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1901-12-06

House of Representatives.

Mr. Speaker took the chair at 10.30 a.m., and read prayers.

QUESTIONS

ARRIVAL OF THE GOVERNOR OF VICTORIA

Mr McCOLL

- I should like to know whether the Prime Minister proposes to adjourn the House over Tuesday afternoon to permit of honorable members taking part in the reception of the Governor of Victoria on his arrival in Melbourne.

Minister for External Affairs

Mr BARTON

- The matter has not engaged my attention particularly, but I think that if we were to adjourn on Monday until Tuesday afternoon at four o'clock we should be doing all that is required to enable honorable members to take part in the reception, and at the same time should not interfere seriously with the conduct of public business. I do not think we should adjourn beyond half-past four.

REFUNDS OF DUTY

Mr O'MALLEY

- I desire to ask the Minister for Trade and Customs if, in the case of mining machinery which is imported for the purpose of giving employment, the Government will refund any duty which may have been paid in excess of the rate finally decided upon by Parliament?

Minister for Trade and Customs

Mr KINGSTON

- If Parliament so decides, we shall do so. Our proposal is not in that direction, but we propose to take the sense of the House on the subject.

CHRISTMAS ADJOURNMENT

Sir WILLIAM McMILLAN

- It would be a great convenience to honorable members if they knew on what date the House would adjourn for the Christmas holidays. I am inclined to suggest that Friday, the 13th inst., would be a reasonable date to fix. If we do not adjourn then, we shall have to sit during the week immediately preceding Christmas week, and that would be very inconvenient to a number of honorable members. I can say honestly that I do not see any possible chance of the Tariff being finished before Christmas, even though the utmost expedition be used. If the Tariff cannot be passed before Christmas, there will be no sense in continuing our sittings right into the holidays.

Mr BARTON

- I have intimated on several occasions that the time at which we should ask the Houses to adjourn would depend very largely on the progress made with the Tariff. I quite join with the leader of the Opposition in the belief that it has been rendered impossible to pass the Tariff by Christmas, but if the Tariff is to be passed later than we thought it would be, the urgency of expediting public business is all the greater. My own impression is that the 13th would be too early a date on which to adjourn considering the duties. We have on both sides of the House, but it might be fair to allow honorable members to leave Melbourne the week before Christmas. After sitting on the Monday and Tuesday preceding the 18th inst., we might adjourn on the afternoon of that date. That would give honorable members a full week before Christmas, and it would be reasonable, I think, to ask them to resume their duties about the 7th or 8th. January.

EXEMPTIONS FROM DUTY

Mr HUGHES

- I desire to ask the Minister for Trade and Customs whether the difficulties which have arisen in reference to the exemptions which were said to have been affected by the amendments made in the item relating to the duty on cotton and linen goods have been removed. I understand that it has been asserted that the exemptions which existed prior to the amendment of the duty on cotton and linen goods have been in some mysterious way affected by the alterations which were made.

Mr KINGSTON

- The position is this. We proposed certain exemptions when we introduced the Tariff. We indicated

afterwards that we were going to adopt a different course by throwing all the cottons into one line, and including the exemptions, ' and then we had a further debate in the committee, and a certain decision was arrived at. As regards the exemptions we propose to give effect to them, but the precise terms require to be settled, and no doubt they will be settled to-day.

TARIFF ALTERATIONS

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Mr POYNTON

- I desire to direct the attention of the Minister for Trade and

Customs to the following telegram from Adelaide, which appears in this morning's papers : -

Agents at Port Adelaide complain of inconvenience through the tardy way in which alterations in the Tariff are communicated to the Port Adelaide Customs officials. They desire the South Australian Customs to be put on the same footing as the Victorian, and that the officials be made aware of alterations by the time they are to take effect. Several instances have occurred in which official intimation of alterations has been received hours after they have appeared in the daily papers. The latest of these was in connexion with the decision in respect to some of the items in cottons and linens placed on the free list, which had previously paid du tj'.

I would ask the Minister if he cannot so arrange that the Customs authorities in all the States shall be simultaneously advised of any alterations.

Mr KINGSTON

- I do not think there has been any neglect in this connexion. Honorable members know that sometimes alterations are made at late hours, and therefore it is very natural that the first intimation should appear in the daily press. The practice is, even with regard to alterations made fairly late at night, to hand messages in so as to have them telegraphed at nine o'clock the next morning. I do not think that shows any laxity on our part, but at the same time probably there will be an attempt made to insure that even this delay shall not occur before the messages regarding late alterations are placed in the hands of the Telegraph department. Honorable members will see that in the very nature of things greater diligence could hardly have been expected.

CUSTOMS ENTRIES

Mr GLYNN

- I should like some information from the Minister for Trade and Customs with reference to a question I put to him the other day as to facilitating Customs entries - dispensing with the unusual number of entries and the multiplicity of certificates now required. I have several letters on this point from South Australia, and in one of these it is stated that if the difference in the duty were paid at the port of despatch into the interior, and the matter then ended as far as the receivers were concerned, it would be an immense help. I should, like to know whether the Minister has inquired into the matter.

Mr KINGSTON

- The Government are inquiring into the regulations and everything that can be done is- being done for the purpose of simplifying the machinery and facilitating trade. At the same time we have clear duties cast upon us, not only by the Customs Act, but by the Constitution Act itself, and it is necessary that we should do everything that is required of us under these Acts. However, we are inquiring into the matter, and if we can simplify and condense, we shall be only too glad to do it.

POSTAL FACILITIES

Mr JOSEPH COOK

- I desire to direct the attention of the Prime Minister to the fact that a systematic policy of restricting postal facilities in New South Wales is apparently being carried out. Office after office is being closed and it is apparently intended to close others, and I would ask the Minister whether he will look into the matter with a view to checking proceedings which are giving rise to very serious indignation.

Mr BARTON

- I have heard that a number of minor post-offices are being closed, and that one or two post-offices in populous centres have been closed, and that pillar-boxes and offices for the sale of stamps have been substituted. I would ask honorable members to reflect that it is necessary for the postal service to be carried on with due economy under the new conditions, and that the Government is alternately being complained of for extravagance and undue retrenchment. Complaints of both kinds are inevitable in the

case of a service which is being placed on a new basis. I shall give attention to the complaint of the honorable member, which is not the only one I have received, and will confer with the Postmaster-General with a view to seeing that any necessary retrenchment is carried out without causing undue friction.

CUSTOMS ADMINISTRATION

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Mr HUME COOK

- My attention has been directed to a somewhat important matter, and I should like the Minister for Trade and Customs to make inquiry into it. I have been informed by a customs agent who does business both in Sydney and Melbourne, that the Tariff is being administered differently in the two places, and that articles upon which duty is paid in Melbourne are admitted free in Sydney, owing to the interpretation placed upon the Tariff there. This is a very serious matter for the merchants of Melbourne, and I would ask the Minister to inquire into it, with a view to securing the uniform administration of the Tariff.

Mr KINGSTON

- I cannot believe that anything of the sort has happened, but, if the honorable member will state a specific case, I shall be only too happy to inquire into it. I realize that unless we can secure uniform administration, a uniform Tariff will be an absurdity.

DUTIES ON INTER-STATE TRANSFERS

Mr BROWN

asked the Right Honorable the Minister of Trade and Customs, upon notice -

Whether it is his intention to collect duty upon goods manufactured in one of the States, when passing into another State, the raw material of such manufactured articles having originally been imported free of duty, as for instance -

In the event of linen having been imported free into New South Wales and there made into shirts and other wearing apparel, it is intended to collect Inter-State Customs duties upon such manufactured articles when forwarded to another State for sale and use.

In the event of mouldings, &c, for picture-frames having been imported into New South Wales, and there manufactured into picture-frames, it is intended to collect Inter-State duties upon such manufactured articles when forwarded to another State.

If so, will he kindly indicate how it is proposed to ascertain the exact amount of raw material in such manufactured articles, and on what basis it is proposed to collect such Interstate Customs duties.

Mr KINGSTON

-The answer to the honorable member's questions is as follows : -

Effect must be given to section 92 of the Constitution Act by the collection on Inter-State transfers of any duty which would be payable on the raw material if then imported into the Commonwealth. The necessary figures are derived from information supplied by the Inter-State transfer, and by consideration of the nature of the goods and all available data.

I may add that in this connexion there are undoubtedly very considerable difficulties, but they are the creation of the Constitution we have to administer, and we are doing our best to meet them satisfactorily.

INSTRUCTIONS TO DEPUTY POSTMASTERS-GENERAL

Mr MAHON

asked the Minister representing the Postmaster-General, upon notice -

When a copy of the instructions issued to the Deputy Postmasters-General of the several States will be available for perusal by honorable members?

Minister (without portfolio)

Sir PHILIP FYSH

- The answer to the honorable member's question is as follows : -

A copy of the delegation of the powers of the Postmaster-General under the Post and Telegraph Act of 1901, given as provided by section 8 of that Act, is now available for perusal by honorable members.

ORDNANCE BRANCH OVERTIME PAYMENTS

Mr HUME COOK

asked the Minister of Defence, upon notice -

If it is true that members of the Ordnance Branch are again being worked overtime ; and that not even

tea-money is being paid them.

Does the Minister propose to give these men overtime pay or time off for the extra work done.

Minister for Defence

Sir JOHN FORREST

- The answers to the honorable member's questions are as follow : -

In some cases that may have occurred, but if there is much overtime it would be a good cause for temporary leave of absence.

It is not intended, nor is it desirable, to encourage a system of paying for casual overtime or giving tea-money.

PROPERTY ACQUISITION BILL

Consideration of message from the Senate. In Committee.

Minister for Home Affairs

Sir WILLIAM LYNE

- I bring the schedule of the amendments, to which the Senate has disagreed, before the committee this morning, because it is urgent that this Bill should become law as soon as possible. At the present time, there are several cases in my own department which are hung up pending the passing of this measure. The amendments to which the Senate have disagreed are unimportant, as is stated in their message. The reason for the action which has been taken by the other Chamber is that, as a result of the insertion of clause 58a, there is no necessity to retain the words, "or of the Supreme Court of a State," which appear in clauses 12 and 22; or the words, "or until the establishment of the High Court in the Supreme Court of the State," which occur in clause 14. Clause 58a deals with the whole of these matters, and I therefore move -

That the amendments be not insisted upon.

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Mr WATSON

- I should like to know where copies of the proposals of the Senate are to be found. It is not to be expected that honorable members can understand what is proposed unless they have a copy of the amendments before them.

Mr GLYNN

- I have looked through the amendments made by the Senate as well as I could, having before me only the Bill in the form in which it appeared before it was finally passed by this House. It is a pity that the Ministry did not see that a copy of the measure as finally agreed to by this House, was placed upon the files of honorable members. By comparing the various copies, however, I can see what is the point of the Senate's proposals. I have no objection to the amendments, because they substitute one clause for several references throughout the Bill. The Senate, however, has not completely done its work. It proposes to omit the words " or of the Supreme Court of a State " in some cases, but not in others, where such a course is equally necessary. However, as the retention of these words in the cases to which I refer will make no difference, I support the proposal of the Government.

Mr CONROY

- I ask that clause 12 be read, so that the committee may know what the exact effect of it is. No honorable member has a copy of the Bill as it finally passed this House.

The ACTING CHAIRMAN (Mr. McDonald). - I understand that this is the Bill which is on the files of honorable members.

Mr CONROY

- Looking at clause 12, I desire to know whether it means that we are to create a new survey department throughout the whole of the States--

The ACTING CHAIRMAN.- I should like to point out to the honorable and learned member that the question before the committee is " that the amendments be not insisted upon."

Mr SYDNEY SMITH

- I think that the difficulty could be overcome by adopting the suggestion of the honorable and learned member for Werriwa, and reading the clause. Honorable members would then be in a position to appreciate the effect of it.

Mr FISHER

- I think there is a good deal in the complaint that the system of distributing Bills is not satisfactory. It would be quite a simple matter for the Government Printer to keep Bills standing in type, and whenever an amendment is made in them to indicate it by the use of a different font of type. If Victoria is not capable of carrying out such a work, it is high time that some of the small States taught her how to do it. Every information, and exact information should be given to honorable members when dealing with important matters.

Mr PAGE

- I wish to ask if the Bill before honorable members is in the form in which it finally passed this House? My desire is to know exactly where we are.

Mr. GLYNN(South Australia). - If honorable members will turn to the last copy of the Property Acquisition Bill upon their files, they will find upon it the words " as brought from the Senate," whereas the measure should be headed, "as read a third time in the House of Representatives." The latter heading, however, appeared upon the Bill when it was in an imperfect state.

Mr PIESSE

- I think that a different system should be adopted in submitting amendments made by either branch of the Legislature. It is not even necessary to employ different type to indicate such amendments. If the amendments made by one House were enclosed between a certain form of brackets, and those made by the other branch of the Legislature were inserted between a different sort of parenthesis, honorable members would have the position clearly before them. Even if the same type were used, it would be very much easier for the officers of the House to follow the different stages of Bills.

Question resolved in the affirmative.

Resolution reported and adopted.

THE TARIFF

In Committee of Ways and Means:(Consideration resumed from 5th December, vide page 8363).

Item 61 -

Hats and caps, viz. -

Men's, women's, boys', and children's felt hats, per dozen, 10s. and 15 per cent, ad valorem.

Dress hats, per dozen, 48s.

Hats and caps, sewn, per dozen, 3s.

Upon which Mr. Poynton had moved by way of amendment -

That the words " 10s." be omitted.

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Sir WILLIAM McMILLAN

- I am in the same state of mind this morning as I was last night. I am utterly bewildered when I come to analyze this item. If I had entered the chamber and learned that honorable members were discussing a proposal to vote themselves £5,000 a year by way of salary, I should naturally say that it was a bewildering proposal to fix £375,000 of taxation upon the backs of the people. But I should be told that under the Constitution we had a perfect right to adopt such a proposal, and that we intended to do so no matter what arrangements had been made with the people of the country. There is no difference between the two proposals. I should like to know what honorable member would have dared to say before his constituents that he intended to vote for a proposal to impose a duty ranging from 50 per cent, to 180 per cent, on an article that the people wear. I feel some sympathy with the Prime Minister, because it seems to me that the Minister for Trade and Customs is absolutely callous and indifferent with regard to the personal honour of and to the compact made by the other Ministers with the people of the country. It might have been a good thing if the Tariff could have been proclaimed before the Union. By way of illustration, I may say that in connexion with the proposed South African federation it is suggested that there be a uniform tariff before the federation takes place. Of course, in South Africa there are only two States to make a uniform tariff, and a similar step would have been almost impossible with six States. "We have been voting duties which I consider high, ranging from 15 to 25 per cent. "What is there in the nature of this particular article that the duty should be over 100 per cent. 1 Is there any sense or principle in the proposal ? Is there any essential difference between the manufacture of hats and the manufacture of blankets? It will not have a nice appearance before Australia if this proposal of the Government be passed, because it is essentially making monopolies to an extent that has not even been imagined in

connexion with other items. There seems an absolute want of comprehension on the part of the Minister for Trade and Customs when he says this is not a prohibitive duty, seeing that he glories in the fact that it is going to absolutely prohibit this particular class of article. Is that "revenue without destruction" I do not believe that honorable members, even on the Government side of the House, will be so lost to all sense of honour in dealing with the States, as to give a monopoly to a handful of people, in order to keep going an industry which is probably paying twice as much as an industry could be reasonably expected to pay. I do not believe that honorable members will let it be known to the whole world that, while we advocate moderate protection, we pick out this industry in this invidious way, and exceed the wildest dreams of 'protectionists in the United States. I should be ashamed to be a member of this House if this item were passed as it now stands. I should like to know what are the forces that have been at work. Why in the name of honesty and common-sense should we pick out this one manufactory - and I believe it is practically brought down to one particular manufactory - and give it assistance so far beyond that given to other industries ? Does it bear an appearance of honesty that Parliament should pick out hat manufacture, which is practically the business of one firm, and make the duty anything ranging from 100 per cent, to 180 per cent. If the committee pass this duty, it will in some respects be all the better for the free-trade propaganda ; but, at the same time, I am not going to allow, if I can possibly help it, the placing on the statute-book of a duty so unjust to the whole population of Australia. I believe the Ministry are as honest and honorable as are public men in any part of the world ; but their proposal in this instance is remarkable and invidious. I can understand, from a protectionist point of view, that a little more protection may be required under some circumstances, but I do not think that any circumstances can justify a jump from 25 per cent, on clothing, and 15 per cent, on woollen goods, to such an excessive rate of protection as is now proposed. Of course, if 10 per cent, means prohibition, the Minister can have a joke by making the duty 140 per cent. ; but in the sight of the world, which is all one in commerce, such a proceeding would be insensate folly. I throw on the committee the responsibility of passing this duty. I do not say that, from a protectionist point of view, honorable members have hitherto gone beyond the scope of their own principles ; but such a duty as that now proposed is to be utterly condemned even by protectionists. If I were a protectionist I should hide my head with shame at this proposal, which must, I think, have emanated to a large extent from the brain of the Minister of Trade and Customs. Such duties have perhaps been in vogue in Victoria, but they have been condemned by every honest man. The system of composite duties is resorted to simply in order to hide what is being done; just as the test was proposed in the Alien Restriction Bill, which has, however, received its condemnation in another Chamber. Personally I do not care; but I have some regard for the corporate honour of the House, which ought to be dear to all of us. The free-trade policy would be to let this item go, but we must have regard to the interests of the millions of people as against the thousands. I, therefore, strongly appeal to the committee to weigh most carefully what they are doing, and point out to protectionists that they are perpetrating a piece of folly which will re-act against their own policy. If free-traders can show, when hereafter fighting the battle of free-trade throughout Australia, that the protectionist system is so evil and so dishonest that its advocates will go to the extent of even 180 per cent., we shall have a powerful argument in favour of moderation. We shall be able to show that protection is a system so invidious and unfair that, once it gets its roots in the community, those who advocate it will stop at nothing in order to effect their purpose, which is prohibition, resulting in the creation of monopolies, and the sweating of the great masses of the people for the sake of the few.

Mx.O'MALLEY (Tasmania).- No doubt much can be said on both sides of this question ; but it seems to me that the fact that a majority of Australians are always prepared to bow down to something foreign is an admission that it is worth a duty of 20s. a dozen' to make them wear Australian hats. There is a bonus in the fact that if an article is foreign, the Australians are prepared to accept it ; and it is absolutely necessary, if we want to build up industries, to have protective duties. We are very prone to imitate others, and, unfortunately, we often imitate those beneath us. Fashions were established by the lackeys of the middle ages, and the butlers of great houses, and we bow down and worship them. As regards wages, hatters in the United States earn from \$15 to \$25 a week, and men who, like myself, have lived in America, and associated with the business people of the country - who have visited factories, and taken part in political life - ought to know at least as much of this question as do honorable members who obtain their information from books.

Mr G B EDWARDS

- The honorable member would not have been here if we had not allowed something to come in from abroad.

Mr O'MALLEY

- My honorable friend came here from abroad. In the United States all the people are educated under their grand free school system ; they have the most highly skilled artisans in the world--

Mr Conroy

- Who work eleven hours a day.

Mr. O'MALLEY.- That is a reason why we should protect our own workers, who are employed for only eight hours a day. Is it reasonable to suppose that our hat manufacturers can, without protection, compete against the manufacturers of America and of England, or against the manufacturers of Japan, where the workers are paid from 6d. to 1s. a day? One of our great primary industries is the breeding of rabbits, and, as members of the Opposition are great believers in primary industries, I ask them to support the hat industry, since it uses a large number of rabbit skins. Under modern conditions our distance from England or America does not give us much protection, because when once a monster ocean steam-ship is loaded with hats, it does not cost much more to bring them here than it would cost to bring them from Tasmania, and to-day they are shipping goods from New York to Liverpool more cheaply than goods can be sent from Boston to New York. In fact, rates are becoming so low that presently a bonus will be offered to shippers.

Mr G B EDWARDS

- The honorable member has never had to pay freights.

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Mr O'MALLEY

- Yes, I have. On one occasion, when sending six trucks of sheep to Kansas City, I had to pay the railway company freight before delivery, and the company stole the sheep. I ask the Opposition to help us to do justice, not to the manufacturers, but to the working men of the Commonwealth, whose wives fill the churches on the Sabbath and picnic at Flemington, and whose healthy, hopeful children fill our schools. We cannot be happy except by making others happy, and no man who buys goods manufactured by sweated labour can be happy.

Bay

Mr FISHER

.- The honorable member for Tasmania, Mr O'Malley, is always interesting, if he is not convincing and, no doubt, when the North Pole is discovered we shall hear, either that he painted it, or that he knew the man who did so. I agree with the Prime Minister that there should be no destruction of industries, and, although I am a believer in free-trade principles, I am willing to support a 30 per cent, ad valorem duty on hats for the protection of the hat industry. I compliment the honorable member for Yarra upon the excellent speech he made. His arguments were supported by hard dry facts, and honorable members will always be pleased to hear a speech of that description. Apparently, good wages are paid in the hat industry, and' while perhaps it is fair to give it a certain amount of protection, I do not think the committee should agree to such high duties as the Government propose.

Mr KENNEDY

- Although I am not willing at any time to do anything that will injure an established industry, and while I am anxious to give encouragement to new industries, I cannot see my way clear to support the proposals of the Government in regard to the hat trade. So far as I have been able to ascertain, and from what I learnt when the Victorian Tariff was under revision some time ago, the chief profits of this trade go into the pockets of the distributors of Flinders-lane-; but a calculation which I have made goes to show that in regard to a certain class of hats the duties are absolutely prohibitive, and there is no such thing as competition between the importer and the manufacturer. That is a state of things which is not desirable. While I do not wish to see unfair competition, I do not want to put an end to all competition. But on hats of a value of 36s. per dozen the duties are prohibitory, because,, without taking into account freight charges and importers' and retailers' profits, they raise the price to 50s. per dozen. I may be told that hats of that class are never imported, and that as cheap and good a hat is manufactured in Victoria. But, in my opinion, we should not prevent competition from outside in that line. With regard to hats of the value of

90s. per dozen, I find that the duties increase the price to 114s. per dozen, without taking into account freights, or profits, while the rate of protection diminishes as the value of the hats increases. Therefore, upon hats of that class there is room for fair competition, and the duties are not too high. I am prepared to support duties of 30 per cent, as a maximum rate with that amount of protection, and fair conditions as to distribution. I think that the hat manufacturers of Australia, considering the large market that will be open to them, will be able to do fairly well.

Mr WATSON

- I have rather a warm feeling towards those engaged in the hat industry in Victoria, because it seems to me that they have not attempted to take any undue advantage of the duties which have prevailed in this State. Judging from inquiries which I made before the introduction of the Tariff, prices of hats did not differ materially in Sydney and in Melbourne. The other day I bought a hat in Melbourne for 10s. 6d., which was just as good as the one for which I had paid the same price in Sydney three months previously.

Mr SYDNEY SMITH

- Where did the honorable member buy the Sydney hat ?

Mr WATSON

- At Mountcastle's

Mr SYDNEY SMITH

- About the dearest place the honorable member could have gone to.

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Mr WATSON

- I say that, quality for quality, the two hats were equal, so far as I could judge. I do not quite agree with the Government proposals, because I think that probably a lower duty would be sufficient to meet the case of the Victorian manufacturers, and at the same time encourage into existence a number of hat factories in the neighbouring States. It must be borne in mind that if we place too high a tax on the people of the other States, they will have to pay the full amount of that duty for a considerable time, because we cannot expect that local factories will come into operation in every one of the States immediately, or that the output of the Victorian factories can be so increased as to forthwith supply the requirements of all the States. On the other hand, if we adopt a 15 or 20 per cent, duty, such as has been suggested, the reduction will be too great, and may deal too heavy a blow to existing industries, because it will permit of our markets being flooded with the low-class shoddy goods which come from some parts of the Continent. I should prefer a small fixed duty on the lower-class hats in order to shut them out, but I do not think that is practicable. and under the circumstances we might compromise matters by levying a 30 per cent, ad valorem duty, and abolish the fixed duty.

Mr Thomas

- Does the honorable member call 30 per cent, a compromise ?

Mr WATSON

- I do, in this particular instance. I believe that even a small percentage of duty will make a very considerable difference in regard to the admission of the very low-priced shoddy hats, and in view of the fact that if shoddy hats are excluded, local manufacturers who use wool instead of shoddy will be able to sell a medium-priced hat at a price as low as that of the imported article, we should assist them in every way we can.

Mr A McLEAN

--This is an industry that requires rather a high duty, because the greater proportion of the cost of hats is represented by wages, and I am prepared to support a duty equivalent to the difference in the cost of labour here and in European countries. At the same time I cannot go the full length of the Government proposals. When I was before my constituents I told them that I would support fair protective duties for industries that were suited to our conditions, but that I would not countenance prohibition, because I believed the interests of the public were better conserved when there was healthy competition between importers and local producers. The suggestion of the honorable member for Bland appears to me to be a reasonable one. In most cases I should regard a duty of 30 per cent, as a very high one, but in the special circumstances connected with hat manufacture, I think it will afford only a fair amount of protection. Although an enormous duty has been levied upon hats in times gone by, the people of Victoria have been able to obtain locally-made hats at about the same prices that were ruling in New South Wales under

free-trade for the imported article, and therefore it is not to be feared that the consumers will suffer because a comparatively high duty is imposed.

Mr CONROY

- The proposition that we have to consider just now is whether we should abolish the fixed duty of 10s. or not ; and perhaps we had better decide that point first, and afterwards consider whether the imposition of a higher rate of duty than 15 per cent, would be justified.

Mr V L SOLOMON

- A great deal of information has been given to us with reference to the hat manufacturers of Victoria, but whatever success may have attended them, the hat-making business has not been a great success in South Australia. The duties fixed there in the first place were heavily protective, amounting at one time to 25 per cent, ad valorem, and in some instances to a fixed duty of 15s. per dozen. But the industry did not reach the dimensions or achieve the success that was expected of it. At present there are not a dozen men and boys employed in hat making in the whole of the State. The question now appears to be whether the people of the Commonwealth are to be supplied with the bulk of their hats by Victorian manufacturers, and in this connexion we have to consider how many men, women, and children are employed in the factories which the whole of the people of the Commonwealth are to be taxed to maintain. The rates of duty proposed by the Government seem to be inordinately high, and I am entirely in accord with the honorable member for South Australia, Mr. Poynton, in his desire to abolish the fixed duty. Thirty per cent, has been suggested as a moderate ad valorem duty, but that seems to me to be a very high rate.

Mr SALMON

- I understand that the committee are now about to decide whether the composite duty shall be retained. It has been repeatedly stated that such a duty conceals the amount which is being paid by the consumer into revenue. I do not claim to have had a mercantile training, or to possess expert knowledge of commercial affairs, but I should like an explanation of how a fixed duty of 10s. per dozen upon hats conceals the amount which is being contributed to the revenue by the consumer. It seems to me that if we have a fixed duty of 10s. per dozen in addition to an ad valorem rate of 15 per cent., the man who purchases an imported hat must know that he is contributing 10d. towards the revenue.

Mr Thomson

- But the percentage of duty is concealed.

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Mr SALMON

- It seems perfectly clear to me that if a man buys an imported hat, upon which there is a fixed duty, he knows how much he is paying towards the revenue. But under a 15 per cent, ad valorem rate I admit that he does not know what he is contributing to the revenue, because he has no knowledge of the initial cost. Surely the argument of concealment can be levelled with a great deal more force against the composite duties on account of the ad valorem than it can be on account of the fixed rate.

Mr KINGSTON

- A good many pleasant things have been said about myself during the course of the Tariff debate, which have been passed by me unnoticed. I would not now refer to them, but that the acting leader of the Opposition stated last night that I had unblushingly declared that this duty was intended to be prohibitive. I did not say anything of the sort, and I am a little bit surprised at his remark. On the contrary I pointed out that a matter of £50,000 has hitherto been annually derived from the Victorian Customs duties upon hats, and that, as we proposed to materially reduce those duties, a larger volume of imports might be expected. I do not know that I should have taken particular notice of the honorable member's statement, but when he accused me this morning of callousness to the personal honour of my colleagues, I think that he said too much. It is the duty of any person who has the right to be called a man, to be as jealous of the honour of his friends as of his own personal honour. I defy any man to say that I have ever been callous of the personal honour of my colleagues, and no such statement ought to be made in this House. Talk about my making unblushing declarations ! I venture to think that such a statement should raise a red hot burning brand of shame upon the most brazen brow, to say nothing of that of any honorable member of this House. We have had considerable discussion upon the point which is now under consideration, and the conclusion at which the Government have arrived, is that while there is a desire on the part of a very

considerable majority of the committee to give good and substantial protection to the hat industry, they are not prepared to adopt the system which is here proposed - the system which has obtained in Victoria, but with which the other States are not yet familiar. Under all the circumstances we do not propose to quarrel with the wish of the committee in this respect, but we do intend to ask them to give effect to whatever may be necessary for the purpose of affording substantial protection to this particular industry. We think that that protection should not be less than 30 per cent. We propose to move accordingly, and trust to secure the acceptance of our proposal by this committee and by Parliament. It has been pointed out that in regard to certain industries which compete with imported goods, Victoria considerably excels New South Wales, notwithstanding her lesser population. The figures given by Coghlan show that whilst New South Wales employs only 22,000 people in industries which compete with imported goods, Victoria employs 34,000, or 50 per cent. more.

Mr Thomson

- Those figures refer to the number of people employed, not to the number of men.

Mr KINGSTON

- They are counted similarly in both cases by the New South Wales statistician, Mr. Coghlan. This fact must naturally awake our gravest consideration. Here we find an industry typical of those in which Victoria excels, and in regard to which the position may be put - "Victoria first, New South Wales nowhere." The hat industry does not exist to any practical purpose in New South Wales. On the other hand, in Victoria 25 factories have been established, which provide employment for nearly 1,000 people - men and women. When we reflect that the Victorian policy has established an industry which provides practically direct employment for 1,000 people, I venture to think we are afforded a striking illustration of the wisdom of that policy.

Mr Thomson

- Then the Government are going for the Victorian policy ?

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Mr KINGSTON

- We are going for the Victorian policy of maintaining this industry. We are going for the policy of continuing in our midst an industry which is worth preservation. We intend as fairly as we can to prevent the destruction of an industry which is a credit to the State in which it is found. At the same time we are not going for the Victorian policy in the sense in which the honorable member for North Sydney used the term. We do not propose the Victorian rate of duty. The honorable member knows that the Victorian duty was 30s. per dozen. Our proposal was for 10s. per dozen and 15 per cent. ad valorem. Applying the varying rates to the consideration of a particular case - for example, to Italian hats which have recently been largely imported at something approximating 5s. each - the position is that under our Tariff the amount to be collected, would be 1s. 7d. only, or 33 per cent., whilst under the Victorian Tariff it would be 2s. 6d., or 50 per cent., a difference of nearly 1s. The Victorian rate in that case would be 50 per cent. in excess of that which we proposed. Under these circumstances whilst we intend to encourage a native industry which is deserving of encouragement, we are not going to the length to which Victorians have gone in this direction, and therefore the jibe of the honorable member for North Sydney is altogether undeserved. I should like also to point out that the rates which we are proposing are not nearly so high as those which obtain in America. There the rates are to an extent graduated according to the value of the article, but the range of rates is from 2 dollars and 20 per cent. per dozen to 7 dollars and 20 per cent. per dozen. Thus it is very clear that our proposals, though devised for the proper protection of this industry, fall far short as regards the amount of the duty to be collected, of the duties which previously operated in Victoria, and do not approach the American rates. We have heard gloomy forebodings from the free-traders concerning the disastrous results to the consumer, the wage earner, and everybody else, which would follow the establishment, of an industry by means of protection. Here we have a most striking illustration of the fallacy of all these prophecies. As regards the consumer, we find that he gets as good and as cheap goods in Victoria as can be obtained in any part of the world, whilst as regards the wage-earner, the wages are as high as those to be found in any industry in Australia, and, at the same time, the happiest relations exist between employers and men. On the other hand, where there might be, and otherwise would be 700 people unemployed, we have those people earning the means of subsistence not only for themselves, but for all who happen to be dependent upon them, . supporting

other industries, and distributing their wages for the public good in the various channels of daily life. We have the further fact that it is unnecessary for Victoria to import to any considerable extent, £50,000 covering that branch of trade. But New South Wales has to send something like £220,000 out of the country for the purpose of importing hats and caps to meet the daily wants of the people. The general principles of protection and free-trade are illustrated in this particular case, which eloquently proves that protection is good for the consumer, the worker, and the country generally, and that the hat industry is a credit to the State of Victoria.

Sir WILLIAM McMILLAN (Wentworth). - I look far beyond party in this matter, and I tender my thanks to those honorable members who have assisted the Opposition in bringing about the present position. Without that assistance there would have been a great blot on the national Tariff of Australia, and I congratulate the committee and the Government that this fearful thing has not been perpetrated by an intelligent body of men. A sort of Eldorado has been made of a protected hat factory, or perhaps more than one factory ; but we can make an Eldorado of any particular industry if the great bulk of the people put their hands in their pockets and decide that it should be conducted under such conditions that big wages, big profits, and happy conditions shall prevail. The happy conditions in the particular factory under notice have been created simply by dipping into the pockets of the masses of the people.

Mr Mauger

- Where is the evidence of that ?

Sir WILLIAM McMILLAN

- The evidence is in the speeches of the Minister for Trade and Customs and others who have addressed themselves to this subject. The hat industry, at any rate, provides a portion of the paradise which Sir Graham Berry prognosticated for the working men of Victoria, but this splendour is the result of enormous prohibitive duties, and the mulcting of the masses of the people.

Mr MAUGER

- The committee is taking action that is likely to injure the hat industry, reduce wages, and bring about a condition of things which will benefit no one except importers, who are living on the fat of the land.

Mr Page

- What about the consumer?

Mr MAUGER

- I showed plainly last night that the consumer is in no way injured by this duty. Can the honorable member show that the consumer is injured in any way ?

Mr Page

- I shall show the honorable member when he is finished.

Mr MAUGER

- What consumer in Victoria is asking for a cheaper hat? Where has the honorable member for Maranoa heard working men asking for a cheaper hat than can be got in Victoria? I regret very much that the Government have been compelled to take up their present position, because I feel confident no benefit will result to the consumer. Instead of glorying in the fact of destroying an industry, honorable members ought to rejoice that there is this manufacture in our midst. For every wealthy manufacturer, I can show from ten to twenty wealthy importers.

Sir William McMillan

- Is importing a criminal business ?

Mr MAUGER

- From the free-trade arguments one hears it would appear that manufacturing at a profit and giving employment to hundreds at good wages is an illegitimate business.

Sir William McMillan

- The importers do not put their hands into other people's pockets in order to support their business. That is the effect of protection.

Mr MAUGER

- How is that effect produced?

Sir William McMillan

- Through the duties.

Mr MAUGER

- The honorable member for Wentworth has not improved his position in the public eye by continually attributing dishonest motives to those who differ from him.

Sir William McMillan

- The honorable member says that I impute dishonest motives to other people. But when freetraders say that protection means " dipping into the pockets of the people," that is a mere expression, meaning that taxes are put on in order to provide protection.

Mr MAUGER

- Yet we have indisputable evidence that hats are sold at a penny less than what the honorable member calls the "tax." Are the people of Victoria more oppressed, or do they live less happily and comfortably than the people of New South Wales?

Mr Page

- What made the people clear out of Victoria?

Mr MAUGER

- Commercial disasters, which were far-reaching and dreadful in their effects. The honorable member for Wentworth tells us that he does not mean what he says, when he talks about robbery and disgraceful conduct.

Sir William McMillan

- I never said there was such conduct. I said that there was no personal corruption meant.

Mr MAUGER

- It is just as well that the honorable member should explain, because honorable members on the Government side have had to restrain themselves considerably when they have been called ignorant robbers, possessing no knowledge of economics or commercial life. I really think the honorable member for Wentworth does not know what he says in regard to some of these duties, and it is because he is better than his theory that I respect him as I do. I believe that the alteration which is to be made will result in a reduction of wages, lessen the number of hands employed, and be generally prejudicial to this excellent industry. The items on which the duties were reduced yesterday have already had a detrimental effect. In the item under discussion we have to compete with India and with China, and yet honorable members advocate low duties in the interests of the workers of those alien countries. I am confident a mistake is being made, but I take the best duty I can get in the interests' of my native country.

Mr JOSEPH COOK

- The honorable member for Melbourne Ports has occupied about ten minutes in hurling the most insulting sentences around the House, while at the same time he has charged honorable members with committing the same offence. The honorable member says that protectionists are accused of robbery ; but what of the honorable member for Yarra, who last night said that importers on this side of the House used " doctored " invoices.

Mr Tudor

- All I said was that possibly invoices were " doctored " in the way we have heard described time after time in the course of the Tariff discussion.

Mr. KINGSTON. - Free-traders tell us that ad valorem duties lead to false invoices.

Mr JOSEPH COOK

- I always listen to statements by the Minister for Trade and Customs, but, at the same time, I should like to point out that he and the Treasurer have several times; contradicted each other. Last night the Treasurer said that there must be this specific duty in order to give adequate protection ; but this morning the Minister for Trade and Customs tells us that adequate protection can be provided without that duty.

Sir George Turner

- The Minister did not say that.

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Mr JOSEPH COOK

- I assume that the Minister for Trade and Customs is going to protect this industry.

Mr Kingston

- We cannot protect the industry to the extent we would like.

Mr JOSEPH COOK

- The Minister, in his own mind, believes that there will be sufficient protection without the specific duty.

Mr Kingston

- I think that the protection we are going to give is short of what the industry ought to get.

Mr JOSEPH COOK

- But does the Minister believe that this industry will collapse without the specific duty ?

Mr Kingston

- The industry will be seriously injured, I believe. We cannot protect it as effectually without the specific duty.

Mr JOSEPH COOK

- Will the Treasurer deny that it is possible to increase the ad valorem duty so as to get an equivalent for the fixed duty ?

Sir George Turner

- I do not think it is possible. I accept the feeling of the committee, but I regret the committee has that feeling.

Mr JOSEPH COOK

- But surely a specific duty can be stated in the way of percentages ?

Sir George Turner

- If we place an ad valorem duty at a rate that ought to protect the lower-priced goods, that rate is too high on the better class of goods, which cannot be made here, and must be imported. That is the difficulty of a purely ad valorem duty.

Mr JOSEPH COOK

- Why not fix an ad valorem duty on goods of a given value ?

Sir George Turner

- That is too thin ; the given value would always be below the proper amount.

Mr JOSEPH COOK

- The Minister for Trade and Customs this morning went into a general argument, and quoted figures in an attempt to show that the industrial position of Victoria is much superior to that of New South Wales. Why could not the Minister be fair to New South Wales for once ? I have been here for nine months now, and I never heard him say a word in favour of that State. He is always quoting figures to show her position in a false light.. But the theory held by the people of that State is that industries should be allowed to take their natural course, and that they are most profitable when they spring up under natural conditions. They do not set themselves to compete with every known industry in the world, whether it be profitable or not. Our production per head of population is £2 more than that of Victoria.

Mr Kingston

- The honorable member is not referring to the production of manufactured articles ?

Mr JOSEPH COOK

- I am referring to the production of national wealth. I have yet to learn that the one true ideal of a nation is to crowd its young life into factories. I went through one of these factories the other day, and saw boys and girls at work who ought to have been out in the open-air, or at school.

Mr Batchelor

- Is there nothing of that kind in Sydney?

Mr JOSEPH COOK

- Unfortunately, yes. But I am not crying out for the system. In the older countries of the world, where protection flourishes, the conditions are far worse. In America 500,000 children below the age of twelve years are employed in factories and in mines. Is that what we desire here? If our people are not employed in factories, they are engaged in healthy open-air industries.

Mr Kingston

- Or are sleeping in the Domain.

Mr JOSEPH COOK

- That is another gibe at New South Wales. With the right honorable and learned gentleman it is Victoria from one end of the week to the other. Why does he not show a federal spirit, and remember that there are other States in the union? The people of New South Wales have reasoned the matter out, they have had experience of both policies, and they have deliberately chosen to discard protection. They know that free-trade has stood them in good stead. While Victoria has been coddling her industries, the people of

New South Wales have competed successfully with the whole world, and have gained much national wealth by the interchange of commodities native to the soil. I do not wish to do any injury to the hat-making industry of Victoria. I have the best feelings towards that industry, and I consider, from the samples I have seen, that it turns out a good article. I believe, however, that those engaged in it would do well under more natural conditions.

Mr Kingston

- In competition with niggers and Chinamen.

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Mr JOSEPH COOK

- Where are the niggers ? Our greatest competitor is England, and there are no niggers there. If the people of Italy are in an economic sense "niggers," I presume their protectionist policy has had something to do with it. But if the right honorable gentleman refers to Japan, I would remind him that only the other night he spoke of that country as a menace to Australia, by reason of her advance in the arts and sciences, and the modern appliances in her factories.

Mr Kingston

- And by reason of the low wages paid there.

Mr JOSEPH COOK

- In all protectionist countries, such as Russia, Japan, China, and Germany, we find that wages are low. In Germany, where their industries are under the aegis of the State, and have been fostered and protected by means of high duties, there are now more than 500,000 artisans out of employment who do not know where to turn for relief. Such shocking examples of the results of protection should give us pause. I think that the hat industry could get along without 'a specific duty, and with a moderate ad valorem duty, and I am glad that the Government have determined to sacrifice the proposed specific duty. I hope some consideration will be given to those who have to wear hats as well as to those who have to make them.

Mr PAGE

- The honorable member for Melbourne Ports said that we could not prove that the consumer in Victoria was any worse off in the matter of the price he had to pay for his hats than people in other States. I shall be able to show the contrary. The honorable member also expressed his surprise that labour members should endeavour to reduce the duties. I am not surprised at anything the honorable member says, because he is a protectionist run mad - in fact a prohibitionist. If the honorable member were placed in conditions such as the men whom I represent in Western Queensland find themselves in, he would be a more rabid freetrader than even I am. I ask why we should penalize 4,000,000 of people throughout the Commonwealth for the sake of bolstering up a few industries in Melbourne. Melbourne is not the Commonwealth, and although I am going to support the Government on this occasion I am not going to allow the honorable member to my Father Confessor. The Minister for Trade and Customs referred to the men engaged in the hat industry as niggers and Chinamen, but I throw the statement back in his teeth, and tell him that none of my countrymen are niggers or Chinamen. There is a great struggle for existence in the old country, and consequently wages are lower there than here ; otherwise I would not be in Australia. Referring to the statement of the honorable member for Melbourne Ports, that hats are as cheap in Victoria as in the other States, I have figures here which show that hats sold in Sydney at 8s. cost 10s. in Melbourne, and I know from my own experience that hats for which 11s. are charged in Melbourne can be bought for 6s. 6d. in Sydney. I bought a hat for the latter price at Messrs. David Jones and Co.'s shop in Sydney, after having been asked 11s. for one of similar quality in Melbourne. A hat which costs 10s. 6d. in Sydney is priced at 13s. in Melbourne, and 1s. 6d. hats in Sydney cost. 1s. 11d. in Melbourne. If hats can be produced in Victoria as cheaply and of as good quality as those which are imported, why do not the Victorian manufacturers send their goods to New South Wales and compete in the open market with the imported article I do not wish to see Australians exposed to the competition of cheap German and Italian goods, but we must treat the consumer fairly. He is carrying the whole of the taxation of the Commonwealth, and the desire apparently is to tax everything he eats and everything he wears, and then to expose him to the sneers and jeers of everybody. The Victorian hat makers are not satisfied with selling their goods as homemade articles, but try to deceive the consumer by representing them as being made in England. In 1892 the Customhouse detectives seized 150 dozen Victorian made

hats for bearing brands " Best London make, &c." The Treasurer, then Mr. George Turner, accepted the excuse that the brands referred to the leathers, and allowed the stock of deceptive leathers to be used. Having escaped prosecution, the Denton Company at once gave notice of their intention to reduce wages. This information is to be found in the Argus of 1st, 16th, and 20th February, 1892.

Sir George Turner

- Do not they say that I prohibited the use of these leather bands in the future? That is exactly what I did. I let one shipment come in, and said that there must be no more.

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Mr PAGE

- I am not imputing any improper motives to the Treasurer, but I simply desire to show that first of all the Denton Company tried to delude the consumer, and that 'when 'they failed ' 'they sought to make the wage-earner 'suffer. The consumers "and the wage-earners - are always the victims. The honorable member for Melbourne Ports ' has the effrontery to come here and act as dictator-general for the labour party. 'We "shall 'not go to the honorable member for a character. -We know very well what he is. He pretends that he is -as "good as a labour man, but- if a man. who will get up and preach his doctrines is as good -as a labour man I shall get out of the labour ranks quick and' lively. If the hat making industry needs protection, and it is- a good thing for Australia that it 'should be 'carried on, I shall give it a little' protection, but shall not support prohibitive duties. I am more than pleased that the Ministry have accepted a 30 per cent ad valorem duty, 'because -I think that is the fairest way of imposing taxation. It is wrong to assume that the representatives of the- working classes do not wish them to bear any taxation. We desire that they should bear their fair proportion and nothing more, and we regard ad valorem duties as .affording the 'fairest way of 'adjusting the incidence of taxation through the Customs. Referring for a moment to the price of hats, I find that in 1895 the Tariff Board was informed by Messrs. Foy and 'Gibson's representative that th'ey had paid 36s. a dozen, or' 2!40 per cent, duty on ' hats invoiced at 15s. per dozen. That shows that, an 'enormous amount of money has been extracted 'from the pockets of the consumers, and there is no guarantee that further exactions will not be made' from the people if high duties are' maintained. "Some reference has been made to " faked-" invoices, but if I once found any one faking invoices they would never 'fake another; -so that the -sooner honorable members- make me Minister 'for Trade and Customs the better.

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Mr BROWN

- The honorable member¹ for Yarra was in the possession of special information this subject owing to his experience in the 'United Kingdom, in America, "and in 'Victoria; :and' was specially qualified to enlighten 'the House as* to 'the conditions of the trade. He stated the case from a protectionist point of view in a temperate and- reasonable way, and he must have greatly assisted honorable members in coming to a conclusion. Through the instrumentality of the honorable member I have had 'the-pleasure Of visiting the Denton Hat Mills on "two- occasions, and I have come to the conclusion that the establishment' is a great credit to Victoria. The works are extensive, 'and the' Conditions under which' the operatives work areas satisfactory as it impossible 'to make them. .The 'factory has' the advantage of 'first-class 'management, 'and if the industry is, as 'has 'been -stated, -suited 'to 'Our conditions, 'it certainly ought to have been able to hold its own. I do not -wish to 'give a vote 'that might inflict an 'injury 'upon a deserving industry, and-one which- promises to' become-so-sound, as 'to be able 'to withstand the competition bf the 'world. Exception -has been- taken to "the -statement that' the trend of protection is to 'give a Special preference ' to certain favoured individuals who are -interested in manufactures, to the 'detriment of the general consumer. In reply to that contention, 'the 'honorable' member for Melbourne Ports urges 'that, whilst in connexion with this: industry in Victoria a high¹ protective duty has hitherto been operating, the people Of this State have¹ been able to purchase as good an article at as low a price as have the people of free-trade New South Wales, That may be so, or it may n6t. The honorable member' fOr 'Maranoa contends that it is not so. His statement is ' very definite and- specific. He - says that "from personal experience he can testify that the 'New "South Wales- consum'er has an advantage over' the consumer of Victoria. My objection to granting this special preference te the manufacturer is -that' it places him in the position of being -able to- claim a higher percentage upon' the 'articles which' he" manufactures, and at the same time does not prevent him from grinding his operatives down :to the lowest possible conditions.

In the -Age of 22nd October last, a letter- appeared, -signed by "Senator ' Sir 'Frederick "Sargood, dealing with -the incidence of 'this Tariff in its relation 'to hats. The writer points out that 'the' proposed 'duty of 10s. per dozen, plus 15 pier cent, ad valorem, means an im- post upon a class of hats which are' invoiced from England at '8s. '6d. per dozen of 134 percent. Upon hats costing lis. per dozen the : rate is 1 equivalent to 107 per cent., whereas upon a line valued 'at 34s. per dozen, 'it is only -46' per cent. Upon men's felt' hats, -at 20s.' per dozen, the rate represents 64 per cent., whilst upon a superior class of goods the duty charged is equivalent to only 37 per cent. Upon' boys' woollen and felt hats invoiced from England at. 6s. per dozen, the protection (imposed under this Tariff amounts to 183 per cent., and upon hats costing 6s. 6d., 9s., 11s., and 18s. per dozen, the rate charged is respectively 170per cent., 128per cent., 107 per cent., and 72 per cent. Coming 'to female felt- hats, I find that upon those invoiced at 8s.6d.per dozen, the duty represents 134 per cent., whilst. upon lines valued at 9s. 6d., 10s.6d.,and 21s. per dozen, the rate imposed is respectively 122 per cent., 112 per cent., and 64 per cent. The Treasurer objects to an ad valorem duty pure and simple on the ground that it will exclude the better class of goods, owing to the very high duty which would have. to be paid upon them. But I would point out that this proposal makes the heaviest charges fall upon those hats which are. worn by the poorer classes of the community. For this reason, I take exception to the . proposals of the Government. I hold that if any special favour is to be shown it should be extended to the working classes. I am pleased to know that the Government have seen the . wisdom of. departing; from. their original proposal to the extent of abandoning the fixed duty and proposing in its stead a.30per cent, ad valorem rate. The latter proposal is certainly a more reasonable' one. In this connexion I would point out that in New Zealand, under a 25 per cent, ad valorem duty, the industry has made substantial progress - progress which compares very favourably with that which it has made in Victoria under a protection ranging from 61 to 400 . per cent. Whilst congratulating the Government. upon having become more reasonable, I . hope that they will see their way clear to. adopt, the New Zealand rate of 25 per cent.

Mr KNOX

- As one . who believes in the general principles . of freetrade, but who is prepared to support the amended proposal, I think it necessary to say one or two -words. . I. regret that occasionally it has been thought - necessary by . honorable members from New '.South Wales to import into the 'debate expressions which may be construed as more or less derogatory to industries which exist in Victoria ; but that, I. am persuaded, is not: really intentional, . but merely owing to the heat of debate. Though I sit on this side of the chamber, and recognise the wider . interests. of the citizens of the Commonwealth, I cannot forget that I represent the State. of Victoria. The hat industry, which has been . nurtured under. exceptionally favorable conditions, is . one of which we in Victoria are proud. The manufacturers . pay excellent wages, and the conditions under - which the industry is conducted , are (favorable to the health of those employed, while those who have embarked their capital get a substantial reward. I . am , not . one who believes that either a. manufacturer . or, an importer,, or, any one engaged in any. industry, is not entitled to receive just and . adequate compensation for his labour or for the capital invested.

Mr Thomas

- We are told that the consumer gets his hats cheaper.

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Mr KNOX

- I am not aware that there is. any very serious charge laid on the consumer. I was very much impressed with the straightforward, practical address given by the honorable member for Yarra,, and it was my privilege to hear all that was said by the honorable member for Melbourne Ports ; and when honorable members, with such long practical experience, lay before . the committee detailed information, they will always receive . and deserve the attention which was paid to : those honorable members. I shall always be diffident in speaking on any subject of which I have no practical -knowledge ; but there has been an important departure in the consideration of this item. Had the Government persevered in their intention to fix a composite duty I should have been compelled to vote, against them ; . but I congratulate them on having made a compromise, which I sincerely hope honorable members will unanimously accept. My reasons for expressing 'that opinion are based on some figures which have, been prepared for me, and which show that hats , invoiced at 10s. per dozen would, under the original . proposal of the Government, , pay11s. 6d. in duty, whereas under the old Victorian Tariff they paid 24s. per dozen. Hats invoiced at

20s. a dozen under the original proposal would pay 13s. ; at 30s. . a dozen, 14s. 6d. ; and at 40s. a dozen, 16s., as against the Victorian Tariff , of 24s. in each case. It will thus be seen that even the original, proposal of the Government meant a considerable reduction on the Victorian Tariff. I understand that the average value of the hats , which are imported in any quantity is about 60s. per dozen, the composite duty on which would have been 19s., as against 30s. under the Victorian Tariff. The composite duty in the last case means 31 per cent. ; but now the Government have proposed a compromise which, under all the circumstances, I am prepared to accept in view of the peculiar conditions of this trade. Special attention has been called to the varying fashions in hats.

Mr Conroy

- I thought the protectionist argument was that hats were no dearer in consequence of the duty.

Mr KNOX

- I do not want to enter into the general question, but merely to explain the action I intend to take. I recognise that if the honorable and learned member for "Werriwa and others would keep to one uniform pattern of hat, as I have done for some years, the difficulties occasioned by the variations in fashion might be overcome.

An Honorable Member. - Is the honorable member's hat locally made ?

Mr KNOX

- My hats are always made here. But there is the practical difficulty to which I have referred ; and as even the composite duty was a substantial reduction, and as this is an industry which deserves well of Victorian representatives, my intention is to vote for the Government proposal, as Ministers are willing to amend it.

Sir GEORGE TURNER

- We cannot strike out the specific duty here, but must follow the practice which we have observed throughout the discussion. We have hitherto left the duties as they stand, up to the day on which we deal with them, providing for the change from the following day. If the" honorable member for South Australia, Mr. Poynton, persists in submitting his amendment in the form in which he moved it, no doubt the committee, will have to vote on it, but I suggest that I may be allowed to move that on and after to-morrow the duty shall be 30 per cent.

Amendment, by leave, withdrawn.

Amendment (by Sir George Turner) proposed -

That the words "and on and after the 6th December, 1901, 30 per cent." be added to the duty "men's, women's, boys', and children's felt hats, 10s. and 15 per cent."

Mr. CONROY(Werriwa). - I congratulate free-trade members on the position which they have assumed, and which has resulted in the withdrawal on the part of the Government of the excessive duties which were originally proposed. -It is. clear that the Government see that the industry will not be prejudiced in any way by the reduction.

Mr Fowler

- The Government have not admitted that.

Mr CONROY

- Then I will say that the Government see that the public interest will not be endangered by the reduction of duties. Why, then, were we asked to support such a high duty? So far we have never gone beyond 25 per cent, on manufacturing lines, and it is wrong to single out a special class of industry, and consent, merely as a matter of compromise, to a higher duty. The honorable member for Melbourne Ports has himself pointed out that 10 per cent, or 15 per cent, would prevent imported hats coming into competition with local manufacturers.

Mr Mauger

- That is wrong.

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Mr CONROY

- Even supposing the honorable member uttered that statement by mistake, still the committee ought not to be called on to pass this extra duty in view of the assertion that, in New South Wales, hats similar to those manufactured in Victoria cannot be purchased for the same price as in the latter State. I will accept that statement, and believe that the hat company in Victoria is so patriotic that it prefers to sell hats here at a less price than could be got for them in New South Wales. But if that be the case no duty whatever is

needed. We are told that this company always pays the best wages and never takes advantage of the duty ; but the present directors may disappear at any moment and be succeeded by others who may not be guided by the same scrupulous business habits. What is to prevent them, the moment the duty is passed by Parliament, from increasing the price of their hats up to the amount at which other hats can come into competition ' with theirs ? It is perfectly clear that there could be no objection to their taking such an advantage of the duty as business men. Under these circumstances the hat-makers could easily form themselves into a trust, sell their produce perhaps 5 per cent, below what could be obtained for imported hats, and pocket the difference of 25 per cent. There are 16,000 operatives in the clothing . and similar trades throughout the Commonwealth, and the amount of duty we have given them is only 25 per cent. Why, then, should we hand over to an industry which employs only 1,350 hands, 250 of whom are in New South Wales, so high a duty as 30 per cent? The Government have already come down from their original proposal, and as we have beaten them so far it would be a mistake to give up the fight without endeavoring to further reduce the duty. It is said that 30 per cent. is a compromise. It is a compromise as between the prohibitionists and the protectionists, but it is no compromise as between the protectionists of Victoria and the free-traders of the rest of the Commonwealth. Let us look at the question from a revenue point of view. It will be found that a duty which would bring in the maximum of revenue with the minimum of inconvenience and lessened consumption, would be about 15 per cent. on some articles, and not more than 5 to 10 per cent. on others. In this case the duty might run up to 15 per cent. without unduly lessening consumption. But we are now asked to impose a duty of double that amount. Therefore, before the duty is agreed to we ought at all events to have some arguments advanced as to why a special exemption should be made in favour of a hat company, thus extorting taxes from the people.

Mr McCOLL

- The reason why this duty is fixed at 30 per cent. is that all reductions are a matter of degree. In the past we have made reductions on former protectionist duties of from 10 to 20 per cent. In this case we are making a reduction of from 50 to 100 per cent. on the amount of the previous duty. It would be a mistake to lay down a hard and fast rule. Each case should be considered on its merits. Considering that in the case of the hat trade so large a reduction is being made, the committee might agree to 30 per cent. Some fears have been expressed about the formation of a trust. I" hope that with the larger market that will be opened up, in consequence of the establishment of the Commonwealth, hat factories will be established in all the States. If that be done, there will be no danger of a trust. One great drawback at present is that traders cannot go to the factory and purchase hats. The whole produce of the factory has to pass through one or two firms, which control the article and thus prevent competition. Last night I said I would support a duty of 25 per cent., but the difference of 5 per cent. between that and what is now proposed, is ' not' worth quarrelling about. I shall therefore vote for the duty of 30 per cent.

Mr. SYDNEYSMITH (Macquarie). While I am pleased at the moderation which has been displayed by the protectionists in assisting us to bring about this reduction, I regret that we have not been able to still further reduce the duty. The hat manufacturers of Victoria have had the benefit of very heavy protection for many years, and claim to have established their industry on a sound basis, and in view of the fact that they have the raw material ready to their hands, they should be in a position to carry on successfully without high protection. If the Government had succeeded in their first proposal, a very heavy tax would have been inflicted on the people of the Commonwealth, and particularly on the poorer classes, because the duty would have represented an ad valorem impost of about 150 or 160 per cent. on the goods they use, as contrasted with a duty of from 50 to 70 per cent. on the better class of goods. I am sorry that the Government have not seen their way to place this duty on the same footing as the duty on woollen goods, but I suppose we must be thankful for small mercies.

Amendment agreed to.

Sir WILLIAM McMILLAN (Wentworth). - As we have decided to do away with composite duties in connexion with men's, women's, and children's felt hats, think we should adopt an ad valorem instead of a fixed duty for dress hats. We have applied the ad valorem principle to woollens and blankets, which are items of much greater complexity than this, and we should follow the same course in regard to all articles of clothing.

Sir George Turner

- We are not going to admit the principle that ad valorem duties should be substituted for fixed duties in

every case.

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Sir WILLIAM McMILLAN

- One of the principal objections to a fixed duty in connexion with the line we have just disposed of was that it would apply to fully ten different lines of goods of widely varying values, and that a fixed duty could not be equitably adjusted. I quite admit that that objection does not apply with the same force to dress hats, although there are two or three shades of value even in them. There is no necessity, however, to depart from the ad valorem principle in this case. I approve of fixed duties only where it is very difficult, to arrive at the true value of an article, and where an ad valorem duty would probably offer premiums- to fraud. The ad-valorem principle is- clearly the best' to apply" to' Hats of' all classes; arid: I would therefore ask-the Government to fix what' they- consider 'a proper 'ad valorem duty for this line, and adopt it1 as a' matter of' symmetry.

Mr GLYNN

- I would suggest that all hats- should be subjected to the same' ad valorem, duty'. The' reason "why a 10s: duty was- fixed- for' one line, and 48s. for- another, was- because' it' was recognised that- the element of values must be' to some extent considered; and in order to be- logically correct; the Govern1 ment ought to apply the ad valorem principle' to all hats,- and to adopt'- the same rate.

Sir GEORGE Turner

- Forty-eight shillings per- dozen' on1 dress hats- will be equivalent" to an ad valorem duty of about 33 per cent.

Mr GLYNN

- If we were to adopt a 30 per cent, ad valorem duty' all round, dress hats- would be taxed- proportionately to their value, as- compared'- with other hate:

Sir George Turner

- There is not so much objection to the' 30 per 'cent'. duty on dress hats, but on sewn hats and caps; a duty of 30 per cent, would represent a mere nothing.

Mr GLYNN

- I see no reason why we should not' adhere to the ad valorem principle all through.

Mr. CONROY(Werriwa).- I have a very strong feeling that the1 duty on felt hats which has just been fixed'- at 30' per cent, ad- valorem should be reduced to 25 per cent., and I, therefore, propose to insert after' the amendment just agreed to the words " and on- and after. 9th December,' 25 per cent." We' have already given away a great deal. and I feel that I should not be discharging my duty to the people of New South Wales if- 1 did not show- that it was impossible to fix the duty at a- lower- rate than that which has been adopted'.

Sir GEORGE TURNER

- A; few days ago; when the salt duty was. und'er' consideration, a misunderstanding arose in' connexion: with its reduction. A proposal was made to induce the duty from- 20s. to 10s.-, and a 10s. rate was adopted. A large number of 'members - a very large minority, if not" a majority - thought the duty' should be fixed at 15s., and1 one honorable member, who was quite within his rights,- moved an amendment to that effect in a form similar to that- now suggested' by the honor-1 able and learned . member for Werriwa; We - used our influence with the honorable member I refer fro, to prevent' him.'from proposing: his-' amendment, because we' thought that if such a course' were adopted -it would open up the re-discussion of a large 'number of. other items -in a similar- way; and probably lead to'great confusion. Under these circumstances-- I trust that- the' honorable member for Werriwa1 will not proceed in' the way he has indicated.

Mr. CONROY(Werriwa).- In view of there being no' possibility of' carrying any such amendment as I have suggested, I I shall content myself with an expression' of"" regret that there' should have been' any mistake,- and that the duty Has been fixed at. such a high- rate.

Mr. MAUGER(Melbourne Porte).- I recognise the feeling of the committee in regard to the duties-- on hats, and, although I think that a mistake has been made, T shall, not waste the time' of the committee, but content myself with entering my protest. I wish to point out that helmets are fixed at a rate which I am sure is a mistake, and I suggest that they should be included in the 30 per cent. list. In regard to dress hats, while I think it' would be a mistake to reduce the duty, I .cannot. help recognising, the feeling of the-

committee on the matter.

Mr THOMAS

- (Barrier).- I understand that miners' hats are exempt, and I should like to know what kind of hats are included within the exemption %

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Mr TUDOR

- In reply to the question of the honorable member for Barrier, I might inform the committee that the miner's hat is one, which is made extraordinarily hard so as to protect the wearer from any weight which might fall upon him. . It is generally of a yellowish colour, and is worn by the men when underground.

Mr. THOMAS(Barrier).- It seems- to me that, the miner's- hat; is the hat which the miner wears, and in- this connexion. I- would point out that some thousands of men at Broken Hill who go underground daily do -not- wear any special kind of ; hat.

Amendment (By Sir' George Turner;) agreed to.

That the words "and on and after 7th December, 1901, 30 per- cent." be added to the duty, "Dress hats, per dozen 4Ss,"

Sir GEORGE TURNER

- There is. just one point I should like the committee to consider in reference to. sewn hats . and, caps, which are made of material that is imported. These hats and caps are made up at a very low price - I am, told that they do not cost more than 3s. 6d. per dozen. An ad valorem duty of 30 per cent. would therefore constitute a very small measure of protection to the local manufacturer of these lines.

Sir WILLIAMMcMILLAN (Wentworth). - I think that the feeling of. the committee is against the imposition of. a fixed duty. We have already condemned, that duty," because an ad valorem rate is. better adapted to this particular class . of article.

Mr THOMSON

- Having abandoned the fixed duty upon every other line in connexion with, hats, it would be much more convenient, both to the Customs authorities, and to. importers,, if we imposed an ad valorem rate upon these articles. As a matter of administration, it would be infinitely better to have all hats under the one class of duty.

Sir GEORGE TURNER

- I feel that the desire of the . committee is to have an ad valorem duty. I believe that a mistake is being made, but of course it is of no use attempting. to fight against the wishes of a majority. I therefore move - That the words "and on and, after 7th December, . 1901, 30 per cent." be added to the duty, "Hats and caps, sewn, per doz., 3s.""

Mr MAUGER

- (Melbourne Ports). - I merely wish to say. that, as the result of our action, I am quite satisfied the cap-making, industry in Australia will be destroyed.

Amendment agreed to. .

Item, as. amended, agreed to.

Item,62. - Hats, Caps, and Bonnets,, n.e.i., Hat and Bonnet Shapes, Felt Pullover Hoods, and Wigs and other articles of natural or artificial human hair, ad val., 20 per cent.

Agreed to

Item63. -Parasols, Sunshades and Umbrellas, viz. : -

Containing silk . . . each-,1s.6d. and 15 per cent, ad valorem.

N.e.i. . . . each, 6d and 15 per cent. ad valorem.

Mr WILKS

- I would point out. that there are some parasols, and sunshades, which are invoiced at ls. 6d. each;and the duty which it is proposed to levy upon such articles, would constitute an. inordinately heavy impost: I have received the following telegram. from, a gentleman who, is engaged in the umbrella business : -

Sample set of umbrellas just, imported. One hundredand.ten in the set. Prices range from1s. 6d. to 12s. each. Total value, £17 0s, 9d. Duty paid at. 15 percent., £2 16s. 3d., plus1s. 6d. each., £8.5s., totalling£111s. 3d.

Thus it will be seen that the proposed duty represents, approximately 65 per cent. Altogether, I feel, disposed to move that the fixed duty, be omitted.

Sir GEORGE TURNER

- Realizing that the feeling of the committee extends to this particular item, I move-
That the words " and on and after 7th December, 30 per cent." be added.

Mr CONROY

- I do not know whether, this duty is., regarded as a purely revenue duty or as one with a protective incidence.

Sir GEORGE TURNER

- I would not say that this. is. a purely revenue duty; because undoubtedly it has. a protective, incidence. A large number of: these articles would undoubtedly, be made here, but at the same time the better class will unquestionably be imported to. a considerable extent.

Mr. CONROY(Werriwa). - I think that the duty proposed is far too. high. . It, goes beyond what one might expect from a purely revenue point of view. The maximum revenue with the minimum of inconvenience would probably be reached by imposing a, duty of, 15 per cent. With, a view to testing the feeling of . the committee I should like to move that the duty be lowered to 10 per cent. I have received a communication . from a person engaged in the manufacture of umbrellas, who points out that all these articles ought to be placed upon the free list, and that he would prefer to. do without any duty whatever.

Sir GEORGE Turner

- Umbrella silk is dutiable at 15 per cent., and we cannot go back and make that free.

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Mr POYNTON

- I am glad that the Government have abandoned the fixed duty. I rise chiefly to point out that there are a large number of these lines made up. . in Australia, and upon the great bulk of. the raw material used , in the manufacture of umbrellas the Government collect duties. Taking all these things into consideration, I do not think that the 30 per cent. rate -which is asked for is . too much.

Amendment agreed to.,

Item, as amended, agreed to.

Item 65 - Tents, tarpaulins, sails, and flags, ad valorem 20 per cent.

Sir WILLIAM McMILLAN

- It is a question whether these articles ought not to be free. The canvas from which tents and tarpaulins are made has by a previous decision of the committee been put on the free list ; and I think that most, if not all, used in New South Wales are made within the State. It would be just as reasonable to call the hemming of a handkerchief an industry as to impose a protective duty under this heading. Why should we pretend that protection is required when it is not ? We have to consider the people in the interior of the country where tents and tarpaulins are necessary for the purpose of covering men and goods. As there is involved no manufacturing process worth talking about, and we have made the raw material free, we should not stultify ourselves by imposing a duty here. I move -

That the words "and on. and after 7th December, 1901 . . . free " be added.

Amendment agreed to.

Item, as amended, agreed to.

Item 66 - Trimmings, mantel, dress, bonnet,' and hat, n.e.i., including flowers, feathers, and embroideries, in the piece . ad valorem, 15 per cent.

Sir WILLIAM McMILLAN (Wentworth). - I do not propose to object to this item, but I draw attention to the fact that ordinary ornaments, such as hat pins, have been charged as jewellery. I think a difference ought to be made between jewellery proper and ordinary hat ornaments.

Mr KINGSTON

- I shall be most happy to look into the matter, and although some of these ornaments are jewellery, and some are imitations of it, we shall endeavour to do justice to this mighty question.

Item agreed to.

Item 67 - Yarns, partly or wholly of wool, ad valorem 15 per cent.

Special Exemptions.

Yarn, Angora. Note. - "Wool," or "woollen, includes all manufactured from wool, hair, or fur.

Sir GEORGE TURNER

- We have reduced the duty on woollen goods by 5 per cent., and as some of these yarns have to be

imported for the purpose of being worked up into the finished article, I have no objection to reduce this duty to 10 per cent. I move -

That the words " and on and after 7th December, 1901, 10 per cent." be added.

Amendment agreed to.

Mr HUME COOK

- I move-

That the words "yarns unscoured on cop or cone," be inserted after " Angora."

These yarns are used for making hosiery, and the yarns which are manufactured at Ballarat are not of the variety or quantity to meet the requirements of manufacturers throughout the States.

Sir GEORGE TURNER

- One of the reasons which induced me to reduce this duty from 15 to 10 per cent. was a desire to give hosiery-makers a little more assistance. We must not forget, however, that we have given these hosiery-makers 25 percent. protection ; and it is not unfair that we should look for a little revenue' from this particular line.

Amendment negatived.

Item, as amended, agreed to.

Mr. WATSON(Bland). There are certain bags which I should liked placed amongst the special exemptions, such as cotton flour bags of 25 lbs., 50 lbs., and 100 lbs. capacity, some of which are imported, though many are made in the States. I do not want to tax the larger classes of bags which are not made in the States, but only the smaller sorts which are supplied, with names and brands already printed on them, at the following charges : - Calico 7-lb. bags, 7½d. per dozen ; 25-lb. bags, 1s. 9d. per dozen ; and 50-lb. bags, 2s. 6d. per dozen. On these bags I think we might reasonably place a duty of 10 per cent., seeing that in New South Wales, Victoria, Queensland, and other States, a large number of people, amongst whom are women, are employed in making them. My desire is to omit flour bags from the Government exemptions, and to include potato and onion bags. I move : -

That the words " Bags and sacks, cotton, of a capacity of not more than 3 bushels, n.e.i., 10 per cent., on and after 7th December, 1901," be inserted as Item 67a.

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Sir GEORGE TURNER

- The Government do not object to this amendment in the form in which it has been proposed. The idea of the exemptions was to assist the farmer and the producing industries as much ' as possible, but as the bags included in the amendment would not be used by that section of the community, and as there are a number of bag-makers in the different States, I cannot see that a duty of 10 per cent. would be unreasonable.

Mr THOMSON

- I do not think that the amendment is necessary, because for years past these small bags have been made in the country without any duty. But, apart from that, there is some danger in the form of the amendment. It would interfere with the export of flour. Why do we not put a duty upon ore bags? Simply because it would interfere with the producers of ore, and increase the cost of their product in the markets of the world. The same objection applies to a duty on 50-lb. flour bags. Certainly bags of that description should be exempt. Then, further, " 3 bushels " is rather a vague term. It would mean rather a large bag, and would include a number of bags which the honorable member for Bland does not wish, to include. It is likewise a mistake to use the word "sacks," which is always applied to large-sized bags. So that even if the amendment is to be adopted, the wording should be altered.

Sir George Turner

- We will reconsider the wording of the Tariff when the whole of the items have been discussed.

Mr BROWN

- This matter requires careful consideration. If a certain line of calico bags are made here just as cheaply as they can be imported, and the proposal will not add to the cost of producing the article placed in the bags, I fail to see that there is any need for the amendment. On the other hand, if it is going to prevent the importation of bags and to add to the producer's expenses, it will be an additional burden upon the farmers. As to the smaller sized bags, I would point out that there is a general movement amongst the farmers of New South Wales to reduce the size of the bags in which they bag their wheat.

Mr Watson

- My amendment only includes cotton bags.

Mr BROWN

- If the amendment includes nothing but cotton bags, that eliminates a good deal of my objection to it, but taking all considerations into account, I urge the Government not to accept it.

Mr. RONALD(Southern Melbourne).The point has been raised as to whether the proposed duty will affect the farmer. I do not think it will. I also think that the amendment should include hessian bags, which are locally manufactured. There are some 500 workers in the industry in Victoria. They have had a measure of protection hitherto, and if it is withdrawn, there is a danger of them ceasing to make bags. To leave out hessian bags would be a blow to the local industry. A duty would not hurt the farmer, but would fall upon the milling, sugar-making, and salt industries, which are already protected. With the exemption of bunnies struck out, and with protection extended to hessians, the amendment would be satisfactory. Our workers cannot compete with the 9d. a week labour of India. There is also the point that the imported bags to a large extent come from the plague-stricken districts of the East, and it is highly desirable that we should not have our meat and flour wrapped in materials so produced.

Mr McCOLL

- I trust that the honorable member for Bland will alter his amendment so as to make it read "100 lbs. and under," instead of "3 bushels." That measurement is altogether too great.

Mr Watson

- It would all depend upon what was put in the bags if we made it read " 100 lbs."

Mr McCOLL

- The term " 3 bushels " is very vague. With regard to including hessians, I would point out that they are largely used as chaff bags by the farmers, and should not be made dutiable. At the same time, I may point out that it is curious that we should propose a duty for the bag-maker, whilst there is no duty for the benefit of the sail-maker and the tent-maker.

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Mr SKENE

- There is no doubt that a duty on hessians would affect the farmer very much. In both Victoria and New South Wales the question of handling grain at a cheaper rate is engaging a good deal of attention, and the decision at present lies between the erection of grain elevators and the adoption of the Californian system of using small 100-lb. bags. As far as I have been able to follow the discussion on the matter, I feel very strongly that 100-lb. bags will probably be adopted here. The Americans have been using elevators in the Eastern States for many years, and as they have not adopted them in California, there is no doubt good reason for supposing that where wheat has to be conveyed . long distances by sea the use of small bags has distinct advantages.

Mr.Watson. - The amendment would not affect jute or other bags such as would be used by thefarmers.

Mr SKENE

-Iam referring to hessian; which I think should be free from duty; as they are very largely vised by the farmers.

Mr PHILLIPS

- I think the farmer would be very seriously affected by this proposal, because when we adopt the system of shipping wheat in bulk, he will use very much smaller bags for the purpose of conveying his grain from the farm to the railway station:

Mr WATSON

- The honorable member quite misunderstands the amendment. It is not intended to subject to duty any material that is likely to be used for making wheat bags. The proposal, is limited entirely to cotton bags, such as are used for flour and oatmeal and similar products. A number of women and. children are engaged in this bag-making industry throughout the various States, and I do not think 10 per cent. would be too much protection to give them. It would not lead to any great increase in the price of the article, because 7-lb. cotton bags with the name of the purchaser printed on them and ready for use are sold for 71/2d. per dozen.

Mr Thomson

- The honorable member should exempt 50-lb. flour bags from the operation of the duty.

Mr WATSON

- Yes ; I recognise the desirability of doing that. As there seems to be some difficulty in wording the amendment in such a way as to meet with the approval of the committee, I am prepared to abandon it for the present.

Mr MAUGER

- I hope the amendment will not be withdrawn, because the bags used by farmers will not be affected. No one will be prejudiced by such a duty but, on the other hand, it will operate to the advantage of the women and children engaged in the bag-making industry.

Mr.CROUCH (Corio). - I am authorized by the honorable member for Wimmera to say that he now sees that the proposed duty will not affect the farmer, and I hope the honorable member for Bland will persevere with his amendment.

Mr.G. B. EDWARDS (South Sydney). - I would suggest that, in view of the difficulties that undoubtedly surround the matter, the amendment should be withdrawn for the present, and that the Government should consider how, the wishes of the committee can be met:

Mr. THOMSON(North Sydney). - If the Government are going to consider the matter, I would ask them not to forget the necessity for exempting from duty 50-lb. flour bags. We must look forward to a very large export trade in flour in 50-lb. bags; and there is the strongest reason why we should avoid doing anything that would place our exporters at a disadvantage in competing with Californian and other flours in the markets of South Africa and the East.

Mr HARPER

- I agree with the honorable member for North Sydney that an exemption should be made in favour off flour bags, and the Ministry might consider this matter with a view to meeting the wishes ofthecommittee.

Mr A McLEAN

- I think that flour bags even smaller than 50-lb. bags might be exempted, because there is a strong tendency towards the use of smaller bags for the shipment of flour. If we can export flour instead of wheat it will be very much better for us, because we shall provide additional employment for our people.

Therefore we should do nothing to add to the. cost: of exportation.

Sir GEORGE TURNER

- Perhaps it might be well if the Government had a further opportunity of looking into this matter. My own impression is that as a large number of these bags are made here, it would be at reasonable thing to impose a duty such as suggested. If the committee allow the amendment to be withdrawn, my colleague the Minister for Trade and Customs and myself will consider the matter, and, if possible, bring forward some recommendation.

Amendment; by leave, withdrawn.

Mr. McCOLL(Echuca).- I move -

That the, words, "Hosiery, not of wool or silk, for foot and hand wear, on and after 7th December, 1901, 10 per cent., " be inserted as Item .67 a.

So far as my knowledge goes, these articles are not made here, and as they are used by the poorer classes, they should not be subject to the heavy duty of 25 percent., provided at present.

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Mr TUDOR

- I trust the committee will not agree to the amendment, because I can assure the honorable member for Echuca that cotton hosiery is made within the Commonwealth:Ihave shown: the honorable- member for- Bland samples of the- locally-manufactured goods, and I think that the industry, should receive the assistance- of the- 25 per cent. duty.

Treasurer

Sir GEORGE TURNER

- If these goods had not been made here we should have proposed a lower rate of duty; but our. information shows that the manufacture of cotton hosiery is likely to become a very important industry. We allow the raw material to come in free for the purpose of encouraging the industry, which gives employment to a. large number of people ; and I trust therefore that, the honorable member for Echuca will not persist in his amendment

Mr. McCOLL(Echuca). - I occupy a similar position to. the honorable member for Bland in connexion with

this matter I am quite prepared to allow it to stand over till further inquiry has been made, with a view to eliciting the fullest possible information upon it.

Amendment; by leave, withdrawn.

Mr. WATSON(Bland). - I mentioned a day or two ago that I intended to move that the materials of which waterproof clothing, is made should be placed upon the free list. But I find that it will be extremely difficult to include these materials in the schedule of special exemptions, and so long as the people who import the cloth and those who make it up are placed, upon approximately the same footing, I. shall be quite satisfied. My sole desire is to insure that those who manufacture waterproof clothing from imported cloth shall not be placed at any disadvantage. I am willing that a duty of 10 per cent. upon piece goods used in the manufacture of waterproof clothing shall be imposed with the view to later on reducing the duty upon the made-up waterproof cloth to a corresponding degree. I therefore move- -

That the words "Piece goods not containing silk, used in the manufacture of cloth made waterproof with india rubber, on and after the 7 th December, 1901, 10 per cent," be inserted as Item 67a.

If what I propose is carried, or if the material used in the manufacture of waterproof clothing is imported subject to departmental regulations, it will allow of an all-round duty of some kind being fixed.

Possibly it- might be well to insert after* "india- rubber" the words "subject to departmental regulations."

Mr KINGSTON

- I ask the honorable member for Bland whether he will agree to put his amendment in the following, form
- " Cloth. not. . containing -silk, to be used for waterproofing' with india-rubber pursuant to departmental regulations."

Mr Thomson

- That would confer too large a power on the Minister.

Mr KINGSTON

- It has already been agreed to in connexion with " narcotics " and: " stimulants-. " The regulation' would; of course, provide that the cloth must not be used for any other purpose. Otherwise. I do not think that a sufficient description can be given to the cloth to identify it. If the honorable member for. Bland has no objection, the Government would prefer to put the amendment in the form I' have indicated. The result of such a provision would be that the cloth: would not be admitted upon the terms laid down in the Tariff, unless the Customs authorities were placed in a position to see that it was used for the purpose for. which it was imported.

Mr Watson

- I think that on the whole it would be better to use the words " piece goods not containing silk, to be used in the manufacture of cloth, &c."

Mr KINGSTON

- If we put it in that form the Customs authorities will lose control over the cloth immediately the entry is passed, which is not a desirable thing. . Surely, when the rate of duty to be paid depends upon the purpose to which the cloth is to be put; the Customs officials. ought to have some means of seeing that it is used for the purpose for which it is intended to be used.

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Mr A C GROOM

- I think that these articles should be placed upon the free list. They are the raw materials of waterproof manufacturers-. They cannot be manufactured for other purposes indeed they cannot be manufactured in any of the States of the Commonwealth. If we impose a duty of 10 per cent. upon them, as a natural corollary the rate upon the finished. article must also be increased. That means that the price of waterproof cloth will be increased to the consumer, and it must be remembered that waterproof coats are in general use throughout the community. If we impose a duty of 10 per cent. upon, the raw; materials used in. the manufacture of waterproof clothing, and follow up our action by levying a 25 per cent. rate upon the manufactured garment, the consumer will have to pay the additional 15 per cent. As these articles cannot be made here - and I have seen a letter from one of the Ballarat mills, stating that they cannot: - why should we tax the raw materials, and thus increase the cost of waterproof goods throughout the Commonwealth ? 1

Sir GEORGE TURNER

- At the present time most of these articles are dutiable at 15 per cent. We did propose to impose a duty

of 20 per cent, upon the india rubber cloth. The garments made from that cloth will be dutiable at 25 per cent. This is an industry which provides a certain amount of work, though, perhaps, not a large amount. Probably in time it will become a large industry. After getting further information from the honorable member for Bland and others, we thought that we had hardly allowed a fair margin between the duty imposed upon the material out of which the article has to be made and the duty upon the article itself. We desire to give a 10 per cent, margin. That means allowing the imported cloth to come in at 15 per cent., instead of 20 cent. If we impose a duty of 15 per cent, upon the raw materials, we shall be doing an injustice to the manufacturers of the cloth. At the same time there is no reason why we should allow the raw materials to come in free, and give the manufacturers a 15 per cent, protection. The honorable member for Flinders would give 10 per cent, protection to the makers of the cloth, and 15 per cent, to the manufacturers of the garment. If we admit the raw materials free we shall be throwing away a certain amount of revenue, because these articles are imported. But if we levy a duty of 10 per cent, upon the raw materials, of 15 per cent, upon the cloth, and of 25 per cent, upon the made-up article, we shall be allowing a fair margin between the three. The honorable member for Bland has suggested that we might admit the raw materials at a lower rate, subject to departmental regulation. I think that it is absolutely necessary for us to adopt that course. Certainly we are not going to allow these goods, to be imported and used for purposes other than those for which they were intended.

Mr. RONALD(Southern Melbourne).I think that the proposal of the Government is a very fair compromise. This industry is a very flourishing one. Already there is one factory established in our midst which has invested £50,000 in the venture. It employs a large number of hands, and to my mind a fair margin of protection should be extended to it. One could have wished that the Treasurer had proposed a differential duty of 10 per cent., but in order to avoid complications I hope that the suggestion of the honorable member for Bland will be accepted.

Mr. THOMSON(North Sydney).- The question of admitting the raw material subject to departmental regulation has been referred to, but according to my recollection we have not yet passed anything subject to such regulations. Honorable members have yet to determine to what extent they will allow the Tariff to go through containing such large powers as those suggested. It has been said that the exemption contained ' under the * heading of " narcotics and stimulants " is subject to departmental regulation. It was understood that exemptions were to be taken at the end of each division, but they have not been put to the committee until this or the previous item. There seems to be no need for the words " pursuant to departmental by-laws," because if the material is said to be used for the manufacture of waterproofs, the Customs authorities can insist on any proof they consider necessary.

Mr Kingston

- We desire to lay down a general rule, and have it published in the Gazette. It is necessary that we should, do something, pending the passing of the Tariff.

Mr THOMSON

- But the by-laws are . not framed yet.

Mr Kingston

- It will be different next week ; there are already some by-laws

Mr THOMSON

- I would ask the Minister to look into these exemptions, and devise some means of surmounting the difficulties that will arise in the matter of interpretation. For instance, here are " buttons, not for adornment."

Mr Kingston

- That means the necessary, harmless, domestic button.

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Mr THOMSON

- According to the distinction in the Tariff, the buttons on the backs of our coats are ornaments and dutiable, whereas the buttons in front, which go into the button-holes, are free. There -should be some less troublesome distinctions than these. We here only partially legislate in connexion with the Tariff, because the Customs authorities come after us.

Sir WILLIAM McMILLAN

- I am not sure that this item ought not to be free. We differentiate simply in order to get raw material as

cheaply as possible for what we consider Australian industries, and there is little good in unearthing this article from the 15 per cent. category unless we make it absolutely free. I am always against these exemptions if they can possibly be avoided, because they offer tremendous inducements to fraud.

Sir George Turner

- We shall get a certain amount of revenue from this item.

Sir WILLIAM McMILLAN

- The Treasurer cheesepares too much. I understand that the object of the honorable member for Bland is to put this article in the position of raw material, and give every chance to the manufacturer.

Mr Watson

- In this instance I want to put the manufacturer and the importer nearly on a level.

Mr KINGSTON

- Do I understand that the honorable member for Bland has no objection to the insertion of the words relating to departmental regulation ?

Mr Watson

- I do not object to their insertion if they will safeguard the admission of this cloth.

Amendment amended accordingly, and agreed to.

SPECIAL EXEMPTIONS

Apparel and Attire - Minor Articles for : - Bindings and Stay and Boot Laces (except of Leather), Braids, Buckles and Buttons (not for adornment), Busk and Stay Fasteners, Protectors and Shields, Bodice and Skirt Steels, Ferretings, Filletings, Gimps, Hooks and Eyes, Tapes, Webs, Waddings, Webbing, Wire, and Wire Ribbon.

Diving Dresses

Bags and Sacks, viz. : - Bran, Corn, Flour, Gunnies, Ore, Sugar Mats, Woolpacks.

Elastic Stockings, Surgical

Meat Wraps, made up or in the piece.

>Hats, Miners

Hats-

Minor articles for : -

Buckles, not for adornment.

Plaits, plain.

Helmets, Firemen's

Parasols, Sunshades, and Umbrellas -

Minor articles for : -

Cups, Ferrules, Notches, Ribs, Rings, and Runners

Felt Sheathing, Bunting

Milling Silk

Cotton and Linen Piece Goods, viz. : -

Italians, Siliesias, Linings, n.e.i., Pocketings, Flax Paddings, Buckrams, French Canvas, Wick, Lamp and Candle.

Hair Cloth and Hop Cloth

Canvas, Hessians, and Brattice Cloth

Yarns, Angora

Mr SYDNEY SMITH

Surgical elastic stockings, which are high priced articles, are on the free list, and I would suggest that bandages which are required in hospitals, and largely used in benevolent asylums and other charitable institutions, should also be admitted free. A duty would be a great tax on the poorer classes.

Sir George Turner

- I have no objection to bandages being admitted free.

Mr KINGSTON

- I move-

That the word " gimps, " be omitted.

I am informed that gimps are trimmings of a somewhat elaborate character, which would interfere with the administration of the Tariff under item 66.

Mr THOMSON

- By way of an illustration of the general difficulties under the Tariff, I should like to say that as to linings, which we have decided shall be free, the Customs authorities have laid it down that they shall be free only " when suitable for no other purpose." That was not what we provided in committee, and, as a matter of fact, all linings may be suitable for other purposes. I have heard of a lining, like stiff open gauze, and another lining which was close and more pliable, the latter of which was admitted free, while the former was regarded as possibly suitable for boys' shirting, and consequently was charged duty.

Amendment agreed to.

Amendment (by Mr. Watson) agreed to - That after the word " flour " the words " potato and onion " be inserted.

Mr KENNEDY

- I move-

That the word " bunnies " be omitted."

Mr WATSON

- I should like to know exactly what are covered by "gunnies." What will be the effect of the amendment?

Sir George Turner

- " Bunnies " is a general term covering a variety of bags.

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Mr WATSON

- If it means that any bag not specially used for bran, corn, and woolpacks will have to pay duty, I think it would be better to leave the exemption as it is.

Mr. Kingston. -i am informed that the word "gunny" applies to a sort . of hessian, which is more . open than the ordinary bag material. I am inclined" to think that we might keep the word in.

Mr. KENNEDY (Moir).- The term " bran bag" covers the class of bag required "for bran and similar produce. The term asked to be included by the honorable member for Bland, namely, "potato and onion bags." 'would include that class of bag. The 'term "'gunny" is a class of hessian, which comes in made up, and may enter into competition with the cotton bag, which is used for meal and similar classes of produce. There is always considerable trouble in distinguishing between gunny and hessian. The proposal of the honorable member for Bland covers everything that is intended "to be included in the word "gunny."

Sir George Turner

- We propose to look into the matter in considering the whole question of small bags.

Amendment, by leave, withdrawn.

Amendment (by Mr. L. E. Groom) agreed to-

That, after the word " sugar, " the words " bags

And " be inserted.

Amendment (by Mr. Sydney Smith) agreed to -

That, before the word " elastic, " the words " Bandage " be inserted.

Amendment (by Mr. Salmon) proposed -

That, after the word " stockings, " the following words be inserted: - " Leggings, knee-caps, thigh-pieces, and wristlets."

Mr HENRY WILLIS

- I wish to point out that there is an industry in New South Wales which will be stamped out by adopting' the suggestion of the honorable member for Laanecoorie. I have no objection to the proposal, but I wish to let, the committee know that there is such an industry in New South Wales.

Sir GEORGE TURNER

- After the statement made by the honorable member for Robertson, I shall be glad if the honorable member for Laanecoorie will allow his amendment to remain in abeyance until the Government have had an opportunity of' looking into the subject. I also wish to say that I shall be glad if honorable members who desire to move amendments will have them printed and circulated. It is impossible . for the . Minister for Trade and

Customs and myself to know offhand all about the bearings of . amendments ..which are proposed, . and we cannot satisfactorily discharge our ; duties. unless we have some notice of the amendments that it is intended to move.

Mr Salmon

- I gave notice of my amendment the day before yesterday, and handed it in to be printed.

Amendment, by leave, withdrawn.

Mr. KIRWAN (Kalgoorlie). - I move -

That after the words "meat wraps," the word "grey and blue blankets" be inserted.

These blankets, as we have been informed by the honorable and learned member for Corinella, cannot be made in Australia, and surely the Government do not want to tax the swagman's bluey.

Mr. TOYNTON (South Australia). While I sympathize with the suggestion of the honorable member for Kalgoorlie, I hardly think it is proper to put blankets after meat wraps.

Sir George Turner

- We will look into the suggestion made by the honorable member for Kalgoorlie.

Mr. Kirwan. - Will the item be recommitted?

Mr. Kingston. - We will give the honorable member an opportunity of having it discussed.

Amendment, by leave, withdrawn.

Mr CROUCH

- I wish to place women's cotton gloves upon the free list. They are largely used by the poorer classes, and the wearing of gloves by women is conventionally regarded as essential for respectability. I move -

That the words "women's cotton gloves" be inserted after the words "meat wraps made in the piece."

Amendment, negatived.

Mr. KINGSTON. - We want to make clearer what is meant by the exemption "plaits, plain." There is some difficulty about the coloured plaits. I move -

That after the word plaits "the word "plain" be omitted.

Amendment agreed to.

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Mr TUDOR

- I would suggest that the word "galloons" be added to the list of exemptions, under the heading of "minor articles."

Sir George Turner

- That will be one of the items which will be included in the list.

Amendment (by Mr. Kingston) proposed -

That the following words be inserted after the word "runners" : - "and handles not containing gold or silver."

Mr. TUDOR (Yarra). - There are two items which are largely used by umbrella-makers which have not been included in the list of minor articles by the Government. They are swedges and bands.

Treasurer

Sir GEORGE TURNER

- We will put them amongst the minor articles.

Amendment agreed to.

Sir WILLIAM McMILLAN

- It seems that it will be impossible to complete this section if we are to adjourn in time to suit the convenience of honorable members, and I therefore suggest that we should now report progress.

Mr. KINGSTON. - If honorable members will permit us to complete the Government's suggestions today, we shall afford them an opportunity of proposing further alterations on Monday.

Mr BAMFORD

- I should like to know if rubberoid is included in "felt sheathing"?

Mr KINGSTON

- I do not know, but I shall look into the matter.

Amendment (by Mr. Kingston) - agreed to -

That the word "linings" be omitted.

Progress reported.

SPECIAL ADJOURNMENT

Mr. BARTON (Hunter-Minister for

External Affairs). - With the permission of the House I desire to move -

That this House at its rising on Monday, adjourn until 5 p.m. on Tuesday.

I have received a communication from the Officials of the State Parliament, which shows that we shall be on the safe side in adjourning until five o'clock, but if we meet at half-past four, as I suggested this morning, some honorable members who desire to be present at the reception of His Excellency the Governor of Victoria, may not be able to attend here in time for the opening of business.

Question resolved in the affirmative.

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16:35:00

House adjourned at 4.35 p.m.