35 or 40 years, and the history of the State during that period has shown more instances of combinations amongst importers than of manufacturers' combinations. If the fact were the other way, I would not hesitate to admit it at once. I have admitted always that under protection there is a danger of a manufacturers' combination, and I want my political adversaries to admit also that there is a danger of importers' combinations otherwise. If we have our duties at such a point that an importer has a chance of bringing in high-priced goods of a certain kind,, while the lower-priced goods remain largely under the control of the local manufacturer, we arrive at a state of affairs under which the importer and the manufacturer are a check upon each other, irrespective of the check which the manufacturers themselves may be upon each other. In many cases, the duty enables the local manufacturer to keep his market, while it enables imports of higher-priced articles to come in and revenue to be obtained from them. Let us take boots, for example. Practically, one cannot buy imported boots of low quality, because the duty does not let them in. Imported boots of higher quality, however, are obtainable, and the man who wants to buy them has to pay a high price. The duty goes, into the Treasury, and the poor man is not called upon to suffer. The only one who suffers is the rich man. The poor man wears locally made boots. In that respect he has more sense than the rich man, and he does, not suffer, because local competition keeps, down the prices as low as they would be if there were no duty. The local manufacturer has, at the same time; a market. If there were no duty, what would happen ? The importer or foreign manufacturer would knock off all his profits upon these cheap lines, and sell them at a price at which the local manufacturer could not sell, because it must be recollected that the former sells only his surplus stock to us, whilst the latter has to sell all that he makes. But when once the foreign manufacturer, by abandoning his profits for a time, has knocked out the local manufacturer ; and when there is no longer any reason for making the importer pay the duty - as he has been doing in order to secure a market - the consumer has once more to pay the duty, because there is no local competition to protect him from it. I am not now theorising, or indulging in abstractions. I am telling honorable members what has actually happened in Victoria. I do not speak of other States, because I do not know them as I do Victoria. I am telling honorable members what has actually happened, for example, in the boot trade and in the starch trade, if I may be permitted to refer to the latter with bated breath. The duties which the consumer has to pay are those which the local manufacturer does not force off his shoulders on to the shoulders of the foreign. manufacturer. These are the duties which the consumer has to pay, and which the revenue tariffists want to impose. I wish to impose a duty which there is a chance of shifting on to some one else outside of the Commonwealth. That is why I believe in duties which are protective in their incidence besides being revenue producing. I have already shown that a duty can be revenue producing and at the same time protective in its incidence.

Mr. Conroy.- As we are foreigners to other nations, we are paying all their duties, I suppose 1

Mr. McCAY.- Most assuredly. If we want to get our goods into Germany, and those goods can be made there, we shall have to pay the duty. But so long as the duty imposed in Australia is not equal to more than the amount which the foreign manufacturer is prepared to forego for the sake of keeping his factory working and of getting rid of his surplus stock, the local manufacturer cannot put up prices. If the duty is more than that, the local manufacturer A, seeing B making money in his factory, will say, " I am going in for this business too." Thus prices are kept down to less than the level which we should have to pay for the imported goods if there were no local manufacturers to force some of the duty upon the outside maker. That has happened in "Victoria over and over again.

Mr. Conroy.- How about paying higher wages if we get lower prices ?

Mr. McCAY.- I do not know that that interjection is particularly cognate to the point which I am making. I will, however, go back to the old illustration - boots - and point out that goods which are sold at £20 per case in England, can be sold for £22 per case in Victoria, without being dearer than they would be if purchased in England, because if they were bought in the latter country the purchaser would have to pay the freight upon them. Goods might be sold in Melbourne at £21 10s. per case and be cheaper than they

would be if sold in England for £20 a case, for the reason that if they were purchased in the old country the buyer would have to pay £2 for freightage. That is why wages can be higher and yet goods can be actually cheaper measured in produce to the man who buys them.

Mr. Ewing.- The honorable and learned member does not expect the honorable and learned member for Werriwa to understand, him?

Mr. McCAY.- I do not expect to be believed. I expect to be told that I have been talking nonsense, or distorting facts.. I always expect such remarks to be made.

Mr. Poynton.- Hear, hear.

Mr. McCAY.- Even the honorable member for South Australia, Mr. Poynton, cheers my remarks. But he will not be able to show that I am distorting facts or talking nonsense when I say that he cheerfully pretended to offer to the people of Australia, a remission of £2,000,000 in duties, without attempting to show where the deficiency could be made up.

Mr. Poynton.- The honorable and learned member is distorting facts, and I will show it very soon.

Mr. McCAY.- I asked the honorable member upon each item to stop me if I said that he wished to put upon the free list something which was not already there. He would not do it. I am content, therefore, to allow others to decide what is the value of any answer which he may subsequently choose to give. The Tariff contains-, duties which I do not like - revenue duties. It contains duties which the consumer must pay, and as the honorable member for Coolgardie has asked me to name some of them, I will mention the duty upon " kerosene " as one. That is purely a revenue duty.

Mr. Poynton.- Do they not produce kerosene in Sydney ?

Mr. McCAY.- I am not one of those who desires to protect every industry, because a man and a boy are employed in it.

Mr. Poynton.- Is it not because there is no kerosene produced in Victoria ?

Mr. Harper.- It is not made in Sydney. It was at one time.

Mr. McCAY.- I am told that it is not made in Sydney, though it was produced there at one time.

Mr. Sawers.- The Reid Tariff killed it.

Mr. McCAY.- That is one of the industries in which there is no local competition to force the proposed duty of 3d. per gallon back upon the man who imports it. Cotton and linen piece goods are not made in Australia, so far as I am aware, and yet a duty is imposed upon them. These are duties which are not justifiable upon any ground of principle. But there is another ground which honorable members have to consider, and which I will mention presently. I said the other day that I would vote for the abolition of the duty on kerosene. It is one of those duties which, though it will produce a large revenue, is in its nature so unpopular that it does more harm than the money derived from it will do good to the community. I repeat that cotton and linen piece goods are not made in Australia, but notwithstanding this fact, there are duties proposed upon these goods varying from 10 to 20 per cent. A 10 per cent. duty is proposed upon flannelette. I shall vote for a reduction of that duty, but not for its abolition, not because I am sitting behind the Government, but because I am a citizen of Australia, and realize that we have to raise £8,000,000 or £9,000,000 with which to carry on the government of the Commonwealth. Because of that we cannot have a scientific protective Tariff, containing duties which are neither too high nor too low. We cannot have a free-list :such as I should like to have. In Victoria two-thirds of our imports came in free of duty. Can any other State except New South Wales show a similar result ? They were goods which were not locally produced. They were raw material, but in a protectionist State they ought to come in free, in accordance with the protectionist theory. Our free list has been diminished very much in this Tariff, Instead of a free list of two-thirds, it is a free list of little more than one quarter. And that is where the trouble comes in. It is these duties I do not like, and which so many honorable members opposite also do not like - these duties on the necessities of life, so to speak - these duties on goods used in large quantities. We cannot get revenue from goods used in small quantities, and that is why we have to put duties upon goods which come in in large quantities. It is because of that urgent necessity I shall be compelled to vote to restrict the free list very much. I should like to make it larger than the Government proposal, if I had my way, but in the result it will be actually smaller than the free list we have been accustomed to for some time in wicked protectionist Victoria. I am forced into one of two situations. We must either raise this money by direct taxation or by indirect taxation, and I shall be no party to compulsory direct taxation by the States, nor shall I be any party to direct taxation on the part of the

Federal Parliament. I think it would lead to inexhaustible disaster and inevitable confusion if we were to resort to direct taxation in the Federal Parliament. The Constitution does not forbid us to do so, but there is a constitutional understanding which practically prevents us from imposing direct taxation. I shall not now discuss the merits or demerits of direct taxation. I have at other times spoken in favour of various forms of direct taxation, subject to qualifications, which I then laid down, and which still exist, but I do say that we should not be true to the trust Australia reposes in us if we practically forced the State Parliaments to resort to heavy direct taxation. Let them have it by all means if they like, but let them impose it voluntarily. That is why I say I shall vote for some revenue duties against which I should otherwise vote without the slightest hesitation. But there are some I conceive to be so harsh in their incidence, and some which I believe to be so unjust, if I may use the term, that I think they would be better left out. I shall refuse to vote for them, not because I am going to leave it to chance to fill up the blank, but because I believe we can do with £500,000 or so less of revenue than is proposed to be raised by the Government Tariff. I am going to show why I think so. I want to point out where I think our duty lies, and how much I think we are bound to return to the States. I have taken a very rough and ready manner of calculating it, but still one which I think contains the essence of the truth. I have taken the receipts for the last year, and have made allowance for the exceptional circumstances of New South Wales. I have brought New South Wales up to a level of customs and excise revenue equal to something midway between that of Victoria and South Australia. I take those two States, because the other three will be very much behind in any case, and under any Tariff we may adopt. I make an addition of £600,000 to bring New South Wales up to an average of about £1 16s. 6d. per head, which is between the average per head in Victoria and South Australia. On my calculation I find that something under £8,300,000 is required to be raised in order that we may keep our bargain with the States. I do not think we need to keep to any more than our bargain. If, as I fear is the fact, the States have received during the past financial year more money than they would ordinarily receive, and having known it, as they must have known it, have deliberately spent that money, it is not our duty to make that money up to them. That is their look out. It is our duty to make up to them an amount for a normal year.

Mr. Piesse. - Will the honorable member do that on that Tariff?

Mr. McCAY.- As far as practicable. I do not forget the circumstances of Western Australia, Queensland, or Tasmania. If I may say so without any disrespect, Tasmania is, I think, the hardest case, but I do not forget the circumstances of Tasmania. When I differ from the Government proposals, I think it is my duty to point out what I propose to substitute for them. It is a duty which every honorable member in this House has not felt incumbent upon him, but I have felt it to be mine. I say that it seems to me to be the bargain that the Commonwealth Parliament should give back a certain amount to Australia as a whole - not a bargain with the individual States, I venture to think, expressed or implied, but a bargain to give back to Australia practically the equivalent of what she previously got. I have taken the amount necessary for the purpose at £8,300,000.

Mr. Piesse.- Does that meet the necessities of the whole of the States ?

Mr. McCAY.- To the States as a whole, because, I say, it is no part of our bargain to keep some of the States right by raising Customs revenue for them. Our bargain is to keep the States as a whole right, but not in that way. Leaving out altogether the exceptional case of New South Wales, I point out that, in the case of the other five States, even the Government Tariff, with its £9,000,000, will not satisfy each individual State.

Mr. Piesse.- It will only raise £8,000,000 this year, remember.

Mr. McCAY.- I know that, and I am taking a normal year. I am taking the figures against myself. I say that even the Government Tariff, with a revenue of £9,000,000, as against £7,750,000 for 1899, would not be sufficient to give back to Queensland, Tasmania, or Western Australia as much as they have been getting, but would leave the five States - excluding New South Wales, whose circumstances in connexion with the taxation policy are quite different - £250,000 short. In other words, the Government admit that, in spite of their scheme, they cannot do what they would like, and cannot give back to each State as much as that particular State was getting. They say they will go as far as they can, and then, if necessary, they will help the States requiring help. There is a point beyond which we cannot go in endeavouring to meet the States that will be in arrears, without being unfair to the States that will be ahead. For example, to satisfy every State except Western Australia would require a Tariff of £12,000,000. That is an impossible

Tariff, and the Government recognise it. They say they cannot go that far, but will go as far as they can without being unduly unfair to the States which will get a surplus under their Tariff. I say they have gone too far, and that £8,300,000 is all that we should raise from customs and excise, and then if the States that will have to suffer want assistance, they must get that assistance under the section of the Constitution specifically providing for it. Because I point out that the present state of affairs will exist for only five years practically, and it is only for ten years that we have to give back three-fourths of the revenue to the States. We shall have a perfectly free hand at the end of the ten years, but in the meantime we have to legislate for these ten years. I venture to think that the Government are proposing to legislate, not merely for the ten years, but for the current year, and that is where I think they are wrong. They should legislate for the following nine normal years, and I feel we shall be doing all that is necessary with regard to customs and excise revenue if we raise £8,300,000, or thereabouts, from the Tariff in a normal year. I think that should be all that will be necessary, unless for an exceptional year. In the matter of the States getting their money back this year, it is not our fault if they have deficits, because they have spent their money deliberately and intentionally in advance. They anticipated extra duties in consequence of the Tariff. There is not a State Treasurer who did not know that he would be getting extra money, and they were relying blindly upon the Commonwealth Parliament doing all sorts of things. But it is not the duty of the Commonwealth Parliament to make federation unpopular by doing unnecessary work in the way of taxation for the States. I venture to say that it is - proposed to do unnecessary work, and that £500,000 or £600,000 might be spared from the revenue to be raised by the Tariff by the reduction of purely revenue duties, and purely revenue duties only. I believe that that will allay any dissatisfaction which is felt, because we all know that, notwithstanding all the efforts to work up popular feeling, all the attempts made to discredit the Government and the Parliament, the duties which have been so violently, vigorously, and viciously attacked are not protective duties, but revenue duties. I venture to say that if any one takes the leading articles in the first hundred newspapers - free-trade or protectionist - he picks up, out of every hundred duties that are complained of he will find that 85 percent, are revenue duties. It is unfair for the free-trade press, or the free-trade party, to hang their diatribes on such a peg as that. I venture to think that any temporary unpopularity will disappear the more the people understand the true facts of the case; and when the Tariff leaves committee I know that it will have been altered considerably. I am going to help to alter it, and I cannot be accused of undue hostility to the Government. I am going to help to knock off the duties I have referred to, and to alter the incidence of other duties. The timber duties are wrong, I am satisfied, and want some alteration.

Mr. Henry Willis. - The honorable and learned member will soon get a good free list of his own.

Mr. McCAY. - I said alterations. The only things I have mentioned are the duty on kerosene and the reduction of duties on cotton and linen piece goods. I am not going to vote to abolish all the duties which I would like to see abolished, but I am going to pick out £500,000 or £600,000 worth of duties which, for the reasons I have given, I think can go, and I am going to vote for letting them go. I am going to vote to abolish as many purely revenue-producing duties as I can in honesty to Australia do. But I told my constituents that I was not going to help to impose direct taxation in this Parliament, or to do it in a sneaking sort of way by pretending to be very generous and passing the task on to the State Parliaments, leaving them to do the unpleasant work. I am not going to do either. I believe we want a revenue of over £8,000,000 to keep our obligations. I believe that is all we are called upon to provide, and that much I shall vote for. The balance I shall vote to knock off. I shall knock off the duties on the necessities of life as far as I possibly can, but if I have £1 to give away, and twenty applicants want half a crown each, I can give the money to only the most deserving eight. I should like to knock off £1,500,000 worth of duties, as I would if circumstances permitted, because the duties are revenue producing and not protective. I should like to see every revenue-producing duty go, but unfortunately I cannot vote in that way because Australia expects something else from this Parliament, and I am going to do my duty. At much greater length than I intended to speak, although I am still far short of the ideal of which I spoke at the beginning - I still leave my honorable friend untouched on his unapproachable pinnacle of fame - I have pointed out frankly why I think it is the duty of the Government to Australia to give us moderate protection as far as possible in the Tariff. It does not give all the protection which it ought to do. Some of the duties are too low - and I say this just as frankly as I said some of them are too high - but I recognise that there again we have to consider the situation. It is not so much a question whether free-trade is right, or whether protection is

right, as a recognition of the fact that all theories have to yield in the presence of an inevitable necessity. If you have formed all your plans, according to Jomini and other masters of the art of war, and have developed a beautiful scheme for enveloping and destroying the enemy, and you suddenly find the enemy shaking his fist in your face in a spot where he ought not to be according to all your theories, you have to shake your fist back again, and let your theories go. So when Australia wants £8,000,000 raised from customs and excise duties, the revenue has to be raised, and there is an end of it. There is no use in talking of theories. Just as I am going to vote for some duties I do not like, because I have to do so, owing to the exigencies of Australia, so I am going to vote for some duties at a lower rate than I should like to see them fixed at, because again Australia tells me that the exigencies of the situation, if I have any sense at all, and if I am an honest man, compel me to recognise them, and do justice to them. I think I have said enough- -as much, at any rate, as I wish to say. My desire is not so much to prove the Ministry wrong, as to make the Tariff right. My wish is not so much to consider the comfort and the convenience of honorable members sitting in opposition, who want to sit somewhere else, as to study the comfort and convenience of the people. My desire is not so much to consider party warfare as it is to regard the national welfare, and I venture to think that I have taken a course which is best calculated to achieve that end.

Mr. Poynton, in explanation. - I heard that the honorable and learned member for Corinella was going to make a statement in reference to myself, and I made it my business to call upon him and explain that he was making a mistake, but he would not listen to me.

Mr. McCay.- I did not refer to a private conversation, and I do not think the honorable member should.

Mr. Poynton.- It shows the unfairness of the attack.

Mr. McCay.- I can give another complexion to it.

Mr. Poynton.- It shows the unfairness of the attack. When the honorable and learned member was quoting from my speech, he might have quoted this passage -

During the campaign I heard people advocate "a free breakfast table." I was then candid enough to say that if a man contended that under the conditions of the Commonwealth, so long as certain amounts had to go back to the States, it was possible to have "a freebreakfast table," he would be only playing the fool with the people. What we did expect, and what every taxpayer in the State had a right to expect, was that at any rate the extra revenue would not be raised on the lines such as those to which I am referring.

Mr. McCay.- Exactly.

Mr. Poynton.- I then went on to say, as honorable members are aware, that in some instances - the lines which the honorable member referred to to-day - there was a duty of £9 odd put on, as compared with £2 in the State of South Australia. I referred to coatings, vestings, trousers, flannels, and flannelettes, and I said not that they should be on the free list, but that they- might have been more leniently treated.

The estimate of £2,500,000 to which the honorable and learned member referred, was used by me to show that, at any rate, the burden of the increased duty the

Government are raising is coming from the source which he as well as other honorable members has deplored.

Mr. McCay.- Five lines below what the honorable member has just quoted he referred to the free list of a Federal Tariff.

Mr. GLYNN(South Australia).- However much, after the toil of I think nine days' battle, honorable members may feel inclined to ease their wearied virtue, and perhaps may be obliged to make a deeper draught on their courtesy to prevent a flagging of attention, still I think the occasion justifies in each case a trespass. It is peculiarly appropriate to a disinclination to be taxed for silence. The fiscal was the great question on which chiefly the fate of federation hung. It was the issue of the elections, and it is the one whose settlement is likely to be most far-reaching in its effects. It is, therefore, one which I think has special claims upon our time and attention. At all events, I told the electors of South Australia, when I solicited the privilege of representing them, that to me it was one of paramount importance ; that federation was something more than an amalgamation, for the purposes of the collection of the Customs revenues of the States; that through its agency I looked for such a purging of the Tariff, and such a re-adjustment of its incidence, as would make the masses bless, not curse, the day that federation came. I think it is just as well that we should avoid the possibility of clouding the real issue by dwelling too much upon the totals necessary to be raised, and it is for that reason that I somewhat deplored the excessive

care that was displayed by every Minister, from the Prime Minister downwards, to impress upon the House the statement, which now really amounts to a truism, that we must raise a revenue of £8,000,000 or £9,000,000. There is no denial on this side of the House that such a revenue must be raised, at least in the beginning, in order to keep our moral, rather than our constitutional obligations, to the States.

Mr. Higgins.- The leader of the Opposition denied it - in Sydney he said £8,000,000 would be necessary.

Mr. GLYNN.- I said between £8,000,000 and £9,000,000 - we do not require to split hairs on these matters.

The issue is not whether a certain large revenue has to be raised, but how it is to be raised - as to the character of the incidence of taxation. To put it as shortly as I possibly can, the point is really this : that we should seek to provide the revenue required by imposing the fewest burdens upon the consumers so as to oppose the fewest obstacles to commerce ; to remove the inequalities and apparent injustices in the present method of taxation, and to do so by the imposition of duties upon items the fewest and least burdensome upon the working classes, and the most even in their incidence amongst the States. I hold that we must consider not only the individual, but also the States as States, and the evenness of the incidence of our taxation amongst the States should be one of the determining factors in the framing of our fiscal policy. Considering the splendid opportunities the Ministry had, I think that the Government will be remembered hereafter as the Ministry of great opportunities which were sadly missed. I remember when I first read that celebrated speech of Lord Brougham on Law Reform, how well I could sympathize with the eloquence which inspired his splendid statement that -

Hobler than the boast of Augustus, that he found Borne of brick and left it of marble, would be that of the king who could say that he found law dear and left it cheap ; found it a sealed book ; left it a living letter ; found it the patrimony of the rich ; left it the inheritance of the poor ; found it the two-edged sword of craft and oppression, left it the staff of honesty and the shield of innocence.

It seems to me that the Ministry had a splendid opportunity of framing a fiscal policy upon which they could have claimed with equal pride, and, perhaps, greater justice, that they had proved themselves the friends of the poor; that they had found taxation the fund of a class, and left it the income of a nation ; that they had found it wasteful and oppressive, and left it light and productive ; that they had found it a special burden upon the slender resources of the poor and placed its heaviest incidence upon the big balances of the rich. Whether they have taken advantage of that splendid opportunity we all know. That they have not done so is evidenced by the fact that the announcement of their Tariff proposals has been met by murmurs of discontent from one end of Australia to the other. Why is it that I say we should raise the necessary revenue by the imposition of taxation upon the fewest items, and those which are least burdensome upon the poor ? We know that taxation through the Customs is the most onerous upon those who have the least resources. The Estimates given by the Government show that this Tariff will bring to the revenue - as distinct from what it will raise from the consumer, because revenue receipts do not represent the same total as the consumer pays - £2 7s. 6d. per head of the population. If we take a family as representing five, and the income of the head of the family as representing £100 - and God knows that in these days even in protectionist Victoria a working man considers himself blessed if he has a certain wage of £100 a year to support his family - the incidence of the customs duties is something like 12 per cent, upon that income. If we take an income of £1,200 the proportion is 1 per cent., and so on along the ascending grades of income, the incidence diminishing as the income increases, until we come to receipts of five or six figures, when the incidence of the customs duty is practically imperceptible. For that reason, I say that we ought to raise the revenue by such a method that it may press lightly upon the poorer classes, and so that not a single penny may be taken from the consumer beyond what is required for the purposes of Government. It is considerations of this sort that induced the greatest statesmen from Peel to Pitt to reform by purging the Tariff of useless items, and of these which were the most burdensome. The honorable and learned member for Indi quoted Professor Davidson to support the view which he took in the speech which he delivered the other evening, and which from an artistic point of view I could not but admire, especially as it appealed to my instincts as a lawyer. It was an exceedingly clever speech, and if I were driven by some delirium, brought on through listening to protectionist speeches, into committing a breach of the law, I should look to the honorable member's forensic cleverness to prove my innocence. Professor Davidson, upon whom the honorable member relied to a very large extent to support arguments which I hope to be able to refute, states that all authorities are agreed that the incidence of the Customs revenue is at least double the amount received by the State. I say that all great



reformers from Peel to Pitt, animated by the consciousness of this unjust pressure of the customs duties have sought to raise the amount required from the fewest items. Pitt says -

To levy a direct tax of 7 per cent, in a free country is a dangerous experiment, and may excite revolt, but there is a way by which you can tax the last rag from the back and the last bite from the mouth, without causing a murmur about high taxes, and that is to tax a great many articles of daily use and necessity so indirectly that the people will pay and not know it. Their grumbling will then be of bad times, but they will not know that the hard times are caused by taxation.

Again, when Peel, in 1843, began his great work of reform, what was the condition in which he found England? The honorable and learned member for India referred to the condition - which he seemed to consider somewhat ideal - of England prior to the time when Peel began his work in 1843. I am not going to dwell upon certain statements of the honorable and learned member, but I would remind him of some facts regarding wages. The honorable and learned member emoted from the report in 1894 of, I think, a Royal commission that sat upon labour in England, and gave an extract from the evidence of Sir Robert Giffen, which was against the spirit of the honorable and learned member's remarks. What was quoted was only a portion of what Sir Robert Giffen said in his evidence, which is embodied in the principal report of the commission.

Mr. Isaacs.- I quoted from the report.

Mr. GLYNN.- I know; and the honorable and learned member could not be expected to quote more than a part. But I would remind the honorable and learned member that there is a portion of Sir Robert Giffen's statement which he did not quote, and which exactly controverts the conclusions which the honorable and learned member desires to reach. I shall be able to give those quotations afterwards. The honorable and learned member for India pointed out, in comparing the present state of affairs with the state of affairs prior to 1840 or 1843, that Sir Robert Giffen showed, in his statement to the Royal commission, that wages in England for manual labourers - not manufacturing labourers, but manual labourers - ran from 10s. to 40s. a week. Supposing that be so, what was the condition in 1843, when Peel began his work of Tariff reform? To give three instances only, we find that in 1841 there were 21,000 people in Leeds, whose average earnings were less than 1s. a week; that in Nottingham, one-fifth of the total population depended on parochial relief; and that in Spitalfields, so far from there being any manufacturing activity, there were 5,000 looms idle, and 24,000 persons dependent on the bread of public charity. When Peel had accomplished his work, and when he was attacked by the vested interests of England - when he was attacked by the landlords of England, whose power to levy toll on wages he had, to some extent, checked - it was his pride that, with a splendid sense of duty done, he could say -

I shall leave a name sometimes remembered with good will in the abodes of those whose lot it is to labour and earn their daily bread with the sweat of their brow where they shall recruit their exhausted strength with abundant and untaxed food, the sweeter because it is no longer leavened with the sense of injustice.

What did Peel do? Two suggestions are alone sufficient to indicate the splendid work achieved by him, and subsequently carried on by his successor, Mr. Gladstone. In 1854, the total import and export trade of England was £268,000,000; whereas in 1900 it was £815,000,000. Take the export of natural home produce, of which protectionists want us to be exporters. Between 1854 and last year, the exports of British manufactures and produce ran from £97,000,000 to £240,000,000. I am not quite sure that the sum last year was not £290,000,000, but I take the figures of the year before, because I can rely on them as correct. If I am not mistaken, however, the export of British manufactures and produce last year was pretty close on £300,000,000 sterling. Look at the position before 1843. Exports between 1805 and 1843 fluctuated from about £33,000,000 to £52,000,000; but from 1843 onwards we have a regular increase. In 1853 the figure was £100,000,000, and in 1863, it was £146,000,000; I have already given the figures for last year. These are facts and comparative statistics which demonstrate the efficiency of free trade to stimulate local production; because we cannot export local produce or manufactures if we do not create them. Is it true that at the present time in England there is a retrograde tendency? Is it true, as suggested by the honorable and learned member for India - I do not remember the honorable and learned member's exact words, but I think I am representing him accurately - that there is a growing feeling in England in favour of protection? I followed the honorable and learned member's footsteps pretty closely, and after he had finished his speech I examined his authorities. Professor Davidson, whom the honorable

and learned member quoted, says -

It is idle to point to the weakening of the freetrade sentiment in the United Kingdom.

Professor Davidson expresses himself as dead against protection, in the very book from which the honorable and learned member for Indi quoted.

Mr. HumeCook. - Professor Davidson admits that there is a weakening.

Mr. GLYNN.-No ; Professor Davidson says that it is idle to point to the weakening of free-trade sentiments in the United Kingdom.

Mr. Isaacs.- I did not quote Professor Davidson on that point ; I quoted him from page 84.

Mr. GLYNN.- But the honorable and learned member quoted Professor Davidson, and he will pardon me for controverting him out of the mouth of one of his own authorities.

Mr. BruceSmith. - It is the same Davidson, I suppose?

Mr. GLYNN.- It is the same Davidson, and the same book.

Mr. Isaacs.- I said distinctly that Professor Davidson was a free-trader.

Mr. GLYNN.-No doubt ; but as the honorable and learned member quoted this authority, he will pardon me for adopting what I consider proper tactics, and putting beyond cavil the weight of my authorities by adopting his own. The honorable and learned member cannot challenge, as authorities, the authorities he quoted ; and I am entitled to point to their conclusions. Considering these facts, I cannot understand the position taken up by a political philosopher like the honorable member for Darling, who, while lamenting the inequalities of present social adjustments, declines to ameliorate because he cannot altogether cure - who will do nothing because he cannot do everything - helps to perpetuate the admitted evils of protection, because he fails to find a panacea in free-trade - who prefers to sit still and await the millenium, rather than, in the interval, try to lighten the load of human misery. I cannot understand why men like him, who wish for generations to come to smoke the pipe of self-complacency in peace, do not stick to the study, which is the proper place for philosophers, rather than seek the representation of men in Parliament, which is the arena of action. I can quite as well understand as the honorable member, that free-trade is not the last step in social progress.

Mr. Mauger.- Is it the first?

Mr. GLYNN. - It is undoubtedly a step on the way. While we are waiting the coming of that time which we all wish for - when, as our poet tells us -

Distribution will undo excess, and each man have enough, - it is our duty as legislators, by removing obstacles to progress, to endeavour to better the conditions of the present, and help to realize the promise of the future. For that reason it positively staggers me that an honorable member, whose aspirations are so democratic, can, by shifting his seat to the Government side of the House, perpetuate a system which his whole argument went to condemn. As regards the Tariff, I shall make a few categorical statements, and endeavour to sustain them by argument. In the first place, this Tariff, as are most Tariffs, is particularly oppressive to the poor. I do not want to dilate too much on arguments which perhaps appeal to our pity, but I shall submit one illustration. Take the case of the washerwoman, who has been referred to. In the first place, the blue she uses is taxed 2d. per lb., and then her soap is taxed 1d. to 4d., her starch 2d., the kerosene, which lights her nightly labour, 3d. per gallon, and candles 11/2d. per lb. Then oatmeal, which perhaps forms the staple food of her family, is taxed 1d. per lb., her butter is raised to the maximum which formerly prevailed only in Queensland, of 3d. per lb.; potatoes are subjected though at prohibited prices to a duty of 1s. a cwt.; sago, rice, salt, mustard, clothes, blankets, the food of the infant and of the invalid, are all taxed to relieve the rich of their legitimate obligations, and to help to bolster up some existing industries. I also say that the method of this Tariff is unjust in its incidence among the States. Take a few items. The total estimate for milk, in the case of Tasmania, is £625. The estimate for Western Australia is £6,250. In the case of kerosene the estimate is £4,375 for Tasmania, and for Western Australia £15,625. Then take the case of timber. By the way, I may mention here that Mr. Gladstone, in abolishing the tax on timber - I think it was in the year 1863 - described this imposition as "the very essence and quintessence of national folly." But we are now about to impose a tax on timber which, in the case of New South Wales, is estimated to realize £51,916, whilst from Queensland it will realize £466, and from South Australia £15,755. Let me take another item. Fresh fruits and vegetables will from New South Wales realize £4,000, from Queensland £250. I do say that a Tariff that works so unequally in its incidence amongst the States - apart from the inequality of its

incidence on classes - is one that deserves to be condemned as not the Tariff of a statesman. I allege that this Tariff is harassing out of proportion to its productivity. It is the reversal of the Imperial Tariff, which is framed upon the true revenue producing system. We are not now dealing with abstract free-trade ; we are not dealing with absolute free-trade. Honorable members know that perfectly well.

Mr. Mauger.- That is the worst part of it.

Mr. GLYNN.- Will not the honorable member do anything to lead to a better condition, because we are not dealing with a perfect one ? The honorable member will jump, but he will never take a step, apparently. Look at the position in England. Let me say a few words about the course of reform in England. In 1801 there were in Great Britain 1,500 different rates of duties. The Irish rates under the Act of the Union - there was, I think, a slight difference in the method of imposition - were 2,900. There were, therefore, altogether 4,400 different rates for Great Britain and Ireland. When Peel began his work in 1843, six-sevenths, or £18,500,000 out of £22,000,000 were derived from nine articles alone, whilst on the other hand, 531 articles produced only £80,000 a year, and on 147 items there was an actual loss in connexion with the working of the drawbacks. So that there was there a splendid field for reform - for purging the Tariff of harassing and unproductive items. In 1860 there were only 26 generic items upon the Tariff ; in 1897 there were only nine. In 1896-7, tobacco, foreign spirits, tea, and wine produced in round numbers £20,000,000 out of £21,000,000 of Customs - not Customs and Excise, but Customs revenue only.

Mr. Isaacs.- What of the direct taxation?

Mr. GLYNN.- That does not affect my argument. I am dealing with the Customs revenue. In England, 50 per cent. of the taxation - I think that is about the figure - is direct taxation, no doubt. What I am showing is that England is under a purely revenue system, and that she has direct taxation does not affect the question one iota. Before giving the figures of the present revenue in England may I point out to honorable members that there is a splendid field for reform here. I will take one case - the one with which I am most familiar - the South Australian Tariff, before the Federal Tariff was introduced. Last year there were four lines of the South Australian Tariff producing £227,000, and there were 118 lines of harassing items - and they are only some of the protectionist lines - producing only £9,000.

Mr. HumeCook. - What were the four items ?

Mr. GLYNN.- I think they were sugar, spirits, tea, and tobacco. I am speaking from memory, and have not the details before me, but I know that these totals are correct. I have not looked up the items, but they are quoted in the last Budget speech delivered by you, Mr. Speaker, as Treasurer of South Australia. Now, take this Federal Tariff: I find that there are fourteen items, realizing on the estimate under £1,000 each ; they bring in a total of £8,376, or an average of £598 a year each. There are fourteen other items, realizing on the estimate between £1,000 and £2,000 ; they bring in a total of £20,522, or an average of £1,466. In other words there are 28 items, bringing in £29,000 a year ; so that in this Federal Tariff there are about double the number of items that there were in the New South Wales Tariff, but only bringing in onesixtieth of the revenue of the New South Wales Tariff. If honorable members consider that that is a proper way of adjusting the incidence of indirect taxation, all I can say is that I differ from them. I have up to this point endeavoured to show that the Tariff is oppressive to the poor, unequal in its incidence in the States, and harassing completely out of proportion to its productivity. I further allege that it is wasteful of revenue, and unnecessary as a stimulus to manufactures. The true principle I hold is this : to tax moderately a few productive items, or such as involve no loss - or at least the smallest possible loss - of the duties paid by the consumers.

Let us consider this question of waste.

Mr. Kingston.- Is the honorable and learned member going to indicate the items ?

Mr. GLYNN.- I will deal generally with them. I do not want to go into details, because I do not desire to occupy more time than would be justifiable. I am dealing simply with the principle, and I will give figures to prove my contention that the Tariff is wasteful. The estimated revenue is £9,000,000. I have said already that Professor Davidson alleges that the duties are in price generally paid doubly as against the revenue actually received by the Treasurer - that is, the individual concerned pays double the duty. Mulhall gives an estimate for America of £70,000,000 of customs duties received by the State, in addition to £488,000,000 paid by the consumers or the total consumption. In other words, the State receives about oneseventh or one-eighth of the total which the consumer pays. If, instead of making the total burden upon the consumer seven times as much as the proposed £9,000,000, we take the estimate given by

some honorable members and say that it will be double that amount, then it will be seen that to raise a revenue of £9,000,000 the Government propose to tax to the tune of £18,000,000. Are prices increased to the consumer? Let me give two items. I find from the Australian Ironmonger - a newspaper which seems to be authoritative on the point of prices - that in August and September last cement was quoted in Sydney at from 11s. 3d. to 12s. a cask.

Mr. HumeCook. - Imported cement.

Mr. GLYNN.- I do not care what cement it was. It was cement sold to the consumer, and the duties operate in price on both alike. Of course we are not going to get an importer to sell at a price different from the local price when he is inside the ring of protection with the ordinary manufacturer. In Melbourne, where the duty was 3s. 4 1/2d. a cask, the price of the same cement ranged from 14s. 3d. to 14s. 6d.

Mr. HumeCook. - That was the price for imported cement known as the "Anchor" brand.

Mr. GLYNN.- I do not know what cement it was, but in the newspaper from which I quote the two items are placed side by side with the comparative prices. I presume the editor knew what he was about.

Mr. HumeCook. - Would the public buy imported cement when they could get local cement at lower rates ?

Mr. GLYNN.- I will give the honorable member a sample of the prices paid for the Victorian article. In June, 1901, 5,000 casks of Fyansford cement required by the Metropolitan Board of Works were contracted for at 13s. 2d. per cask. That, for large quantities, is practically the same as the quotation of 14s. 3d. per cask for ordinary commercial quantities. Honorable members should look at the protection afforded this article. From the Argus - which I am happy to say I have watched keenly during the past twelve months doing splendid work for the cause of free-trade, and which has helped my arguments by the materials which it has published from day to day - I have copied a letter by Messrs. Cohen, Nelson and Co., dealing with this subject. The letter was published in the issue of 14th September last. I am not going to give all the figures, but it was shown by Messrs. Cohen, Nelson and Co., that in London cement was quoted at 6s. 4d. a cask ; that the importation into Australia, before the article comes to be distributed, involved a natural protection of 66 per cent., and that on the prices quoted with the Tariff at 3s. 4 1/2d. a cask, the natural protection had an additional protection of 53 per cent. Thus this cement had a protection of 119 per cent. under the Tariff in force prior to the Federal Tariff.

Mr. BruceSmith. - And the two profits go on to that duty.

Mr. GLYNN.- Yes. I come now to nails. For wire and other nails, No. 0 to No. 7 standard, the quotation in Sydney in August last was 10s. 6d.; in Melbourne it was 21s. 6d. less 10 per cent. The quotations for September were 10s. 6d. and 19s. 4 1/2d. respectively. . On 8th October, however, when the Victorian duty on wire and other nails was by the Federal Tariff reduced from 7s. 6d. to 3s., the quotation did not run from 19s. 4 1/2d. to 21s. 6d., but was the same both in Sydney and Melbourne, namely, 14s. 6d. May I say a few words as to what are my ideas of a true revenue Tariff? The lighter duties, with certain limitations, are most productive of revenue. On 10th February, 1860, Mr.

Gladstone delivered one of the most important of his great Budget speeches. Summing up the work of reform done by his predecessor, Sir Robert Peel, and taking two periods, namely, from 1832 to 1841 and from 1842 to 1853, he pointed out, as an inducement to further Tariff reform, that while in the first period there was a balance of remissions - striking a balance between duties imposed and duties remitted - of £1,317,000; in the second period there was a balance of £12,209,000. The remissions in the first period were at the rate of £131,000 a year, while in the second they were at the rate of £1,017,000 a year.

Mr. Harper.- A great many public men in England have since bitterly regretted the fact that the list of reductions was so large.

Mr. GLYNN.- You may find one or two, such as Mr. Elder, the great political economist, who support protection. I acknowledge that Lord Salisbury and his party, who are - I will not say unfortunately, but who in the opinion of some people are unfortunately - ruling the destinies of England, sometimes play with the question of protection in order to deflect attention from the necessity of local reform. In or about 1873 Lord Salisbury made a speech in which he threw out certain remarks indicating a toleration of the protective idea.

Mr. Isaacs.- In 1895 he made some further remarks.

Mr. GLYNN.- Which have never been acted upon. Is there a public body in England at the present time which supports protection? Is there a newspaper outside of the Saturday Review - which publishes

occasionally an article pointing out that there may have been something in it - that ever tolerates the protectionist idea ?

Mr. Isaacs.- The Morning Post is giving some strong indications of a leaning in that direction.

Mr. GLYNN.- I am not going to be led aside by these interruptions. What was the result of the great remission of duties between 1842 and 1853? Between 1832 and 1841 the increase of customs returns was at the rate of £170,000 a year. During the second period it was at the rate of £221,000. The sum total of the increase for the first decennial period was £1,707,000, while during the second decennial period it was £2,656,000. How was trade affected ? I deal only with the trade that always fetches the protectionists - the export trade - for their idea is to increase exportation. What was the effect of these remissions of duties upon exportation? Importation was increased ; was exportation likewise affected? In the first period the export trade increased at the rate of £1,515,000 a year, while in the second period it increased at the rate of £4,304,000 a year. After 1863, in consequence of the further reforms of Mr. Gladstone, he tells us in one of his subsequent speeches that the revenue increased by leaps and bounds. At the present time in England, 94 per cent. of the imports are free of duty. There is a revenue from Customs and Excise of £55,000,000, of which amount £50,000,000 is raised from stimulants and narcotics, and the consumption per head, if we take the two items, is not greater than it is in Australia. I think that spirits show a greater consumption per head in England, and tobacco a greater consumption per head in Australia. Setting off one item against another, the conditions are fairly similar as regards consumption. Let us take the results per head in the United Kingdom. The percentage of her customs revenue upon imports is 4.7, or £1 6s. per head of the population, according to the figures of 1899. In the United States, where the incidence is 30.3 per cent., the results are £1 2s. 6d. per head of the population. The Victorian Tariff yielded only £1 13s. 4d. per head, against an average of the other States of £2 9s. 6d. per head. That was before the introduction of the present proposals, and we know the great difference in point of extent between the protection afforded in Victoria and the average amount of protection afforded in the other States. The free list has been referred to. But I would point out that the free list is not the test of protection. In America they have a large free list, just as they had in Victoria, the idea being to allow the raw materials to come in free, so as to double-bank the protection. Let me say a few words in regard to the Canadian Tariff.

Mr. Kingston.- Does the honorable and learned member favour the free admission of raw material ?

Mr. GLYNN.- Certainly not, so long as there are highly protective duties which to some extent justify countervailing duties on the raw material. Otherwise we are really doubling the protection to the manufacturer. When the Prime Minister was speaking, he referred to the Canadian Tariff, and I think that he unconsciously misled the House. I do not know who is responsible for the appendices of the Minister for Trade and Customs. I do not think that they are correct. I believe that the comparative statement of the duties payable in the various States and under the Canadian Tariff is wrong. I know that the South Australian duties are wrong in some respects, and if I am to trust to a newspaper account of the Canadian Tariff, that Tariff, as quoted in the appendix mentioned, is utterly wrong. When the Prime Minister referred to this matter to show the comparative enormity of the Canadian Tariff, he was quoting duties which are not in force at the present day. When Sir Wilfrid Laurier began he did not stop his course of reform. The Prime Minister led honorable members to understand that Sir Wilfrid Laurier adopted as a free-trade Tariff the items which he specified. As a matter of fact he did nothing of the sort. When Sir Wilfrid Laurier began his course of reform, blankets were taxed, expressing all duties ad valorem, and allowing for the rebate on English goods 55 percent. We are told by this appendix that they are now taxed 35 per cent., whereas the present duty, according to the Toronto Globe, is 23 per cent.

Mr. Kingston.- That will be 35 per cent. when the third is deducted.

Mr. GLYNN.- I will quote other figures to show that the Minister's appendix is utterly wrong. After making allowance for the 33 per cent. discount--

Mr. Kingston.- Take a third off the 35 per cent., and it will reduce the amount to 23 per cent.

Mr. GLYNN.- What is the meaning of printing as the Canadian Tariff duties which are not the ad valorem rates?

Mr. Kingston.- That is a special concession.

Mr. GLYNN.- If we take "cords and twine" for example, we find that, according to the Minister's appendix, the Canadian duty is 25 per cent., when as a matter of fact those materials are admitted into Canada free at the present time.

Mr. Kingston.- This appendix was prepared by officers taking the best materials to their hand.

Mr. GLYNN.-I do not wish to be emphatic on the point ; but when I find duties given in the appendix which differ from the duties at present operating in Canada, and when I know that some of the South Australian duties are incorrectly given, because they quote the Tariff figures of 1887, I am led to be sceptical of the accuracy of the whole thing. The Tariff of Canada at the present time is much lighter in its incidence than it is made to appear in this appendix. Perhaps the Minister can throw some light upon the matter subsequently.

Mr. Harper.- Does the honorable and learned member say that there are errors in the South Australian Tariff?

Mr. GLYNN.-Yes. I do not quibble about the South Australian errors, except to indicate that as mistakes have been made in stating the South Australian duties, they may have been made in the case of the Canadian Tariff, and, indeed, seem to have been made in connexion with it. In a recent campaign, Sir Wilfrid Laurier, indicating his future policy, said -

The duties are still far too high. I can assure you that no one knows the difficulty of dealing with vested interests, but I recognise that our duty is to go on with our great work as opportunities offer.

Mr. Kingston.- When was that?

Mr. GLYNN.-It was last year, I think. I copied the quotation from a paper some few months ago. I think it was prior to the last election. All great reforms have proceeded gradually. Take the case of Peel, as an example. His Tariff reforms extended over 1842, 1845, and 1846. Mr. Gladstone took up his work in 1853, carried it on in 1860, and practically finished it in 1866. We have the statement of Sir Wilfrid Laurier himself that what he did in 1896 is simply a prelude - " The baby figure of the giant mass of things to come at large." The Prime Minister said -

There is in existence under the guise of freetrade in a sister federation, a Tariff which, when compared with those of any of the Australian States or with the one under discussion, is a perfectly mountainous Tariff.

I say that the Canadian Tariff is not a Tariff under the guise of free-trade. Sir Wilfrid Laurier's own statement is that it is simply a step in a declension towards a free-trade Tariff. I have shown that out of his own mouth. What is the result of the reform of 1896 in

Canada! A deficit totalling, for the four years ending in 1897, 6,417,739 dols., became in the subsequent four years ending in 1901, a total surplus of 22,684,451 dols., showing that a reduction of duties was followed by an increased revenue through the Customs. The Prime Minister quoted the Toronto Globe, and I shall quote the same paper, as regards the effect of protection or high duties in Canada -

High duties led to general stagnation ; the burden on the farmer discourages agriculture so much that in spite of our vast natural resources awaiting development exports of natural produce showed an actual shrinkage at the end of eighteen years. "Exports of natural produce" which were to be encouraged when high duties and protection began in 1879 ! I may point out also that in America they began with moderate duties and with successful revenue results. They began with 5, 7½, 10, and 15 per cent duties. Those duties were largely increased in 1812 with the result, according to one writer on American finance, an authority named Phlem, that the change " Seriously affected the growth of the Customs revenue of the Government for a series of years."

May I point out to the honorable and learned member for Indi, when he refers to Washington, Hamilton, and Madison as protectionists of the calibre of himself and some of those associated with him, that I think he is a little wrong.

Mr. Kennedy.- Their great object was a home market.

Mr. GLYNN.- Let me give the warning which the men who have been cited furnish on a comparison of their declarations and subsequent policy, the warning that you may begin with moderation, but that you will end in excess. They have had protection in Victoria for 35 years, and I have yet to hear that any Victorian manufacturers have asked for any remission of the protection to their industries, or that they have reached adolescence, not to speak of manhood.

Mr. Kennedy.- There was a big remission in 1895.

Mr. GLYNN.-Very well. At the present time I think the clamour as far as the manufacturers are concerned - I do not say so far as the people are concerned - is for a perpetuation of the protection which was imposed originally to support during a period of delicacy the infant industries of Victoria. Now let us look at

America and take for example two items. In 1790, the duty on cotton was 7-J- per cent. ; in 1794, it was 12£ per cent. ; in 1797, 15 per cent.; 1804, 17£ per cent.; and 1812, 35 per cent. On woollens between 1790 and 1812, the duty ranged from the comparatively moderate protection of 5 per cent, ad valorem to 30 per cent ad valorem. What does Madison say? and Madison was a moderate ; I should be sorry to call him a trimmer. I remember that Dante refers to " moderates " and " trimmers " as hanging between heaven and hell, as not good enough for one place nor not bad enough for the other.

An Honorable Member. - Like the men who went over from our side to the Opposition.

Mr. GLYNN.- Like an honorable member on our side who shifted to the Government side against his apparent convictions - an honorable member who will do nothing until he gets a state of human perfectibility. In 1789 in introducing the duties Madison said -

Regulations in some States have produced establishments which ought not to be allowed to perish from the alteration which has taken place, while some manufactures being once formed can advance towards perfection without adventitious aid. "Without adventitious aid," and we have figures given which show that up to 1812 Madison increased the duties, while in 1870 there was adventitious aid to the tune of 47 per cent, ad valorem upon imports. Protection so far as the system is concerned is as rampant in the States now as it was in 1789. The honorable member for Indi referred to America, and might I be permitted to refer to two periods in American history, which furnish the greatest condemnation of protection. In .1828, when there was a very great danger of the Southern States revolting, owing to the onerous character of the Tariff, McDuffie, of South Carolina, stated -

This very system of indirect bounties is the most stupendous instrument of corruption ever placed in the hands of public functionaries. It brings ambition and avarice and wealth into a combination which it is fearful to contemplate, because it is almost impossible to resist.

In 1861, when the Southern (States, having revolted against what they considered to be the tyranny of the North, began to frame their Constitution, this was one of its powers - and may I say that the revolt was not altogether because ! of an attempt to perpetuate slavery, and that the Tariff was as much at the bottom of it as even the principle of serfdom - when they came, after an experience of 80 years of protection, to frame, on the model of the United States Constitution, a Constitution for the Confederate States, amongst the first powers actually vested was this - a power which states the true principle of a revenue Tariff, and condemns protection.

Mr. Higgins.- Is not that the principle of a slave State?

Mr. GLYNN.-No ; they modelled their Constitution absolutely as I stated, on the Northern Constitution. They made one very significant exception, and that was an exception against protection, and it justifies my statement that it was not an endeavour merely to perpetuate the principle of human serfdom, but an endeavour also to establish the principle of commercial freedom that nerved the arm and stimulated the spirit of the people of the Southern States in their revolt.

An Honorable Member. - They are protectionists now.

Mr. GLYNN.- They are part of a union which is at present a protectionist union. If you are once in the grasp of protection it takes a long time to shake it off. There is a growth of vested interest under the aegis of the system, which hinders every endeavour of the legislator to bring the nation back to sense and free-trade. The power laid down in the constitution to which I have referred is this -

To levy and collect taxes, duties, imposts, and excises for revenue necessary to pay debts ; to provide for the common defence, and carry on the Government of the Confederate States ; but no bounties shall be granted from the Treasury, nor shall any duties or taxes on importations from foreign nations be laid to promote and foster any branch of industry ; and all duties, imposts, and excises shall be uniform throughout the Confederate States.

The honorable and learned member for Indi referred to the enormous importations of raw material and of food into England, and he seems to think that England, because of free-trade, is among nations the greatest dependent upon supplies from foreign countries. It is not because of freetrade, nor is England the nation which depends most on imports from foreign countries for the raw material of its industries, or the food of its people. I find that from an address delivered by Sir Robert Giffen, the Statistician of the Board of Trade, on the 12th September, that Germany is at the top of the list in point of dependence upon foreign countries. He says, speaking of European countries generally, that there is a great dependence by all European countries for food or raw or semimanufactured materials on foreign places, and in point of

dependence he places Germany, not the United Kingdom, at the top. Lighter duties produce not only greater revenue, but a greater purchasing power in the people, and by sending capital and labour along the true lines of production there is greater production. The Minister for Trade and Customs referred to thirteen imports into Victoria, and compared them with thirteen imports into New South Wales. He pointed out that the total value of these imports into New South Wales was £2,251,372, and into Victoria £502,448. Of course the lesson which he wished to convey by this comparison was that New South Wales was importing to her loss these items ; that the conditions would have been better if she had produced them ; and also that in these items greater importation meant less local production. I challenge both conclusions. One of the items is boots and shoes. I find that in 1899 the total output of the boot and shoe factories of New South Wales exceeded the total output of the factories of Victoria. I have the figures here, but I am not going to burden honorable members with too many statistics. What was the effect of New South Wales attending to her natural industries? The true significance of this difference in the total values of the imports of the thirteen lines is, that instead of its being worse, it was better for New South Wales. There were greater exports from New South Wales because there were greater imports.

Mr. Kingston.- Were there greater exports of boots and shoes ?

Mr. GLYNN.- I think so, but I cannot say positively. If we have greater local production and greater importation, we must have greater exportation. Take the total home consumption, and the total export of home produce in Victoria and New South Wales, which I think is a pretty good test. The total imports for home consumption into New South Wales were £5,335,926 greater, and the total exports of home produce from New South Wales were £8,908,205 greater than those of Victoria.

Mr. Kingston.- What does the honorable and learned member mean by home produce -everything % There is £14,000,000 worth of wool.

Mr. GLYNN.- I take the figures given by Coghlan, and compare the home produce of the two States.

Mr. Kingston.- When New South Wales has £14,000,000 worth of wool, what chance have the other States in comparison 1

Mr. GLYNN.- Does the Minister say that wool is not a natural production 1 What is the basis of his policy 1 To deflect energy from one line to another. Does he think that he diverts the population of England to Victoria or Australia by his protection ? Has protection done so 1 The idea is to divert labour from one line of production to another, and so you must strike at the wool trade if you have by your policy to divert labour into some other line. Let me come to another branch of the subject. I allege that the maximum benefit reached by protection, if ever it is reached, which I deny, is exceedingly small. England is still the greatest manufacturing country in the world. It may not be so always. You cannot fight against nature ; you cannot have virgin markets when the East itself is producing. But it is still the greatest exporting and the greatest manufacturing centre in the world.

Mr. Higgins.- Its exports were less than those of the United States in 1899.

Mr. GLYNN.- I am glad to have the opportunity of clearing that sophistry out of the head of the honorable and learned member, of clearing up the cause of an erroneous use of quotation as regards the imports and the exports of America. Sir Robert Giffen points out that only 20 per cent, of the local working population of the United Kingdom are engaged in manufactures, and that only onethird of the 20 per cent, are engaged in manufactures for home consumption, and it is only manufacturing for the supply of the local market that the protectionist policy can affect. The idea is to make the State self-contained, to supply its own needs, and to stop the importation of corresponding goods. We have the statement of Sir Robert Giffen in his own words -

We can well believe that in no country can the factory operatives for home consumption only ever occupy more than 5 per cent, of the working population.

That is the maximum benefit, if ever it is reached, of protection. Take Victoria and New South Wales. In 1899 Victoria had engaged in manufactures a total of 60,070 ; and New South Wales a total of 55,646. Analyzing the figures, we find that, competitive with imports, of the Victorian total there were 34,461, and of the total of New South Wales 22,522. But in the natural industries of Victoria only 21,425 were engaged, and in those of New South Wales 34,461.

Mr. Kingston.- How many were engaged in the protected industries of New South Wales t

Mr. GLYNN.- I do not care : I am dealing with my own theme. I am adopting a new line of argument, and endeavouring to prove it. I am not going to be deflected into a speech of enormous length by the obiter



dictum of the Minister. The point of my quotation of the statistics is that of the total engaged in each State only a comparatively small number can be beneficially affected by the principle of protection. It may be considered by protectionists that it is beneficial that there should be in Victoria 34,000 odd persons employed in industries which are competitive with imports, as compared with 22,000 similarly employed in New South Wales ; but my point is that the figures show that labour is being diverted by protection from the true lines of production, because there are in the true lines in New South Wales 34,000 persons, against 21,000 in Victoria. That is my argument. I further allege that it is not labour, on the whole, that is protected by protection. Supposing that protection is efficacious, it is not labour that is protected ; but it is chiefly capital, and, as proof of that, I might rely on the wages boards in Victoria, which indicate the failure of protection to protect labour.

Mr. Higgins.- If wages boards are inconsistent with a revenue Tariff, so much the worse for the revenue Tariff.

Mr. GLYNN.- -They are not inconsistent. I am a free-trader, and I supported them in South Australia. Neither system will bring about a perfect state.

Mr. HumeCook. - Then why make protection responsible for the wages boards ?

Mr. GLYNN.-- I am not making it responsible, but I am only stating that the allegation that protection protects labour is false.

Mr. HumeCook. - It protects labour more than does free-trade.

Mr. GLYNN.- I deny that. The comparative statistics of free-trade and protectionist countries do not bear out what the honorable member says, nor do the comparative statistics of England under protection and under free-trade. In 1885, in connexion, I believe, with the Cleveland Tariff, an inquiry was made in the United States into the extent to which labour was protected, and I find that the following results were brought to light. In the total production of boots and shoes, the proportion contributed by labour (to the value of the total product) is only 25 per cent., in clothing 23 per cent., in tobacco 25 per cent., and in leather 14 per cent. - all protected lines. But when we come to the lines that are incapable of being protected, such as brick making, labour, instead of being, as in the case of leather, represented by a proportionate value of 14 per cent., has a proportion of 57 per cent. Can honorable members say, in the face of these statistics, taken from a protectionist country, that labour chiefly can be protected under a system of protection ? What has protection done for South Australia ? When the Minister of Trade and Customs was Attorney-General of the Playford Ministry, which increased the protection which we had been enjoying without knowing it since 1876--

Mr. Kingston.- And sought to give a free breakfast table !

Mr. GLYNN.- The Minister did not do it.

Mr. Kingston.- Because we were beaten upon it in the House.

Mr. GLYNN.-What is the Minister doing now ?

Mr. Kingston.- I know what I would like to do.

Mr. GLYNN.-How delightful it is for even the Minister of Trade and Customs to have something to fall back upon. Here he has an enormous Tariff, and he does not even attempt to go as far in the direction of giving a free breakfast as his own Tariff went by taking the duty off tea.

Mr. Higgins.- That is not a protective duty.

Mr. GLYNN.-The point to which I wish to call attention is that in 1885 the customs duties in South Australia were at the maximum rate of 10 and 15 per cent., and they were increased to 25 per cent. A comparison of the statistics of 1885 with those for 1900 will show what protection has done for South Australia. The statistical register for South Australia shows that in 1885 there was a total of 9,302 persons engaged in manufactures in that State, whereas in 1900 there were 14,997. We must, however, deduct from these latter figures the men employed in smelting operations. I do not take the smaller lines, but I will deduct the men engaged in smelting works. These men were not protected, but came from Broken Hill in connexion with the Port Pirie and Port Adelaide smelters. There were 2,225 men engaged in smelting works, and when these are deducted from the returns we find that the net increase in the number of persons employed in the manufacturing industries of South Australia from 1885 to 1900 was 3,470.

Mr. Batchelor.- Did the honorable member deduct from the figures for the earlier period the number of men employed in smelters?

Mr. GLYNN.- No. There were none. I do not think the Statistical Register gives any return as regards

smelters in 1885. Broken Hill was opened up after 1885. After that date Broken Hill became a factor in the manufacturing development of South Australia, and there ought to have been a large increase in manufacturing activity in South Australia, owing to the benefits that accrued from the Broken Hill and Western Australian trades.

Mr. Batchelor.- The honorable member is allowing nothing for the displacement of labour by machinery.

Mr. GLYNN.- That operates everywhere, but it has not operated by comparison very much during the last 25 years.

Mr. Batchelor.- It has operated a good deal during the last ten years.

Mr. GLYNN.-The principal authority on this matter, Professor Nicholson, wrote his work about twenty years ago.

Mr. Kingston.- Then he did not write of the later developments.

Mr. GLYNN.- It seems to me to be quibbling to take all these petty points when I am dealing with large figures. The displacement of labour by machinery began over 60 years ago. We might think from what some honorable members have said that railways began with free-trade in England, whereas the first railway was opened in 1807, and the greatest developments commenced in 1836, during the protectionist period. Let us take some of these industries in South Australia. Twenty-six of them show an actual decline, and they include such industries as woollen manufacture, which is pretty highly protected. In soap and candle manufactories 104 men were employed in 1855, and an increase of 55 had taken place by 1900.

An Honorable Member. - The increase is represented mostly by boys.

Mr. GLYNN.- I do not know anything about that. Tobacco, which is- very highly protected, employed 115 persons in 1885 and 220 last year. These figures have declined since the Statistical Register quoted from was published. Does the Minister for Trade and Customs say that such an increase as this justifies the tobacco duties which discriminate between the imported and the locally manufactured article ? Let us see what the Minister has done in the way of imposing differential duties in favour of the locally manufactured article as against the imported article ? Let us examine the figures from the point of view of the loss of revenue only. We have to add 100 hands to the number employed in this industry, but not necessarily because the industry was protected. The population of South Australia has increased from 310,000 to 360,000 within the period of which I have been speaking, and I have referred to the tremendous stimulus given to manufactures in South Australia through the trade with Broken Hill and Western Australia. The total importations of tobacco, manufactured and unmanufactured, into South Australia for home consumption in 1900 were valued at £704,771. It is fair to assume that if there were only one duty, that which is now levied on the manufactured article, the consumption would have been at least as great.

Mr. Kingston.- At a higher rate of duty ?

Mr. GLYNN.-If we had placed the same duty on unmanufactured tobacco as on manufactured tobacco, namely 2s. 9d. per lb., it is fair to assume that the total consumption would have been as great.

Mr. Kingston.- Then they would consume as much tobacco at 2s. 9d. per lb. as at 1s. 7½d. per lb.

Mr. GLYNN.- Does not the honorable member see the sophistry of that ? Does the honorable member suppose that tobacco manufacturers fix their prices to the consumers according to the duty on the raw material? Does the Minister not see that when there is a duty on the raw material of 1s. 7½d. per lb., and a duty of 2s. 9d. per lb. on the manufactured material, that the local price is regulated by the duty of 2s. 9d. rather than by that of 1s. 7½d. ? If the right honorable gentleman does not know that, I am sorry that he is Minister for Trade and Customs. The burden of my argument is that if we did not lose the duties of 1s. 7½d. and 2s. 9d. on the total home consumption, the receipts, instead of being £64,711, would be £79,235. In other words, South Australia has been suffering a loss of over £14,000 a year in order to get an increase, if it be allowed to be an increase, of 100 persons engaged in tobacco twisting in that State. I do not know whether the Minister can controvert these figures, but, to my mind, they are particularly significant. In the harvest twine industry, there were 29 people employed in 1885 and 52 people in 1900. Let us, for a few moments, compare, in a different way from that which has hitherto been pursued, the United States and the United Kingdom under protection and free-trade respectively. Let us endeavour to test the probable effect, or the apparent effect, of the rival policies. In regard to some of the statistics used, they are sophistical and deceptive. The honorable member for New England endeavoured to base the alleged comparatively greater prosperity of America on the significance of the savings bank deposits. But if the

deposits in the savings banks are a test of the high standing of a country, Denmark ought to be at the top, because the deposits in that country in 1899 were 299s. per head, as against 8Ss. per head in the United States, 62s. per head in unfortunate England, and 2s. per head in Russia. If I were to pursue the honorable member's use of these deposit statistics, I could easily change Russia from being at the bottom to the top in a comparison of prosperity. In regard to Russia, the word used is "State" banks, because, while there are no real State banks, the banks referred to are to some extent interfered with by the Government. The deposits in the Russian State banks amount to £122,000,000, whereas in the United Kingdom they are only £31,000,000. But will any honorable member allege that the United Kingdom is in a comparatively less prosperous position than Russia 1

Mr. Isaacs.- Surely there is a distinction between bank deposits and savings bank deposits 1

Mr. GLYNN.-Undoubtedly ; that is the point.

Mr. Kingston.- What banks is the honorable and learned member referring to ?

Mr. GLYNN.- I am taking, from Midhall, a comparison of State banks, but I can give statistics in regard to the other banks, if the right honorable gentleman wishes. As I say, these are not really State banks, but the Bank of England and the Bank of Russia are thus described in Mulhall, and I am making a comparison between so-called State banks. I am not giving the total of all the banks, because the statistics in regard to Russia are not to me easily available. If we take the deposits in the other banks, they amount in the United Kingdom to £706 per head ; as against £374 per head in the United States. In Victoria, whose savings banks statistics have been quoted by the honorable member for New England as indicating the comparatively greater prosperity of that State, if we take the deposits of 1891, and compare them with those of 1900, we find a decline of nearly £10,000,000.

Mr. HumeCook. - There has been a heavy reduction of interest.

Mr. GLYNN.-Am I to rely on that decline in the savings banks deposits as indicating the relative decadence of Victoria ? Certainly not.

Mr. Kingston.- Has not the leader of the Opposition used the savings banks statistics in the same way?

Mr. GLYNN.- I am not aware whether the leader of the Opposition has done so or not. I am now replying to the debate.

Mr. Kingston.- And exposing the fallacies advanced by the honorable member's own side.

Mr. GLYNN.-I will not be tempted to wander, as the right honorable gentleman would like me to do, though if I tested the fallacies he has advanced, I might possibly quote from one of his speeches as contradicting another. There is room for improvement even in Ministers, and I hope the right honorable gentleman is improving as we go along. The Minister for Trade and Customs is particularly fond of that class of illustration which gives comparative statistics to indicate the relative advance of the various countries of Europe and America, and that class of argument he used on the platform during the South Australian election campaign. Giffen, who is a great authority, cautions us against the fallacious use of statistics, and instances the particular method of the Minister for Trade and Customs as the one to be most avoided. Giffen points out that, to make a comparison of relative increases in particular lines within certain periods is very often fallacious because some countries - such as those in West Africa - start at zero, and therefore, in the long run, show better results in comparative development. It is the same way in connexion with comparisons between the United States and the United Kingdom. In certain lines of industry, the United States finish at a point which the United Kingdom had reached when the comparison was made.

Mr. Kingston.- I think that the honorable and learned member intended to put that the other way.

Mr. GLYNN.-The point is, that in America or other countries, for the periods and lines taken, they may start at zero, or at a low state of development, whereas we start at a high rate of development in England. May I quote Giffen's exact words. He says -

The percentage method overlooks all the other circumstances - our greater increase in amount, the enormously greater magnitude in our actual trade, and the much greater increase in the population of the United States.

I think the true test should be based upon the increase in the external trade of the two countries, America and the United Kingdom. It is the external trade which is sought to be affected by a protective policy. The internal trade - or as it is called, the home trade - is practically outside the sphere of protection.

Mr. Kingston.- Protection stimulates.

Mr. GLYNN.- It may perhaps stimulate, or may retard the home trade. If the claim is to be made that the home trade is advantaged by a particular line of fiscal policy, then as regards America the credit must be given to free - trade, because America enjoys free- trade between 46 States and 80,000,000 of people. Take the exports, which from the point of view of the protectionists, are the best items for comparison, because the protectionists seek according to their own statement of their position to encourage exportation. In 1840, the exports of the United Kingdom per head of the population were £1 18s. 9d., and of the United States, £1 11s. 1d. In 1880, the exports of the United Kingdom were £6 9s. 5d. per head, and of the United States, £3 8s. 1d. But I will take a period of four years, rather than rely upon a comparison of two particular years - the years 1890 to 1894. The average net exports of the United Kingdom for the period, 1890 to 1894, were £6 2s. 11d. per head, and for the United States, £21 1s. 1d. So that here, Mr. Speaker, a comparison of the increase per head since free-trade became the policy of the United Kingdom, is altogether in her favour. But let me come to 1899, and analyze the exportations from the United States to the United Kingdom. The aggregate increase of exportation in the case of the United States very often deludes protectionists, because they forget that those exports are largely made up of agricultural products. I find that in 1899, 70 per cent. of the total exports of America were of agricultural products. The domestic manufactures were only 24 per cent. For the United Kingdom, textiles were 43 per cent. of the total, metals and machinery 23 per cent., and apparel 41/2 per cent. So that those three lines, which make up the bulk of the English exports, account for 70 1/2 per cent. of the total. In other words, 70 1/2 of the total exports in the case of the United Kingdom are made up of three lines of manufactures, whilst 70 per cent of the exports, in the case of America, are made up of agricultural products. The greatness of America is due chiefly, not to her manufacturing exports, but to her exports of food and raw material.

Mr. Mauger.- And the internal trade.

Mr. GLYNN.- That depends on other circumstances. If it is fair to say that the internal trade is stimulated by a protective policy, in the case of America, it is equally fair to say that the internal prosperity of England is due to freetrade. The honorable and learned member for Indi alleged that when protection existed in England, about the middle of the last century, England practically enjoyed a manufacturing supremacy ; that her fleets practically covered the oceans of the world, and that she stood, to summarize his allegations, practically without a competitor. Assuming that the honorable and learned member's statement is correct - if England had attained in 1840 to a condition of commercial eminence - it cannot be assigned to protection, because all the other countries which by comparison with England were stagnant, if we are to trust the honorable and learned member's statement, existed under a protective policy as well as England. So that, if protection was an operative cause in favour of England's commercial eminence, I fail to see that it could have operated towards decadence in the other countries of Europe. As a matter of fact, in 1843, as I interjected when the honorable and learned member was speaking, a third of the total exports of England were of cotton, and comparatively very little of the balance of the exports was made up of staple manufactures. The honorable and learned member referred to the fact that there has been a decline in the cotton trade, that the markets of India are not now entirely supplied as they were formerly by England, but that the East is supplying itself, and that in various other parts of the world England is feeling the keenness of European competition, as well as the competition of local supplies. Does this decadence in the proportion - because it only amounts to that - of the cotton exports indicate that the cotton trade of England has suffered a decline that has been unaccompanied by compensations, or that on the whole England is losing because there has been a shrinkage in the proportion of cotton exports to the total exportations? It means nothing of the sort. In 1840, 33 per cent. of the total exports of the United Kingdom were of cotton ; in 1850, 30 per cent.; in 1883, 24 per cent. In 1840, the exports of linen and jute were 6 per cent. of the total, and in 1883, 3 per cent. But the volume of these exports has greatly increased. The volume of the exports of cotton, linen, and jute, which are the two commodities that are now being supplied to the markets of India and the East by the home producer to a greater extent than formerly, have largely increased, though in proportion to the total exports those lines show a decrease. But the decrease has been accompanied by a corresponding increase in other lines of export. As a matter of fact, so far from the competition of the great protectionist countries, of the United States, Germany, Belgium, Holland, and France, injuring England, it has rather advantaged her, because the export trade to those countries has more than kept its proportion of the total exportation, while the volume

of the exportation to those countries has largely increased. When cotton as a proportion of the exportation to Germany slightly diminished, machinery increased. It is impossible to benefit one country without benefiting another. Free-trade is based upon the harmony of nations ; upon the abundance of one nation ministering to the scarcity of another; upon the interlacing of the interests of all the elements which constitute the civilized portion of the globe.

Mr. Mauger.- A nice ideal.

Mr. GLYNN.- It is true. We cannot benefit one nation without benefiting another. The prosperity of Germany has enabled her to become a large purchaser from England. The prosperity of the United States has allowed of England exporting an enormous proportion of her manufactures to that country. I speak from memory when I say that the greater portion of her trade is yet with the United States, which has the heaviest tariff against England. A decline in one export is followed by a corresponding increase in another. The prosperity of even protectionist countries, if we take the evidence of trade, accompanies the prosperity of England, and vice versa. As regards the condition of the people, to which the honorable and learned member for Indi also referred, it may be sufficient for me to quote from the reports from which he quoted. The honorable and learned member read from a report made in 1890 by the House of Lords committee upon the employment of the labouring classes, and he quoted also from the report of the Royal Commission upon Labour in 1894. Not one line of the many hundred pages of the commission's report of 1894 refers to protection as the cure for the unfortunate position of some of the outcasts of England. The four labour members of the commission, to two of whom, namely, Mr. Tom Mann and Mr. Maudsley, the honorable and learned member for Indi referred, advanced as a cure for the unfortunate condition of some of the unorganized trades - those that are not within the sphere of trades unionism - not protection, but the extension of the Factories Acts to those trades. The English Factories Acts, down to last year at all events, did not touch the home workers, and it is amongst the home workers that sweating is the greatest evil. They asked, also, for the extension of Government control of industries - the assumption to a large extent of certain industries by the State - and the limitation of the daily working hours to eight. I am not advocating these as a means of curing the evils pointed out by the Royal commission. The honorable and learned member for Indi has referred to two labour leaders, who were members of that commission, and I merely indicate to the House that they did not rely on protection as a cure, but upon other expedients,, with which some may and some may not agree. If the honorable and learned member had quoted from the main report of the commission ; if he had quoted a statement by the commission of 1894, which was signed by nineteen members, he would have shown that it was a testimony to the wonderful advance in the social condition of the masses in England under free-trade, as against the condition of affairs which existed during the protectionist period. The two periods are compared. Paragraph 4, to be found at page 17 of the report of 1894, sets forth that -  
The general impression left by the information before us is that the level of wage rates has risen considerably during the last 50 years, both in respect of their nominal value, and, with the exception of house rent in large towns, their power of purchasing commodities. At the same time, it appears that the daily hours of labour have, during the same period, been in most cases shortened, and the sanitary conditions of work improved.

Mr. Mauger.- True protection.

Mr. GLYNN.- Does the honorable member say that this betterment of the conditions of the people as compared with their condition during the period which ended in 1840, is an indication of the advantage of true protection?

Mr. Mauger.- I say that Factories Acts. and trades unionism constitute true protection.

Mr. GLYNN.-If the honorable member quibbles in that way he will put himself exactly within the category in which the honorable and learned member for Indi placed himself in regard to that portion of his speech in which he said that the aid given to the mining industry was protection of the character of the Tariff. The argument is too thin to deceive. The honorable and learned member for Indi pointed out that the purchasing power of wages, so far as food is concerned, is about the same now as it was in 1840. That, however, was a qualification of the main statement made by Sir Hebert Giffen and quoted in the report of the commission of 1894. The honorable and learned member, while quoting that statement, did not quote the whole paragraph. I will not quote the exact words, but it is pointed out in paragraph 9 of the report that 50 years ago the proportion of persons receiving very low wages was much greater than now ; that there

has been a rise in the wages paid in specific employments, and that the general remuneration of unskilled labour has largely increased. Is it a perfectly ingenuous method of argument, seeing that these were the main allegations of the paragraph, to quote a mere qualification of the paragraph as regards the purchasing power of wages? Let us see what Sir Robert Giffen says in one of his essays on Finance. I quote largely from him, because he was made use of by the honorable and learned member for Indi- In increased money wages, in cheaper food and clothing, in larger command over luxuries of life, the masses of the United Kingdom having become far more luxurious than they were, have made an enormous advance upon their condition half a century ago. There is still a large criminal and pauper population in our midst, and there is still a large class of the very poor just above the border of 'pauperism' : but the proportions of both classes to the whole community are smaller than they were before. If I were to rely on published statements, as the honorable and learned member for Indi has done, by quotations from the evidence given before this commission, as well as from the report, in order to show that sweating exists largely in England, and that there is an outcast lot - the pariahs, the submerged tenth - whose condition is so deplorable, I might go to America for results quite as distressing. But it proves absolutely nothing in connexion with the issue before us. Who ever advances free-trade as a panacea for all ills ?

Mr. Kennedy.- Or protection either.

Mr. GLYNN.- Or protection either. Although protection was foisted on the people originally as the system that was going to produce the perfect working man's paradise. 19 e 2

Mr. Kennedy.- A number of very intelligent communities and nations have adopted it.

Mr. GLYNN.-It would be safer to say they have not yet discontinued it, because in 1840 protection was the vice of all nations. It was England which began the career of reform - of which America is now talking, if we read aright the words of the late. President McKinley. The Scotsman of 29th December, 1900, publishes a letter from its New York correspondent, from which I make this extract -

Down to the time of the outbreak of the civil war in 1800, there were but half a dozen single millionaires in the country, where there is now a burden of multi-millionaires. Some few men made millions from contracts during the war, and others have made them since then in ways already spoken of. That the growth of millionaires has not proved wholly advantageous to the country is made evident by the simultaneous growth of poverty, trampism, discontent, beggary, criminality, labour revolts, and measures directed against property. It is made evident also by the increase of all kinds of public charity, charitable institutions, reformatories, penal establishments, dr3'-rot societies, and refuges for degenerates. The official and unofficial records are unpleasant. Last week, on Christmas Day in the city of .New York, nearly 200,000 hungry people were glad to get a chance to eat the bread of charity. As many as 25,000 of them were fed at one place by the Salvation Army.

If we deal with this class of quotation, we can get quite as significant facts - if they are significant - from the conditions prevailing in protected America, as can be obtained in free-trade "England.

Mr. HumeCook. - That statement has been disproved.

Mr. GLYNN.-Instead of taking the aggregate prosperity of two countries for comparison, do not honorable members think that a fair test would be to compare two lines of industry, one of which is protected in America, whilst the other has gone on under free-trade ? I take the shipping industry as an example. If there were a handicap at all at the start - taking the period from .1850 - the advantage, as far as Nature is concerned, was rather on the side of the United States. Its timber, its iron, and its wealth of raw materials were certainly greater than were those of little England. As regards shipping, they are, in the matter of aptitude, pretty well on an equality from the point of view of racial tendencies. Both are carved by Nature to promote a life upon the deep, for though England is " bound in by the triumphant sea," the States are fringed for many a mile of shore with Atlantic thunder and Pacific foam. They are both alike descended from a great sailor stock, from the volunteer stock of England that placed the trident in her hand, who took to the sea as to their native element when danger threatened the " sceptred isle." It is of the naval ardour of their common ancestors thatFroude, referring to their rally in times of danger, so splendidly says - The spirit that was in them swelled to a wild war music as the wind harp screams and trembles under the breath of the storm.

Well, in 1850, England abolished the last of her navigation laws that protected, but did nob increase, comparatively, her shipping. America extended her laws. The honorable and learned member for Indi

would have us believe that it was the flag of England, and her flag alone, that then practically sheltered the ocean-borne commerce of the world, and that she had no rival near her to contest the commercial field. In 1854, the tonnage of the shipping of the United Kingdom was 5,250,000 tons, whilst that of America was only 100,000 tons less. What does the Forum - an American monthly review - of December, 1900, say as to the position now?--

The American wooden clipper could not hold out against the British-owned screw, and America could not build iron screws. What American ship-owners could not build American ship-owners were forbidden to buy, and the American flag was driven off the face of the waters by its own statesmen. Even now, and including lake steamers, American tonnage is only half what it was 50 years ago.

Sir Malcolm McEacharn. - How is it that France and Germany have both increased their fleets so much under protection ?

Mr. GLYNN. - Of course, there must be some increase with time and development no matter what the fiscal policy may be. According to the North American Review, the least subsidized German line of steamers is the most successful. I think it is the Hamburg line.

Sir Malcolm McEacharn. - No; the most heavily subsidized company is the most successful.

Mr. GLYNN. - A writer in that Review points out that the particular company which receives the least amount of Government aid is the most successful. In 1860, 66 per cent. of the imports and exports of America were carried in American vessels ; in 1898, 9 per cent. only of that trade was thus carried. The steam tonnage of the United Kingdom is now ten times that of the United States. What is the reason ? There is scarcely an article that enters into the building of a ship that is not taxed in America. From the brass on her taffrail log to the pennant, the duties are graded up to a maximum of 150 per cent. As is pointed out by the Forum, it has killed the shipping industry of America. I do not intend to trespass more than a moment or two longer upon the consideration of honorable members. It may be asked what position ought one to assume in case this motion, which deserves, but perhaps cannot command, success, is defeated ? My position is clear. I hold that it is the duty, as well as the right, of free-traders to examine this Tariff item by item, and not to relax under the importunity of a Government majority their efforts to temper its severity with a touch of freedom. The character of fiscal legislation is not easily changed. We may rest assured that the lines which we now lay down for the regulation of our intercourse with other countries will, at least, endure for half a generation. The temporary expedient of protection has - as I have already shown - outlived two centuries in our great exemplar the American Union ; it has lasted for a quarter of a century in Canada; and still survives, after 20 or 30 years, in the States of the Australian Union. In each case it was to disappear when strength had come with age, when the commercial mendicant had become the self-reliant manufacturer, when delicate industries could, as the result of State coddling, stand the healthy breath of competition. The years roll on, but the protected producers never declare that the time for independence has come. In their case, by universal admission, appetite grows by what it feeds on ; their maw can never be glutted. Free-traders must, therefore, accept for what experience shows it to be worth this pretext of a temporary expedient a pretext, in fact, which has recently been abandoned as too thin by some of the would-be perpetuators of the policy of protection. Believing, as I do, that taxation should be raised only to meet the requirements of public expenditure ; that, as an aid to industry, it is at once wasteful, oppressive, and unjust; that the policy of fiscal freedom which has made England rich is not likely to make Australia poor ; that in commerce, as in everything else, the strength that endures comes from confronting difficulties with energy, intelligence, and self-reliance, not from a weak-kneed dependence upon the support of the State ; that a policy which makes for international harmony and intercourse is preferable to one based upon mutual antagonism and obstruction, I shall endeavour in committee to support every effort to make the Australian Tariff alike just to the consumer and productive of revenue to the State, free from all unnecessary obstacles to intercourse of nations, and worthy alike of Australian self-reliance and Imperial example.

Mr. CRUICKSHANK (Gwydir). - At this stage of the debate I do not intend to occupy the time of the House any longer than I can help. I feel the importance of the question before the House, and I think that the Government are entitled to credit for the consideration they have shown in giving every member an opportunity of fully debating this motion of censure.

Mr. Page. - Why should they not?

Mr. CRUICKSHANK. - The honorable member must know that in the State Parliaments on similar

occasions honorable members are very often asked to sit until three or four o'clock in the morning, and the question is rushed through to a division at a time when the views of honorable members are not reported.

Mr. Page.- We might have to do that here yet.

Mr. CRUICKSHANK.- That kind of tiling is being constantly done in the State Parliaments, and only recently we have seen an example of it in New South Wales, where members were kept sitting for 48 hours that they might be tired out and forced to a division. Under the circumstances, I think that the Government are to be congratulated upon giving honorable members every opportunity of freely expressing their opinions upon this motion. I cannot say that I am swayed from the decision to which I have come to by the address of the last speaker. The honorable and learned member satisfied me that we are on the right track when he told us that we must vote for a Tariff for revenue purposes, and to meet the monetary obligations of this Parliament to the States. That is all we are here to do. I believe that those who are supporting the Government will not, when we get into committee, vote for any taxation more than is considered necessary to meet the obligations of the Federal Government. When we were canvassing New South Wales we were seeking election for a distinctly free-trade State, and we knew that New South Wales would have to join in with protectionist States. We knew that what, in many cases, might in New South Wales seem a system of moderate protection, would appear to be practically free-trade in the protectionist States. When I was running my election, I was prepared to go to many extremes, sympathetic as I was in regard to the monetary obligations of States like Queensland. I felt that the inclusion of Queensland was a great necessity to the federation of Australia, and that we could have no complete federation unless that State joined in. I felt under the circumstances that we were under an obligation to deal with the black labour question according to the voice of the members returned from that State. We were bound in a measure to consider the monetary obligations and the policies of the different States, and to do nothing to disturb the laws that had been made by their Parliaments. I recognised that we should have to respect their Tariffs, and the revenue they raised through their Custom - houses, and that New South Wales would have to take a liberal view of the Tariff that would come before this Parliament in order to assist the minor States to meet their monetary obligations. I have, therefore, been rather relieved to find so many members representing those States saying that they are entirely in favour of a free-trade Tariff. I do not see that this Parliament is bound to consider them in the imposition of taxation for the purpose of enabling the States to meet their obligations, when the representatives of those States say that they prefer that the money should be raised by some other method. New South Wales certainly does not require any additional money, and I feel greatly relieved in regard to my responsibility to the minor States. I have been relieved in this way by the speeches made by honorable members representing Western Australia and Tasmania, but so far as members representing Queensland have spoken, I feel that I am still under some obligation there.

Mr. Page.- Who are they ?

Mr. CRUICKSHANK.- I think most of them have expressed opinions.

Mr. Page.- I do not believe that one has spoken on this motion.

Mr. CRUICKSHANK.- I do not know how the honorable member for Maranoa is going to vote, but perhaps when he rises to speak he will sway me a little the other way. If honorable members say that the money required can be raised by their own States, it will not be as necessary for me to support high duties as I should otherwise have been prepared to do, and when we get into committee I shall not vote for any taxation that I consider unnecessary. I have been much struck by the great feeling which it is supposed has arisen in the country in regard to the Tariff. It seems to me that the people of this country, and many honorable members in this House, do not consider the responsibilities the Government have in introducing their Tariff proposals, and having to deal with States that have under their laws adopted entirely different fiscal systems. They talk of a rising of the people. My opinion is that it would not be difficult for any person of note who undertook to explain the Tariff to get a gigantic meeting. If I went to different parts of Victoria and South Australia, or visited any part of Australia to-morrow, and came first into the field as one who was going to explain this Tariff, I could get gigantic meetings. There may be some feeling of the kind suggested amongst free-trade combinations, particularly in Sydney and amongst those interested in the manufactures of Australia, but the people as a whole take very little interest in the Tariff, because they know that it is not yet complete, and they are satisfied to wait until they are in a



position to know what is to be placed before them. I believe that is really the opinion of many persons, to judge from my experience in travelling. The Tariff has been before the people for a fortnight or three weeks. I travel a great deal, and when honorable members talk about a rising of the people, I say that it is purely a matter of imagination.

Mr. Fowler.- If the honorable member will go over to Western Australia he will change his mind about that.

Mr. CRUICKSHANK.-The people of Western Australia I look upon as a minor consideration, because there is a very small population in that State. I was very much inclined to be what I call liberal or magnanimous, but if its representatives say that they do not require this revenue to be raised through the Customhouse, that it can be got elsewhere, I do not see why we should be particularly concerned about the matter. There has been a good deal made of the hospitality which has been shown to honorable members by the manufacturers of Victoria. One honorable member interjected the other night that our liberality would be shown by the wine we drank at the banquets when we were taken round the factories each week. I take this public opportunity of thanking not only the directors and the shareholders of the manufactories, but the members representing the districts in which they are located, for giving the members of this Parliament every opportunity of seeing the industries of the State. I suppose if there is one thing which a Member of Parliament would sooner escape than another it is sitting down to a banquet. I suppose if there was one thing which too often engaged our time, it was having to accept the hospitality of a luncheon. We went purposely to gain information, but the gentlemen whom we visited were so hospitable that they insisted upon our staying for luncheon.

Mr. Conroy.- Only those that wanted consideration.

Mr. CRUICKSHANK.-Of course they wanted consideration.

Mr. Conroy.- Boodle.

Mr. CRUICKSHANK.-In the same way as we get circular letters asking for consideration from everybody who imports shoddy. I put them all on the same footing. I went to the factories of this State for my own convenience - to get information. I regret that I was not able to go to two or three of them, but before the Tariff comes out of committee, I intend to go over their buildings and see what I can for myself.

Mr. Conroy.- It is holding out a promise to them.

Mr. CRUICKSHANK.-Of course it is. I wish now to refer to our duty with regard to the framing of the Tariff and the high responsibility of our leaders. We have, in the first place, the leader of the Opposition regretting that the Minister for Trade and Customs has been intrusted with a great responsibility. On the one hand, he says that we have an honorable gentleman intrusted with the power of framing a Tariff for the Commonwealth ; and, on the other, he says that that honorable gentleman would not be allowed to finance for any private individual to the extent of a £5 note. I suppose that is the way in public life. I see honorable members rising here and taking any responsibility. Men who, perhaps, have only served the mining interests, venture to give advice on behalf of the farmer. I farm 1,500 acres. I have always been mixed up with farming, and I am also a large produce dealer. At the same time, I do not get up to express an opinion on behalf of the farming man as confidently as some honorable members who tell me that they never owned an acre of land, and do not know one provision in the land laws. There are honorable members who represent the mining districts. I would not venture to get up and express authoritatively the wishes of the mining industry, in the same way as I hear them dealing with the farming industry of this State. I think that when we come to deal with the farmers' interests, we shall find that their representatives - that is, the men who are thoroughly interested in the land - will not be very far apart. I see two honorable members on the other side, who, I regret, found it necessary to leave the side of the House upon which I sit, because I feel that at heart we are not divided in our political views. Those honorable members talk about a, 15 per cent. Tariff, and about finding it necessary to get certain revenue through the Custom-house, and they have expressed their views with regard not only to the fanning industry of the State of Victoria, but the effect which the Tariff will have upon the farmers. I feel that with those honorable members I am quite in accord, that our opinions are undivided, and that they might with me have safely voted with the Government, because we shall be able to alter minor matters in committee. Supposing that the Opposition party had been in power, and introduced a Tariff anything like that which we have in New South Wales. It would have been impossible to have raised a revenue equal to the necessities of the Commonwealth, because we cannot increase the duties. If we do not like to vote for the duties in full on this Tariff, I am quite sure that any proposals which may be made in committee will

receive the consideration of the Government. We have one advantage, and that is we can reduce the duties where we cannot increase them.

Mr. O'Malley. - We can increase.

Mr. CRUICKSHANK. - We cannot increase any duty. In this Tariff we have plenty of matter to deal with, and our regret may be that there are items on the free list which we should like to see included amongst the dutiable articles. I have not had time to go over the free list. Our great difficulty has been with regard to the responsibility of the advocates on the other side. For the first time since federation has been introduced have I heard of the leader of the Opposition expressing an opinion with regard to what the Tariff should be. In obtaining my views from the free-trade party in New South Wales I had to read the opinions of the honorable member for Wentworth and of the honorable and learned member for Parkes. Never did the leader of the Opposition express any views as to what his Tariff would be. He has now said that if he were in power he would impose an average duty of 15 per cent, on luxuries and 7 per cent, on other commodities. We know very well that to impose an all-round Tariff duty of 15 per cent, we must get up to probably 20 per cent, in very many cases, for it is only a matter of adjustment. If we have an all-round duty of 7-1/2 per cent, on other commodities taxes must be imposed on a great many articles which we have on the free list. It has been admitted by the honorable and learned member for Parkes and the honorable member for Wentworth that we shall have to raise through the Customhouse £8,500,000, and this Government has introduced a Tariff that will yield £9,000,000. What is £500,000 spread over a population of 3,600,000 persons? It is a mere flea-bite, and matters must be adjusted when we come to the consideration of the Tariff. I do not say that the Government has not probably been extravagant in making provision for the various necessities of the States and of the Commonwealth, but it is preferable to make ample provision than to unduly curtail the Estimates, and, moreover, we shall have all the more scope in dealing with the Tariff when we go into committee. There is another matter to which I should like to refer, and that is the extent to which the Tariff has apparently been exaggerated in the statements which have been made to the people of New South Wales that the duties will average 36 per cent. How that calculation is arrived at I do not know, but I should like to have the whole thing cleared up. It is represented to them that, owing to the fixed duties and the ad valorem duties combined, they are having imposed upon them the enormous average duty of 36 per cent. This, of course, is a very serious matter to the State which has had a free-trade Tariff for such a long time. New South Wales has always been a free-trade State. In 1887, the late Sir Henry Parkes went to the country, because it was alleged that an attempt was being made to sneak in protection, and the 5 per cent. ad valorem duties that were then in operation were swept away. In 1890 Sir George Dibbs, who was then the leader of the House, imposed what was nominally a 10 per cent. Tariff, and this excited the people in New South Wales to such an extent that when the present leader of the Opposition went to the country with a land and income tax, the people swept away the Dibbs Tariff which was imposed at a most unfortunate time. The bank smash occurred just then, and I do not think there was a disaster that took place during the three years that the duties were in operation that was not attributed to the Dibbs Tariff. All the droughts and losses in the country and all the bank smashes were put down to the Tariff. The private banks in America and the English banks failed at the same time, and similar financial disasters were occurring all over the world, and bank directors and auditors were being tried on every hand for shirking their responsibilities. New South Wales naturally felt the effects of the general financial upset, but everything was, nevertheless, put down to the debit of the Dibbs Tariff. The honorable member for Illawarra actually told us that the farming industry in his district had fallen to pieces owing to the Dibbs Tariff. He pointed out that during the Dibbs Tariff there was a duty of 2d. per dozen on eggs, 3d. per lb. on butter, and 6d. per bushel on wheat, and that the farming industry in the Illawarra district had failed utterly in consequence. That brings me back to the remark of the last speaker, that we must be guided to a very great extent by the master minds who have had experience of the fiscal question in other countries. The honorable member quoted men like Madison and other great authorities, and said that they had been the leaders in Germany, America, and other protectionist countries throughout the world, but it is a most peculiar thing that every one of those countries, after having been led by these great luminaries, should have adopted a protectionist policy. These facts must have a considerable weight with the House. Now I come to another matter in connexion with the responsibility of leaders of the people. During the federal elections in New South Wales I did not declare myself on either side until the Prime Minister had delivered his speech at Maitland. I read the

speech of the honorable member for Parkes and also that of the honorable member for Wentworth, but the leader of the Opposition never referred in any way to what his Tariff would be beyond criticising the address of the Prime Minister at Maitland. If the speech of the Prime Minister carries the responsibility which honorable members have sought to attach to it, we must also attach an equal degree of responsibility to the speeches of leading members of the Opposition. We must attach special importance to the speeches made by leading men in New South Wales, because that is the only State which is asked to alter its Tariff. For the same reason we must allow representatives of that State some degree of latitude, because we are asking New South Wales, which has formerly had the freest Tariff in the world, to adopt a moderately protective Tariff. AVE are all responsible to our constituents for the construction that we have put upon the Maitland speech of the Prime Minister, and the Prime Minister must recognise the gravity of his position, because that speech was read line by line throughout the whole length and breadth of the Commonwealth. When I read the Prime Minister's speech I took the precaution to see what members of the Government were present. I saw that the Minister for Trade and Customs was on the platform, and that the Attorney-General was also there. I was very anxious to notice the degree to which the Prime Minister was supported by his colleagues, because I was told that the influence of Victoria would prevail, and that probably we should not have a moderate protectionist Tariff, such as I was leading my constituents to believe.

Mr. Deakin. - The misfortune is that Victoria has not prevailed sufficiently.

Mr. CRUICKSHANK. - The Prime Minister delivered his speech, and on the platform at the time there were certain members of his Cabinet, and the Prime Minister will be responsible for a reasonable and fair construction of his statements on that occasion. I was really sorry the other night to hear the Minister for Trade and Customs say - " This is a protectionist Tariff, make no mistake."

Mr. Kingston. - I said that it was a revenue Tariff first of all - that was the first consideration.

Mr. CRUICKSHANK. - I took down the words - " This is a protectionist Tariff, make no mistake."

Mr. Kingston. - I made it as clear as I could that the first consideration was revenue.

Mr. CRUICKSHANK. - We have to deal with this matter from the point of view of the speech of the Prime Minister. While that speech has been, and will, be criticised very freely, we who are supporters of the Government have to put our own construction on what the Prime Minister said. We have to take the responsibility before our constituents for accepting the action of the Government as a fair reflex of that speech, and we are responsible to our constituents for framing a Tariff which will produce revenue without destroying any industries, and for taking the position that, as both free-trade and protection are impracticable, this Tariff shall be neither one nor the other, but a business man's Tariff. I believe that a business man's Tariff, if there is such a thing, is the best we could get for Australia. I regard this as a moderate protectionist Tariff, and however it is altered in committee, it will have to be on the protectionist side to meet with my wishes. No doubt the Tariff will be altered, and I cannot but say that I feel it is a higher Tariff than was anticipated by New South Wales. I had a great wish to see a Tariff providing for duties of from 15 per cent, to 20 per cent., which, I believe, would have been found practicable. I do not advocate protection or a high Tariff, because a high Tariff brings about combinations, and gives rise to a danger of monopoly and of injustice to the general body of consumers who purchase from the local factories. As has been said, protection does not begin and end at the Custom-house. I believe in encouraging local industries, and everything cannot be done through the Custom-house. At the same time, the Custom-house can be used to assist natural industries, but that is only one of the many methods of encouraging and developing them.

Mr. Conroy. - How can industries be natural, if they cannot get along on their own account ?

Mr. CRUICKSHANK. - Competition can wipe out anything that is natural. If we have two men, one with capital and the other without, the former usually has the advantage of the latter. In making an industry successful, there is no advantage in having a high Tariff ; and what is presented to us is a Tariff which encourages industries by discouraging the producers of other countries from sending their surplus shoddy here. Those who send goods from Germany, America, and other countries, look at the prices which rule on the day, and they know that when they get to the border they will have to pay the Tariff. How that Tariff may be spread over portions of the community afterwards is a matter with which the foreign producer has nothing to do, but is a matter for the consumers within the State. The fact that there is a Tariff prevents

this country from being made the dumping ground to the same extent as it otherwise would be for the surplus goods of other countries, and it is in that way that natural industries are assisted by the imposition of duties. It is for the Government to give local industries liberal legislation so far as their internal working is concerned, but it is not good to impose a very high Tariff, because if industries become few, monopolies may be formed and prices fixed detrimental to the consuming community. The leader of the Opposition used these words -

It is almost impossible to extend charity except we draw on somebody's pocket, and it is the false opinion of charity that draws on the pocket of the farmer, the miner, and the pioneer in order to maintain a number of artificial industries.

We have to discriminate as to what are natural industries, and that having been done, I hope to see the Government protecting those industries in every way. Our object is to encourage natural industries, not particularly by a high Tariff, but by allowing the free importation of the necessary raw materials, so as to place those industries in such a position that they may be able to compete with the producers in any part of the world. I take it that the pioneer is the man who took up the waste lands in the early days, and that the fanner is the settler in the interior of the country, and, so far as these classes are concerned, I feel sure that the Tariff, when it leaves this Chamber, will be such as to suit their interests.

Mr. G.B. Edwards. - It will have to be largely altered.

Mr. CRUICKSHANK. - No doubt the Tariff will be altered in some cases, but I see very little in it now that affects the farmer. The only people with whom the Tariff interferes are the importers and their combinations, who are determined that whatever profit is made as between the manufacturer and the consumer shall pass through their agencies. The importers are the people we have to fear ; because I feel quite sure that the profits made by commercial houses are much greater than any duties which are proposed by the Government. I know cases in which importers' profits have been as high as 30 per cent. or 40 per cent., and names could very easily be given. Australia is asked by the Opposition to deal in the open markets of the world without assistance. We are asked how it is that the manufacturers of England can deal in the open markets. The answer is simply that factories have been established in England for hundreds of years, and that they are equipped with all the best machinery. Having regard to the enormous capital at their disposal, is it reasonable to urge that these English factories are not in a better and stronger position to trade with the open world than are the factories of a new country like Australia, which is little over 100 years old. Have we not to depend on our natural products, which form our exports, and upon our manufactures from natural products ? It is only recently that we have become wheat exporters. Is it reasonable to expect a young country like Australia to be able to compete with the great woollen and linen factories which have been established for hundreds of years in the old country ?

Mr. Conroy. - Are they the same men, the same capital, and the same machinery, to-day as they were 100 years ago ?

Mr. CRUICKSHANK. - In another 100 years, when the honorable and learned member and I are where we ought to be, the position of Australia will be very different. I hope that there will be very rapid changes in this country within the next twenty years. I feel quite sure that the honorable member for Melbourne Ports, who has taken such an interest in the factories of Victoria, will be very proud to see the expansion that has taken place in New South Wales by the end of that period. What must be an important factor in this country in devising our Tariff, is the difference in the wages paid in these States and in those countries from which goods are imported.

Mr. Kingston. - The honorable member means that the amount of protection must depend upon that difference ?

Mr. CRUICKSHANK. - Yes; the amount of protection which we must have must largely depend upon the difference in the wages paid in Australia and in other countries. If we want to have a white Australia - if we want to have a white working man - if we wish the labour of Australia to be done by our own people, we must not only take an interest in our factories, but in the goods coming from those countries where labour is cheaper ; and our Tariff duties should be commensurate with the difference between the wages paid here and in those other countries.

Mr. Poynton. - In the protectionist countries of Germany and America, for instance ?

Mr. CRUICKSHANK. - I refer to the countries from which we get our goods.

Mr. Poynton. - But protectionists say that the best wages are paid in those countries ?

Mr. CRUICKSHANK.- If we take the comparison between wages paid in this and some other countries, it will be seen that there is really very little difference. There is very little difference between the wages paid in Victoria and in New South Wales. But as to Victoria, I should like to say that this State, having only a very small area, deserves great credit for the progress she has made. Victoria, with 87,000 square miles - the smallest State in the group, with the exception of Tasmania - occupying one little corner of the Continent, is entitled to admiration from all Australia. Let honorable members compare the advantages possessed by Victoria and New South Wales. In New South Wales the land revenue for ten years, up to 1899, amounted to £19,370,842. The loan expenditure was £20,417,142. The wool produced represented £82,062,602. The minerals for the same period were of the value of £44,237,000. The return of expenditure for ten years in New South Wales amounted to £166,087,786. In Victoria the land revenue in ten years amounted to £4,797,000. The loan money expended was £10,753,677. The wool returns were £24,140,544. The minerals represented £26,303,222. The total of these figures to Victoria amounts to £65,904,550, showing a difference in favour of New South Wales of £100,093,236. Surely a State which has had those very large advantages in the way of expenditure does not require the same amount of revenue through the Custom-house to carry on its government as has been required in the State of Victoria, which has nearly the same population, and, I am glad to say, has financially held its own. Therefore, I feel that a great deal has been done in Victoria, and that this State ought to be very proud of her Parliament, which has enabled the people of the country to develop their territory, and to keep the State in the solvent position she is in. The reason why I should like to see industries encouraged in Australia to the fullest extent possible, is that while the value of Australian products is £61,000,000 per annum, and the value of its fuel and materials £27,994,000, and £33,316,000 is added in value by processes of manufacture, the sum of £15,374,000 is paid for wages. The imports from the British Empire amount to £29,000,000, and from foreign countries to £10,000,000, of which approximately 25 per cent, is paid in wages. Therefore, we have imported into this country goods in respect of which £10,000,000 has been paid in wages in other countries.

Mr. Poynton.- For what period is that?

Mr. CRUICKSHANK.- I think for the year 1899. I have taken the figures from Coghlan's Seven Colonies of Australasia. These are the figures for Australia as a whole. I should like to see the wages paid now in other countries on account of goods imported into Australia, paid to our own workmen, if those goods can be produced in this country.

Mr. Poynton.- Where should we get our revenue from, then?

Mr. CRUICKSHANK.- I would go elsewhere for it. I am not one of those who are afraid of direct taxation. I do not think that because we favour this Tariff we should necessarily avoid direct taxation. I think that people who possess property should be prepared to pay taxation. Those who have an interest in the country must be prepared to accept their responsibilities. In view of the provisions of the Constitution Act, that we must obtain our revenue only through the Custom-house for the time being. If other methods of raising money are to be resorted to, they must be adopted by the States. The States must make their own provision, apart altogether from the Commonwealth. In that case we should have to retrench, and let the States make up their deficits as best they might. I do not think the Commonwealth is prepared at the present time to go to the length of adopting direct taxation. It has been said that the miners are all free-traders. If there is one portion of the community more than another which favours free-trade, I believe it is the miners. And rightly so. As a body, they depend very largely upon obtaining cheap machinery. They wish to secure it as cheaply as possible.

Mr. Crouch.- In Victoria the miners are all protectionists.

Mr. Kingston.- And many miners in South Australia are protectionists.

Mr. CRUICKSHANK.- I find that there are 19,318 miners employed in New South Wales. There are 30,100 employed in Victoria, 9,700 in Queensland, 1,986 in South Australia, 2,000 in Western Australia, and 1,296 in Tasmania.

Mr. Poynton.- The figures relating to South Australia are incorrect. There are more than that number employed in the Moonta mines alone.

Mr. CRUICKSHANK.- These figures have been given me as taken from Coghlan's Seven Colonies. I find from the same source that altogether there are 64,000 hands employed in mining in Australia, while there are 169,600 persons employed in manufactories. In other words, there are twice as many hands

employed in the manufacturing industries of Australia as there are in the mining industry. What I wish to point out is that the manufacturers have to contribute towards the mining vote, the prospecting vote, and other grants for the development of the mining industry.

Mr. Fowler.- And they get the benefit.

Mr. CRUICKSHANK.- No doubt they do. I would support a prospecting vote, because I believe that there is nothing so beneficial to a country as the development of its mining industry. While I hold that view, I consider also that it is a very good thing to encourage our natural manufacturing industries. I should like to see encouragement given to every system of business that brings prosperity to the country, and that assists to develop the country to its very fullest extent. I should like to say a word or two as to what are our natural industries. That is a matter which we must consider. Doubtless there are many honorable members who will say that the manufacture of agricultural implements, lead works, furniture, bookbinding, coach-building, saddlery and harness making, soap and candle making, fur dressing, and umbrella making, and the manufacture of boots and shoes are purely natural industries. It is in dealing with a number of these trades that I should like to point out what, in my opinion, are the industries which have been established successfully, and which we ought to try and keep going. Many honorable members have taken upon themselves the responsibility of dealing with the farming industry and they are anxious to show how much the farmer is going to be affected by this Tariff. There is a great deal going on in the shape of commercial combinations and associations, that affects the farmers in the interior to a far greater extent than anything under this Tariff could do. Take the price of reapers and binders. It has been brought under my notice that reapers and binders can be bought in New South Wales for £47 10s., while the same machines can be purchased in Victoria for £32 10s.

Mr. Poynton.- When was that the case?

Mr. CRUICKSHANK.-Both before and since the imposition of the present Tariff-

Mr. Poynton.- The honorable member should ask the farmers about that.

Mr. CRUICKSHANK.-I happen to know of many cases in which purchases of these machines have been made. As a matter of fact, reapers and binders can be bought in Victoria and landed in the interior of New South Wales at a cost of £15 below that at which they can be purchased in Sydney and taken to the same districts.

Mr. Poynton.- There is no duty on reapers and binders.

Mr. CRUICKSHANK.-I am aware of that. I am giving this simply as an illustration of what occurs in commercial houses in Sydney. It is said that the farmers are going to be imposed upon by this Tariff, and yet we have the fact that an article on which no duty is imposed can be bought in Victoria, and sent to its destination in New South Wales at a cost greatly below that at which it can be bought in Sydney and landed in the same district. Among our industries is the boot trade. It has been pointed out very clearly that we have three boot factories in Sydney which employ a certain number of hands.

Mr. Conroy.- There are a good many in excess of that number.

Mr. CRUICKSHANK.-Enoch Taylor's, Hunter's, and another big boot manufactory were specially referred to. It has been said by the honorable and learned member for South Australia that there are more boots manufactured in the factories of New South Wales than in the factories of Victoria. As a matter of fact the three factories to which I refer import their own uppers from other countries and merely put the boots together.

Mr. Conroy.- But apart from that consideration the output is larger.

Mr. CRUICKSHANK.- It is not. Hunter's boot shops are to be seen all over New South Wales. As a matter of fact the boots turned out by them are not made in their factories. They are made in Germany. The parts are imported, and merely put together by them. I should call such a firm a large importing house. These firms write that they are very large manufacturers, and that they can manufacture under a 15 per cent. Tariff. I wish to point out that they cannot do so. One of their objects in putting forward this statement is to enable them to be very large importers. Fifty per cent. of what they turn out consists practically of imported goods.

Mr. Page.-What firm is that?

Mr. CRUICKSHANK.-The firm of Enoch Taylor. Hunter's is another firm.

Mr. Page.- They are the biggest sweaters in Queensland !

Mr. CRUICKSHANK.-They have been treading on the honorable member's corns.

Mr. SPEAKER.-Order ! The honorable member must address the Chair !

Mr. CRUICKSHANK.- That is what I am endeavouring to do, sir. I find that there are a great many Victorian boots being sold in New South Wales. Some very excellent tweeds are also being sold there at pretty well the same price as is paid for imported tweeds. Much has been made of the fact that we are charging a duty of 20 per cent, upon woollen goods, and only 15 per cent, upon silks. But it should be remembered that the former is a duty which is intended to build up one of the natural industries of Australia, whilst the latter is a tax upon luxury. As a matter of fact, about 50 per cent, of the duties imposed are not paid through the Custom-house at all. At the present moment the storekeepers and business houses are actually charging an increased price for goods upon which they have never paid any duty, and never will be required to pay duty, even under this Tariff. They have gone to the length of charging a duty upon fresh-laid eggs from their neighbours' farms. They have increased the price of Bodalla cheese by the amount of the duty which the Tariff imposes on imported cheese. A gentleman with whom I am acquainted went out in Sydney on a recent Saturday night to purchase some cheese. He was told by the storekeeper that he had only English cheese, for which the purchaser would have to pay an increased price so as to cover the duty of 3d. per lb. The consumers are thus being compelled to pay high duties upon all the natural products of this country. "Whenever a change is made there will always be the first robbers. I happened to be in the country the other day, and a storekeeper told me that he intended buying a lot of jams. The merchant had written him that he would have to pay so much duty upon them. Before the storekeeper had closed with the arrangement another man entered the shop, and said, "If you take those jams from my firm, I will give them to you 3d. per dozen cheaper than they were before the Tariff was introduced." When asked for an explanation as to how he could do this, his reply was, " They are all Tasmanian jams, and, as we now enjoy Inter-State free-trade, they pay no duty at all." That is the actual position in regard to a great many of the articles for which an increased price is now being paid by the consumer. The public are not alive to the fact that goods from one State can enter another State free of duty. There is another matter concerning which there is some feeling. I refer to the sugar duties. In New South Wales there was formerly a specific duty of £5 per ton upon sugar. That gave very great satisfaction. It yielded a certain amount of revenue, and, at the same time, was sufficiently protective to settle a very large population on the north coast of New South Wales. I know that the Government feel there must be a duty on sugar, and they accordingly propose an excise duty. I believe that such a duty was first proposed by Senator Pulsford when he was suggesting the method under which the revenue necessary for the Commonwealth could be raised.

Mr. Kingston.- He proposed an excise duty equal to the customs.

Mr. CRUICKSHANK.- He was one of the first to propose this system of excise. Honorable members should not lose sight of the fact that if revenue is necessary this Government is merely adopting the course which any Government would have had to follow. I think that honorable members on the other side of the House would have exhibited more liberality if they had shared the Ministerial responsibility. Upon this question, there should be some responsibility attaching to the Opposition as well as to the Government. We have to raise a revenue of at least £8,500,000. That being so, the Tariff becomes chiefly a question of the incidence of taxation. I should have liked to see members of the Opposition joining with the Government in an effort to arrive at such a compromise as would make this the Tariff most suitable to Australia. We have to frame a Federal Tariff which can be neither free-trade nor protective in its character. I believe that the Prime Minister, when in Tasmania, said that free-trade and protection were alike impracticable. There are a lot of other matters to which I intended to address myself, but I have no desire to weary the House. Every item of the Tariff has been traversed by previous speakers. In view of the capital which has been invested in the industries which I have mentioned, I should be very sorry indeed to see them go down. More money, I think, should be spent in the development of our iron industry. Until that industry has been considerably developed, I do not think that Australia will become a great manufacturing country. That is one of the industries which should be assisted by special grants. I should like to see special grants given also for the development of the mining industry, just as we pass a mining vote for ordinary prospecting. Now I come to the subject of tobacco and spirits. There has been great feeling created by the proposal to put an extra 6d. per lb. on tobacco. In New South Wales we had a duty on imported manufactured tobacco of 3s. per lb., a duty of 1s. per lb. on the imported leaf, and an excise duty of 1s. 3d., which made a difference of 9d. per lb. as against the imported manufactured

tobacco. In Victoria the duties were 3s. per lb. on the imported manufactured tobacco, 1s. per lb. on the leaf, and an excise of 9d., which made a difference of 1s. 3d. in favour of tobacco locally made from imported leaf, and 2s. 3d. per lb. in favour of the local manufacture of colonial leaf. The proposal now is to increase the present enormous duty by 6d. per lb., and my feeling is that we might have been very well satisfied with the previous duty, from which we were receiving a very good revenue. This is one of the industries which, so far as I can see, has been getting on very well under the laws that previously existed. The next question I desire to deal with is that of retrenchment in the Tariff. I believe that we can do with less money than is proposed by these Estimates, and this is one of the matters which I should like responsible men on the other side to consider. The honorable member for Wentworth, in dealing with the figures the other night, took an Australian trade of £161,000,000. The proper basis of calculation should, he said, be £36,000,000, and not £34,000,000; stimulants and narcotics, £4,500,000; fixed rates, £1,400,000 - I do not know what they are, but I take them to be specific duties objected to now by honorable members on the other side in stumping the country in connexion with what they call "the rising of the people" - and *ad valorem* duties of £3,000,000, which is 10 per cent, on £30,000,000. These are the figures stated by the honorable member for Wentworth to bring in a revenue of £8,500,000. In connexion with the estimate of £1,400,000, for what he calls "fixed rates," I do not know what adjustment there may be. No doubt we must help the Government to raise this sum of £8,500,000; but I feel there can be some retrenchment, especially as the representatives of States for which we have to raise money are against a high Tariff. New South Wales is against a high Tariff, because she is receiving more from the Commonwealth Parliament than the needs of that State require,

Mr. Chanter. - She will spend it all.

Mr. CRUICKSHANK. - She will spend it all, and so will any State spend whatever it gets. - New South Wales under this proposal happens to be receiving a great deal more than she anticipated, and as she does not require it, if representatives of the other States say that they do not require it either, we are given greater scope for the reduction of duties in committee. I do not say that we are to place the other States in difficulties, because, as I said when opening my speech, I explained to the electors, when I stumped the country, that one of the reasons for a high revenue through the Customs was that we were taking in the smaller States, and that we must be considerate to the views of the members they returned. I said that we must consider the Customs revenue that they had been receiving, and must endeavour to meet their wishes financially. That being fully considered, I still hope to see some reductions made in this Tariff. I must say that I feel delicate about imposing an unnecessary burden of taxation upon the people. I intend to vote with the Government when the division is called for, but I hope to see some alterations made in the Tariff in committee. I hope the Government will see that we cannot be bound by a hard-and-fast rule in dealing with the Tariff in committee, and that we must be left to take what is allowed to be a fair and proper view of the construction which ordinary readers would put upon the address delivered by the Prime Minister at Maitland.

Mr. BRUCE SMITH (Parkes). - I do not think any apology is required from me as a preliminary to addressing the House at some length. I have a good deal of sympathy with the supporters of the Government in the desire which they have so often expressed that the debate should be very quickly brought to an end; but I am very glad to see that that anxiety has ceased to be expressed by the Government itself. I cannot help noticing, however, that the expressions of that anxiety ceased only so soon as it became apparent that a very large number of the party who stand at its back objected to being suppressed during the rest of the discussion. It is now evident that the great issue which is involved in this debate has become perfectly apparent to both sides of the House. I think it will be admitted also that, although members of both parties in this House may have long since crystallized in regard to their fiscal opinions, the debate which has taken place has, for educational purposes, been a boon to the public. I do not say that that education has come from this side of the House only, because a great many speeches have been made from the Government side of the House which were at least calculated to confirm in their protectionist opinions people who already had proclivities in that direction, from long residence in this State. But, on whatever side the merit of the debate lies, I think it was of the utmost importance that at this early stage in the history of the Commonwealth, when so many conflicting interests in the several States have come to close quarters, that the general public should be made aware, through their various newspapers, of what could be said, for and against, on these two important fiscal doctrines. I



do not think, therefore, that any member of this House is called upon to apologize for speaking at length. I admit that there is an obligation upon members from time to time to avoid, if they can, the mere repetition of facts and figures which have been frequently laid before the House ; but no two speakers treat this question alike. I have listened to a very large number of capable speeches dealing with the fiscal aspect of the question, but I have heard very few as yet in which the method of calculating the requirements of the Commonwealth have been trenchantly attacked ; and I have heard no speech, so far, in which any attempt has been made to demonstrate with some degree of accuracy the taxable amount of imports which should form the basis of the actuarial calculations of the Treasurer. I propose to devote myself mainly to that and kindred aspects of the question ; but I desire first to deal with one or two more general aspects which seem to me to have a very important bearing on the result of this debate. There are economic reasons which, in my opinion, can be strongly and conclusively, and, I think, irresistibly advanced against this Tariff; and there are what I should call moral objections to it ; because I have no hesitation in saying that it involves one of the most reprehensible breaches of political faith that has yet been known in the history of Australia. I do not say this inadvisedly; I do not say it without having given the matter very deep and earnest consideration. But, as a representative of New South Wales - and in my broader capacity as a representative of the people of Australia - I have no hesitation in saying that the resultant majority in the House at the present moment- and I speak not invidiously of any particular member or of any particular group of members making up the majority - has been returned on false political representations. I say nothing, that I am not prepared to prove, for I consider that, quite apart from all fiscal considerations ; quite apart from all economic considerations ; there is, at the bottom of this debate, a broad moral consideration which ought to be placed before the people of Australia; because, being at the initial stage of Commonwealth history, it behoves every man who aspires to take a part in Federal politics that he should, no matter on what side of the House he sits, to demand from, its leaders, and from the members of any Ministry professing to represent the best interests of Australia, that they should treat, the people of Australia on all occasions, with the utmost bona fides and honesty of purpose in their political declarations. There is not only ample, but superfluous, proof of my charge lying all round us, and I place it beyond the economic, beyond the fiscal aspects of the great question. The Prime Minister, surrounded by his colleagues,, and, whether surrounded by them or not, representing all Ministers - speaking after the fullest opportunities for consideration and consultation with them- told the people of Australia that we were not going to have either a protectionist Tariff or a free trade Tariff.

Mr. Mauger.- Nor have we.

Mr. BRUCE SMITH.- My glib friend, is very ready with his interjections ; but I ask him to have a little consideration for me as a speaker desiring to be consecutive, and not to throw me off my line of criticism. The Prime Minister told the people of Australia, in many ways, in many phrases - to a few of which I shall refer - that the Government of which he was the head intended to offer to them a Tariff which was neither protectionist nor free-trade, which was a revenue Tariff, and which would please all parties. Of course my general paraphrasing of his speeches will be taken exception to, and therefore I shall feel it my duty to refer to particular passages in them. I need not say that it is not a particularly pleasant duty for me to have to perform ; because I stand here as close a friend of the Government in some respects as the three honorable members who had very painful occasion to cross the floor in regard to this question. I think I can claim that I have given earnest on more than one occasion to the House of my desire not to join in any mere party division for the purpose of displacing the Government. I think I can point to two occasions upon which, though it was a vital question, I distinctly declined to ally myself with a large body of my honorable friends on this side where I thought there was no principle involved upon which the Government were seriously to blame, and therefore deserved to be turned out of office. But on this occasion I think that a great wrong has been done to the people of Australia. This is its first Parliament, and I think it requires very little effort on my part to demonstrate that several honorable members, if I liked to individualize, received very large and important support from free-traders in Australia, because they were assured that the fiscal question was to be one of no importance in this first Parliament. We were told that the great object of the people of Australia should be not to return a protectionist, nor to return a free-trader, but to return the best men, irrespective of their fiscal faith.

Mr. Sawers.- The elections in New South Wales were fought out on the issue of protection or free-trade, and the honorable and learned member knows that.

Mr. BRUCESMITH. - The honorable member wishes to jump over the fence ; I prefer to take one rail at a time. I prefer some sequence in my observations, and I shall deal with it all in due time. It is, I say, very painful for me to have to take this course ; because I have adopted terms which, although they may seem of no importance to those against whom they are directed, have given me much concern before I made up my mind to use them. I say two things ; first, that the Tariff is one of the gravest "breaches of political faith I have known - because of its far-reaching results ; and, secondly, that the majority in this House, treated as a mere political resultant, is a majority that was obtained under false pretences from the people of Australia. When the Prime Minister was at Maitland he used these words-

I am a protectionist ; and so are nearly all my colleagues.

That is a sort of prelude to what he was going to say -

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

Many honorable members frequently use various terms of the economic science without exactly realizing their full significance. But there is no man in this House who knows better the meaning of "prohibition," or the meaning of any economic terms, than does the Prime Minister ; and therefore I am perfectly justified in using any term he may employ as indicating what it signifies, according to the best authorities. The right honorable gentleman says - " But if we are to raise the great revenue that is necessary for the Federation, we cannot be prohibitionists." I observe that in Mill's treatment of this question of protection- which was brought before the House in a rather partial way some time ago by the honorable and learned member for Bendigo - he says, speaking of the various forms of protection -

Of these false theories, the most notable is the doctrine of protection. The phrase means prohibition - the prohibition or the discouragement of heavy duties.

If that be taken as a fair definition of the equivalent of prohibition, the quoted passage means this - that to raise the great revenue necessary for the security of the Federation we cannot have heavy duties ; that is to say, that we cannot apply the doctrine which either prohibits or discourages by heavy duties. Now I ask any honorable member of this House, looking at this matter for a moment impartially, to ask himself whether this Tariff could be looked upon as complying even with my first quotation from the speech of the right honorable gentleman. Because if it be analyzed, this is the result. The right honorable gentleman was speaking not to the people of Victoria, but to the people of Australia. He was speaking in the one State of all others in which we may be said to have approached more closely, perhaps, than any other part of the world, to an absolute freetrade Tariff. When we examine the Tariff which is now placed before the people of Australia - and I am testing it on the first quotation I made from the speech of the right honorable gentleman - we find that far from being in the nature of anything like a compromise between the Tariffs of the two largest States, a quarter of the duties are over 45 per cent. ; one-twelfth are from 25 per cent, to 45 per cent. ; over half of the duties are from 18 to 25 per cent., and only one-seventeenth are under 17-73 percent.

Mr. Chanter.- Does that include stimulants and narcotics?

Mr. BRUCESMITH.- That is apart from stimulants and narcotics.

Mr. Chanter.- What about the free list ?

Mr. BRUCESMITH. - That is apart from the free list also. I would refer honorable members for these particulars to the tabulated statement set forth in the speeches of the Treasurer and of the Minister for Trade and Customs. In testing the promise made by the right honorable gentleman at the head of the Government by the mere use of that one term, I say that the Tariff has wholly failed to fulfil that promise ; and I shall come in a moment to more complete and conclusive proof - not depending upon my own opinions or my own expressions - in order to enforce my contention regarding the moral aspect of this Tariff. The right honorable gentleman in the same speech said -

And our protection must be moderate, because prohibition or excessive protection would lead to the prevention of that access of revenue that is absolutely necessary for proper government and the security of the Commonwealth - the Tariff which will yield the sum we need - without discouraging protection.

Now, will any honorable member say in his conscience - and I am now trying to address honorable members in a spirit different to that which may actuate us in the ultimate division - that the address to which I have referred, and the percentages which I have quoted, can be said to conform to one another in principle. It must be a moderate Tariff. Why, it is not denied that if the two extremes of this Tariff are taken

- as is clearly and unmistakably shown by Sir Frederick Sargood - the apex of its duties, so to speak, is actually 183 per cent.

Honorable Members. - Oh ! oh !

Mr. BRUCESMITH.- Honorable members may exclaim; but is it not so? Has not Sir Frederick Sargood, who is a manufacturer, shown what I have stated; and has his statement been answered, even by the honorable member for Melbourne Ports, who is generally the most ready among honorable members in this House to rush into contradiction ? Has the honorable member ventured to controvert the statement that these duties run in their extremes to 183 per cent.? I have shown that no less than a quarter of these duties are 45 per cent.

Mr. Barton.- Would the honorable and learned member mention that Sir Frederick Sargood, in his letter, gave a statement of the previous Victorian duties, which showed that the duties under this Tariff are not half what they were under the Victorian Tariff?

Mr. BRUCESMITH. - I shall deal with Victorian duties by-and-by. The Prime Minister is one of the first to object, and not always most amiably, to interruptions from honorable members. I do not wish to say anything unpleasant, except that I wish him to postpone his criticism until he has an opportunity of speaking.

Mr. Chapman.- The honorable and learned member was a protectionist once.

Mr. BRUCESMITH.- The honorable member is making an absolutely false statement, and I wish to call the attention of Mr. Speaker to it, because, if I did not take the trouble to correct it, and it were published in the press, people might think there was some truth in it. I think that the honorable member ought to have a little more consideration than to make a statement of that kind, with his tongue in his cheek.

Mr. Chapman.- Was the honorable and learned member not a protectionist in 1898?

Mr. BRUCESMITH.- No, I was not, The honorable member ought to consider the effect of what he says on the public mind. From the time I settled in New South Wales, in 1881, I have written and spoken, always, as an unqualified advocate of free-trade ; and I can show publications containing my views in almost every year since that time. It is, therefore, unbecoming and unfair on the part of the honorable member to make a statement of that sort, which may be taken up by a section of the press, and which may be treated by it, as it often treats equally unfounded data, as a proof of my having been a protectionist at one time. The statement is absolutely untrue.

Mr. SPEAKER.-Order! The honorable and learned member must withdraw that expression.

Mr. BRUCESMITH- I withdraw the expression, and content myself with saying that the statement of the honorable member is incorrect.

Mr. Chapman.- I will withdraw my statement if the honorable and learned member will say that he was not the nominee of the Protectionist Union in 1898.

Mr. BRUCESMITH. - I was never so nominated in my life. I do not think any honorable member on this side of the House can be accused of deliberately breaking into the continuity of a speech in the way now attempted. It may be very amusing to the honorable member, and it might be very useful to the party for which the honorable member acts as " Whip," for him to act as he has done, but such observations are purposeless, and can only prolong the debate. The right honorable gentleman at the head of the Government, in speaking at Newcastle, on 5th March, said -

The only way of getting over the difficulty was to raise a Commonwealth Tariff, which neither a protectionist nor a free-trader would think of for one moment. No Tariff which now existed could be adopted.

The public will be rather surprised to find that the average of the Tariff now submitted, including narcotics and stimulants, is 6 per cent. higher than the Victorian Tariff of last year, and that, apart from narcotics and stimulants, the average of the duties in the Commonwealth Tariff is 22 per cent., as against 20 per cent. in the Victorian Tariff. That is what the right honorable gentleman means - because he is persisting in the representation - when he says -

No Tariff which now existed could be adopted.

It is too true in one sense, for he has given us a still higher Tariff. When the right honorable gentleman was at Melbourne, he said -

You in Victoria cannot have your Tariff ; that is out of the question. We in New South Wales cannot have our Tariff; that is out of the question.

Will any honorable member on the other side of the House, speaking impartially, say that these words do not clearly indicate that neither the Tariff of Victoria, because of its height, nor the Tariff of New South Wales, because of its lowness, could be adopted by the Government ? There is a worse aspect, when the right honorable gentleman, instead of admitting what is obviously the truth, persists before this House that he has fulfilled his promise. How can the right honorable gentleman reconcile that position with the fact that three of his most loyal supporters - men who have been intimately associated with him in Victoria on the great question of federation - deliberately stand up here and tell him that he has been so untrue to the promise he made in his Ministerial manifesto that they have been misled, and, having taken a seat on the Ministerial side, now find themselves bound to cross over and face him instead of sitting beside him? I feel somewhat angry when I think of the persistence with which the right honorable gentleman tries to preserve the attitude he assumed at Maitland.

Mr. HumeCook. - How does the honorable and learned member account for four honorable members coming over from the Opposition ?

Mr. BRUCESMITH.-- I have not seen them go over, nor have I heard of their going over.

Mr. HumeCook. - They are coming all right !

Mr. BRUCESMITH.- There are those who, by reason of their belonging to the labour party, are in the opposition corner ; but they are voting independently on the fiscal question. Apart from those four honorable members, the honorable member for Bourke cannot name one. Can the honorable member name any honorable member who has sat in opposition from conviction - except the labour party - who has announced his intention of crossing the floor ? I challenge the honorable member to mention one. He cannot do it. I have quoted some of the statements of the Prime Minister, but not all. He said - Men of all opinions, who hope to act for their country first and their own policy second, can agree that the first Tariff ought to be a considerable reservation of existing protection.

Let us consider those words for a moment. Is there any reservation in a Tariff which, as I have pointed out, shows that the duties average 22.93 per cent., or roughly 23 per cent., apart from narcotics and stimulants and the free list, as against an average of 20.41 per cent. in the Tariff of Victoria of 1900?

Mr. Kennedy.- Is that on all imports?

Mr. BRUCESMITH.- It is on all imports apart from the free list and narcotics and stimulants. The Tariff submitted to us is 3 per cent., or 21/2 per cent. at least, higher than the Victorian Tariff. Indeed, it is not 21/2 per cent. higher in the strict sense of the word, but means two out of 22, which is one-eighth more. That is to say, the Tariff which is submitted to us for the Commonwealth is one-eighth more than that of Victoria during 1900.

Mr. Isaacs.- Whose calculation is that?

Mr. BRUCESMITH. - One calculation is by the Treasurer, and the other by myself; and the honorable and learned member for Indi can check the figures at any moment. I ought to say that the calculation is not only mine, because it was checked for me by another person. From the figures it appears that the total imports for 1899 were £17,952,894 ; the free goods, £12,017,968, showing a difference of £5,934,926. The duty paid was £2,051,938, being, overall, a percentage of 31.6 per cent., because that includes narcotics and stimulants. The Tariff for Victoria for 1900 showed 31 per cent. I am taking the percentage of the Victorian Tariff for 1900 and the Commonwealth Tariff submitted. The "difference between the average of 20.41 per cent. for Victoria and 22.93 per cent. for the Commonwealth is thus 2.52 per cent. - one-tenth higher.

Sir George Turner. - What about the intercolonial goods which were dutiable at one time, but are not dutiable now?

Mr. BRUCESMITH. - On these figures I show that the Commonwealth Tariff is one-tenth higher than the Victorian Tariff of 1900.

Mr. Macdonald-Paterson.- Why not take the Tariff of Queensland ?

Mr. BRUCESMITH.- I take the Tariffs of Victoria and New South Wales because they produce two-thirds of the revenue of Australia. In order to make the point quite clear, I say that, including narcotics and stimulants, the percentage for Victoria in 1899 was 34.6.

Mr. Kingston.- Is that on all imports ?

Mr. BRUCESMITH. - On all imports, including narcotics and stimulants, and the free list.

Mr. Kingston.- Are Inter-State goods included ?

Mr. BRUCESMITH. - Yes ; For 1899 the Victorian average was 34.6 per cent., and for 1900 31.4 per cent., whereas the Commonwealth average is 35.99 per cent., or practically 36 per cent. When the right honorable gentleman said -

Men of all opinions, who hope to act for their country first and their own policy second, can agree that the first Tariff ought to be a considerable reservation of existing protection - he never could have meant a Tariff which exceeded that of Victoria in either 1899 or 1900.

Mr. Page.- Why did the honorable and learned member allow the labour party to go into opposition?

Mr. BRUCESMITH.- Because they would have been dangerous under any circumstances. My interpretation of the matter is this - I contend that when the right honorable gentleman at the head of the Ministry first contemplated the formation of the existing Government - there was no doubt in my mind - he intended to create a composite Ministry. He could have had no other purpose in bringing the honorable member who now fills the position of Speaker of this House from South Australia to New South Wales, in order to consult with him. But I have little doubt that when those strong and masterful spirits I refer to, the ex-Premier of South Australia, the present Minister for Trade and Customs, and the right honorable gentleman the Treasurer--

Mr. Macdonald- Paterson. - Overrated !

Mr. BRUCESMITH. - He may be, but he is strong even if over-rated. When, as I say, those right honorable gentlemen, with the Attorney-General, came together, they were strong enough to dominate the mind of the Prime Minister, and induce him to attempt to sweep away all his former federal intentions.

Mr. Barton.- I am afraid it was a little bit the other way.

Mr. BRUCESMITH. - There followed this extraordinary result, that while the head of the Government, together with another honorable gentleman who occupies a seat in another place, and who ultimately became a member of the Ministry, were assuring the public throughout New South Wales that neither protection nor free-trade was involved - in order to get the votes of the people - those three right honorable gentlemen whom I have mentioned were down in Victoria bidding for the outright support of the protectionists of this and other States. So much was I impressed, and so much were others impressed, by this fact, that they were drawing attention to it in different parts of New South Wales.

Mr. O'Malley.- Good generalship !

Mr. BRUCESMITH.- It may have been good generalship. It had the effect of checking the right honorable gentleman, or else he would have had a much larger majority than he has now.

Mr. Isaacs.- Then it was known ?

Mr. BRUCESMITH. - Yes, it was known ; but the effect was not corrected, because, notwithstanding that, a large portion of the public accepted the assurances given at Maitland and said - " We will not interest ourselves in one fiscal policy more than another " ; yet, for the senior State of the Commonwealth there would have been no difficulty in returning six members pledged to support the Opposition had it not been for the course so pursued. The one honorable gentleman who was returned to support the Government was returned on personal grounds, and because a large number of the people accepted the assurances of himself and the Prime Minister that the fiscal question was not about to be raised.

Mr. Barton.- They put him in because they thought he was the best man of the lot.

Mr. BRUCESMITH. - Honorable members are much more disposed to accept a quotation from a past utterance than a present statement of a state of mind in the past. I will therefore quote - to show how I stood in this matter - from a speech of my own, which will prove that I am not now advancing, for party reasons, any new view of this question. I quote from a report in the Sydney MorningHerald.

Mr. Crouch.-What date?

Mr. BRUCESMITH. - The 2nd March, 1891, on the fourth page and the fifth column, if the honorable member wishes to be precise. This is what I said -

It was admitted on all sides that the Federal Treasurer must raise . £68,000,000 through the Custom House, so that the Commonwealth might keep £2,000,000 for its own expenditure, and hand back . £6,000,000 to the States, to enable them to maintain their political institutions. But the question arose, should we have higher duties than those required to raise £8,000,000 ? The protectionists said, "Yes, let us have as high duties as we can," whilst the free-traders said "No, we want absolute freedom of commerce - we cannot get it - but we desire to get as near to it as possible." The personnel of Mr. Barton's Ministry was no guarantee that they would not advocate a highly protective Tariff. It must also be

borne in mind that whilst Mr. Barton gave his solemn promise that a revenue Tariff would be imposed his colleagues in Victoria were preaching undiluted protection.

That was said in March.

Mr. Macdonald-Paterson.- That is not inconsistent.

Mr. BRUCESMITH.- Of course it is not - it is my own. On 6th March I am thus reported-

Referring to fiscal matters, he said that, in all probability, Mr. Barton would not be able to carry out what he had undertaken with regard to the Tariff. Whilst Mr. Barton was talking about a revenue Tariff, Mr. Deakin and Sir George Turner were careering about Victoria, telling people that the proposed Federal Tariff was a bastard free-trade Tariff, and that the Victorians must form a firm front in favour of protection. Mr. Kingston was doing the same in South Australia.

Mr. Kingston.- I did not say anything about a " bastard Tariff." Did the honorable and learned member say that about me?

Mr. BRUCESMITH.- That particular utterance is not credited to the right honorable gentleman, but to the Treasurer and the Attorney-General, who were at that time speaking in Victoria--

Sir George Turner. - I never said that of the proposed Federal Tariff; I did say it of the New South Wales Tariff.

Mr. BRUCESMITH.- I am merely showing that the attitude I am taking up now is the same that I took up then.

Mr. Kingston.- It is wonderful how a man comes to hear how he has been libelled behind his back.

Mr. BRUCESMITH.- I said further-

Does not that state of things afford fair grounds for suspicion that Mr. Barton would not have the ability to resist the force of the opinions of the men whom he had taken into his Ministry. That being so, there was great necessity for returning to the Federal Parliament as many free-traders as possible, to act as watch-dogs to see that Mr. Barton carried through a revenue Tariff and to guard the free-trade interests with which the State of New South Wales had been hitherto identified.

Mr. Harper.- The honorable and learned member could not have been much deceived.

Mr. BRUCESMITH.- I do not say that I was deceived ; because I saw very well how parties were placed, and how the right honorable gentleman was situated. What is more, I knew the right honorable gentleman at the head of the Government. I knew his easy-going ways. I knew how easily he would succumb to the stronger personality of my right honorable friend the Treasurer.

Mr. Barton.- He never succumbed to the honorable and learned member.

Mr. BRUCESMITH.- Not to me, but to stronger men than myself. The pledges made to the people at Maitland have thus gone by the board.

Mr. Sawers.- Did not the honorable and learned member tell the people of New South Wales that he would preserve existing industries?

Mr. BRUCESMITH. - Nothing of the kind.

Mr. Savers.- He did so in my presence.

Mr. BRUCESMITH. - I will tell the honorable member what I said, and I am not ashamed of it. I think on this question, whatever honorable members may think of my opinions, I can show a perfectly consistent record. What I said was this. I was one of four speakers who addressed a great free-trade meeting held at the Town-hall, Sydney. The speakers were the leader of the Opposition, the honorable member for Wentworth, myself, and another. I then told the people of Sydney that even if the free-trade party of New South Wales had a majority in the Federal Parliament, I personally would be no party to suddenly sweeping away the whole of the Victorian Tariff; because, I said, I should prefer to emulate the statesman-like attitude taken up by the leader of the Opposition towards the sugar industry of that State, in gradually reducing the duty £1 by £1 over a series of years. And I say that now. I knew at the time that the financial requirements of the Commonwealth would prevent us, even if we had such a majority, from sweeping out of existence altogether the duties in Victoria and elsewhere. I was prepared, moreover, though I was a free-trader, to continue something like 15 per cent. towards the industries of Victoria. I knew very well that the natural protection which every industry in Australia obtains by the great distance of this country from Europe, means in itself 15 per cent. in some cases, and even more in others ; and that, therefore, when duties of 15 per cent. were imposed it meant 30 per cent. including the natural protection that those industries would have over European and American goods. That meant, I say, a

protection of something like 30 per cent. altogether; and surely if industries enjoy an advantage of 30 per cent. above all the industries of the world, can any one say that they are being destroyed? Therefore, the 15 per cent. which the honorable member for Gwydir has stated that he believed was intended by the Prime Minister would have given the Victorian industries a protection of 30 per cent., and in advocating such duties I say I should not have been acting in such a way as to conduce to the destruction of the industries of Victoria.

Mr. Macdonald-Paterson.- The honorable member has not said a word about the other four States.

Mr. BRUCESMITH.- I have every consideration for them, though no anxiety - knowing that they are represented by the honorable member. - That then was the position of affairs. We had Mr. O'Connor, who is now a member of the Senate, saying to the people of New South Wales- " Why do you allow these free-traders to raise the fiscal question?" I state these facts for the information of honorable members who were not in New South Wales at the time ; for in Victoria they see very little of the newspapers of the other States. The people of New South Wales were warned that I and other free-traders were dragging the fiscal question into the political arena ; and that we were disturbing their chance of returning the best men to the Commonwealth. I will tell honorable members how they endeavoured to return the best representatives to the Commonwealth Parliament. They did so by putting up absolutely unknown men, who merely professed protection, to oppose such men as the honorable member for Wentworth, Sir William McMillan. Honorable members will thus see that right through the piece there has been a most deliberate conspiracy - a political conspiracy, of course - in preaching the note of no policy but a revenue policy in New South Wales; and by preaching the favorite and the popular doctrine in South Australia and Victoria, in order to bring into the political garner the largest number of men who would support this Tariff when it was brought forward. I say, deliberately, that the right honorable gentleman at the head of the Government is on the horns of a dilemma. He must admit either that he has represented to the people of Australia a state of things which he is not now trying to realize, or that he has been completely dominated by stronger minds, who had more respect for their political policy than for the promises entered into by the chief of the Government of which they were members. It is an unfortunate alternative for the Prime Minister ; and it is perhaps more humiliating to us from another point of view - to find that honorable members have been returned to this Chamber in these circumstances. Some honorable members, I am sure, will say honestly that though they are supporting the Government, they had a good deal of free-trade assistance at the elections, because the free-traders were led to believe that the fiscal issue was not going to be an element in the approaching election of the Commonwealth : that the best men were going to be returned irrespective of their fiscal creed.

Mr. Sawers.- Not a vote was cast in New South Wales on such an understanding.

Mr. BRUCESMITH. - The honorable member knows, that so far as the Senate is concerned,, there would have been no possible difficulty in returning six absolute free-traders, if it had not been for that feeling which was engendered by the speech at Maitland. I make that statement without fear of contradiction ; and silence only gives greater emphasis to it. A principle, if it be an obvious truth, requires no thumping on the table to give it force. What further proof could the Prime Minister have than the fact that three honorable members sitting on his own side of the House, and who had expressed their determination to support the Government, have to rise one after the other and tell the right honorable gentleman and the Ministry generally, in a half apologetic way that they are very sorry, but that this Tariff is not what the Prime Minister promised, and that in justice to themselves, and in duty to their constituents they must cross the floor of the House, and vote against the Government. Then we have had to-day a fourth honorable member - the honorable member for Gwydir - coming forward and saying - " I am going to support the Government ; but from the assurances given by the Prime Minister at Maitland, as representing the Government, I believed we were going to have a 15 per cent. Tariff." That honorable member seemed to think that it was necessary, in order to bind the members of the Government, that they should surround the Prime Minister when he delivered his Maitland speech. I do not care whether they were around him or not. They were members of the Government. They had been consulted, and the Maitland speech was the manifesto of the Government. The honorable member for Gwydir says - " I am going to support the Government, but the assurances I have received from the Prime Minister led me to believe," and this comes from the lips of one of the Government's strongest supporters - " that this was going to be a 15 per cent. Tariff, and not one running up to 60 per cent." What do we find in the

newspapers to-day 1 We find a telegram from Maitland setting forth that--

The feeling in the Maitland district is very strong against Mr. Barton -

Mr. Mauger.- There are a number of other telegrams.

Mr. BRUCESMITH. - I am going to refer to them presently. The telegraphic message continues- in connexion with the Federal Tariff, and it is probable that a meeting will be held in the electorate to protest against the attitude of the Federal Premier. Many of Mr. Barton's leading supporters consider that he has not remained faithful to the pledges made by him in his address at Maitland, and in his conference with them. Others who feel equally strong on the matter prefer to wait and see the result of the Federal Parliament's action when the Tariff proposals are considered in committee.

Looking further at that aspect of the question, I find in to-day's newspaper-

Sir John Forrest. - In what newspaper ?

Mr. BRUCESMITH. - In both newspapers.

Sir John Forrest. - Who sent the telegram from Maitland ?

Mr. BRUCESMITH.-- The Maitland correspondent. Every honorable member knows that up to a few months ago it was impossible for a free-trader to show himself in Victoria without risking "doubt as to his mental soundness.

Mr. O'Malley.- He is not safe yet.

Mr. BRUCESMITH. - An honorable member, who is a protectionist, says that in Victoria a free-trader is not yet safe. It is certainly some testimony to the educational value of this debate, however, when - as I say - in to-day's newspapers there are telegrams from the Victorian towns of Seymour, Rutherglen, Wimmera, Coleraine, Kerang, Kilmore, Mansfield, and Tallangatta

Mr. Isaacs.- What do they say ?

Mr. BRUCESMITH.- I will tell the honorable and learned member, if he will allow me. We find from these messages that in one day in nine Victorian towns meetings have been held and resolutions carried denouncing the Tariff which has been brought in by the present Government.

Mr. Kennedy.- And every one of them was against the revenue Tariff aspect of the proposals.

Mr. BRUCESMITH. - If the honorable member will read the newspaper reports he will see that nothing of the kind is mentioned.

Mr. Kennedy.- I quoted them the other night.

Mr. BRUCESMITH. - These reports only appear in to-day's newspapers. The honorable member has surely been dreaming.

Mr. Kennedy.- I quoted reports of the same kind.

Mr. BRUCESMITH.- Any one who has listened to the extracts which I have read from the speech delivered at Maitland will admit, I think, that it was made quite clear in them that the Tariff was not going to be a protectionist one. I do not care which extract they take ; the fact itself is quite clear. How was the Tariff announced, and how was it received ? In the first place, when introducing it, the Minister for Trade and Customs, who, whilst one of the strongest, is certainly one of the most impulsive members of the Government, told us several economic truths in regard to this Tariff - when he became excited.

Mr. Kingston.- It is a pity that the honorable and learned member does not do the same.

Mr. BRUCESMITH. - In his cooler moments, as I shall show, he became a provincialist - to the last degree ; but the moment fervour got the better of him he said some remarkably sound things, from an economic stand-point.

Mr. Kingston.- The honorable and learned member should follow my example.

Mr. BRUCESMITH. - I am trying to do so. I am going to quote the right honorable gentleman now. He said -

We know what our own fiscal views are, and as a result we are here, and our majority is here ; and if there is any question about the Government fiscal policy let it be determined at once.

That was quoted by the Age newspaper. I hope that I shall not be suspected of using that newspaper as a fiscal authority.

Mr. O'Malley.- It is a good authority.

Mr. BRUCESMITH.- Upon its own side it is a very good authority. I have known the Age for 35 years, and I have had great pleasure and profit in watching its career - as a sociological study. I have no hesitation in saying that it has circulated more economic falsehoods than has any other newspaper in Australia ; and if



it has ever told an economic truth, it has been during the lucid intervals of its existence. What does the Age say 1 Honorable members will notice that I go to an adverse witness to make my point, as the honorable and learned member for Indi would do in his profession. If we take a statement out of an opponent's evidence, even a jury will sometimes believe it. The Age, upon the morning following the submission of the Tariff, said -

The Tariff, as the Minister declared in unmistakable terms to the House, is to be a protective one. Whilst it secures a £9,000,000 revenue, it will support existing industries and encourage new ones.

The same newspaper quotes the Minister for Trade and Customs as saying that this was the policy of the Government, and the Opposition could challenge it if they pleased. The light honorable and learned gentleman continued -

The sheltering hand of protection against foreign and cruel competition, against prisonmade goods, or goods produced with the cheapest possible labour, and under conditions with which our employers and our men cannot compete, there will be a development throughout Australia.

Then, again, we were told -

A feature of the Ministerial fiscal policy which will find favour with protectionists is that which proposes a bonus upon iron production. This was one of the recommendations of the Protectionists' Conference.

In a leader in yesterday's Age, I find the following -

As the protectionists dislike the Tariff, because of its insensate attacks on many valuable established industries, free-traders are averse to it because of its new protectionist provisions in many directions. If it be once established that this is a protectionist Tariff, the whole case of the Government has gone ; because the Prime Minister certainly promised the people of Australia that the Tariff would be neither a protectionist nor a free-trade one. He said -

Men of all opinions who hope to act for their country first and their own policy second, can agree that the first Tariff ought to be a considerable reservation of existing protection.

But the Minister for Trade and Customs, in the height of his fervour and when roused to indignation by the jibes of the leader of the Opposition, said -

We know what our own fiscal views are, and as the result we are here, and our majority is here, and if there is any question about the Government fiscal policy, let it be determined as once.

If I entertain one wish more than another it is that we could have the whole of the Commonwealth elections over again with the truth which has dawned up to the present time before the people. I will undertake to say that if those elections could be held again the present Prime Minister would not occupy a seat in this House ; and there would not be a majority supporting a Tariff which ranges from nothing up to 180 per cent. It cannot be said either that this Tariff is a revenue Tariff. In dealing with that aspect of the question, I propose to refer to some authorities, quite outside the influences of this House; because I think a large number of honorable members will admit that economy is a science quite as surely as are many other studies which go by the name, and which people do not pretend to know so much about. If we want definitions of terms in regard to questions of science, we must inevitably go to the best authorities. There are scores of economic writers that one might quote, many of them against one another.

Mr. Sawers.- What constitutes a science ?

Mr. BRUCESMITH. - There is a very fine Encyclopaedia in the Library, which I can recommend to the honorable member; but I cannot undertake to instruct him in philology as well as in fiscal matters. I take as two authorities on the question of a revenue Tariff) John Stuart Mill and Professor Fawcett. The definition of such terms does not involve a writer's fiscal views. It does not involve the fiscal view of our present question, for it is merely a definition of words to determine what is a revenue Tariff and what is a protective Tariff. I do not suppose that anybody could name two better authorities upon this question than those I have mentioned. John Stuart Mill says -

All customs duties which operate as an encouragement to the home production of the taxed article are thus an eminently wasteful mode of raising revenue.

Professor Fawcett says -

There is, then, this fundamental and important distinction between an import duty which is imposed for the purpose of revenue and one which is maintained with the object of giving protection to home industries. In the former case, the object is to encourage importation, because the greater the importation the larger will be the revenue obtained. In the second case, the object being to discourage importation, the smaller the

amount of revenue obtained the more completely will the purpose of the duty have been achieved. Then I will take an eminent economist in the person of my right honorable and learned friend, the Minister for Trade and Customs. In a lucid economic interval he said-

There can be no extremes of revenue- production and protection, given in any one line. The two things are mutually destructive.

Where does that statement lead us? Is this a revenue Tariff? I read the utterance of the Prime Minister as having been made with a full knowledge of the economic significance of the terms which he used. Can anybody say that that this is a revenue Tariff? Does it encourage importation so as to raise revenue? Can any honorable member urge that it is a revenue Tariff when a perusal of it discloses that a very large part of the revenue is to be raised by duties of 48 per cent. ? I think that I am justified in assuming that the average natural protection of goods imported to this country is 15 per cent.

Mr. Harper.- That is not correct.

Mr. BRUCESMITH. - Upon such articles as crockery and furniture it reaches. 50 and 60 per cent.

Mr. Harper.- And in a great many others.

Mr. BRUCESMITH. - In a great many other instances the duty is as low as 5 per cent.

Mr. Harper.- And nothing.

Mr. BRUCESMITH. - And nothing. But I say I am dealing fairly in taking the average at 15 per cent, all round. I cannot take any particular article, and I assume that 15 per cent, is a fair average. I pointed out that a fourth of the Tariff was over 45 per cent. ; one-twelfth from 25 per cent, to 45 per cent.; over one-half from 18 per cent, to 25 per cent. ; and one-seventeenth at 17 '3 per cent. I take these figures from the statement laid upon the table. Now if we add the 15 per cent, of natural protection, to which I have referred, to all these figures we shall find that there is one-fourth of the Tariff at 60 per cent., one-twelfth from 40 to 60 per cent. - adding the 15 per cent, in each case,; over one-half 33 per cent, to 40 per. cent! ; and only one-seventeenth is under 33 per cent. Will anybody say for a moment that that is a revenue Tariff within the meaning of the definition -

All custom duties which operate as an encouragement of- home production of the taxed articles, are thus an eminently wasteful mode of raising revenue.

Why are they wasteful ? For this reason ; and it has been demonstrated to-night by the honorable and learned member for South Australia, Mr. Glynn, who showed from Mulhall that in America the amount which was paid by the public through the Customhouse is only one-eighth part of what the public have to contribute, in order to support the protected industries of that country.

Mr. Kennedy.- Who said that ?

Mr. BRUCESMITH. - Mulhall said it; and it was quoted by the honorable and learned member for South Australia, Mr. Glynn. If honorable members will look at yesterday's Argus, they will find this astounding and staggering statement with regard to sugar - that under the proposed customs duties of £6 per ton, with an excise of £3 per ton, the amount which would be collected by the public Treasury would be £530,000 ; and the amount absorbed by the private industry would be £410,000, or nearly as much. And where the excise went down to £1, as proposed, with the duty at £6, the amount paid into the Treasury would be £256 000 ; and the amount paid to the private industry would be £683,000. Let honorable members who object to these figures take the trouble to read the article and try to controvert them. It is very easy to sneer at the calculations of scientists, and after all this is a scientific investigation of the figures, based, as Mr. Pulsford says, upon accurate information as to the consumption of sugar by the people of Australia.

Mr. Sawers.- It is partisan.

Mr. BRUCESMITH. - Partisan 1 Is Coghlan partisan ?

Mr. Sawers.- The honorable and learned member said Mr. Pulsford.

Mr. BRUCESMITH. - So the honorable member has the temerity practically to impute that Mr. Pulsford, in presenting statistics to the public of the Commonwealth, has deliberately distorted them in order to deceive the public ?

Mr. Sawers.- That is not a fair way to put it, and the honorable and learned member has no right to put it in that way

Mr. BRUCESMITH.- It amounts to that.

Mr. Sawers.- The honorable and learned member knows perfectly well that I had no such idea.

Mr. BRUCESMITH.- It amounts to that, I tell the honorable member ; because, if we are dealing with words they are capable of as many shades and tints as liberty silks, if I may say so ; but when we are dealing with figures we cannot distort them in connexion with a great subject of this sort without deliberate intention.

Mr. Sawers.- We may come to wrong conclusions.

Mr. BRUCESMITH.- However, I quote the figures not for what I call fiscal agnostics ; but for men whose minds are not absolutely hide-bound, and who are open to conviction from figures honestly presented.

Mr. Kennedy.- The proposals relating to sugar are accepted by the honorable and learned member's leader. The right honorable gentleman told the House so.

Mr. BRUCESMITH.- I am showing the honorable member the very prevalent impression amongst protectionists - that when the public have paid a duty that is all they have to do, and these returns with respect to sugar, besides showing the two extraordinary results I have mentioned, show this much more extraordinary one : That when the excise is gone altogether, and the £6 per ton duty remains, whilst the Treasurer will receive £120,000, the industry will be receiving £820,000 from the public. What does this show ? I hear a great many honorable members in this House contend that it does not matter how high our duties are so long as we do not raise over £8,500,000. The man who says that is surely ignorant of the alphabet of economics ; because, if we place a very low duty upon goods, and so raise the revenue by spreading it over a very much larger number of articles, we do not bring into existence or continue in existence these artificial industries, and we do not compel the public to pay in the aggregate to the manufacturer perhaps seven or eight times what they have to pay to the public revenue of the country. That is the difference. Therefore I say that if we take these definitions of Mill and Fawcett, we can come to no other honest conclusion, no matter what our convictions may be, than that this is not a revenue Tariff, that it is a protectionist Tariff, that it is higher than that of "Victoria - whether we take it with or without narcotics and stimulants - and that so far from being a compromise between the two States, which really contribute two-thirds of the revenue of Australia, it is an advance upon the Victorian Tariff, and is, therefore, I say, a deception of the people throughout the Commonwealth. But there are other reasons besides that why I should object to this Tariff. I take the first of the reasons given by the right honorable gentleman who submitted the proposal to the House, that it places the finances of the Commonwealth and States on an unsound and extravagant basis. I deal directly with that aspect of the question in this way: Honorable members will recollect that when the right honorable the Treasurer introduced the Budget, he said -

We have based our comparisons on the figures for . 1889, not for 1900, and for this reason : that we had all the statistics prepared with regard to the former, and it would have been impossible to get them for the latter. But we had a stronger and better reason for our action. We found this extraordinary state of affairs, that whereas the imports oversea in 1899 came to , £34,000,000 ; in 1900 they came to £41,000,000. I should just like to say here that the whole pyramid of figures -

Mr. Kingston.- Why stop there?

Mr. BRUCESMITH.- I was going to read it all, but I should like to say here that the whole pyramid of figures which has been constructed by the two right honorable gentlemen opposite as reasons for imposing this Tariff upon the people of Australia, is based upon this premise that £19,000,000 is the ultimate net sum upon which this Tariff can be collected. They arrive at it in this way. I will repeat that part of the Treasurer's speech in order that I may show that my ground is correct. The right honorable gentleman said that he had based his comparisons on the figures for 1899 and not 1900, and he gave a reason. He then said -

But we had another and a better reason for our action. We found this extraordinary state of affairs : that whereas the imports over sea in 1.899 came to £34,000,000, in . 1900they came to £41,000,000, being an increase of£7,000,000. An increase of £7,000,000. Honorable members know that that could not be a normal increase ; itwould be absolutely impossible.

I shall show the House in a moment that not only is it not abnormal and not impossible, but that £6,000,000 was the advance only five years before - which the right honorable gentleman has never placed before the House - and in a normal time, too. This is the calculation which he makes. He takes £34,000,000 as the total imports over sea for 1899 ; he deducts from that what he calls reduced imports in consequence of this Tariff £5,000,000, and he brings out a sum of £29,000,000. He makes a further

deduction of £2,000,000 for Government goods and gold and specie, and he brings it down to £27,500,000. Then he takes a free list of £6,500,000, bringing it down to £21,000,000. Honorable members will remember that he makes a further deduction of £2,000,000 for narcotics and stimulants, and ultimately brings it down to £19,000,000 as a net basis on which the Tariff shall be fixed. I want honorable members to follow me in this, that the £34,000,000, the total imports for 1889 is what I may call the corner stone of his calculation, the premise of his argument. Every one will admit that where an argument, or a building, or anything else is reared, if you take away the foundation you destroy the fabrication. I submit that this whole system of taxation has been based on this one assumption, that the figures for 1899 are fair ones to take for 1901. Honorable members will recollect that when the Ministers calculated what was wanted for expenditure in the different States, they did not go back to 1899, but took 1900. They take the expenditure of 1900, but they take the imports of 1899, and though they are taken at £34,000,000, as a fact the imports of 1900 went up from £34,000,000 to £41,000,000, and the Treasurer says -

Honorable members know that that could not be a normal increase ; it would be absolutely impossible. Surely the right honorable gentleman could not have looked into the figures ; because if he goes back as far as 1895, he will discover that the rise in the imports was to the extent of £6,000,000. The Australian imports for 1895 were £44,000,000 and the Inter-State trade was £22,000,000, so that the overseas imports were £22,000,000. In 1896 the overseas imports were £28,000,000, so that there was an advance of £6,000,000 between 1895 and 1896.

Mr. Kennedy.- Would not that be at a period when we were getting from abnormal back to normal conditions?

Mr. BRUCESMITH.- I do not know how you can get back from abnormal to normal conditions, by £6,000,000.

Mr. Kennedy.- The depression.

Mr. BRUCESMITH.- I can show the honorable member, that from 1898 to 1899 there was a rise of £4,000,000, just before this rise of £7,000,000.

Mr. Piesse.- There were larger imports in 1891 than in 1899.

Mr. BRUCESMITH.- I do not propose to make the estimates myself. I have taken care to fortify myself with the opinion of people who are better able to judge than I am. Every one knows the large mercantile firm of John Connell and Co. I have consulted one of the most important partners of that firm, and this is what he says -

In the course of our conversation you mentioned that the increase in imports for the Commonwealth for the year ending 1900 was £7,000,000 over that of 1899. I can safely say half this increase was perfectly legitimate.

It was generally admitted, as contended by the Treasurer, and as mentioned in his speech, that from 1899 to 1900 there was an abnormal importation, in anticipation of this Tariff ; but like many inquiries of that kind it has not been examined thoroughly. The abnormal imports into Australia were in the one State where the goods could be brought in free in anticipation of a Commonwealth Tariff, with the idea of ultimately filtering them into the other States ; but the same authorities tell me - and it seems perfectly feasible - that while the New South Wales stores were choked with goods during 1890, in view of the Commonwealth Tariff; in the protected colony of Victoria, where it was anticipated that the Tariff would be reduced, the majority of the stocks were run down almost to zero.

Mr. Poynton.- The same in South Australia.

Mr. BRUCESMITH.- In all the other colonies where the Tariff was a high one, it was anticipated that there would be a reduction of the duties, and, therefore, their stocks were run down, while those of New South Wales were run up. It is, therefore, not abnormal, because you find a nearly equal rise of £6,000,000 between 1895 and 1896, a rise of £3,000,000 between 1896 and 1897, a rise of £4,000,000 between 1898-9, and a rise of £7,000,000 between 1899-1900. That assumption is the bottom brick in this structure which has been erected by these two right honorable gentlemen and assented to by the whole of the Government. It is a fair calculation to take half of the £7,000,000, according to the authority of John Connell and Co. I have another letter from another Sydney merchant, Mr. Norman Shelley, a wellknown name, and an economic student too ; and he says -

I think the amount mentioned by Sir George Turner £7,000,000, as being an abnormal increase for the

twelve months, is not altogether abnormal ; for the reason that, while New SouthWales imported extra heavily in anticipation of the Tariff, the other colonies imported much less than usual, expecting a reduction in the high import duties then levied ; and I should think half the amount named would be nearer the mark.

In accordance with these letters, and in accordance with what seems to me to be common sense and reason, I take the normal rise from 1899 to 1900 to be £3,500,000. That brings the taxable imports gross up to £37,500,000, and I do not think it is an unfair estimate to assume that the rise of 1900 to 1901 will be a further rise of £3,500,000 ; because in taking that half increase I shall be taking, in both cases, very little more than half what occurred between 1895 and 1896, just about half as much as occurred between 1896 and 1897, less than what occurred between 1898 and 1899, and only half of what occurred between 1899 and 1900; and if this be done, what is the result to this corner stone of the elaborate calculation which has been made by these two right honorable gentlemen? - that you get for 1901, not £34,000,000, but 41,000,000. You do not then ignore the progress of a great country like Australia, and say that things have stood still for two years. That is an absurdity ; that is an abnormality if you like, even in the Treasurer's calculations. Honorable members will see that whether it be intentional or not, the effect of reducing the taxable amount of imports of this country throws the question into the hands of the protectionist party. The lower you make the taxable imports of the country, the higher the Tariff must be over that amount in order to raise the revenue. If it is admitted that that is a fair argument, and we take the taxable imports of 1901 to be a rise of £3,500,000 on each of the two years, we arrive for 1901 at £41,000,000. "What is the result? If the £34,000,000 is reduced by the Treasurer to £21,000,000 before he begins putting on his duties, the £41,000,000 will only reduce to £28,000,000. If that be a reasonable argument, the Treasurer will have to substitute £28,000,000 for £21,000,000 as his basis; that is to say £28,000,000 is one-third more than the amount which he calculates. If £21,000,000 be adopted as the basis of this Tariff, and the Treasurer is right in his calculation that it will produce £9,000,000, then £28,000,000 will produce £12,000,000. The absurdity of the result is no argument against the calculation. If the Treasurer, in order to justify himself in putting very high duties on the imports of Australia has improperly reduced the taxable amount, I have a perfect right, as a matter of argument, to say that by a rule of three sum, we get the extraordinary result that if £21,000,000 of imports will produce £9,000,000 in revenue, then £28,000,000, being one-third more, will produce £12,000,000 in revenue, instead of £9,000,000. If that be the case, everyone must admit that it is an impossible revenue. If it be right to calculate a £3,500,000 rise for two years, the Treasurer and the Minister for Trade and Customs have laid before the people of Australia a practically impossible revenue. The Treasurer has tried to do what he said he could not do : he is trying to serve two masters. He is trying to get revenue first of all, which, according to the best authorities, should result in discouraging importation ; and he is trying, on the other hand, to discourage importation, in order to give effect to the policy which, he thinks, is best in the interests of Australia.

Mr. Ewing.- What is the result?

Mr. BRUCESMITH.- The result is, if I am right in my calculations, that we are trying to raise £12,000,000 of revenue, when, according to the Treasurer's own statement, we only want £8,500,000.

Mr. Kennedy.- We should not allow him to do that.

Mr. BRUCESMITH.- I do not think it ought to be done. There ought to be some further justification for taking that amount than is contained in the Treasurer's speech. In that speech, the right honorable gentleman said -

We found this extraordinary state of affairs, that whereas the imports oversea in 1899 came to £34,000,000, in 1900 they came to £41,000,000, being an increase of £7,000,000. Honorable members know that that could not be a normal increase.

I have shown it could.

It would be absolutely impossible.

I have shown it has actually taken place.

Therefore, any attempt to base our estimated receipts on the figures for 1900 would be absurd.

If my calculation be right, this will be the result : - The whole of the revenue required by the Treasurer, even in his most extravagant moments, is £9,000,000. He gets excise of £1,500,000, and, according to his own statement, duties (apart from excise) are required to the extent of £7,500,000.

Taking £7,500,000 as the whole of the duties which are required, we see that if the £21,000,000 be adopted as a basis the duties all round come to 35.71 per cent., or roughly 36 per cent., as against 31 per cent in Victoria. The duties on narcotics and stimulants are £2,975,000, and if that amount be deducted from the £7,500,000 required over and above excise, we have a total sum of revenue required to be raised on a basis of £19,000,000, of £4,525,000, which will come out at 22.93 percent., as against 20.41 in Victoria, that is taking £19,000,000 as a proper basis after deducting £1,910,000, which is the value of the narcotics and stimulants. I do not suppose for a moment that any change will be attempted by the Government, but I submit that this should be the course pursued. The figures for 1899 being £34,000,000, the Treasurer should have allowed for a normal rise of £3,500,000, half the actual rise from 1899 to 1900. That is, as I have said, nearly double in one case, equal in another, and exceeded in a third year - all in a period of five years. That gives a total of £41,000,000 as a basis, instead of £34,000,000,

Mr. Kennedy.- Is that £3,500,000 the increase per annum?

Mr. BRUCESMITH. - For each of the two years. From 1899 to 1900 there was an actual rise of £7,000,000, half of which I treat as normal. I also take £3,500,000 for a year ignored by the Government. This Tariff has been made not for 1900 but, for 1901; and, therefore, I take £3,500,000 for this year as well as for 1900.

Mr. Kennedy.- That is £7,000,000 in two years.

Mr. BRUCESMITH.- Yes; and that brings us up to the £41,000,000. For reduced imports the Treasurer takes off £5,000,000 I should like to say, in passing, that that in itself is a confession that the Tariff is going to operate in the direction of discouraging imports, which is decidedly recreant to the principles laid down by Mill and Fawcett. It is easy for practical men to laugh at what may be called scientific writers, but there are times when we find that scientific men come in and upset our practical calculations. At all events, I say that the admission that £5,000,000 must be deducted for imports, is most valuable as showing that the Tariff is going to work in the direction of prohibition and discouraging importation. But for the purpose of calculation, I allow that sum for reduced imports; and I allow £2,000,000 for Government goods and specie. I allow £6,500,000 for free goods, which gives us a total of £13,500,000, and I deduct that from the £41,000,000, and then I have a taxable amount of £27,500,000. A further deduction has to be made for the value of the narcotics and stimulants upon which the £2,500,000 is raised, and that value is £1,910,000. That gives a net taxable amount of £25,590,000, and on that we have to raise £4,525,000, which is the balance of the £9,000,000 asked for. This £4,525,000 can be raised on £25,590,000, with a 17½ per cent. Tariff, all round. I want honorable members to notice that this is after allowing one or two debatable things. I allow £5,000,000 for reduced imports; and I admit that so long as we keep duties up to a highly protectionist level, we must make this allowance. There is no doubt that high duties will discourage importations, and that with them an allowance must be made for a reduction, but the moment we reduce the percentage of the Tariff the necessity for taking the £5,000,000 away is gone. I think that if this Tariff had been constructed according to the Maitland promise at about 15 per cent., it would have encouraged much more importation than we have had in the past. It would have discouraged importation to some extent in New South Wales, but it would have encouraged it in Victoria, Queensland, South Australia, and Western Australia. And that is the mistake that has been made. The Minister of Defence telegraphed to Western Australia the other day, pointing out that the total taxable amount of imports was £21,000,000 - he did not deduct the narcotics or stimulants - and he addressed his constituents through the telegraph wires as if the imports were a fixed quantity from which there could be no possible deviation, and that, therefore, there must be a 22 per cent. duty in order to raise the necessary amount of revenue. But every man who gives his mind to this matter must see that the imports are a moveable quantity - they are the algebraical  $x$  - and that the lower the duties are fixed, the larger the imports become.

Mr. Kennedy.- Always remembering that it is only while the people are able to pay for them.

Mr. BRUCESMITH. - Of course it is while the people are able to pay for them.

I do not think that touches the question at all. My contention is that the lower the Tariff is fixed the more easy it will be for the people to pay; and I am advocating, not the raising, but the lowering, of the Tariff, because I believe it will have the effect, as Mitt suggests, of bringing in an increased amount of imports on which we can levy duties. While the revenue must depend upon the total amount of imports, the total amount of imports is regulated by the Tariff, so that instead of having the Tariff as a movable quantity,

and the imports as a fixed quantity, they are both movable, and what we free-traders advocate is, that instead of reducing the imports in order to justify a high Tariff, to bring in the necessary amount of revenue, the Tariff should be lowered, and no allowance should be made for the falling-off in the amount of imports - that the Tariff should be lowered to encourage imports. This is no legerdemain, but is a very simple matter of calculation. If it is admitted that the increase I have assumed for these two years is fair, we are in this position - that with £25,590,000 to work on, and £4<sup>5</sup>25,000 to get, the money can be obtained upon a 17-i per cent, all-round Tariff - allowing for\* the free, list for the £5,000,000, and £2,000,000 for narcotics and stimulants. If, on the other hand, it is desired to have lower duties, then imports will be increased and a much lower Tariff will suffice. The right honorable gentleman said in the course of his speech that the Government had increased the Tariff "in their effort to get revenue." Those are very suggestive words. Why should there be this "effort" to get revenue. The Government have provided for half-a-million more than is general)]' acknowledged to be required to supply the needs of the States, even for the years which the Treasurer has taken, because, although the Treasurer takes 1899 as the basis of all his calculations, he has tried to raise an amount which will satisfy the needs of the States up to date - up to 1900. That is to say he has blown hot and cold upon the needs of the States and the revenue which has to be raised according to the sums which will most easily justify these high duties. I think I shall have the assent of honorable members when I say that the only amount that the Government has shown the necessity for is £8,500,000 and the only reason given for raising the other half-million is that in their effort to raise revenue they have taken £9,000,000 instead of £8,500,000 - and if £8,500,000 is all that is required, and it can be raised with a 16 per cent, duty, still allowing £5,000,000 for the falling off of imports--

Mr. Ewing.- Would the honorable and learned member support a 17-J per cent. Tariff?

Mr. BRUCESMITH. - If a 17 per cent Tariff had been brought into this House, I am very much inclined to think I should have assisted the Government to carry it. There is a great difference, however, between a Tariff that would give a 17 per cent on the average and a Tariff which would be constructed on the basis of 17<sup>1</sup> duties so as to encourage imports. I do not think they are at all equivalents. It would be one thing to construct a Tariff on a 17<sup>1</sup> per cent, basis so as to encourage imports, and another thing to construct a Tariff with a large free list, and run some of the duties up to as high as 100 per cent, or even higher. By adopting the latter course you would get rid of the indispensable idea of an honest revenue Tariff, which must encourage imports. £8,500,000 could be raised by means of a 16 per cent. Tariff. I am not alone in taking this view of the possibilities of our finances, and I should like to mention - although one does not want to draw Mr. Speaker's name into this matter - that the honorable member who fills the distinguished position of President of this House has expressed himself in very clear, decisive, and interesting terms with regard to this very question. He made a calculation, which he expressed in a speech in South Australia many months ago, and he repeated it in a magazine article. I mention this calculation in order to show that, in putting my view before the House, I am not speaking as a mere novice. I have had the honour of holding the position of Treasurer of the oldest State in the group; and I think I may assume that I should not have been asked to fill the position of Colonial Treasurer of New South Wales unless my colleagues had thought I possessed at least some qualifications for the position. I do not, however, rely upon my own opinion in this matter, but take that of a gentleman who is recognised as one of the first financial authorities of Australia, who has been Treasurer of South Australia for seven years, and has also been the Prime

Minister of that State. He shows that a 16 per cent, ad valorem duty would produce the required amount of £8,500,000, and yet leave £10,000,000 on the free list; - that it could be done with a 15 per cent, duty, with £8,500,000 on the free list. That is very much like the calculation I have brought out, in which I show that a 16 per cent, duty would suffice, even after allowing £5,000,000 for the falling off in revenue in consequence of the high level of the Tariff. Honorable members will notice that when we come down to 15 or 16 per cent, there is no possible necessity for allowing £5,000,000- for the falling off in imports, because the reason for the reduction is gone. Therefore, what I show as capable of being done with a 16 per cent, duty, allowing- for the falling off of £5,000,000 in the imports, is practically the same as is brought out by Mr. Speaker at 15 per cent. I think 15 per cent, is a very fair average to allow for what we call natural protection. It was pointed out by Mr. Speaker that Sir George Turner had fixed it at 10 per cent., and Sir William Lyne at 20 per cent. If there is a natural protection of 15 per cent, under this 16 per

cent, scheme which I now place before the House, and which our Speaker placed before the people of South Australia, the result is that we have a protection of 30 or 31 per cent, on an average, mounting up in some cases to 40 or 50 per cent, to the manufacturers of Australia. Can any one ask for more than that ? I myself said when I spoke in the Sydney Town Hall that I would be no party, even if we had a free-trade majority in this Parliament, to wiping out altogether the duties of Victoria, because I felt that as statesmen - if we are entitled to that term - we were bound to consider the interests of all the parties to this great national compact. I should have been found keeping to that promise, if a 15 or 16 per cent. Tariff had been introduced into this House ; because I should have known that that meant from 30 to 40 per cent, protection for the industries of Australia. And I can only say this - that if the protectionists of Victoria say that her industries, after 35 years of protection against other parts of the world, cannot endure with a 30 or 31 per cent, protection, I think it is conclusive proof that they are simply calling upon the people to unfairly and unnecessarily, and unnecessarily lengthily, support those industries. It is absurd to suppose that this kind of thing can continue for all time. I well remember, and many others will recollect, when the protectionist journals of Victoria told the public that all the protectionists wanted was to have their industries fostered. It was said that they were nursing those industries into a condition of maturity, and what had to be done was to import labour and teach the youth of the colony how the industries should be conducted. It was said that they wished to import machinery, to erect plant, and to thoroughly grasp all the intricacies of each particular industry. And, said they - I can remember it, for I lived in Victoria at the time ; I remember reading the articles in the Age and reflecting upon them, somewhat critically I admit - these industries are going to develop, and be fostered, and they would gradually grow into a position of no longer requiring this artificial strength, which would be removed ultimately - as a mother removes her arms from the armpits of her child when it can move about for itself. But what has been the actual result ? We have had 35 years of this artificial nursing, and we have figures staring us in the face to-day which show conclusively that, whatever advantages Victoria had at first over New South Wales, the fact is now that the last has become first and the first has become last in every item of national prosperity.

Mr. Kennedy.- Only in pastoral pursuits.

Mr. BRUCESMITH.- I consider that there are five chief factors of national progress - population, shipping in and out, revenue, imports, and exports.

Mr. Ewing.- And production.

Mr. BRUCESMITH.- Production of what? Of manufactured articles or unmanufactured articles ?

Mr. McColl.- Everything.

Mr. BRUCESMITH.- I will show what has taken place. I do not wish to deal too much in detail with this matter, but it is an important subject, and as I have been challenged, here is my answer. Mr. Coghlan has divided the 35 years through which we have passed since 1866 into decades. He has taken 1860, 1870, 1880, 1890, and 1900, and he shows with regard to population that in 1860 the population of New South Wales was 348,000, whilst the population of Victoria was 537,000. Therefore Victoria was at that time 50 per cent, in advance of New South Wales.

Mr. McColl.- That was the era of alluvial gold.

Mr. BRUCESMITH.- Will the honorable member allow me to give the House these figures ? It will not read well in Hansard for the figures to be interrupted by these interjections ; and I am speaking to a larger audience than this House alone affords. In 1900 we find that the positions are reversed, and that while Victoria has a population of 1,197,000, New South Wales has 1,364,000.

Mr. Kennedy.- New South Wales has a larger area.

Mr. BRUCESMITH.- I reply to that that the limited character of the Victorian territory has been a distinct advantage to her in regard to her population, because both her railway system and her land system have contributed towards a natural concentration of population, whilst in New South Wales artificial aids have had to be used in the form of what is called " closer settlement," to counteract the spread of the population over an enormous territory. It was impossible to bring about the same economical results in any of those communities which possess large territories that could be brought about in a smaller country. Therefore I should say that the larger territory of New South Wales has been a disadvantage to that State, and that, so long as the people have room for expansion, the limited territory of Victoria is an advantage. But these comparisons do not apply to population alone. In other respects there has been the same ratio between New South Wales and Victoria in regard to prosperity. Let me next take the case of



shipping. In 1861 the shipping entered in New South Wales was 366,000 tons, against 549,000 tons in Victoria. But in 1900 the shipping entered in Victoria was 2,900,000 tons, against 4,000,000 in New South Wales. So that the 50 per cent, superiority of Victoria has been reversed after a period of 30 years. In the shipping out of the two States, the following is the condition of things. The shipping leaving New South Wales was 379,000 tons in the first year mentioned, and the shipping leaving Victoria was 540,000 tons. When we come down to the year 1900, we find that the shipping going out of Victoria was 2,944,000 tons, as against 3,920,000 going out of New South Wales. So that whether we take the shipping in or out, the position is now reversed after 35 years of this beneficent policy in Victoria. Then let us turn to imports. In the earlier year, 1861, we find that the imports to New South Wales were £6,000,000, and the imports to Victoria were £13,000,000.

Mr. Piesse.- Has the honorable and learned member given the total of clearances and entrances ?

Mr. BRUCESMITH.- They are both in the same position. The total of shipping entering and clearing New South Wales in 1861 was 745,000 tons, and in Victoria, 1,090,000 tons. In 1900 the total shipping of New South Wales was 8,014,000 tons, and of Victoria 3,873,000 tons. Then coming to imports, we find that the imports of New South Wales in 1861 amounted to £6,604,069, and those of Victoria to £13,532,452. When we come to 1900, however, we find that the imports of Victoria represented a total of £18,301,811 and those of New South Wales £27,561,071. The increase in regard to exports was the same. The exports of New South Wales in 1861 amounted to £6,609,461, while those of Victoria were £13,828,606, or more than double. In 1900, however, the Victorian exports were £17,422,552 in value, while those of New South Wales represented a total of £28,164,516. Taking the total trade, we find that in 1861 the total trade of New South Wales was £13,213,530, and that of Victoria £27,361,058, or more than double. Coming to 1900, however, we find that the total trade of Victoria for that year was £35,724,363, while the New South Wales trade was £55,725,587, or nearly double that of this State. I do not allow statistics to run away with me, and I do not contend for a moment that these figures are conclusive against the smaller State; but I do say that if ever there was an opportunity in modern times of comparing two communities composed of the same people, living under the same conditions, practically under the same laws, and running neck to neck under the two differing policies of free-trade and protection, these States afford that opportunity. If there is an advantage to the one by the difference in the extent of its territory the advantage is to the smaller State for the reasons I have named. Another ground upon which I object to this Tariff is that it presses injuriously upon certain industries native to the soil and climate, which should be hampered as little as possible. These industries are mining, farming, pastoral, and dairying. Some people may include dairying under the heading of farming ; but I place it separately. Whilst a number of manufacturers in this State are protected with regard to their products, and whilst the whole of their tools are admitted free, it is a singular thing that the industry of farming should be taxed almost at every turn. It must be admitted that the farmers of this country have no longer any protection for their products. Some honorable members may quote New Zealand against that statement, but such a thing would fit very inaptly with the expressions of joy which the Minister for Trade and Customs uttered when he said - " We have got free-trade with the sister colonies." He forgot, whilst he was rejoicing, the inconsistency, and the incongruity of his speech. He rejoiced over the breaking down of the barriers between the sister States ; but he did not recognise the same principle as applicable to New Zealand. Why? Because, forsooth, New Zealand, for Constitutional and other reasons, has not thought fit to come into this compact. This great rejoicing on the part of the right honorable and learned gentleman was not a letting loose of his thoughts and expressions of joy with regard to the actual economic result. The incident gave him an opportunity of going somewhere in that direction, but of halting when he came to consider another sister colony which did not happen to come under our Constitution. Nevertheless, I say that the farmers of Australia have, practically, no protection now for their products, and, whilst they are unprotected in their products, they are taxed at every turn for their tools and food.

Mr. McColl.- They are not taxed in regard to their tools.

Mr. BRUCESMITH.- Will the honorable member say that machinery does not form part of their tools of trade ?

Mr. McColl.- All their tools are admitted absolutely free.

Mr. BRUCESMITH.- Their business consists of ploughing the land, of sowing the seed, of gathering the harvest. What does a farmer need in order to sow his land ? Agricultural machinery has a duty of 15 per

cent, on it, and if he buys a plough to turn over the sod he pays a duty of 15 per cent.

Mr. JosephCook. - According to honorable members behind the Government, a plough is not a tool of trade.

Mr. BRUCESMITH. - According to them it is not.

Mr. McColl.- All the small things that the farmer handles - his forks, shovels, and picks - are absolutely free.

Mr. BRUCESMITH.- The honorable member, if he permits me to say so, is resorting to a subterfuge.

Mr. McColl.- The honorable and learned member is doing that.

Mr. BRUCESMITH. - Will the honorable member answer my question? What is a tool 1 Is it not a mechanical contrivance by which a man in some particular industry performs his work? Is not a chisel or a plane, or a saw, with which the carpenter cuts his wood, a tool 1 Is not a lathe, with which a manufacturer turns his wood or metal goods a mechanical contrivance, a tool? And is not a plough, with which the farmer turns the sods, or a harrow, or a reaper and binder a tool?

Sir JohnForrest. -They make ploughs and harrows here.

Mr. BRUCESMITH.- Yes, but they are so dear that they cannot compete with the imported article. The Government have to impose a duty of 15 per cent., in addition to the natural protection amounting to another 15 per cent., in order to enable the local manufacturer to compete against the imported article. If it is not necessary, why is the duty put on ?We have this anomaly, and I can only tell the Prime Minister and his colleagues that he will find day by day the farmers of Australia rising up as a body, because they are now seeing for themselves the lop-sided nature of this doctrine of protection. Their own products are not protected, but they are taxed on every article of clothing, food, and furniture, and upon the material with which they build their houses.

Sir JohnFob rest. -What? Taxed upon their food ?

Mr. BRUCESMITH.- Yes; they are taxed 45 per cent.upon their groceries.

Sir JohnForrest. - They grow all their own food.

Mr. McColl.- This is very one-sided.

Mr. BRUCESMITH. - I hope honorable members will remember that there are people outside AVictoria who know something of these interests. I have represented a farming constituency in the New South Wales Parliament for some years.

Sir JohnForrest. - The honorable and learned member is not doing so now.

Mr. BRUCESMITH.- But I am speaking for them now ; because I consider that I represent all classes of the community. Perhaps the right honorable gentleman thinks it is wrong to advocate the cause of people whom we do not specially represent ? It is not my view of political life that a politician is to give his attention merely to that particular class of industry which happens to be in his own constituency. The farming community are not being treated fairly, because whilst the manufacturers' products are protected, those of the farmer are not ; whilst the manufacturers' tools are admitted free, those of the unprotected farmer are subject to a heavy duty. That applies equally to our mining, farming, pastoral, or dairying pursuits.

Mr. G.B. Edwards. - Even fishermen's nets are taxed.

Mr. BRUCESMITH.- Yes. I do not want to go into details, because one could spend weeks in doing so.

My third objection to the Tariff is that it is unjust in its incidence. One of the first features of the Tariff upon which I shall put my finger in order to prove that proposition is its composite duties. The chief justification advanced by the Minister for Trade and Customs for the imposition of composite duties was that they had been adopted in America. If he had looked a little further into the treatises by skilled critics, he would have known that the whole principle had been almost universally condemned. I say that it is entitled to even greater denunciation in this country, especially when it appears in this Tariff, because it goes before the people under the pretence of being a revenue Tariff. These composite duties are so imposed, that on the cheapest article the duty is highest. That deals with another principle of taxation, to which I consider every member of this House should have some regard. The composite duties hide the real duty. Take a 2s. pair of boots, or a 2s. hat as an example of what a composite duty does. It charges 20s. per dozen, or 1s.8d. each, to start with, on the 2s. article; and then 15 per cent. in addition. On the 10s. article it charges a duty of 2s. to start with, and 15 per cent in addition ; and the difference is this, that in one case we may get a 25 per cent, duty, in the other case we may get a 50 per cent, duty; and the 50 per cent. duty falls

upon the article consumed by that class which has the least means of contributing to the revenue. Every tyro in politics knows that the bottom principle of all taxation is that people should contribute according to their means. Whether it be a property tax or an income tax, every man is supposed to contribute according to his means, which means are protected by the police, the army, the navy, and the other institutions of the country which watch over his interests. These composite duties are a mere ruse, a simple substitute to enable the Treasurer to impose heavy protective duties without allowing them to be seen. Fortunately, we are not all ostriches, nor are the Treasurer's duties so constituted. He may bury his percentages, but their real meaning is quite capable of discernment by us. We can see for ourselves that under these composite rates we may reach . duties as high as 80 per cent. Sir .Frederick Sargood has shown that in extreme cases we can reach duties of 183 per cent. I cannot rid my mind of the impression that this Tariff comes to us under the promise of being a revenue Tariff) and of not being a protective Tariff. At the same time, it was to be a Tariff which would not be calculated to destroy industries. But in order to prevent the destruction of industries it is not necessary to impose duties of 60 or 70 per cent., because such duties practically go beyond the prohibition limit. The Minister for Defence does not seem to understand the difference between prohibition and revenue. He apparently thinks that so long as we put a duty upon any article we are bound to raise revenue. My objection to these composite duties is that they touch groceries, apparel, oils, paints, &c., earthenware, boots, and vehicles. Upon boots the Tariff runs up to 60 and 90 per cent. Upon hats it is as high as 70 per cent. A 4s. hat will reach 10s. 6d. retail, whilst a 2s. pair of .boots will reach 5s. retail. Yet we are told that this Tariff is just in its incidence. If it be true that people should pay according to their means, how can it be considered by the Ministry that it is just to all classes of the community when upon the cheap article it levies a duty of 65 per cent., whilst imposing only 25 per cent, upon the dear one? The postposition should be reversed. If upon a 10s. article we had a duty of 60 per cent., and an impost of from 20 to 25 per cent, upon a 2s. article, we should at least have justice, although we should not have a revenue Tariff. That applies to tea, boots, apparel, and furniture. Then, whilst silk, which is worn by the people who are most competent to pay taxation, is taxed to the extent of 15 per cent., woollens bear a duty of 25 percent, flannels of 20 per cent., and woollens made up of 25 per cent. We have, also, another anomaly, in that whilst upon bevelled and heraldic glass, which is used in the houses of affluent people, there is a duty of 20 per cent., on common earthenware, which is used in the cottages, there is a charge of 5d. per foot, measured on the outside of the package, in- addition to an ad valorem duty of 15 per cent. My fourth objection to this Tariff is that revenue duties, which these are not, can be removed without leading to a cry that industries are being destroyed. During this debate we have had honorable members asking, " How can we allow these industries to fall suddenly after they have had so many years of support?" That is a very justifiable question, because if men have been induced to invest large amounts of capital in industries, one cannot blame them for asserting that they have 'been lulled into a condition of security, and have acquired a right to be supported by the public. That is one of the dangers of protection. It builds up vested interests. I do not admit that this contention is right. When a man embarks in an industry, he does so with his eyes open, knowing that its success depends on the fiscal policy of the country which may be altered from time to time. If he chooses to sink his capital in an industry upon the chance of the country continuing to follow a certain fiscal policy, he does so at his own risk. As a matter of consideration I can understand a man not wishing to throw into the streets hundreds and even thousands of people who have found an occupation in these industries. I can understand that it would take a little time to restore things to their normal condition, but honorable members are told not only that these industries are to be supported, but that the Government intend to build up new industries out of the revenue collected by the Commonwealth. We are told by the Age - A feature of the Ministerial fiscal policy which will find favour with protectionists is that it proposes a bonus on iron production. This was one of the recommendations of the protectionist conference. It will be seen, therefore, that this Government, which professes to hold the scales of fiscal justice between two parties, which merely professes to raise the revenue necessary for paying the expenses of the Commonwealth, and for supplying the needs of the States, is deliberately proposing to devote a portion of that revenue to the building of new industries. Inconsistency is a mild term to apply to such a proposal. It is a gross perversion of the uses of the revenue. When the Minister for Trade and Customs comes to grant this money as a bonus, a nice question of law will be raised as to whether he has a right to collect it, and make a deduction from the States for the purpose of granting the encouragement

indicated. The Commonwealth may do it with its own revenue derived from some other source, or out of its fourth of the customs revenue. But when the Minister comes to grant bonuses in the way he has suggested he will find that he is treading upon delicate legal ground. But what concerns me chiefly is that this Tariff is an extreme form of the deceitful policy of the Government. They have been returned, and the House has been returned to establish a revenue Tariff. Yet we are told in this barefaced - I was going to say this brazen - way that part of the money that is collected as revenue for Australia is going to be used to build up a number of fresh industries at the expense of the people of Australia. I say that that is a gross perversion of the use to which the revenue should be put, which is to supply the needs of the States in the first place, and pay the expenses of the Commonwealth. I challenge any member of the Government to quote a single word or phrase in any of their speeches made at any time, showing that they told the people of Australia that, in addition to proposing a revenue Tariff, they were going to take money belonging to the Commonwealth, or to the States, in order to establish new industries by the giving of these bounties. One disadvantage about this Tariff is that it is perpetuating in an aggravated form some of the vested interests which have been established in this State and which 19 0 2 the people of other parts of the Commonwealth have a perfect right to see gradually let down to a position of revenue production. Now I come to the address of the Treasurer, and though I had some observations to make on the right honorable gentleman's speech, I put them aside and pass them by. I think I could have made some very damaging observations upon that speech, to show, first of all, that the right honorable gentleman may be said to have made two speeches in one. One was a real free-trade speech which he made at times when he was irritated into a condition of indignation by the good-humoured jibes of the right honorable and learned gentleman at the head of the Opposition. The Treasurer allowed himself to be forced, so to speak, into a condition of anger, when he really did give expression to some very sound freetrade sentiments. But the moment he settled down to the part which I say he had undertaken to act, that of showing that this was a compromise between the two parties, then he became a provincialist to the letter - to the manner born. On other occasions I say he was a perfectly sound free-trader. There is no doubt that the right honorable gentleman started his speech with the full intention of observing his text and playing his part of persuading this House and the people of Australia that this was a compromise Tariff ; and it was only when he was forced into this condition of fervour that he really revealed what his real feelings were, and expressed himself in this indignant manner. I should have liked very much, indeed, to have had an opportunity of dealing with that speech if I had not had to begin at such a late hour. I should like to say a few words about the speech of the honorable and learned member for Indi, which seems to have attracted a good deal of attention in and out of doors. I am bound to say that I did not form anything like so high an estimate of that speech as many other people have done. I listened to it from first to last, and it seemed to me to be delivered entirely from a brief. It seemed to me to be an entirely one-sided speech ; and that it was principally directed, not to show that this Tariff was a wise one; not to show that it could not have been made a wiser one ; not to show that England was a decadent nation, but to show that certain statements with regard to England's prosperity could be met by some quite irrelevant evidence taken from newspapers and books, which, I say, we're not quite properly used for the purpose. The honorable and learned member quoted at great length from a newspaper that I certainly never heard of before in my life. The Drapers' Journal, forsooth, was brought here in order to convince us that England was on the down grade.

Mr. Kingston.- The Ironmongers' Journal has been quoted also.

Mr. BRUCESMITH.- It is perfectly true that the Ironmongers' Journal has been brought to answer it, but I am bound to say that one is about as valuable as the other. The idea is truly interesting of coming to a deliberative assembly of this kind, and quoting a leading article from a paper written in the interests of a particular industry, and written by somebody whom nobody knows ! He may have been a protectionist or a free-trader, or an ignoramus, and yet this article was seriously quoted in a Parliament by one of its most intellectual members for the purpose of throwing light upon an Australian Tariff! Could one conceive anything which was wider of the mark ? Could anybody think of anything more totally irrelevant to the question ? Then the honorable and learned member quoted from one of Mr. Lecky's works. The name of Mr. Lecky necessarily carries great weight. He is one of England's greatest thinkers, and the honorable member quoted Mr. Lecky to show that the trend of public thought throughout the world was in the direction of protection, but he forgot to tell the House, although I reminded him of it afterwards, that whilst

the great name of Mr. Lecky was attached to the statement as merely recording an historical fact - that the trend of thought was in that direction - Mr. Lecky himself deprecates that trend of thought : and therefore he should be quoted on the other side, and not as supporting a tendency which the honorable and learned member seemed to think was a valuable light thrown upon this question.

Mr. Kingston.- It is a valuable admission by Lecky.

Mr. BRUCESMITH. - It is a valuable admission on behalf of free-trade that he deprecated the trend of thought in that direction.

Mr. Kingston.- It is a valuable admission that there was that trend of thought.

Mr. BRUCESMITH. - I say this for my part, and I have said it before, that j

I do not regard the trend of public thought on all occasions as evidence of the wisdom towards which it is leading. Everybody knows that the general public think very superficially on many questions. I do not say for a moment that I have not a great regard for the aspirations of the public where I think they are matured; but I am one of those unwise politicians who tell the public very often what I think of popular opinion; and I do not believe that they think any the less of me for it. The honorable and learned member for Indi quoted this trend of thought as if it proved the soundness of the theory towards which the thought was trending ; but he quoted Mr. Lecky without at first telling the House at the same time that Mr. Lecky deprecated that tendency. The honorable and learned member dealt with a number of other questions, and he said something concerning a comparison between Victoria and New South Wales. I should like, just for a moment, and I shall not spend much time over it, to quote a statement here with regard to the two States, which is very important. It is with regard to the incomes of the people. I am sure every protectionist will admit that the incomes of the people, from whatever source, are very valuable data as to the success of the community or communities to which they refer. This is what Mr. Coghlan says on the subject of the incomes of the people : - In Victoria the number of persons with incomes of £200 and over are 19,000. In New South Wales they are 31,000. The total incomes of £200 and over amount in Victoria to £10,000,000, and in New South Wales to £17,000,000. The total incomes under £200 amount in Victoria to £39,000,000, and in New South Wales to £45,000,000 ; and the total of all incomes amount in Victoria to £49,000,000, and in New South Wales to £63,000,000. The number of persons concerned in incomes of £200 and over is 95,000 in Victoria and 156,000 in New South Wales, and the average income per person is £105 in Victoria and £114 in New South Wales. I know, of course, that these figures, taken in an isolated way, prove nothing conclusively, but I submit that if a protectionist looks round in these two States to try and get some guidance as to which policy has done most towards producing what is generically termed happiness or prosperity for the people, he cannot help being struck by the comparative figures at every turn.

Taking another index - what did the Royal Commission on the Factory Act, directing an inquiry into the wages in the two States, find 1 They found that in cases where the Victorian wages boards were bringing their artificial methods to bear, they did succeed in lifting the wages of Victoria 4d. above those of New South Wales ; but that, where no such artificial aid to the wages was brought to bear, the wages of New South Wales were 2s. above those of Victoria. I should have liked to deal at greater length with the speech of the honorable and learned member for Indi, because I think he misrepresented the honorable member for Wentworth with regard to one statement when he said that that honorable member had justified, on behalf of the Commonwealth, an all-round Tariff without a free list.

Mr. Kingston.- He practically admitted it.

Mr. BRUCESMITH. - Here is his speech - he did not admit it. He said -

There is no free list on that basis. Practically my views are against a free list. But I recognise the fact that a free list is a necessity in dealing with the views of the different States, because it has been part and parcel of the system of finance adopted in most of them.

Whilst expressing his individual opinion, he said, from the Commonwealth point of view, it was not a desirable thing.

Mr. Kingston.- Did he not make that speech qualifying it after the speech of the honorable and learned member for Indi 1

Mr. BRUCESMITH. - That is his main speech.

Mr. Kingston.- The honorable and learned member for Indi, I think, spoke before that.

Mr. BRUCESMITH. - No ; he spoke afterwards, and he reminded the House that my honorable friend had

advocated having no free list.

Mr. Kingston.- So he did, in the debate on the address in reply.

Mr. BRUCESMITH. - He did not acknowledge it in the speech from which I have just quoted. There is much more I should have liked to say ; and the importance of this occasion, and the immense amount of matter which has been brought before the House, would have justified, if the time would have permitted, a much longer speech, I think, without enabling honorable members to say that I have spoken merely for the sake of speaking. I have now said all I wish to say of a particular character in regard to this proposed Tariff. I have, in common with the other members of my party, the consolation of knowing that, even though we fail to secure a majority, we shall have vindicated the cause which we have been intrusted to espouse in this the highest Legislature of Australia. I feel convinced that in a little while the light of economic truth will dawn, and though for a few short years we shall - as a necessary condition of our newly-established brotherhood - have to bear with a measure of restriction, many of us will live to see Australia emancipated from the thralldom of a worn-out creed, and to welcome the advent of complete commercial and industrial freedom.

Debate (on motion by Mr. Ewing) adjourned.

#### ADJOURNMENT

Motion of Censure.

Minister for External Affairs

Mr BARTON

. - I move -

That the House do now adjourn.

A very ample time has been given for the discussion of the very important question - the importance of which I do not deny - which we have been engaged in considering, and I hope that honorable members on all sides will, in the interests of the country, concur with me in saying that at the very earliest possible moment this week we should bring the debate to a close.

Question resolved in the affirmative.

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23:27:00

House adjourned at 11.45 p.m.