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1901-11-13

House of Representatives.

Mr. Speaker

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

CUSTOMS OFFICERS, FREMANTLE

Mr MAHON

- I wish to know from the Minister for Trade and Customs if it is true, as stated by the Western Australian, in the issue of the 1st instant, that the hours of labour of the Customs employes at Fremantle have, by his instructions, been increased to nine per diem.

Minister for Trade and Customs

Mr KINGSTON

- The hours are fixed in the regulations which have been laid upon the table, and in which, of course, an endeavour was made to adopt a uniform practice. I have not these regulations before me at this moment, but, if the honorable member will refer to the matter again on the motion for the adjournment of the House, I shall probably be able to answer his question:

QUESTIONS

FRANCHISE BILL

Mr HENRY WILLIS

- Is it the intention of the Government to introduce the Franchise Bill this session?

Minister for Home Affairs

Sir WILLIAM LYNE

- Yes.

TARIFF

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Mr O'MALLEY

- Is it the intention of the Government to refund the difference between the amount of duty collected by the Customs authorities under the Government proposals, and the amount authorized by the Tariff finally established by law ?

Mr SPEAKER

- That question is already on the notice paper, and a question of which notice has been given cannot be anticipated.

Mr GLYNN

- Will the Minister for Trade and Customs, before we proceed to discuss the Tariff in detail, make known to honorable members any amendments which the Cabinet have decided to make, or have agreed to accept when moved by others ?

Mr KINGSTON

- The answer which I gave yesterday--

Mr Reid

- Which was no answer.

Mr KINGSTON

- My answer then was that the intentions of the Government as regards any amendment would be indicated before we came to the class to which it related.

Mr GLYNN

- Am I to understand that the Ministry absolutely refuse to make known until the particular items are reached, any alterations they may have in mind ? What I want to know is whether the Ministry will make known these alterations before we proceed to discuss the details of the Tariff.

Mr KINGSTON

- Not before we proceed to discuss some of its details. There are a great number of suggestions before us, and fresh ones coming in every day.

Mr Reid

- The honorable and learned member does not refer to suggestions upon which the Cabinet have not decided ; he refers only to suggestions upon which the Cabinet have decided.

Mr KINGSTON

- There are a number which have yet to be considered before a final decision is come to. We propose to make known our intentions in time to meet the convenience of honorable members, and when our convenience may to some extent be studied.

Mr GLYNN

- Before we proceed to discuss the items?

Mr KINGSTON

- I do not promise to make known the decision of the Cabinet as regards the Tariff before further dealing with it.

Mr JOSEPH COOK

- Does the Minister propose to continue the Tariff discussion to-day?

Mr KINGSTON

- Certainly.

Mr GLYNN

- With the permission of honorable members, I should like to further ventilate this matter by moving the adjournment of the House to discuss the expediency of the Ministry disclosing, before we deal with the Tariff in detail, any alterations which may have been decided upon.

Attorney-General

Mr DEAKIN

- If I may take the honorable and learned member's remarks as a question to myself, I would ask him, before he proceeds further, what he can hope to gain by the course he wishes to pursue.

Mr Reid

- Is this regular ?

Mr SPEAKER

- The Attorney-General at this stage of the proceedings, can only reply to a question that is put to him.

Mr Deakin

- I asked the honorable and learned for South Australia to allow me to consider his remarks as a question addressed, through you, to myself.

Mr Reid

- It is different matter from a question.

Mr.deakin. - It is a matter of obstruction ; we had it last night.

Mr Mauger

- The same old game.

Mr SYDNEY SMITH

- Is the honorable member for Melbourne Ports in order in applying the phrase - " the same old game," to the action which the honorable and learned member for South Australia, Mr. Glynn, proposes to take ?

Mr Reid

- I would point out that, although the expression may not seem on the surface a very serious one, if the meaning intended to be conveyed is considered, it becomes serious. You will see, sir, how irregular it would be for me, or any other honorable member, to refer to the honorable member for Melbourne Ports as one of the old gang that has been plundering the public of Victoria for many years under the system of protection. I think the words used by the honorable member are offensive, as implying some improper motive underlying the course which the honorable and learned member for South Australia, Mr. Glynn, wishes to take.

Mr SPEAKER

- If the honorable member for Macquarie takes the words as personally offensive to himself, I shall ask the honorable member for Melbourne Ports to withdraw them.

Mr SYDNEY SMITH

- I do take them so.

Mr Mauger

- Evidently it is not an old game, and I withdraw my remark unconditionally.

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Mr Crouch

-I wish to ask you, Mr. Speaker, if the leader of the Opposition was in order when, under cover of speaking to a point of order, he took advantage, although saying that he did not wish to be offensive, to make an offensive statement in regard to the honorable member for Melbourne Ports.

Mr SPEAKER

- I did not take it that the right honorable and learned member for East Sydney intended to be offensive to any honorable member ; but if the honorable member for Melbourne Ports considers his words offensive, they must be withdrawn.

Mr Mauger

- I consider them offensive.

Mr Reid

- Then I withdraw them unconditionally.

ADJOURNMENT

Mr SPEAKER

- I have received an "intimation from the honorable and learned member for South Australia, Mr. Glynn, that he desires to move the adjournment of the House for the purpose of calling attention to a definite matter of urgent public importance, namely - "The duty of the Government to make public without delay amendments of the Tariff which they have decided to make or agree to."

Five honorable members having risen in their places,

Question proposed.

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Mr GLYNN

- There was not the slightest intention on my part to waste the time of the House by moving this motion, and the speech which I. am about to make will be remarkable for its brevity. During my parliamentary career, which began in 1887, I think I have not twice moved the adjournment of the House for the sake of drawing attention to any particular matter, and I do it on this occasion under a sense of extreme public necessity, because of the extraordinary reluctance displayed by the Ministry to take honorable members into their confidence as regards proposed alterations of the Tariff'. Unfortunately I was prevented from being present yesterday when the leader of the Opposition obtained what seemed to me to be a point blank refusal on the part of the Minister for Trade and Customs to give any information on this subject, and I was astonished to read of it when I took up a newspaper this morning. Therefore, when the Minister would not this afternoon give us any information, I felt it my duty to ventilate the matter by moving the adjournment of the House. It should be a self-evident proposition that if the Ministry are prepared to make alterations in the Tariff - and paragraphs in the public press indicate that they are - they should indicate to us the nature of these alterations before we proceed to deal with a single item. During the discussion upon the motion of want of confidence Ministerial supporters - the honorable member for Echuca was one of them - stated that they looked upon the items in the Tariff merely as moot proposals, and the Government did not contradict them. The honorable member for Echuca indeed threw out the hint that the Tariff might be subject to drastic alterations. Now, if the Ministry have decided in Cabinet to revise the Tariff because of the criticisms to which it has been subjected, it is their duty, before we proceed to deal with a single line of it, to indicate what their alterations are, because the alteration of one item must incidentally require the alteration of some other item, and it is impossible for honorable members to decide on the spur of the moment what course they should take in regard to any such proposal.

Honorable members should have notice of proposed alterations, so that they may make themselves acquainted with the facts of the case, examine the bearings of statistics upon the point, study the criticism to which the proposals are subjected in the public press, and read the correspondence which comes to them from private individuals. I do not suppose any honorable member - certainly I have not - has ever before received so many letters upon a point of public policy. The public take a great interest in this matter, and honorable members must be largely guided in their actions on some details of the Tariff by the views which they hear expressed by members of the public. It is an exceedingly technical subject with which we have to deal, and we approach it to a large extent as amateurs.. Therefore the Ministry owe it to honorable members to take them, and, through them, the public, into their confidence, and explain what are the proposals which they are prepared to make. We must treat the Tariff as a whole, and we cannot possibly do justice to one proposal without knowing what the subsequent proposals are to be. We ought

to know what all the proposals are before being called upon to decide upon one proposal upon its merits. I would ask the Ministry to state their reasons for not being candid on this point, or else take the House into their confidence at once. An honest course of procedure - one such as the public will look for, and such as is desired by honorable members who are anxious to shorten the debate as much as possible - would be for the Ministry to at once declare what their proposals are. The reason for any secrecy I fail to conceive. What possible grounds can be urged by any honest Government for objecting to state to this House what alterations in their own Tariff have been decided upon? I cannot conceive of a single ground that can be urged for sustaining this policy of secrecy.

Sir William Lyne

- Who told the honorable and learned member that the Government had decided on anything ?

Mr GLYNN

- First of all, we have had the statements which have appeared in the press ; and, secondly, some Ministerial supporters have indicated that the Tariff is only a series of proposals for the consideration of the committee, and that alterations will not be strongly resented by the Ministry. Further than that, we have the fact that the Minister of Customs, in concluding the debate on the motion of the leader of the Opposition, solicited, for consideration by himself, suggestions as to alterations in the Tariff. I suppose that if the Minister solicited these suggestions he must have been prepared to make alterations in some of the items. Otherwise the solicitation would amount to a pure farce, because he would be expressing a desire for reasonable suggestions, with a fixed determination not to comply with any of them.

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Attorney-General

Mr DEAKIN

. - I regret that the honorable and learned member should have broken the record he has referred to of having on so few occasions intervened in the business of the House with a motion of this kind, and I regret it all the more because, if I may be permitted to say so, it appears to me to be absolutely unjustifiable at the present time. The House was told yesterday as plainly as words could convey it that Ministers were still engaged in considering the suggestions which were flowing in. The honorable and learned member has stated that, he has never received so many communications on any subject as upon this. Other honorable members have also received a very large number of communications, and many of these have been forwarded to the Ministry for consideration. That consideration is now in process. What my honorable colleague the Minister for Trade and Customs said at the close of the debate on the motion of censure was perfectly plain, and his purpose was perfectly plain. He invited suggestions, at the same time disclaiming any pretension that the Tariff was necessarily perfect in all its details. There must be in a Tariff of this kind, on account of its complexity, many matters of detail which could scarcely have been foreseen from any knowledge within the control of the Government, and many alterations were to be expected. There might also be matters to which members, out of their own experience and knowledge, could direct attention, which would render it desirable to reconsider the proposals submitted in the Tariff. The duty of the Government was, therefore, plain. It was, after having laid before the House so lengthy and so important proposals as these, involving such a multiplicity of details, to take advantage of any knowledge, from whatever source it might be obtainable, either from inside or outside of the Chamber, and reconsider the proposals, in order to minimize the time occupied in discussion, and in order also to assure to the people of this country a well digested and well-balanced Tariff. With that object in view, Ministers at once commenced to re-examine it, and have partly accomplished their task ; but only partly, and for several reasons. First of all, each proposal requires to be examined, so to speak, on its own merits individually, and next in connexion with a group of other duties relating to allied subjects. When these scrutinies have been completed, the duties still require to be looked at in regard to their effect from a financial point of view upon the revenue yielding capacity of the Tariff. These investigations are being made and will be pursued until they have reached their completion. Honorable members will see that it is impossible at this stage for the Government to make any general statement with regard to the alterations, because they have not yet had time or opportunity to consider all the suggestions with which they have been favoured. Obviously the effect of some of the last suggestions made may require the reconsideration of some of those with which we had already dealt amongst those first received. Honorable members will therefore see that this request - if anything can be said in its favour - is

premature at the present time, in view of the undertaking which the Government promptly and absolutely gave yesterday afternoon, that care would be taken that the committee was in no way prejudiced in dealing with these duties for want of knowledge of any alterations. It was explicitly stated that the division relating to stimulants, to which we are to first direct our attention, is one regarding which the Government are already able to say that they will make no proposal for an alteration, nor can they foresee any alterations that are likely to be made in other portions of the Tariff which will affect the duties in that division. Honorable members were, therefore, told that they could proceed to deal with this division with confidence, and without any fear of being taken at a disadvantage. That is the position the Government take up, and the Minister for Trade and Customs has again to-day pointed out the difficulty of attempting to deal with the whole Tariff at this stage. He has informed the House that it is not necessary to deal with any changes in the Tariff to-day, and has again reminded honorable members that when it is necessary to make a statement as to the alterations proposed, where they are connected with duties under consideration, the Government will be prepared to make it. If, when we have completed our task, the alterations, taken cumulatively, involve any alteration of the Tariff as a whole, then it is possible that the Government may lay before the House a general statement of its proposals. Some alterations will obviously be of a minor and insignificant character, to which it will be quite sufficient to direct attention when the subject matter is under review ; but if other alterations should be serious, ample notice will be given to honorable members. I am adding nothing to what was said yesterday and to-day by my honorable colleagues.

Mr JOSEPH COOK

- What was said ! They have told us nothing.

Mr DEAKIN

- If the honorable member had given his attention he would have heard the Minister for Trade and Customs say that the suggestions for the alteration of the Tariff were still pouring in, and that they were still being considered ; that some of these suggestions had been considered, but that the Ministry had not had time or opportunity to consider others or to collect all the information that was necessary : but that when this was done he would take an opportunity of informing the committee.

Mr JOSEPH COOK

- He did not say one half of that.

Mr DEAKIN

- My honorable colleague the Minister for Trade and Customs said it all, and emphatically. I have not added to what he said. My right honorable colleague's elliptical way of stating things is necessarily briefer than my own - he has the advantage of me in that respect. What I think that honorable members were entitled to receive, they have received, and that is an assurance that the Government would not attempt to take advantage of them in asking them to deal with any portion of this Tariff in regard to which Ministers have a knowledge that ought to be communicated to the House ; further, that the House would be advised of any proposed alterations in other portions of the Tariff bearing upon the items under immediate discussion. The Government will decide whether any amendments are to be made, and having decided upon them there will be no secrecy observed so far as the House is concerned. There is no object in secrecy.

Mr Poynton

- The Government will raise a large portion of their revenue through taxes provided for in the first division.

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Mr DEAKIN

- I have already informed the House that we do not propose any alterations in that division, and of course the honorable member is at liberty to use that information in his argument if he chooses. We do not propose to make any alteration with regard to the duties on stimulants which are to be submitted first. There is and ought to be no secrecy in this matter. The Government have not agreed to anything they are concealing from this House. They have provisionally reviewed a part of the Tariff, but not the whole, and until they have reviewed the whole and considered the bearing of one duty upon another, they will not be in a position to make any statement to the House. Possibly a general statement will not be necessary, but if it is necessary it will be made. The Government could gain nothing from secrecy in this matter, because their object is to invite the assistance of the committee and lay before honorable members all the

knowledge they possess, and to deal with the business in such a manner as will conduce to expedition. The Government are concealing nothing. They are not in a position to make a statement with reference to the Tariff as a whole now, but they are able to say that the Tariff will not suffer, and that honorable members will not be prejudiced if they proceed to deal with the first division at once.

Mr REID

- I always think, when I listen to the Attorney-General, that he is the best of all possible Ministers in the best of all possible countries, in the best of all possible worlds ; and that there is only one black spot in the view of tilings in general, that being the perverse individuals sitting on Mr. Speaker's left, who have caused this worthy and perfect Government to be subjected to some considerable annoyance. My honorable friend the Attorney-General was never more dexterous than when he, in amplifying the bluff statement of the Minister for Trade and Customs, supplied us with a vast volume of information which we had not previously received. I am much obliged to the Attorney-General for the almost painful length to which he has taken up the time of this House in saying nothing, because if he only repeated what was stated by the Minister for Trade and Customs, he has taken up ten minutes in saying what the Minister for Trade and Customs said in one and a half minutes. If we are to have one Minister occupying one and a half minutes in making a statement which it takes another Minister ten minutes to repeat, I do not know how we shall transact public business with any expedition. It would be very much better for the Government to employ the Minister for Trade and Customs in saying what they mean in such a short time than to enlist the services of my honorable friend the Attorney-General, who has to take up the longest possible time. The statement made by the Attorney-General is full of inaccuracies. One position he takes up, however, certainly does not clear the atmosphere, and will cause some astonishment to the public as well as to honorable members of this House. The Budget statement was delivered on the 8th October, and we have now reached the 13th of the following month ; and if the Attorney-General is correct in his statement - as I feel sure he is up to the extent of his knowledge - the Ministry, during the month which has elapsed, and after the public criticism from all quarters which has been directed to these proposals, are still in the position of not having decided upon a single alteration of the Tariff.

Mr Sawers

- The Attorney-General did not say that.

Mr REID

- He did not talk as my honorable friend would talk, but that is what he said in a great many words. The Attorney-General said that no doubt the Tariff requires consideration, and that possibly when we are considering it we shall have to reconsider our reconsideration of portions of the original Tariff, and that it is impossible for us to say where we are at present. That is practically what the Attorney-General said, but will the honorable and learned gentleman say that the Cabinet have not absolutely decided to make some alterations ?

Mr Deakin

- I told the right honorable and learned member that we have finally decided nothing.

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Mr REID

- Finally decided? - no one finally decides anything until he finds out what his billet is going to be in eternity. No one ever accuses this Ministry of finally deciding anything until they know how the numbers are going ; and we do not expect finality from the Attorney-General or the Government. My objection to tin's whole proceeding is that it is against commonsense to say that after the Ministers have abstained from the prevailing festivities, and have sat up hour after hour until midnight considering the Tariff, they have not in any one case decided either themselves to make, or to accept, any alteration. It will come as a great disappointment to the public that the flood of criticism which has been directed against this unfortunate production has been so ineffective that the mind of the Ministry has not yet been finally made up as to any single item. I do not say that the Ministers have finally decided anything, because they cannot do that ; but the question is whether the Ministers have not decided, so far as the present moment is concerned - not afterwards, I admit - that they will either accept, or themselves propose amendments in the Tariff. If the Ministry frankly and candidly say that the Cabinet have not decided - I mean in a fair sense, and not in a technical sense, such as we understand pleadings in court - as between gentlemen sitting at the Cabinet table on alterations in the Tariff, I accept the statement as absolutely satisfactory.

No sensible or reasonable man will ask the Cabinet to make a statement on a matter on which they have not decided.

Sir William Lyne

- They have not decided.

Mr REID

- The Minister for Home Affairs may not have been present.

Sir William Lyne

- I was.

Mr REID

- Possibly ; because the honorable gentleman is the weather-gauge of the Ministry, though it must be understood that I do not say that in an offensive way. I have learned with great disappointment that we have to look on the Tariff as one which the Government up to this date have not made up their minds to alter in any single respect. That is a painful and dangerous position for the country to be in. The Ministry, having taken a month to consider, ought to be in a position to say - " We stand by our proposals, subject, of course, to fair discussion and alteration in detail." The Tariff is a great task ; but I will take, for instance, two points on which the Ministry have surely come to a decision. Have they decided to adhere to the composite rates, or have they decided to alter that proposal ? That is a large question on which they surely have made up their minds. Have the Ministry decided to adhere to the system, about which strong language has been used, of charging duty on straw and packing cases, in order to encourage the export of those cases to the other end of the world to be used for the conveyance of foreign goods to Australia - in order to bring about a grand export industry in packing cases ? These are important matters affecting the business community very seriously, because in some instances they mean a difference of 10 per cent, on the duties of the articles themselves. It is a matter of great consequence to the public, that the Ministry should make up their minds as soon as possible, because in the meantime all operations of trade are being conducted on the basis of these proposals. If the Ministry have practically and honestly agreed - not in the sense of having got the written approval of the Governor-General, which is the final stage in the official mind - to alter the composite rates or abolish them, or to remove the charge on the expenses of packing, an announcement to that effect ought to be made to the public. I learn with great regret that Ministers are not in a position, amidst the cloud of uncertainty, agitation, and dissatisfaction, to make a statement to the public as to any of these obnoxious taxes. Have the Ministry not decided whether they will altogether remove or lighten the charges on the farming community for implements and machinery? Is that not a subject large enough to engage their attention and lead them to a decision after 30 days that these charges had been imposed ? Are the interests of the miners not of sufficient importance to enable the Ministry to decide whether they will put machinery on the free list, or, at all events, reduce the duty ?

Mr Poynton

- Or increase duties for the benefit of the factories ?

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Mr REID

- Of course, we all know that Mr. Speaker has given us the benefit of his opinion as to increases ; but I am sure that the Government will not be a party to any suggestion to increase the burdens of the people at the instance of a private member. They will have the courage to take the more constitutional course, and at their own instance propose any increases. In that sense, the ruling of Mr. Speaker will be more an embarrassment than a relief to the Ministry, and I do not at all suspect them of using any private member for the purpose of increasing duties. I believe they will resist any such attempt ; but, putting that matter aside, I am prepared to accept the assurance of the Ministry, if we understand it in a broad business-like sense, and not as a mere, technical answer. If we are to take the assurance as a mere technical answer, to the effect that the Ministry have really decided to amend the Tariff, but that they have not yet put their decision on paper or in a definite shape, then I shall be dissatisfied. But I accept the answer of the Ministry in the broadest sense, and believe it to be most straightforward and accurate. Under these circumstances we cannot reasonably expect the Ministry to make a statement on a subject upon which they have not made up their minds. If that is the construction to be put on what has been said, I agree it is no use taking up much further time on a matter of the sort, because it is beyond all reason to ask a Ministry to state intentions which have not been arrived at. I accept the Attorney-General's answer in that

sense, and I do not want to press the matter further. But I do want to make an appeal to the Ministry in the interests of the public. As to matters of real importance in connexion with the Tariff, on which there has been great conflict of opinion, and on which they might very well reconsider their proposals, the Ministry should arrive at a decision as soon as possible, and determine their course of action. I expect and believe that when they have done that, they will waste no time in allowing us -to know what their decision is. The Minister for Trade and Customs suggested that when we approach each division he would state what the intentions of the Government were, and whether they intended to propose any alteration.

Mr Kingston

- I said more than that.

Mr REID

- We cannot hear all that is said by the right honorable gentleman, whose elocution does not always clearly convey his meaning to us. The right honorable gentleman has a sort of shorthand way of speaking, and although he thinks his meaning is plain, it is not always clearly understood. I think that the right honorable gentleman's proposition was that when he came to each division, of which there are sixteen, he would state before the consideration of that division was begun whether the Ministry intended to propose any alteration - subject, of course, to emergencies they may not have foreseen.

Mr KINGSTON

- The leader of the Opposition has suggested that there has been something in the shape of waste of time, and I can only say that that has not occurred on the Government side of the House. A certain interval has elapsed since the Tariff was laid on the table on the 8th October ; but a considerable portion of the time has been employed at the right honorable gentleman's ' instance in the discussion of a motion affecting the right of the Ministry to occupy their present seats. That, of course, has somewhat interfered with the transaction of ordinary business. Although we knew, as the right honorable gentleman himself knew, that he had not a ghost of a chance of carrying such a ridiculous motion, it was our duty to keep a House, and we did that when it was notorious that the right honorable gentleman was asleep. We were transacting business yesterday when he was away enjoying himself. I say that for the purpose of emphasizing what the right honorable gentleman knows, namely, that we have been as busy as busy can be transacting public business in the House and elsewhere. It is our desire at the earliest possible moment to come to a conclusion as to suggestions which have been made regarding the Tariff. The right honorable gentleman has had the assurance of the Attorney-General that we have not made up our minds on the subject, and yet he asks us whether we really mean what we say.

Mr Reid

- No.

Mr KINGSTON

- The right honorable gentleman disavows that that was his intention ; but at the ' same time he made the suggestion in the very cleverest style, telling us that he took the assurance at its full value. I trust the time will never come when a Ministry or a member in this House will give expression to an assurance, either to the Opposition or to the Government, without meaning it as honest men should, in the broadest sense, in the sense in which the Government, at least, are determined to apply the word. The sooner we come to a decision on these matters the better, and we are losing no time. One or two of the matters to which the right honorable gentleman has referred he may naturally expect to be made the subject of a very early announcement. However that may be, I think it was unnecessary for a motion of this sort to be submitted, with a view to expediting our action, because we are doing whatever we can as fast as we can to push on the transaction of public business.

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Sir WILLIAM MCMILLAN

- This debate has disclosed a very remarkable condition of affairs. The Attorney-General himself has given away the whole case. He has pointed out that, after bringing forward a definite policy, which had been incubating for months, and after a month has elapsed from the time of the statement being made, the Government are going through every line of that policy, and at any particular part may alter their previous decision. Surely that is grave enough to upset the calculations, not merely of an innocent Opposition, but of the whole of the commercial people of Australia. Surely there is no waste of time when



the Government themselves have given their case away. If they had been sensible men they would have held their tongues. But they have reposed marvellous confidence in us and the public in telling us that having framed this magnificent policy, which they have fought for in the debate on the want of confidence motion, that policy may now be riddled to pieces by themselves at the instigation of their friends. If my honorable friend does not believe in party Government - if he thinks as his chief did at the last general election, that the lion and the lamb should lie down together, and that those who would not lie down should be swallowed up - we have a remarkable state of affairs in this Chamber. It would have been better to let us know at the beginning that there was nothing the Government would bring forward that they would not throw like a bone to a lot of dogs to be torn to pieces in any way which might be thought desirable. I am not an extreme partisan, but I do say that if the Government have decided, or are likely to decide, upon any drastic changes in the Tariff, they ought to give an absolute promise to the House that, within a day or two, at the very latest, we shall be taken into their confidence. The Attorney-General said that in considering this Tariff, they must first consider the merits of the items themselves, then their effect upon other items, and afterwards their effect upon the financial position. Surely honorable members, as well as the Government themselves, have to consider all those effects. If we touch this Tariff now, how do we know that, in agreeing to pass a particular item, we may not affect other items very materially. What guarantee have we that we will not do work which it will be necessary afterwards to undo? We must recollect that in connexion with the Tariff debate honorable members occupy a dual position. We are divided into two parties - the one protectionists and the other freetraders - but we are both bound to carry out the compact with the Australian States to preserve their financial solvency. It is all very well for honorable members to talk recklessly about interfering with this part of the Tariff, or that part of the Tariff, but the fact remains that we have to obtain a certain financial result or the solvency of the States will be imperilled. It seems to me, therefore, after the candid statement which has been made by the Government, that as honorable men they are absolutely bound to let us know the latest period at which they will disclose their views. Whatever may be the opinions of honorable members in regard to the duties upon stimulants and narcotics, the clear duty of this House is not to go beyond that division till we know what rates the Government intend to alter. I am not one to obstruct public business, but I shall do all I can to prevent any consideration being given to the Tariff, beyond the particular division which I have mentioned, until the Government come down and tell the House straightforwardly what they intend to do.

Mr POYNTON

- I must express my surprise at the attitude of the Government. I think that honorable members ought to have been taken into their confidence in regard to the Tariff. If there is anything in the statement advanced by them to-day, it is that this matter ought not to be touched until they have finally decided upon the alterations which they intend to make. The leader of the Opposition questioned them to-day concerning their intentions with regard to the composite duties. I cannot conceive of any argument under heaven which can possibly justify the imposition of those duties. The Attorney-General has stated that the first lines of the Tariff which we are asked to consider will not be affected by any subsequent items, and yet the fact remains that we purpose raising more than half our revenue from this source only. There is a very decided difference of opinion as to whether the duties which are there imposed will realise the amount anticipated, in consequence of the big margin that exists between the customs and the excise duties. If the Government propose to remit £1,000,000 in taxation to placate one party, as was frequently hinted during the no-confidence debate---

Mr McDonald

- What is the use of making these statements when the honorable member cannot vouch for their truth ?

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Mr POYNTON

- It was hinted that the course I have suggested would be taken. It was also rumoured that the Ministry intended to increase the duties upon certain lines. If, on the one hand, they propose to increase the duties upon some articles, and, on the other, to wipe out revenue duties, the result will be complete chaos in connexion with the whole of the revenue.

That is very apparent, because a high duty will not increase revenue.

Mr Watson

- Why should we argue that matter now ?

Mr POYNTON

- The Ministry know more than they are prepared to tell this House. It is easy to throw the whole onus of the delay upon the leader of the Opposition, for having occupied the time of the House in a no-confidence debate ; but I would point out that more than a week has elapsed since that matter was decided, and even when the discussion was in progress, the Ministerial benches were frequently empty. I am astonished that the Government should confess that they have not arrived at any decision regarding the composite duties. These comprise the most iniquitous scheme ever imposed upon a long-suffering people. A duty of 20 per cent, upon certain goods, combined with measurement charges for the outside of the cases, constitutes an enormous protection. I can point to a number of duties in the Tariff which will prove more prohibitory in their operation than have the duties imposed under any Australian Tariffs. I decline -in a haphazard way to remit duties here and there, without knowing what the effect of their remission will be. It is our duty to remove as far as possible those taxes on the people which will prove most burdensome, but at the same time we have to consider the interests of the States. If we are to wait until the Ministry finally make up their minds upon various items, we shall probably discuss the whole Tariff before they arrive at any decision. They will then throw the entire blame for the reductions which are made upon the House. I hope that Ministers will, within the next 24 hours, inform us as to what their intentions are regarding some of the most important lines.

Mr THOMSON

- I have no desire to delay the transaction of public business. At the same time I think the Ministry should have been prepared with a fuller and more informing answer to the question put by the honorable and learned member for South Australia, Mr. Glynn. The Minister for Trade and Customs complained that his statement had not been accepted, and put it that surely the Opposition would not imply that he had said what he did not mean. The fact is that a man «an say anything and yet say nothing ; that is what the Minister for Trade and

Customs did in reply to the perfectly legitimate inquiry which was made. The Government have accused the Opposition of delaying public business by occupying three weeks in a discussion upon a motion of censure. It is quite evident, however, that sufficient time was not taken up in that debate, because instead of the Ministry having finally developed their policy in the light of the criticism which was then indulged in, they have come down to the House to-day and have asked us to begin the consideration of that policy when they themselves do not know what it is. The position is that during the whole of the debate in question the Government intimated that they would welcome criticism, and that they did not claim that the Tariff was a perfect one. They announced that they would finally frame their propositions in the light of the criticism which had been indulged in. Surely the time to bring forward the result of their deliberations is when we are about to deal with the whole question. The Attorney-General stated that we had not only to deal with the items upon their merits, but with the items as groups, and with the relationship of those groups to the whole. Therefore, in asking us to consider this Tariff now he is inviting us to alter items upon their merits only, altogether irrespective of the groups and of the relationship of those groups to the whole.

Mr Deakin

- That is not so; and the honorable member knows it.

Mr THOMSON

- The Attorney-General has no right to make that remark ; and if I paid any attention to it, I should appeal to Mr. Speaker.

Mr JOSEPH COOK

- I rise to a point of order. The Attorney-General is making offensive interjections across the table.

Mr SPEAKER

- If the honorable member for Parramatta considers that any remark made by the Attorney-General is offensive, I shall ask the Attorney-General to withdraw it.

Mr JOSEPH COOK

- I do so consider it.

Mr SPEAKER

- What was the remark ?

Mr JOSEPH COOK

- The Attorney-General stated that what the honorable member for North Sydney was saying was not true ; and that the honorable member knew it.

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Mr SPEAKER

- I am quite certain the Attorney-General did not say that the remark was untrue.

Mr THOMSON

- The Attorney-General said that what I stated to be a fact was not so, and that I knew it. If I paid the least attention to his statement or opinion I should have appealed to Mr. Speaker, but the best course for me to take in regard to such an interjection is to ignore it.

Mr Deakin

- I made the statement deliberately, and I make it again.

Mr THOMSON

- I shall take no notice of it.

Mr Reid

- But I will, Mr. Speaker. I rise to a point of order. The honorable member for North Sydney made a statement that a certain thing was so. The Attorney-General across the table interjected - "That is not so, and the honorable member knows it." In other words, the Attorney-General implied that the honorable member for North Sydney was deliberately making a statement which he knew to be inaccurate. Could anything be more offensive to an honorable member ? I have been pulled up, and compelled to withdraw similar statements, and I therefore hope that you will compel the Attorney-General to act in the same way.

Mr Deakin

- May I point out to you, sir, that the statement made by the honorable member for North Sydney was not as to a matter of fact, but as to what I myself had said. The honorable member's statement was that the Government were asking the House to deal with items, though I had pointed out that they could only be considered in connexion with ' the groups to which they belong. That ignored the whole effect of the statement which I had made with regard to this first division. I repeatedly called attention to the fact that no item in that division can be affected by future proposals, and, therefore, I think I was justified in making the interjection. I did not intend it to be offensive to the honorable member. As the honorable member for North Sydney was referring to something I had said, I wished to repudiate his construction in the strongest possible way.

Mr SPEAKER

- There are certain remarks which, whether they occur in speeches or in interjections, are distinctly disorderly, and which the Speaker, upon his attention being drawn to them, will require to be withdrawn at once. The remark of the Attorney-General does not belong to that class. There are, however, other remarks which must be withdrawn if regarded as offensive by any honorable member ; and if the honorable member for North Sydney regards the remark of the Attorney-General as offensive, I am sure the Attorney-General will withdraw it.

Mr Deakin

- Hear, hear. I made it in self-protection, and for no other reason.

Mr THOMSON

- I regard it as intended to be offensive, but it was not offensive, because I place no weight upon what the honorable and learned member says

Mr SPEAKER

- As the honorable member for North Sydney regards the remark as intended to be offensive, I ask the Attorney-General to withdraw it.

Mr Deakin

- I withdraw it with great pleasure. The remark was made to clear myself, and to call the attention of the honorable member to the fact that he was misrepresenting my view.

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Mr THOMSON

- I am glad the honorable and learned member has satisfied his sense of honour. His remark did not upset me, though it is one that he should regret. The honorable and learned member objected to my statement on the ground that he had said that subsequent alterations could have no effect upon items in

the first division. How is he to know that 1 As a member of the Government he might consider that they would have no effect ; but the committee, on the contrary, might think that they would have effect. Honorable members might decide upon a different mode of treating the items in the first division if they knew that certain alterations were to be proposed in regard to subsequent items. Therefore my remark , from my own point of view, was in no way incorrect. The Ministry seem to have asked honorable members to take the Tariff into their own hands. They have declared no policy, except that embodied in their Tariff proposals, but since then there has been every indication that they wish to pitch the Tariff into the committee, get it out as they can, and then propose any adjustment which they may deem necessary to meet the financial circumstances. That is not a proper policy for a Government to pursue, and under the circumstances the Opposition have a right to request from the Ministry what by this time they ought to be in a position to give - a statement of their definite intentions, if they have any. If they have no definite intentions, and are quite in the dark, we may have to accept the situation ; but it is not a desirable one for a Ministry to be placed in. I urge, as the leader of the Opposition has urged, that both sides of the House and the country may be placed in possession of the determined policy of the Ministry, except as regards minor details, at the earliest moment.

Mr HENRY WILLIS

- It seems to me that, since the no-confidence debate, the Tariff has been withdrawn by the Government for revision. It is their intention to receive recommendations from various irresponsible persons, and to bring forward their proposals for readjustment of the rates as favorable opportunity occurs. I have had experience in the past of the course taken by Australian Governments on similar occasions. I remember when, in South Australia, before the Minister for Trade and Customs was a Minister of the Crown, and when he was only a coming man, a revision committee was appointed, whose recommendations were forwarded to the Government, and, having been fully considered by them, were adopted or laid aside before the Government submitted their proposals to Parliament. On that occasion Mr. Benjamin Rounsevell was Treasurer of the State. On this occasion a committee representing manufacturers from all parts of Australia sat and brought up recommendations which were submitted to this Government, but the Government, having availed themselves of this expert knowledge, say that they are not in a position to ascertain the views of the manufacturers throughout Australia, and for that reason virtually excuse themselves for withdrawing the Tariff. It is the duty of the Government to make known at the earliest moment what their proposals are to be, so that we may be able to fully investigate them, and more competently discharge our duties to the country. It seems to me that the Government have no intention to propose any alterations until the items are brought forward, and the whip has had an opportunity to ascertain the opinions of honorable members. Then they will formulate their proposals in accordance with the views of the majority of the committee.

Mr JOSEPH COOK

- I think we should be obliged to the Attorney-General for the great amount of information which he has afforded us, and he is usually so courteous that we must sincerely regret any occurrence that disturbs his equanimity. He is indeed a striking contrast to the Minister for Trade and Customs, from whom we never expect anything in the nature of explanation or information. When he is asked a question he merely gets up, gyrates along the floor, and sits down again without answering, a piece of bluff which will not help him in getting the Tariff through committee ; because honorable members on this side, whatever honorable members opposite may do, will not submit to such treatment. If he had told us what the Government intend to do, the adjournment would not have been moved, and the alleged waste of time must be laid at his door. But the Attorney-General, although he told us what has been passing in the Ministerial mind, was somewhat vague upon one point, and his statement was clinched by the Home Secretary, in his usual straightforward and blunt style. We know at any rate that no finality has been reached by the Government in their consideration of the Tariff. I wondered, when the Attorney-General was telling us that the Government were reviewing nearly every line of the tariff- a most astounding statement for a responsible Minister to make - if he remembered the tremendously bold attitude of his leader at that famous meeting the other night, when he threatened the Opposition with all kinds of pains and penalties if they dared to obstruct the Tariff. He said that the Opposition should be compelled to yield, and yet, before a shot has been fired, the Government have yielded. We are delighted to find the Ministry so pliable, although wanting in the ideas of responsibility which ought to prevail with a constitutional Government.

Mr HUME COOK

- Why is the honorable member grumbling, then ?

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Mr JOSEPH COOK

- Because of their methods of procedure. The Attorney-General has told us that the Government had to consider the duties from several aspects - first as regards their own merits, next in relation to the group in which they stood, and finally in relation to the revenue. No doubt they have a serious responsibility with regard to the obtaining of revenue, and they must also pay attention to the symmetry of their Tariff; but members of the Opposition share that responsibility with them. Blundering along in this fashion, without knowing the intentions of the Ministry, we can by our work in committee only make confusion worse confounded. Do the Government want the committee to say what they would like, so that they may accommodately set themselves to try to meet them ? When the Attorney-General told us that the Government had not decided finally upon any question ; that they had dealt with, some of them provisionally, and were giving consideration to others, there seemed to me a great resemblance between his statement and the statement which appeared in the newspaper this morning. It appears that the honorable and learned member for Bendigo is presiding over what is known as the country party, which is supposed to be sitting in secret conclave, making suggestions to the Government for the improvement of the Tariff. The party had considered between 64 and 74 items when their meeting, concluded, but a number of provisional suggestions were agreed to, and these will be the subject of division when the remainder of the Tariff has been discussed. Is not that precisely the statement made to us to-day by the Attorney-General ? We now know the reason of this delay and hesitation on the part of the Government. They are waiting for the decision of the country party before they declare what alterations they propose to make in this Tariff. This is the first time I have ever known a Government to deliberately submit a Tariff, and then tell the House a week afterwards that they were considering it line by line, with the object of making such alterations as might be necessary in view of representations made to them. They occupied seven or eight months in considering this Tariff, and now we are being subjected to utterly unjustifiable delay, and the country is suffering because of the want of definiteness regarding the Tariff proposals. The Ministry are bringing untold misery upon the people, and causing great anxiety amongst business men ; and as the matter is one of urgency, we have the right to demand that the Government should at the earliest possible moment make up their minds as to what they are going to do. If they are not able to make up their minds, how is it likely that honorable members can deal with the Tariff in an intelligent and effective way? What the Attorney-General has said to-day, if it amounts to anything, constitutes a strong argument in support of the postponement of the consideration of the Tariff until the Ministry has come to a decision with reference to the proposed alterations.

Sir EDWARD BRADDON

- I do not think that the time which has been expended upon this motion can be described as wasted, because it has elicited from the Government the statement that as far as the first division is concerned Ministers have settled their policy. I think, further, that the Government might feel grateful to the House for having afforded them an opportunity of giving to the remainder of . their policy the consideration that it requires. They have only had the Tariff under their consideration for six months, and that time may not have been sufficient for them to have arrived at definite conclusions ; but I hope that with the opportunity now presented they will do what has been urged, settle the rest of the items, and let the House know what their decision really is. The consideration of the first division will not occupy very much time, and it might be well to use the time that will be available to us to consider a test motion as to the composite duties. Let us decide once and for all, as I hope we may, that these composite duties shall be abolished, leaving us with a plain Tariff consisting of specific and ad valorem duties only. If that can be done, a great deal of time will be saved when we come to the discussion of the items.

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Mr MACDONALD-PATERSON

- I remember as a boy hearing a celebrated speech by Dr. Lang, who is well remembered as having assisted in the separation of Victoria and Queensland from New South Wales, and as a great political fighter in the interests of the people and for the preservation of constitutional law. He came into the New South Wales Assembly on one occasion, when there was a gaseous battle-royal going on, such as we

have had here this afternoon, and at the first opportunity he rose to his feet, and said - "Mr. Speaker, fee, fo, fum I was rather amused at the honorable member for Parramatta speaking, about the misery which had already been caused by the Tariff, and which was being augmented by the delay that was now being caused, because it seems to me that the delay has been very largely due to the tactics pursued yesterday and to-day by the members of the Opposition. It is said that there is a great deal of misery among the people of the Commonwealth, but the misery is not physical, and there is not much mental misery. The trouble is entirely financial, and trade is very much restricted, because' all traders, small and large, are avoiding. stocking up, and, as far as possible the payment of duties.- to the Customs. I understand that the view of the

Opposition is, that it is the duty of the Government to make public without delay, any amendment of the Tariff that they may have decided upon, or may be disposed to agree to. At the same time the honorable member for Parramatta has stated that the Ministry are waiting for the country party. How can the Ministry disclose what their proposals are if they are waiting for the country party ? How can the Ministry go beyond the declaration that they have made to-day - that they will consider all propositions that are made on the floor of this House.

Mr Reid

- And everywhere else.

Mr MACDONALD-PATERSON

- If you, Mr. Speaker, had ruled otherwise than you. did last evening, I should have returned to Queensland at once, because I should have been of no use here if those whom I represent were not to have an opportunity of making plain their wishes with regard to the Tariff. This is the first instance in the world in which an attempt such as that for which the Opposition are responsible in this case has been made, to force a Tariff upon the nation without listening to the representations of those most deeply interested - the digger, the merchant, the importer, or the shipper.

Mr Conroy

- What is the object of seeking to delay it ?

Mr McDONALD

- PATERSON.What is the honorable member's object in actually delaying it 1 The Government have taken up an honest and constitutional position in expressing their willingness to listen to the representations of those who are interested in the various items of the Tariff, both from a revenue point of view and from the protectionists' stand-point. The Ministry will endeavour to interpret the views of the House, and their position will not be prejudiced by any vote to either increase or to diminish a- duty, provided they accept the vote. But the Government may not accept certain proposals, and I do not take it that the Government have pledged themselves to do so. The Minister for Trade and Customs never intended anything further than s» promise that suggestions should receive consideration. There is an avenue of egress out of any statement which may b& made, if\* the Government accept the responsibility; which they may or: may not do, for the decision of the Committee in regard to any item. 21 a 2

Mr JOSEPH COOK

- Did the honorable member ever hear of such a thing as responsible government ?

Mr MACDONALD-PATERSON

- Has' the honorable member for Parramatta ever heard of honorable members not being responsible to their constituents 1 The first responsibility is on the members, and out of the members come the- Ministry. I hope that in this session we shall not set the bad example for future sessions of indulging in what I call blindfold stone-walling. If we are to have a continuance of this cacoethesloquendi, God save the Commonwealth Parliament !

Mr CONROY

- The Ministry have assured the country for the last six or seven months that the Tariff would be one to which they would give considerable attention, and they received great indulgence from members on this side, for which they do not seem proportionately thankful, while they were employed in its preparation. But the Opposition are the watch-dogs for the great bulk of the people ; and if the Government desire to impose taxation without the full light of day being cast on their proceedings, they must naturally expect such a course to be resented. We have all heard of the pickpockets who complained that, if the police

were not watching, they could have carried on a profitable business ; and the moment the Ministry go beyond the bounds of proper taxation, and try to divert the money from the Treasury into the pockets of a few individuals, they must not be surprised to receive opposition from this side of the House. We all know that every penny of taxation taken from the people diminishes the money which is available

Mr SPEAKER

-The question is not the nature of the Tariff, but whether the Ministry should or should not disclose certain facts.

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Mr CONROY

- The Ministry are bound to make their proposals known as early as possible. The injury to business everywhere is very great, because of the prolonged feeling of uncertainty. The uncertainty caused by the absence of policy on the part of the Government, as to whether they are going to refund certain duties, is now doubled, and they cannot, therefore, expect any help from honorable members on the Opposition side. How can we help forward a policy when we do not know what that policy is to be ? If the Ministry are unable to determine the course of conduct they are going to pursue, how can they call on us to support them in something which they have not taken the trouble to foreshadow ? Such an idea is preposterous, and the action of the Government calls for the severest condemnation. The Ministry will not say that they are going to be responsible for anything done in committee, and it is possible that at a late hour some night & proposal may be brought forward which will entirely change the features of this Tariff. I can quite imagine that if proposals are to be brought forward which are still ' more distasteful than those already submitted, the Government will take care that the people are kept in ignorance, because of the condemnation which must surely follow. Such a sense of injustice may be awakened that the people will apply to their parliamentary representatives, and even members on the Government side of the House may hesitate to impose a tax which would enable a certain ring of men to benefit themselves at the expense of - the general community. I can quite understand that there may be a great many proposals which the Minister would not like anybody to consider, and in relation to which the Opposition would be regarded as impertinent if they attempted any criticism. One sometimes hesitates to speak about these things exactly as one feels, but when we see that spirit duties amounting to £200,000 Will go into the pockets of certain individuals, we are -entitled to know whether the Government intend to reduce that amount, or take care that it goes into the Treasury, or whether they propose to further increase the benefits to be given to those persons. If the latter be the intention, & then we on this side of the House will know what steps to take. It is the worst possible policy to keep back proposals until it can be discovered what certain individuals in the House desire, or until outside influences can be brought to bear. If the Government have faith in their proposals, and wish them fully discussed, they should announce them at the earliest date, so that we may be able to consider the Tariff as a whole. There are a certain number of honorable members who are not seised with what responsible government is, and because these honorable members happen to be sitting on the Ministerial side, the Government will not disclose to the House or the people exactly what they propose to do. Can it be that the Government are afraid of the condemnation of their proposals by the country ?

Mr. GLYNN

(South Australia), in reply. - I regret that the Ministry have not complied with the reasonable request which has been made. The position which the Government assume is an absurd one. They acknowledge that they are engaged in the revision of their own Tariff, and that they have not come to a final decision. The Attorney-General does not promise that when we have ceased to deal with the items such as stimulants, in which he says there will be no change, the Ministry will, pending final revision, stop dealing with the Tariff. On the contrary, he promises that when we come to a particular item, which, in his opinion, is likely to be affected by a subsequent alteration, he will, if the Ministry think fit to do so, disclose the character of the subsequent alteration. But the effect of changes of this sort are matters of conjecture and opinion. The whole reason why the Ministry are engaged in revising the Tariff is that they miscalculated the effect of duties one on the other. It has been pointed out by the press and by honorable members that the duties have had an effect which the Ministry did not anticipate ; and yet they are going to make disclosures as to alterations only when in their opinion, a particular item is likely to be affected by subsequent alteration. I regret that under the policy of the Government it will be possible for the

committee to come to a vote on a question before the public know of the alteration. The committee will have to decide on the spur of the moment, or delay the proposal with a view to further consideration. If a vote be come to before the matter appears in the press, we shall be deciding, it may be, on some vital alteration of a far-reaching character, before the public know anything about it.

Mr Kennedy

- Surely the honorable and learned member is not depending on the press for opinions 1

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Mr GLYNN

- But the press is the chief means by which the public know what is going on here. Under the Minister's proposal a vital alteration may be decided on before there has been any opportunity for public criticism. If the Minister considers that fair to the commercial world, I differ from him ; and I am exceedingly sorry that the Government have not granted the obviously reasonable request for information.

Question resolved in the negative.

#### QUESTIONS

##### FREE-TRADE WITH NEW ZEALAND

Mr JOSEPH COOK

asked the Minister for Trade and Customs,upon notice -

Is it the intention of the Government to endeavour to secure reciprocal free-trade with New Zealand?

. If so, will the Federal Government take the initial steps, and when ?

Mr DEAKIN

- The Government are not proposing to take any action in the matter.

#### POSTAL NOTES

Mr KIRWAN

asked the Minister representing the Postmaster-General,upon notice - (1). What is the highest denomination of postal note issued in any of the Australian States ? (2). What is the highest denomination of postal note issued in Western Australia ? (2). What is the poundage rate on postal notes issued in the several Australian States? (4). Whether the Postmaster-General will direct that arrangements be made for the issue in Western Australia of postal notes at the stamp counters after the money-order branch has been closed ?

Mr DEAKIN

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

) . The highest denominations of postal note issued in any of the Australian States is £1.

. The highest denomination of postal note issued in Western Australia is 10s.

. The poundage rates on postal notes issued in the several Australian States is shown on the schedule annexed.

. The Postmaster-General, when framing new regulations, will direct that the same arrangements be made in Western Australia as in the other States for the sale of postal notes at the stamp counters after the money order branch has been closed.

#### PUBLIC SERVICE INCREMENTS

Mr JOSEPH COOK

asked the Minister for Home Affairs,upon notice -

Whether the Government intend paying the annual increments of Federal Public Service officers, as from the 1st July last ?

Sir WILLIAM LYNE

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

Incases where officers have statutory lights to definite increases of salary they are being paid, but in all others it is proposed to await the passing of the Estimates.

#### FARM, DAIRY, AND ORCHARD IMPORTS

Ordered

(on motion by

Mr.. Chapman,

for

Mr. McColl)



-

That there be laid before this House a return showing the imports of the farm, dairy, and orchard, and other allied products, into the six States of the Commonwealth from outside the States' boundaries for the years . 1898, 1899, and 1900, giving separate items, quantities, and values of each product.

#### TARIFF

In Committee of ways and means :

Consideration resumed from 1 2th November (vide page 7139) -

Division 1 - Stimulants. - Item No. 1 - "Ale, porter, and other beer, cider and perry, containing not less than 2 per cent. of proof spirit, viz. , in bottle, per gallon, 1s.6d. ; other, per gallon, 1s."

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Mr THOMSON

- In connexion with this item, it is very desirable that we should know whether the Minister proposes to effect any alteration in the excise rates when we come to discuss them. Although it was held that we could deal with this division without reference to any other portion of the Tariff, I think that our decision upon it would be affected if we knew whether, in proposing to give a very considerably increased protection or to farm out taxation to the brewing trade, the Minister intended to take any portion of it as extra excise. Dealing only with the import duty at the present time, I desire to point out that under this proposal a very considerably increased margin of protection is given to the brewers of New South Wales and Victoria, which represent two-thirds of the population of Australia. In New South Wales, under its State Tariff, the import duty was 6d. per gallon upon bulk, and the excise duty 3d. per gallon. I can say that the brewing trade, under the margin of protection which it has hitherto enjoyed in that State, has been an exceedingly prosperous one. The Treasurer has said that that has not been the experience of the brewing trade in Victoria. That, however, cannot be because the margin between the import and the excise rate has been too narrow, seeing that in New South Wales, where there was a smaller margin than existed in Victoria, the trade is a large and prosperous one. It must rather be due to a difference in local conditions. It is probably due to over capitalisation, or to the large number engaged in the trade, or to keen competition for tied houses. But these conditions, which may act injuriously to the brewing trade of Victoria, would operate under any margin of protection which might be given to it. It is not a sufficient reason for giving this increased margin of protection to say that the brewing trade of a particular State has not been prosperous. Again in three of the States an advantage is given by the Commonwealth proposals to the local brewer over that which he previously enjoyed under the State Tariffs, whilst in three of the smaller States, there is not the same margin allowed under the Commonwealth Tariff as existed under the State Tariffs. The protection hitherto afforded under the Tariffs of the smaller States protected the brewers there against the brewers of the other States. When we remove that protection and allow the brewers of the other States to compete with thorn, the only security they can have lies in their being able to produce beer as something like the same cost as the brewers in the other States. We do not give them protection against competition which would come from the other States by merely fixing a margin between the import duty and the excise. In these circumstances, I wish to know whether the Ministry propose to give an advantage which in New South Wales represents 41/2d. per gallon increased difference, and in Victoria, 3d. per gallon increased difference. It will be observed that these figures do not quite fit in with the difference between import and excise duties, but I may explain that I have allowed for the fact that in New South Wales hops and malt were previously admitted free, and that there is a proposal to increase the sugar duties. I have also allowed for the fact that in Victoria hops and malt are coming in at a lower rate of duty at the present time than was formerly imposed upon those articles. It seems to me that the Government ought to reduce the import duty in the interests of the revenue. That duty could very well be reduced. The brewers in New South Wales and Victoria would still have an advantage under this Tariff as compared with the old State Tariffs, if the duty were decreased to 1s. per gallon in bottle, and 9d. per gallon in bulk.

Mr Watson

- Is there not a large population who will continue to use English ale in their houses ?

Mr THOMSON

- I quite agree that the lower price of colonial beers does not induce some people to use them. Consequently some of those who at present drink English beer will continue to do so, but not the full

number who would do so if the prices were not forced up by this extra duty. That is clearly shown by a comparison of the imports of foreign brewed beer into New -South Wales and Victoria under their State Tariffs. Victoria imports 618,000 gallons of beer annually. There was a higher duty under the Victorian Tariff upon imported beer than existed in New South Wales. The duty in Victoria was 1s. 3d. per gallon in bottle, and 10d. per gallon in bulk.

Sir George Turner

- Upon some beer it was 1s. 6d. per . gallon.

Mr THOMSON

- On lager beer it was 1s. 6d. per gallon, but the duty upon the ordinary beer was 1s. 3d. per gallon in bottle, and 10d. per gallon in bulk. The total quantity imported into Victoria was 618,000 gallons. In New South Wales the total quantity imported was 1,397,594 gallons, which clearly shows the effect of the differing duties.

Mr Watson

- In Victoria the quality of the colonial beer was better.

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Mr THOMSON

- I do not profess to know sufficient about the quality to say whether that is so or not. But whilst Victoria received only about £32,000 from this particular line, a lower duty in New South Wales realized £46,000. These facts are evidence that under the duties which are now proposed we are unnecessarily sacrificing revenue. The trade has prospered in New South Wales, where the duty was 6d. per gallon in bulk and 9d. per gallon in bottle, with an excise duty of 3d. per gallon. I do not propose to move for any alteration in this item at present, but I think we should be acting wisely in the interest's of the revenue if we reduced the import duty to 1s. per gallon in bottle and 9d. per gallon in bulk, which would still offer a larger margin of protection to the brewers of New South Wales and Victoria than they have previously enjoyed.

Mr CONROY

- It is perfectly clear from the figures quoted by the honorable member for North Sydney, that this increased duty will really diminish the revenue to the Treasury. Of course the question is difficult to deal with until the committee are informed of the Government intentions in relation to the excise. It seems to me, that in imposing this higher duty, under existing circumstances, we are allowing a large sum of money to be diverted from the Treasury into the pockets of particular manufacturers. I am certain that before the debates upon the Tariff have closed the Treasurer will find himself in need of every available penny. Duties like these are purely revenue duties, and are not affected by the fiscal question. Therefore I should like to hear from the Minister whether the Government intend to increase the excise, or to keep the rate as it is.

Mr KINGSTON

- The idea of the Government was so get as much revenue as they fairly could from this particular line, and for that purpose we have had to consider the rates which have been adopted in the States, and to weigh the advice given to us by our officers. As the result of that consideration, we have adopted rates above those of New South Wales, and about on an average with those of Victoria.

Mr Thomson

- Above the Victorian rate.

Mr KINGSTON

- As regards importations in bulk.

Mr Thomson

- And also as regards importations in bottles, except so far as lager beer is concerned.

Mr KINGSTON

- The Victorian rate for beer in bottles, excluding lager, was 1s. 6d. a gallon ; the Queensland rates, 1s. 3d. in bulk and 1s. 6d. in bottle; the South Australian rates, 1s. 2d. and 1s. 6d. ; the Tasmanian rates, 1s. and 1s. 6d. - exactly what we propose; and the Western Australian rates, 1s. 3d. and 1s. 6d. The Canadian rates are lower, but in New Zealand there is a rate of 2s. a. gallon. We do not propose to increase the excise upon colonial beer, and we believe that the rates which we now propose will be more conducive to the result we desire to obtain than would any others. It is strange to notice how the tastes of the people of the different States vary. The taste of the people of New South Wales seems to be largely for imported beer,

though there is a large consumption of colonial beer. In this matter Western Australia tops all the other States to a very considerable degree, though in Victoria the consumption of colonial beer per head of the population is also very large. We think that under all the circumstances we shall do well to retain the rates that we propose, as they are very near the rates which have been adopted by the States.

Mr GLYNN

- I regret that, for revenue reasons, the Ministry did not reduce the rates upon beer. The old Victorian rates, prior to 1892, were comparatively small - I think 9d. a gallon.

Sir George Turner

- They were raised in 1892, and reduced again in 1895-6.

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Mr GLYNN

- I think they were raised in 1892 to 1s. and 1s. 6d., but, as there was a great loss of revenue, even the protectionist Ministry of the day found it necessary to reduce them again. What the Ministry practically ask us to do is to strike an average between the rates of the various State Tariffs. They suggest no improvement of those rates. The South Australian rates were excessively high, and an examination of the statistics shows how wasteful of revenue they have been. Their rates were 1s. 2d. in bulk and 1s. 6d. in bottle, and according to the South Australian Statistical Register the total value imported in bulk in 1900 was £992 ; and the total importation for home consumption 4,848 gallons. I have not the figures showing the importation for home consumption into New South Wales, but the total importation of that State in bulk in 1899 was 749,000 gallons, the rate there being 6d. per gallon. From those figures honorable members will see that the consumption in New South Wales was proportionately many times greater than that of South Australia.

Mr Batchelor

- So it would have been if the rates in the two States had been the same.

Mr GLYNN

- I do not think so. There might be some difference due to purchasing capacity, but surely that would not make the consumption in New South Wales 40 or 50 times as much as the consumption of South Australia.

Mr Batchelor

- The effect of taste and custom must also be taken into consideration.

Mr GLYNN

- Notwithstanding the statements of the Minister for Trade and Customs, I question if there are such differences of taste as would account for so large a difference in consumption. Taking the total importation into New South Wales, and comparing it with the importation into South Australia for home consumption, it is over 70 times as great, while, comparing the consumption of New South Wales with that of South Australia on the basis of the total importation, it is 30 or 40 times as great.

Sir George Turner

- They drink wine largely instead of beer in South Australia.

Mr GLYNN

- Other causes than the difference in rates may have contributed to the difference in consumption, though I do not know that we are largely a wine drinking community. The Tariff before us sacrifices revenue to a wanton application of the principles of protection. I fail to see how the Minister arrived at his estimates of revenue from these duties. From draught beer he expects £300 from South Australia, and £12,500 from New South Wales. But, applying the same rates to each State, the consumption of New South Wales should not be 40 times as great as that in South Australia. On the basis of population, it should be only about four times as great. As a matter of fact, however, the Minister has framed his estimates of revenue upon the returns from the existing duties.

Sir George Turner

- We made all allowances.

Mr GLYNN

- Under uniform rates, the Ministry ought not to expect more than five times or six times as much from New South Wales as they expect from South Australia. Not only are the proposed rates unjust and wasteful, but the estimates of revenue are, on the face of them, ridiculous.

Mr REID

- There is no question as to the excise, I think. The rate the Government propose is practically the same as that which has prevailed in New South Wales and in Victoria. If the excise duty is to be taken at 3d. per gallon, then, even if the Ministers consent to a reduction of the proposed duty, there will still be an enormous margin between the excise on the colonially-manufactured article, and the duty on the imported article. In New South Wales, which has the lowest rates, the duty on imported ale in wood is twice as much as the excise ; while, in the case of imported ales in bottles, the duty is three times as much as the excise. Therefore, if we reduce the rates of duty to the New South Wales rates, even the most ardent protectionist will have to admit that there will be a substantial margin. No doubt, these are the important revenue-producing items of the Tariff, but we might easily lose on the item before us £50,000 or £60,000 of revenue by over-pitching the rates on the imported article. Of course what the Government want is not so much a high rate of duty as a large amount of revenue, and if we look at the experience gained in New South Wales, we find that, with duties of 6d. and 9d. upon imported beer, they have derived a larger revenue than has been received in Victoria with duties of 10d. and 1s. 3d. Then there is another point to be considered in connexion with this Federal rate, and that is that the bottles will be charged for.

Sir George Turner

- No ; they were charged for under the Victorian Tariff, and that made a big difference.

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Mr REID

- Then there is no complication on that score, and we have a very simple question to consider, namely, whether the revenue of the Commonwealth would not be substantially safeguarded if we reduced the duty on beer in bottle from 1s 6d to 1s. I should have liked to see the New South Wales rates of duty adopted, but if Ministers think that that is not desirable, some substantial reduction should still be made in the interests of revenue. We know that £40,000 or £50,000 of revenue derived from beer would make up for a lot of interference with smaller items of the Tariff. From my point of view it would have been better to postpone the consideration of these items until we had finished with other divisions, because the Minister for Trade and Customs may have to reconsider the duties on stimulants in the light of what is done in other divisions. As both camps go to stimulants for revenue, we are on neutral ground in regard to these duties, and as a matter of revenue I would simply suggest that the duties should be decreased. It must be remembered by Ministers that the situation is radically different under the Federal Tariff from that under the separate State Tariffs. Take, for instance, the case of Queensland. The Victorian, as well as the New South Wales brewers, who produce what I believe to be a very good quality of beer, were shut out from Queensland and other States by the high duties. Now the situation has been altered, and the revenue will be eaten into to a very large extent by the free admission of beer brewed in one State into other States.

Mr Kingston

- We shall get the credit of the excise duty.

Mr REID

- Oh, yes ; but the difference becomes a very serious one, because there is a drop of from at least 1s. to 3d. upon every gallon of colonial beer that displaces the imported article. The duty, if reduced in the way I suggest, would still afford a thoroughly satisfactory protection to the colonial brewers, and I feel sure that the revenue would be increased. It is well known that the large brewers make enormous profits, and with the removal of the InterState duties, they will have a very much larger field of operations. In New South Wales the brewers have become very prosperous, with only a margin of 3d. in duty between imported bulk beer and that locally produced. New South Wales is one of the largest consumers of beer, and has been deriving a revenue of £46,000 per annum from the beer duty at the low rates which I have quoted, whilst in Victoria the total revenue has been only £31,000 even with the higher rates.

Mr Kingston

- The population of New South Wales is greater than that of Victoria by at least one-eighth.

Mr REID

- Still, it is well known that the total consumption of beer in Victoria is greater than in New South Wales. If we may judge from the experience gained in New South Wales the revenue from imported ale and beer under a high Tariff such as is now proposed will go down with a run. I do not ask the Government to come down as low as 6d. and 9d., but if they can see their way to reduce the duties to a substantial extent, I

think they will be doing well in the interests of the revenue. The colonial article has already secured the market, because it constitutes seven eighths of the total beer consumed by the people, and we can fairly look for a little revenue from the imported article, without any fear of injuring the local brewers. The colonial brewers will, under Inter-State free-trade, have the run of all the Australian markets, instead of being limited to the trade within their own State boundaries. This will be of great advantage to the brewers of New South Wales and Victoria, and if we do not meet that extension of local trade to a certain extent, by keeping moderate revenue duties on the imported article, we shall find at the end of the year that our revenue is less than we expect by £30,000 or £40,000.

Mr. BATCHELOR

(South Australia). I quite agree with honorable members opposite that the sole object of these duties is to obtain as much revenue as possible, and that very much less margin in the way of duty would afford a sufficient amount of protection to the local brewer. I do not think that if we reduced the duty by one half, it would in any way affect the price of colonial beer in any of the States, so that the sole question for us to consider is what duty is likely to bring in the largest amount of revenue. Upon this point I prefer to trust the responsible advisers of the Government rather than honorable members who, however wide their knowledge, are not likely to be so well informed upon all aspects of the subject.

Mr Poynton

- The results of the increases in the duties in South Australia were rather disappointing.

Mr BATCHELOR

- The duties on sparkling wines were disappointing because they were prohibitive. The increases in the beer duties did not lead to anything like the same result as did the increases in the case of sparkling wines, which destroyed revenue.

Mr Poynton

- They did not increase the revenue.

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Mr BATCHELOR

- The increased import duty, plus the excise duty, brought in considerably more revenue than the previous low import duty with no excise duty. The total amount of revenue from beer was considerably increased.

Mr Solomon

- In proportion to the population, the consumption of imported beer in South Australia is about the same as in any other State.

Mr BATCHELOR

- No, it is very much less. And that is where I think the honorable and learned member for South Australia, Mr. Glynn, was making an unfair comparison. There is a great deal of difference in the tastes of the people in the various States.

Mr Glynn

- In South Australia they rather like the English ale, but it is too dear for the public.

Mr BATCHELOR

- Surely the honorable and learned member knows better than that. He stated that South Australians did not drink more local wine than the people of New South Wales. The fact is that in New South Wales the consumption of wine is 67 of a gallon per head, while in South Australia it is 2.69 gallons per head. I claim to know something about the likes and dislikes of the average working man, and I know that if you place a glass of imported beer alongside a glass of colonial ale, he will turn up his nose at the imported beer, and take the colonial article.

Mr Reid

- The working man cannot afford the English beer - it is a matter of price.

Mr BATCHELOR

- I am eliminating the element of price altogether. It is purely a matter of taste ; they prefer the colonial article. The argument, apparently, is, that if we reduced the duty, a great many more people would drink the imported beer, and that, therefore, a greater amount of revenue would be derived even from the lesser duty.

Mr. REID

(East Sydney).- Whatever the other facts maybe in reference to the two kinds of beer, there is more or

less revenue to be produced from imported beer. We contend that more revenue will be got out of those who drink English beer if we do not put the duty too high - that more revenue is got by a moderate duty - and I fancy that is the light in which the Minister will look at the matter. There is a class who drink English beer, and to that we do not object; but we want to get a fair amount of revenue from them, and the more revenue we get the better.

Mr. BATCHELOR

(South Australia). It comes pretty much to the same thing. Either more people will drink English beer, or those who drink English beer will drink more of it.

Mr Thomson

- Fewer can afford to drink English beer at the higher rate.

Mr BATCHELOR

- The point put by the leader of the Opposition was that persons who care for English beer will consume more of it. If we reduce the duty by half, there will have to be twice as much consumed in order to raise the same amount of revenue.

Mr Reid

- In the case of South Australian sparkling wines, the duty had to be reduced because it was too high.

Mr BATCHELOR

- That duty was prohibitive, and the people would not drink the wines at all. All we want is the largest possible revenue, and I do not think we can come to any conclusion by drawing comparisons between the consumption per head in the different States. That is a very dangerous guide, because the habits of the separate communities are very different. I have heard South Australian people say that they would not drink beer brewed in Sydney, although that beer is probably as good as that brewed in South Australia. It is largely a matter of taste and habit, which perhaps have their birth in patriotism. That is the reason, I think, the consumption of dutiable articles in South Australia is much lower than in the other States, South Australians drinking and eating more of their own productions. I intend to follow the lead of the Government, who are responsible in this matter. If the Minister for Trade and Customs, after consultation with his officers, thinks he can get more revenue by reducing this duty, I am prepared to go with him. Protection does not enter into the question at all.

Mr KINGSTON

- I forgot to mention in quoting the Victorian rate that, in addition to the duties on the beer, there are charges in respect of the bottles, which increase the amount to 1s. 6d. per gallon as to quarts, and 1s. 9d. per gallon as to pints.

Mr Thomson

- That does not affect the bulk beer.

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Mr KINGSTON

- No ; only beer in bottles. But in view of figures like this, we see that the rate suggested is that which has been found to be convenient in five out of the six States and in New Zealand. We all admit that this is not a matter of protection, but one of a desire to obtain as much revenue as can be fairly obtained. And the fact that five out of the six States have the rate now suggested carries more weight than if only four had adopted that rate, or if the States had been evenly balanced in the matter. If we were to reduce the rate to that of New South Wales, the importation of beer would have to be doubled in order to get the same amount of revenue.

Mr Thomson

- Not in New South Wales.

Mr KINGSTON

- The question must be looked at from an all-round stand-point. The other States would have - to double their imports in order to maintain their present receipts, if the rate be reduced by one half.

Mr Hughes

- Is the right honorable gentleman assuming that the present consumption will be constant with the alteration, of duty 1

Mr KINGSTON

- We cannot assume that. We are not looking at this as a question of protection to the local brewer ; but I

want to emphasize the fact that if by increasing the duty on imported beer, we increase the consumption of local beer to any considerable extent, that fact will have to be considered in regard to the revenue we are getting from the two kinds of beer. It has been pointed out that New South Wales has derived a large revenue from imported beer at her recent rates. The figures quoted show that that State receives £46,000 from imported beer, -as against £31,900 received in Victoria. That is a difference of £14,000 ; but we have to consider that the population of New South Wales is more by one-eighth than that of Victoria, and that if the population of Victoria were the same, the latter State would receive £36,000, or only £10,000 less than New South Wales. If the large importation affects the consumption of local beer, we have to look at the question from that point of view. If we tax. the local beer 3d. per gallon, that will realize £1.2,500 for every million gallons ; and the question is, whether the consumption of local beer will make up for the difference of £10,000. I think it will. As regards the duty on imported beer, it has been pointed out that 618,000 gallons .produced in Victoria £31,900, as against £46,000 produced by the importation of 1,397,000 gallons into New South Wales. The consumption of local beer in Victoria is in excess of that of New South Wales by more than 1,250,000 gallons in the year, Coghlan showing that the annual consumption of beer in New South Wales is 12,446,932 gallons, as against 13,704,563 gallons in Victoria. There is a smaller population in Victoria, so that the consumption in this State is about two gallons per inhabitant more than in New South Wales. The actual consumption per inhabitant in New South Wales is '9\*58, and in Victoria 11-77, a difference of 2-18, or not very far short of 25 per cent. Assuming that the two .things are in some way connected, we recognise that there are people who consume imported beer and who will not consume colonial beer, while there are some who take colonial beer and who do not consume imported beer.

Sir William McMillan

- Is the rate proposed not an ;extreme one 1

Mr KINGSTON

- I do not think so. The Government consider that it is a rate which will produce the largest amount of revenue. I have shown on the balance of accounts, that so far as revenue per head is concerned, Victoria does much better than New South Wales, and, fortified by the advice of those who know our wish to obtain as .much revenue as we can get, we think it would be well to adhere 'to our proposals.

Mr. HENRY

WILLIS (Robertson).The Minister has, I think, shown us that the Victorians are a beer drinking people. From my experience of South Australia, I should say that if the people in that State can get English beer at a figure very little higher than that which they .pay for colonial beer, they will take the former in preference.

Mr Batchelor

- Why

Mr HENRY WILLIS

- The honorable member for South Australia, Mr. Batchelor, said that in that State the people prefer colonial ale to English ale. I remember that there was an hotel in Adelaide 20 years ago where they sold -English ale on draught, and the people swarmed to that hotel, because -English ale could be bought . for very little .more than was charged for colonial. That was the Exchange Hotel.

Mr Kingston

- The proprietors of which have now started a local brewery.

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Mr HENRY WILLIS

-And they now sell their own ale instead of the English. If, however, it were not that they had their own brewery, in all probability they would have continued to sell English ale. In any case, that does not alter the fact that when the South Australian people can get English beer they prefer it to the local brews, which are inferior to those of Sydney.

Mr.Watson. - The Sydney beer has improved in quality during the past ten years.

Mr HENRY WILLIS

- They are a beer-drinking people in Victoria just as they are in South Australia. The poorer the community the greater is the consumption of beer. In the town of Killarney there are SO hotels, although the population does not number more than 5,000, and they are in a very poor condition. This fact bears

out the contention that the poorer the people the more beer do they consume.

Mr Kingston

- Is it not the visitors who consume the drink there ?

Mr HENRY WILLIS

- I do not think so. With a lower duty operating in New South Wales, the people consume more English ale per head of the population than colonial beer, but as has been pointed out by the honorable member for Bland, the colonial beer in New South Wales is of very excellent quality. It is quite equal to that of any beer brewed in Australia. The instances given by the Government and their supporters go to show that a lower rate of duty would result in a larger amount of revenue being raised.

Mr PIESSE

- I altogether disagree with the remarks of the previous speaker, who stated that the poorer the community the greater will be the consumption of beer. Unfortunately the experience of Australia is quite the reverse. In Western Australia the consumption of beer per head over a period of five years is 23 gallons.

Mr Henry Willis

- They have a greater proportion of men there.

Mr PIESSE

- I am well aware of that, and that is the true explanation. At the same time it does not fit in with the honorable member's theory. The question under consideration, however, is whether these duties of 1s. per gallon in bulk, and 1s. 6d. per gallon in bottle will affect the consumption of beer so as to produce more or less revenue to the States. If the factor of duties does operate, it ought to operate on all the States in the same way. Western Australia, Queensland, and South Australia had practically the same duties operating, but the consumption of imported beer in the first-named State was 41½ gallons, whilst in Queensland it was only 91 gallons, and in South Australia 41 gallons. The contention of honorable members upon the other side of the House is that with a less duty more beer will be consumed. True, there is a slightly larger consumption in Victoria than in South Australia, but that excess is not at all commensurate with the difference in the duty which existed, and the spending power of the two populations. The Victorian consumption was 44 gallons, whereas the consumption in South Australia was 41 gallons. There does not therefore seem to be much reason in the argument that to alter this duty, which has been a long-standing one and which cannot be said to have been protective, would be wise. I think it would be better to accept the proposals of the Government.

Mr. D.

THOMSON (North Sydney). I wish to point out that the margin between the import duty, and the excise upon the local manufacture is a protection, and it is right to ask, when in New South Wales a margin of 3d. per gallon has been a sufficient protection to the local brewer, why it should now be sought to raise that margin to 9d. per gallon. Is it not an extraordinary proposition? I do not for a moment say that the manufacturers will take advantage of the whole of this difference, or that they will increase their rates, but the point is that we give them the power to do so. If 3d. per gallon has been a sufficient advantage hitherto, enabling New South Wales to establish a successful industry, where is the necessity for giving the brewers an additional 6d. per gallon? Under this proposal they could charge another 2d. per gallon to the consumer if they chose.

Sir George Turner

- But we have over 40,000,000 gallons of colonial beer consumed, as against 3,000,000 gallons of imported beer.

Mr THOMSON

- That is under present conditions, and what need is there to increase the margin ?

Sir George Turner

- To help those States which had the higher rates.

Mr THOMSON

- Those States will not be helped one bit, for the reason that their local Tariffs were not directed against the British beer, but against the brewers of the other States.

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Sir George Turner



- The people who drink imported beer will not consume the colonial.

Mr THOMSON

- It is not against the foreign beer that they desire protection so much as against beer which is brewed in the other States.

Mr Harper

- For the next five years the State consuming 'the beer will have to pay the duty of 3d. per gallon.

Mr THOMSON

- That does not affect the question, except as regards the amount of revenue which will be yielded. The Treasurer has said that the reason for increasing the rate in the two large States, is to protect the other States which had higher import duties.

Sir George Turner

- To protect their revenue.

Mr THOMSON

- How can it protect their revenue ?

Sir George Turner

- If we reduce their rates they will not drink more imported beer than at present, and they will receive only about one-half of their former revenue.

Mr THOMSON

- We are arguing another matter now. I repeat that if in New South Wales a protection of 3d. per gallon was sufficient to enable the brewers to conduct a successful business, there is no reason why we should give them an extra 6d. per gallon. The rates which I propose are still in excess of those which New South Wales and Victoria have hitherto enjoyed. I move -

That the duty "ale, porter, and other beer, eider, and perry..... in bottle per gallon I s. 6d." be reduced to the sum of 1s.

Subsequently I intend to move the reduction of the duty on ale imported in bulk to 9d.

Mr. REID

(East Sydney). - Let us apply the argument which has been applied to the bottling of imported beer in bulk to the making of colonial beer. Why should not the Government have added something to the excise rates

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Mr Kingston

- We have done so in the case of some of the States.

Mr REID

- Let us deal with the two States whose breweries are in the strongest position - with Victoria and New South Wales. In New South Wales the excise was 3d., and in Victoria, upon a production of 600,000 gallons, 2d., and 3d. upon a production of 13,000,000 gallons; so that we may regard it as practically a 3d. rate. Consequently, it is fairly accurate to say that in the two larger States the rate of excise remains unaltered. But with regard to the import duties, the

New South Wales rates have been increased from 6d. to 1s., and from 9d. to 1s. 6d. Suppose, however, the excise duty had been increased by 1d. per gallon. What a terrific outcry we should have had from all parts of Australia against the attempt to ruin the colonial brewing industry ! Honorable members seem to forget that the revenue from the imported bottled article will be seriously reduced by the competition of the great breweries of Victoria and New South Wales all over Australia. Perhaps none of us have any idea what remarkable changes will take place in regard to some of these items. The Tariff of Western Australia levied duties upon the beer produced in Victoria, but under this Tariff the Victorian beer will have the run of the Western Australian market.

Mr Harper

- In competition with the imported article.

Mr REID

- That is understood. The intention of the Treasurer is to return as much revenue as possible to the States which specially need it, and he sees that in those States the duties have been high. In Queensland, for instance, the duty is 1s. 3d. and 1s. 6d., and in Western Australia 1s. 3d. and 1s. 6d. ; and the Treasurer wishes to return to those States as much revenue as they formerly obtained. But the competition of the Melbourne and Sydney brewers in those States will make a radical change.

Mr Harper

- It may displace the locally made beer.

Mr REID

- Their competition will be felt in two ways. The comparatively weak breweries in those States will be overthrown by the big brewing industries of Melbourne and Sydney.

Mr Harper

- But the excise duty upon the Melbourne and Sydney beer will be credited to the States where the beer is consumed.

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Mr REID

- That excise duty amounts to only 3d. per gallon, as against 1s. or 1s. 6d., which was formerly charged upon both British imported beer, and beer coming from other States. I do not think, however, that the difference will be so important to the smaller States as to the Commonwealth. It seems to be that in the attempt to return revenue to the smaller States, we may seriously injure the general revenue of the Commonwealth. I should have liked the honorable member for North Sydney to make a proposition, not quite so drastic, to reduce the rates, say, to 1s. 3d. and 9d., which would make them practically the same as those of Victoria, which are 1s. 3d. and 10d.

Mr Poynton

- What was the importation into Victoria last year?

Mr REID

- My figures show that the importation in wood in, I think, 1900, provided £2,715 of revenue, while the beer imported in bottles provided £27,900 of revenue. From lager beer the revenue was £1,283, or £32,000 altogether. In New South Wales we do not drink so much beer per head, but on our lower duties we obtained £46,000 of revenue- £12,500 from beer imported in bulk, and £33,600 from beer imported in bottles. If there is anything in the contention that to increase the excise duty by 1d. per gallon would seriously injure the consumption of colonial beer, there must be something in the contention that to increase the duty upon imported beer by 6d. per gallon will interfere with the consumption of the imported article. I should like the Government to consider whether, in the general interest, they cannot take the Victorian rates.

Sir GEORGE

TURNER (Balaclava). This is not a question of protection, in any shape or form, since the colonially-manufactured article amounts to over 40,000,000 gallons and the imported article to only 3,000,000 gallons. I do not think, however, that there is any fear of the brewers being able, even if they desired to do so, to take advantage of any increase in the import duties, because the competition amongst them will be so keen that they must keep down their prices. The only question we have to consider is that of revenue. I admit that the increase of the New South Wales rates will, in all probability, mean a loss of revenue, and there might also be a slight loss of revenue in Victoria. But we have to consider not the position of the two States which will get more than they require out of the Tariff, but the position of what we may call the poorer States. In Queensland, Tasmania, and South Australia they have a high rate upon imported beers, and, according to the information which we have received, they - and especially is this true of Queensland - probably consume up to their full power. Therefore, if we reduce the import duties, we must reduce their revenue. I admit that if we make a duty too high we may kill revenue; but, as these States have been collecting a large revenue from the rates hitherto imposed, we must take that fact and their situation under consideration. The last suggestion made comes nearer to our proposal, but still I do not see why we should accept it. We ought not to make too heavy a reduction in those States which we have specially to consider. We are making a reduction in some of them in order to bring the duty down to what we considered a fair amount. We have been careful to make the fullest inquiry, and we have come to the conclusion that the duties we have suggested will best meet the requirements of those States which specially need revenue. Under these circumstances, I regret that I cannot see my way to accept the proposal of the honorable member for North Sydney or the suggestion of the leader of the Opposition.

Mr CAMERON

- The Treasurer has said a good deal as to the necessity of studying the requirements of the smaller

States, and whilst I admit that the smaller States will require all they can get, I think it should be remembered that the moment we put on high duties we shall check consumption.

Sir George Turner

- That is, if we increase the duty. I admit that ; but decreases of duty do not always bring about an opposite result.

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Mr CAMERON

- The consumer has the option, so far as beer is concerned, of slaking his thirst on colonial beer, which bears only a small duty, or on the English article, which is much more expensive. The smaller States will not get any revenue worth speaking about from the import duties, but if the excise duty were increased from 3d. to 4d., the impecunious States would derive a very large amount of benefit from the increase. At the same time, we should do away with what seems to afford protection in a case where none should exist.

Mr. CONROY

(Werriwa).- The Treasurer has informed us that the consumption of colonial beer throughout the Commonwealth amounts to 40,000,000 gallons, as against 3,000,000 gallons of imported beer. Therefore, if the sole object of the Treasurer is to derive revenue he should put an increased duty on the article which is most largely consumed. If he could, by reducing the duty on the imported beer, induce a much larger consumption than at present, it might be more beneficial from a revenue point of view, than to have small importations of beer bearing a high rate of duty. If we lower the duty upon the imported beer to the rate already paid in New South Wales, we shall have a much firmer guarantee of a large revenue than if we greatly increase the duty. The Treasurer seems to have entirely overlooked the effects of sweeping away the Inter-State duties, because, as the leader of the Opposition has pointed out, the chances are that in some States the imported beer will be very largely displaced by the locally-brewed article. There must be a tendency towards an increased consumption of locally-brewed beer and the revenue derived from the imported article must decline. I cannot understand the basis upon which those who have advised the Government in framing these duties have made their calculations, or what induced them to recommend such increases as are here proposed. The whole secret of true finance, in such a matter as this, is to find out exactly to what point the duties can be raised without diminishing the consumption, in order that the largest revenue may be raised. But the Treasurer has exceeded all reasonable limits and I think some explanation is due to the committee regarding this large increase. The people of New South Wales will certainly want to know why this extra amount of money should be thrown into the pockets of two or three large brewers there. If the price they pay does not affect the local brewers, it would be well for us to raise the excise duty, and thus benefit the revenue to a much larger extent than will be possible by levying a duty, of whatever amount, on imported beer. So far as I am concerned, if I knew that the Ministry were prepared to increase the excise duty upon colonial beer from 3d. to 6d. per gallon, I should not be inclined to strongly oppose an increase in the duty on imported beer. If the extra price does not affect consumption, as some honorable members seem to assume - although I think it does - we should get double the revenue with an excise duty of 6d., that we derive now with an excise of 3d. per gallon. We have to decide this matter purely from the point of view of the capacity of the article to produce revenue, and if we study the necessities of the various States too much, we shall reduce the revenue of the Federal Government, and render it incapable of - giving the assistance which may be required by the

States. At the very worst these smaller and more necessitous States cannot be affected to the extent of more than £3,000 or £4,000 a year by a reduction of the rate of duty upon imported beer, whereas the general results will be distinctly favorable to the Federal Government. I think the effect of a higher duty will be to diminish the consumption of imported beer, and the revenue will suffer to the extent of 1s. for every gallon of imported beer that is displaced by the colonial article.

Mr HUME COOK

- Will the publicans put up the price of imported beer 1

Mr CONROY

- In those States where the duties on imported beer are already as high as those now proposed, there will be no difference, but in New South Wales there has already been a considerable increase in the price of

imported beer. I should have thought that a Federal Government, who had expressed their ardent wish to sweep away the State barriers, and to speak for Australians, would not have been guided any longer by State interests ; but on two-thirds of the people of the Commonwealth the Government are putting very much increased taxation in relation to this particular article.

Mr Mauger

- Is that not a good thing?

Mr CONROY

- I do not think taxation of any kind is a good thing. I agree with the honorable member that taxation on beers, wines, spirits, and tobacco is a means of raising revenue about which there may be less difference of opinion than in regard to many others ; but the moment we reach the point at which the maximum of revenue can be produced, further increases should cease. The effect of the Government proposal, not this year, but certainly after twelve or eighteen months, will be to lessen the amount of revenue they hope to derive from this taxation. The Minister for Trade and Customs has gone beyond the point at which he can reasonably hope money will be brought into the Treasury ; and I shall have great pleasure in supporting the proposal of the honorable member for North Sydney. As regards two great States containing two-thirds of the population of the Commonwealth, the taxation is being very materially increased.

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Sir EDWARD BRADDON

- We should bear in mind that five of the States of the Commonwealth will incur a very considerable loss-of" revenue if this duty is- diminished. I hope for the sake of temperance that it is not contended that consumption will increase to such an extent as to make up the sacrifice. If there be any desire, as no doubt it is right and proper there should be, to bring the duty and excise more closely together, it would be better to increase the excise and leave the duty alone. Beer is, after all, a luxury, and I do not think that it will be argued that imported bottled beer is necessary to any one. If I thought for a moment that imported bottled beer could be regarded as a necessary of life, I should vote for a reduction of the duty.

Mr A C GROOM

- If the Minister for Trade and Customs will look at Coghlan, pages 417 and 418, he will see that the amount of imported beer which enters New South Wales is four times the quantity that enters Victoria. The total quantity imported into New South Wales is 1,682,067 gallons, and in the case of Victoria, 493,682 gallons. These figures clearly show that the lower duty encourages the imported article, and therefore produces much greater revenue. The total consumption of beer in New South Wales is 12,446,932 gallons, while the beer locally produced is 10,764,865 gallons. In Victoria the total consumption of beer is 13,704,562 gallons, while the beer locally produced is 13,210,880 gallons. On these figures we see that, as I have said, four times as much beer is imported into New South Wales as comes into Victoria. If we take the four States with the higher import duties, we see that their total importations of beer do not come to as much as those of New South Wales alone ; and that distinctly shows that the question of the higher rates in the other colonies is not worth consideration from the standpoint of revenue. The consumption of imported beer in Victoria, with the lower duty, instead of being 493,682 gallons, would probably be something like 1,250,000 gallons, and an enormous revenue would be obtained from the difference.

Mr HUGHES

- I cannot exactly see how the Treasurer or the Minister for Customs makes out that we are likely to get a larger revenue on the increased rate. I notice that the total quantity of beer imported was 3,843,437 gallons, for 1899-1900, and of that 1,682,067 gallons, or, roughly speaking, about 46 per cent., was consumed in New

South Wales. The total customs paid on that beer was about £150,000; Now it is proposed to raise the duties, and although the Treasurer has distinctly stated that he anticipates a lessened consumption, the amount of that lessened consumption must remain a matter for conjecture. To double the duty will certainly act as a serious deterrent from the consumption of imported ales, in the case of all but those to whom 6d. or 9d. per gallon is a mere matter of indifference. I should raise no objection if it were proposed to divert that money into the consumption of colonial ale, if that article were made at once purer and cheaper. But this committee has no control over the manufacture of beer. It can simply impose a duty

upon the imported article, and by so doing compel the people to drink colonial beer.

Sir Edward Braddon

- But beer is not a necessity?

Mr HUGHES

- I agree with the right honorable member, but a number of enthusiastic citizens of Australia have made it so. To a large number of working men it is a necessity, as is anything that one chooses to make so. It is not proposed to make the colonial article any cheaper, and therefore I desire to know where the Treasurer is going to get his revenue. There appears to be absolutely no reason to believe that the revenue will not be seriously diminished by the imposition of this tax. In New South Wales last year the receipts from this source totalled £150,000. In other words, 46 per cent. of the total revenue which the Treasurer expects to get from this source was received from the State in which it is proposed to increase the duty by 100 per cent. The inevitable effect of this duty will be to strike a blow at the consumption of imported ale, so that it may reasonably be assumed it will diminish by 50 per cent. If £50,000 is thus lost, how does the Treasurer propose to make the amount up ?

Sir George Turner

- If we import half the quantity, and pay double the rate, we shall collect the same amount of revenue.

Mr HUGHES

- Does the Treasurer say that, notwithstanding the fact that the consumption is lessened, the revenue will remain constant?

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Sir George Turner

- I have allowed for a considerable falling off in New South Wales in consequence of the increase.

Mr HUGHES

- We have no figures to show the extent of the falling off which has been allowed for by the Treasurer. We require more exact data. It appears to me that this duty will wipe out all the revenue which has hitherto been derived from draught beer - at any rate, in New South Wales. Bottled beer also will be affected. In the face of this prospect the Treasurer contends that he has allowed for a diminished consumption.

Sir George Turner

- I expect that about £50,000 will be collected in New South Wales.

Mr HUGHES

- We are getting £49,000 there now.

Sir George Turner

- We calculate that New South Wales will collect about the same amount.

Mr HUGHES

- That seems most extraordinary.

Sir George Turner

- Does not the honorable member see that the rate is doubled.

Mr HUGHES

- In this connexion I do not consider how much or how little the people drink, but I am concerned about the amount of revenue that is to be derived from this source. If the Treasurer will state how he arrives at his conclusion we shall be better able to deal with the amendment of the honorable member for North Sydney. In my judgment the Treasurer would be acting wisely if he accepted a modification of that amendment. I venture to say that he will find himself some £25,000 out in his calculations. I deplore his attitude and regret that he has not furnished the committee with the data upon which he has arrived at his extraordinary conclusions.

Mr. THOMSON

(North Sydney).- I desire to say a few words only, before asking permission to withdraw my amendment in favour of the suggestion of the leader of the Opposition. The proposal of the Government, to increase the margin of profit to the local brewers without taking one fraction of it for revenue purposes is to my mind a most extraordinary one. I should not have objected to the increase if the Government had declared their intention to ask for a much smaller increase proportionately in the excise. They have said that they do not intend doing so, and, therefore, I accept the suggestion of the right honorable member for East Sydney. I ask leave to withdraw my amendment with a view of substituting one having for its object the imposition of

the Victorian rate of 1s. 3d. per gallon in bottle and 10d. per gallon in bulk.

Mr Kingston

- The Victorian rate includes a duty upon bottles as well.

Mr THOMSON

- But the local brewer pays duty upon his bottles also. We cannot omit that consideration when comparing the two. I ask leave of the committee to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. CONROY

(Werriwa).- The contention of the Treasurer that we should keep to the high rates here proposed, in order to meet the necessities of the three smaller States, at first appeared to me to be a sound one, considering the peculiar circumstances under which we federated, but I think that if he again looks through the figures, he will find that a mistake has been made. So far as I can judge, the revenue that will be obtained from these higher duties will be no more, and in the case of two of the States, somewhat less; than that at present obtained. No doubt the consumption will remain about the same, but the breweries of Sydney and Melbourne will supply a great deal of the beer consumed.

Sir George Turner

- We took that fact into consideration. Hobart beer will no doubt go to Queensland, for example.

Mr CONROY

- I hold that under these circumstances the rates are too high, and that a larger amount of revenue could be obtained by imposing lower duties. For that reason I move, in the absence of the honorable member for North Sydney -

That the duty on "ale, porter, and other beer, eider and perry . . . in bottle, per gallon, 1s. 6d.," be reduced to the sum of 1s. 3d.

I understand that those were the Victorian rates, though in Victoria there was also a duty upon the bottles.

Sir George Turner

- Yes ; calculated at 6d. a dozen, which meant a good deal.

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Sir WILLIAM McMILLAN

- I think that the Ministry might compromise with us on this question, because they will be able to alter any of these items later on if they find that the results do not accord with preconceived ideas in regard to them. In framing this Tariff we should try to adopt sound principles. We ought not to say that, because certain rates have been imposed by certain States, very often under pressure, and for reasons -which have nothing- to do with the raising of revenue, we should adopt the highest of them.

Sir George Turner

- We have not done so. We have adopted lower rates than those of Queensland, South Australia, and Western Australia, and, practically, of Victoria.

Sir WILLIAM MCMILLAN

- It seems to me that some consideration should be shown to a State whose population equals one-third of the entire population of the Commonwealth, and that in framing this Tariff we should have regard to the proportionate interests of the States. I am satisfied that, from a purely revenue point of view, these duties should be reduced, and I hope that Ministers will accept the amendment which has been moved, and thus close a wearisome, and apparently otherwise interminable, debate.

Sir George Turner

- I should be glad to meet the honorable member if I could see my way to do so.

Sir WILLIAM MCMILLAN

- I should like the people of New South Wales to feel that, whatever may be the preconceived opinions of at least two of the Ministers who come from other States, their views and precedents will receive consideration. In that State rates of 6d. and 9d. have proved remunerative, but, if the increase is proposed, many people who prefer the imported article will have the colonial article forced upon them.

Mr KINGSTON

- I feel it very difficult to refuse the honorable member's request, but we have given this matter our best consideration. We have listened to everything that could be said in favour of a reduction, and we feel that we must keep to our proposals. I hope that the time will cease when it will be suggested that, because an

honorable member comes from a particular State, he is not willing to do justice to the whole Commonwealth. We consider that we are doing our best in the interests of Australia as a whole. I would point out to the honorable member -for Wentworth that, in regard to the next item, spirits, we propose a duty of 14s. per gallon, which is the New South Wales rate, but not the rate of the majority of the States.  
Mr. A.

C. GROOM (Flinders).- Is the answer which the Minister has just given the answer which we are to receive in regard to every item, that Ministers has'e considered these proposals from every point of view, and are going to stick to them

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If so, we shall know what to expect. If the Government will not give way when reasonable grounds are advanced for making reductions in the duties, we shall be landed in trouble. There is no party feeling in regard to a duty of this sort, as we are all anxious to do the best we can to raise revenue, but it seems to me that the Government are putting a party aspect upon this question, and that they are exercising a rigid control over their supporters, and trying to apply the iron hand to the House generally.

Mr MAUGER

- I have not spoken on this item, simply because I do not know much about beer, but I resent the inference that there has been any attempt on the part of the Government to control its supporters. We are exceedingly desirous that the business of the country should proceed, and we do not intend to waste time by using a number of words that mean absolutely nothing. It does not follow that because the Minister has decided to stand by this item he is going to resist every attempt to bring about a reduction of duty.

Mr. CONROY

(Werriwa).- In Victoria we have an instance in which an increase of duty did not produce an increased amount of revenue.

Sir George Turner

- I admit that.

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Mr CONROY

- When the beer duties were raised in Victoria it was found that they did not bring about an increase of revenue, and they were afterwards reduced. I admit, 'however, that the State was at the time passing through a period of very serious depression, which may have been partly responsible for the diminished consumption. It is clear that whilst the excise duty on colonial beer is fixed at 3d. per gallon, an increased duty on imported beer will not tend very materially to swell the revenue ; and our object should be to bring about a consumption of the beer which pays the heaviest amount of duty, and thus secure as much revenue as possible. The more the matter is looked into, the more apparent it becomes that the tendency of an increased duty will be to diminish the consumption of imported beer, and consequently so much less revenue will be derived by the Commonwealth. If the Tariffs of the various States are closely examined, it will be found that in many cases the effect of high duties has been to lessen consumption, and to diminish rather than increase the revenue. I think the Ministry might confer with their officers upon this point, and that they might be guided to some extent by those who have had practical experience as to the effect of increased duties.

Mr. HENRY

WILLIS (Robertson).- I have not heard the Minister refer to the figures quoted by the honorable member for Flinders, showing that the consumption of imported beer in New South Wales has been greater than in Victoria.

Sir George Turner

- We knew all about that.

Mr HENRY WILLIS

- It appeared to me that the figures came as rather a surprise to Ministers, because they had been arguing in the opposite direction. As much revenue as possible should be derived from stimulants, so that the duties on other articles which partake more of the character of the necessities of life may be correspondingly reduced. If the duties were reduced in the manner suggested by the honorable member for North Sydney, the effect would be to produce more revenue in New South Wales than would be raised under the Government proposals.

Sir George Turner

- We expect to derive about the same amount of revenue as under the old duties.

Mr HENRY WILLIS

- A much larger amount would be raised if the duties were reduced.

Sir George Turner

- We must consider Queensland as well as New South Wales and Victoria.

Mr HENRY WILLIS

- In Queensland the duties are 1s. 3d. and 1s. 6d., whereas in Tasmania they are 1s. and 1s. 6d.; and I understand that the Treasurer is of opinion that if the duties were reduced to 1s. 3d. and 10d. there would be a material loss to those States.

Sir George Turner

- I do not think Queensland would drink any more if the duties were decreased.

Mr HENRY WILLIS

- I would direct attention to the 'fact, as exemplified in the case of New-South Wales, that the amount of revenue derived from low duties is very much greater than that raised at higher rates ; and I think that the Government should give very serious consideration to the arguments brought forward by the honorable member for North Sydney, and the honorable member for Wentworth, who have had practical experience, and who believe that it would be to the interests of all the States if the duties were reduced.

Mr KIRWAN

- I think no apology is needed from any representative of Western Australia for taking part in a discussion on beer, considering the consuming capacity of the people of that State, and the enormous amount they contribute to the revenue through duties on stimulants. According to the return prepared by the Government, Western Australia will contribute in the form of duties on bottled and bulk beer something like £26,000. Tasmania, with a population slightly smaller than that of Western Australia, will pay only £4,600. South Australia, with a population of nearly, if not more than double that of Western Australia, will contribute something like £8,500, as against £26,000 contributed by Western Australia. According to the estimate prepared by the Government of the duties on stimulants, Western Australia will contribute', apart from excise, a total of £194,000, so that although that State has only one-twentieth of the population of the Commonwealth, the people there contribute one-tenth of the revenue from this source, or double the average share per head in the other States.

Sir George Turner

- The rates in Western Australia are lowered.

Mr KIRWAN

- Although the rates are lowered, the people there have to pay one-tenth of the whole of the customs duties on stimulants.

Sir George Turner

- The (State keeps the money.

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Mr KIRWAN

- But the money has to come out of the pockets of the people. I mention this to remind the Ministry and the committee of the enormous amount that is contributed by Western Australia on this division alone, and I hope that when, later on, we come to deal with other lines, which press very heavily on that State, the committee will take the fact into consideration. The Minister for Trade and Customs is continually making fun of the quantity of intoxicants consumed in Western Australia. But he knows that the climate there is exceptionally dry, and that the males greatly outnumber the females. Further, I am reminded that water is exceedingly scarce on the gold-fields, and that the water is often so impure that people have an idea that it is very dangerous to drink it. At any rate, I hope that the Minister for Trade and Customs will not forget to remind the House - he does not forget usually - of the amount contributed by Western Australia when the other lines I have mentioned come on for consideration, and when Western Australian and other honorable members will be asking for reductions in the duties. I shall support the amendment of the honorable member for North Sydney. It may be thought that that is an extraordinary position for me to take up, seeing that the argument advanced by the honorable member, which I believe is the correct argument, is that if the rate be reduced the revenue derived will be greater than that from the increased



rate proposed by the Government. If that argument applied to Western Australia it would increase the disproportion to which I have referred, but I support the amendment, because I agree with the statement made by the Treasurer that certain States, Western Australia amongst them, have reached their consuming capacity as regards beer, and that, whilst the reduction would undoubtedly increase the revenue in some of the States, it would not have that effect in the western State. The population per head is richer in Western Australia than in the other States, and the difference would not be regarded by the people so much as it would be by those in the eastern parts of the Commonwealth. While the argument of the honorable member for North Sydney is quite a correct one so far as some of the eastern States are concerned, I do not believe that the reduction will increase the revenue in Western Australia. Of course, it might have the effect of increasing the consumption to a small extent, but even with the increase in consumption, it does not necessarily follow that there would be an increase in the revenue, because if the rate be reduced, then an increase in the consumption is absolutely necessary in order that the revenue may come up to the total that would have been derived under the old rate. Therefore I do not think that the amendment of the honorable member for North Sydney will in any way act detrimentally, at any rate to Western Australia. This very first item on the Tariff shows how extraordinary is the position that the Government took up to-day in declining to tell us what their proposals are.

We understand that certain amendments are to be made, but we do not know what the amendments are, and it is unfair to consider any of the items independently, because to consider each on its merits will hardly enable us to do justice to the whole Tariff. Each item hangs on the whole Tariff, and it is rather a pity, in considering whether the revenue is going to be decreased or increased, that we do not know how increases on a particular item will affect the whole of the proposed imposts. The Government by declining information have placed each and every member of the House in an awkward position. After the no-confidence motion was settled, I think there was a desire amongst a good many members to work together, and, bad as the Tariff is, to do the best with it. But now anything we do is merely tinkering with the Tariff, and we do not know where it is all going to end. Nobody but the Government will be to blame if, at the end, the Tariff is in a perfect state of muddle and chaos.

Mr. REID

(East Sydney). - Reference has been made to information which public officers have placed before the Government in connexion with these items, and I should like to know if the Minister can give us any information as to the effect of the suggestions in the way of encouraging the sale of colonial beer - that is, the effect of the operation of the excise of 3d., and the uniform duty of 1s. and 1s. 6d. Have any calculations been made on the matter? If the object of the Government is to increase the duty on imported beer, in order to return as much revenue as was paid before to the smaller States, it seems to me that, with the free run which the Sydney and Melbourne brewers will have, there will be a very serious displacement, and the Government will get 3d. per gallon where, under the Tariff, they expect 1s. and 1s. 6d.

Sir George Turner

- The right honorable member assumes that the colonial beer will compete with the imported beer; but I doubt that very much.

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Mr REID

- I have to assume a new set of conditions, which we know will occur, and of which we do not quite see the end. No one regrets the growth of any colonial industry, but still there may be a mistake made in not causing the colonial industry to bear a fair share of the burden, in view of the fact that there will be a displacement of the revenue from the imported article.

Sir George Turner

- That is a question to consider when we come to the excise.

Mr REID

- If the Government's reply is, "Well, we are very much impressed with the different views which have been put before us, and, whilst we cannot abandon our high duties on the imported article, we quite see that, for the sake of revenue and in the interests of those States which consume a large quantity of beer, we may have to alter the excise," then we ought to have that information in considering this matter, because it may make a very great difference. For instance, 1d. more on the excise would a long way more

than replace the revenue.

Sir George Turner

- AVE do not admit that there is any loss of revenue.

Mr REID

- I know the Treasurer does not admit that, but I am afraid that there will be a loss - that the 3d. per gallon will cut into the revenue of the smaller States now that Australian beer is admitted free. I see that the expected revenue on imported beer in Western Australia is nearly as much as the revenue expected in Queensland, and that the expected revenue in Queensland is nearly as much as that expected in Victoria. The latter State has considerably more than twice the population of Queensland, and yet a very large amount, relatively, is expected from Queensland in connexion with beer. The amount expected from Queensland is £30,000, as against £33,500 expected from Victoria: that points to an abnormal consumption in Queensland of imported beer, and does not take account «i the great probability of colonial beer in other States cutting largely into that abnormal consumption now that the opportunity is offered.

Sir George Turner

- If the rate be re'duced there will be much less revenue, on the right honorable member's own argument.

Mr REID

- I am inclined to think that the tendency may be counterbalanced.

Sir George Turner

- A difference of 2d. per gallon will not counterbalance the tendency. It is draught beer, and not bottled beer, which will be imported from the other States.

Mr REID

- At the present moment the Ministry expect the very opposite. They expect to get £22,500 from bottled beer in Western Australia, as against £3,750 from draught beer.

Sir George Turner

- What will be sent over there will be colonial draught beer.

Mr REID

- It does not matter in what form the beer goes ; the effect of the competition will be very marked under the very favorable conditions. There are very few protectionists in Australia who wish to support any particular industry - especially an industry in connexion with liquor - by giving it a larger protection than 100 per cent. This protection is 3d. as against 1s. - that is, 400 per cent.; and 6d. as against 1s. 6d. - that is, 600 per cent. It is an enormous advantage to give to persons who happen to make beer. It is more than other industries are likely to receive - industries in which we take as much interest and pride as in the manufacture of colonial beer. Of course, if the Government are going to raise the excise, that is another matter.

Sir George Turner

- AVE allow for a very large increase in colonial beer.

Mr REID

- I admit that the matter has been very fully discussed, and I am quite willing to go to a division upon the amendment. I think that the duties proposed by the honorable member for North Sydney are equivalent to the rates which previously existed in Victoria, -so that for once we shall be voting for Victorian duties.

Mr. HUGHES

(West Sydney). - To my mind it is pretty clear that the result of the increased duties imposed in Victoria in 1892 was a total decrease of revenue amounting to £117,364.

Sir George Turner

- That was accounted for, to some extent, by the increased duties, but to a larger extent by the general depression, and the fact that the people had not the money to spend.

Mr HUGHES

- That may be so. Victoria seems to be in such a happy position that one can never get a single cause to account for anything. What an inopportune time it must have been to impose those higher duties.

Sir George Turner

- It was a big mistake to do it. I rectified it afterwards.

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Mr HUGHES

- It appears clear to me that the result of the duties which were imposed was a decrease in the revenue. That decrease in regard to spirits represented about 70 per cent., and upon beer about 16 per cent. I do not think we shall find any compensation in the excise. The Treasurer has stated his belief that, although the duty has been increased in New South Wales, the revenue derived from that State will not be affected. Yet, upon his own showing, there was a falling-off of 16 per cent. in the revenue of Victoria in similar circumstances. If that fact is to be accepted as a guide, there will probably be a decrease of about £8,000 in the amount collected in New South Wales. The Treasurer also spoke of an alternative proposal in the shape of an increase of the excise. With all deference to the right honorable gentleman, I shall oppose any such proposal. I do not believe in penalizing those who habitually drink colonial beer, any more than I do in punishing that other army of martyrs who will be driven from the heaven of the English article into the Gehenna of the colonial.

Question - That the duty on ale, porter, and other beer, cider and perry in bottle, per gallon 1s. 6d., be reduced by the sum of 3d. - put. The committee divided.

19

AYES

32

NOES

Majority ... .. 13

AYES

NOES

Question so resolved in the negative.

Item agreed to.

Item No. 2. Spirits, viz : -

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Mr WATSON

- I should like some expression of opinion from the Minister with respect to what seems to me a grievance which some of the spirit dealers in New South Wales will have to suffer if the item is passed as it stands. Under the New South Wales Tariff an allowance was made for spirit under proof, and consequently large orders have been given, and in some cases large stocks have accumulated in bond, upon the assumption that that allowance would be continued. It seems to me that consideration should be given to these people, especially since, when the alteration of the New South Wales Tariff was made some years ago, a special provision was inserted in the measure enacting it allowing them a period of, I think, four months to get rid of underproof stock which they had accumulated or ordered. I understand that the New South Wales spirit merchants are quite willing to agree to any specific amount of duty that the Government may determine upon, so long as they are given sufficient notice of the discontinuance of what under the old Tariff was a perfectly legitimate proceeding. All future orders will no doubt be for spirit at proof or over, and it will be brought out in bulk and bottled in the States, as I believe has been the practice to a large extent in Victoria for years past.

Mr. THOMSON

(North Sydney).- In supplementing the remarks of the honorable member for Bland, I wish to point out to the Minister that under the State Tariffs duties were charged upon varying bases. In three or four of the States the charge was at per proof, and in at least two, if not three, others an allowance was made for spirits 16.5 under proof. All we ask is that a consideration be extended to the spirit dealers in New South Wales similar to that extended to them when an alteration of the State Tariff took place. 16.5 under proof is the usual strength at which spirit is sold retail, and in New South Wales, South Australia, and, I think, Western Australia it has been found more economical to import bottled spirits of that strength. Consequently large stocks of such spirits are now in bond, or on the water, or loaded at the sources of supply, and if the duty is charged as though the spirit were proof spirit it will make a difference, I understand, of 4s. 8d. a case.

Sir George Turner

- An allowance for under-proof spirit is made in only two of the States.

Mr THOMSON

- I have been informed by a person in the trade that in Western Australia there is an allowance for spirit under proof, but I am not sure. The provision in the New South Wales Act reads as follows : -  
All spirits in bond at the date of the passing of this Act, or proved to the satisfaction of the collector of customs to have been shipped or cleared, to be delivered at any port in New South Wales prior to the said date, shall be admitted for duty at the actual strength and quantity ascertained on examination in the prescribed manner. Provided that all such spirits be removed and cleared for home consumption or exportation before the 30th day of June, 1884, after which date no allowance shall be made for under-proof of spirits except as hereinbefore provided, nor for spirits in cases containing a less quantity than two, three, or four gallon contents.

Prior to the introduction of this Tariff no

One could say what system would be adopted - whether the existing system in One of the States or an altogether new system ; and, consequently, orders have been given upon the assumption that the old allowances would continue.

Sir GEORGE TURNER

- In two of the States, as far as I know - New South Wales and South Australia - the practice for some time has been to make an allowance up to 16-5 degrees under proof, and I think that the request that has been made is not unreasonable. Immediately after the Tariff was tabled, or perhaps before, the honorable member for Melbourne asked what would be done in connexion with these matters. At that time we did not give any favorable answer, because we wished to have an opportunity of considering the question. There are not many persons interested in this particular trade, and if we can ascertain what the shipments are - the amount of spirits in bond can be easily ascertained, and we can find out what was on the water at the time the Tariff was introduced - and we are satisfied that no attempt is being made to secure any undue advantage in connexion with imports we shall be prepared to make the necessary allowance.

Mr Thomson

- Without provision by legislation 1

Sir GEORGE TURNER

- I think we could do that. Instead of collecting The full amount, we could collect the duty at the lower rate ; but before definitely agreeing to that we must have some information from the parties interested as to what the shipments really are. I can assure my honorable friend, however, that we are favorable to meeting the shippers as far as possible, so long as we are satisfied that they are not attempting in any way to get at us.

Sir WILLIAM

McMILLAN (Wentworth). - The question of a spirit duty, and what is the highest water-mark for it so far as the revenue is concerned, is one that has been discussed for years past ; and I do not desire to take up any unnecessary time in speaking upon it now. I think, however, that the true point for financial operations has been exceeded by the Government. It has been exceeded in deference to the sentiment that we must not encourage spirit drinking, but we must remember that, at the same time, we must not encourage illicit distillation or adulteration. We cannot increase the price of spirits beyond a certain degree without offering an encouragement to those practices, and I think that 1 2 s. is the high-water mark for the spirit duty. We are dealing now with a very large continent, which is very sparsely populated ; and, therefore, great opportunities are presented for illicit distillation. I do not believe, although the Minister of Customs may differ from me, that we can exercise the same minute supervision under a central Government as under the local Governments.

Mr Kingston

- We shall have our local officers.

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Sir WILLIAM McMILLAN

- Yes, but I believe there is great danger of illicit distillation being carried on, even though we are able to exercise tolerably close supervision. We cannot keep spirits out of the Commonwealth, and we cannot prevent people from drinking them, and it is desirable, in consideration of The health of The community, that the duties should not be fixed so high, as to encourage the manufacture and sale of an inferior article. I am afraid I am leading a forlorn hope, but still I believe that from the high stand-points of finance

and morality, it would be better if we reduced the duty on spirits to 12s. Then I would make no distinction between the excise and the import duties in a matter of this kind. We are not dealing with any element of protection at all, and I do not see why we should give any encouragement to the local manufacture of spirits. If the import duties are reduced, I shall feel disposed to make the excise duties uniform with those on the imported article. I do not know whether it is of any use appealing to the Minister for Customs. I have risen twice this evening with a feeling that I was appealing to a sort of Sphinx, that would give no answer, but I would like the right honorable gentleman to give me a reply on this occasion.

Mr KINGSTON

- The honorable member for Wentworth when he last spoke, appealed to the Ministry to adopt the New South Wales rate of duty. That is precisely what we are proposing to do in this case.

Sir William McMillan

- No, there has been an allowance made for under-proof spirit in New South "Wales.

Mr KINGSTON

- That is to be allowed for a certain time now. Fourteen shillings is the amount of duty which has been levied in New South Wales for a considerable time, and the Queensland duty was 14s. We propose a reduction of 1s. on the South Australian duty, of 1s. on the Tasmanian duty, of 2s. on the Western Australian duty, and of 2s. on the New Zealand duty. There is only one State out of the whole seven, including New Zealand, that has levied a duty lower than we are proposing, and that is Victoria. I do not think that the results show that there has been an increased consumption in Victoria which would at all compensate for the loss we might expect if we were to proceed in the direction now suggested. The average consumption per head in New South Wales has been 73 gallons, as compared with 72 gallons in Victoria. That includes all spirits whether locally made or imported. Seeing that the consumption per head in Victoria has been less than in New South Wales, notwithstanding that the Victorian duty was 12s. as compared with 14s. per gallon in New South Wales, I do not think we could look for any beneficial result to the revenue from a reduction such as that suggested. We gave very careful consideration to this matter, and although it might have been considered by some people that 13s. would meet the case, we decided on a 14s. rate.

Sir William McMillan

- The honorable member did not study the interests of the Treasury.

Mr KINGSTON

- Yes, we did- and when we find that with the higher duty in New South Wales the consumption of spirits was greater than in Victoria, I do not see that the predictions of the honorable member are likely to be realized. I really hope that the honorable member did not seriously suggest that there should be an equalization of the import and excise duties. We had a discussion in connexion with the Distillation Bill as to the desirability of encouraging local industries, and I hope the suggestion of the honorable member -will not be adopted, as that would be altogether a retrograde step.

Mr PAGE

- I move -

That the duty on "spirits and spirituous compounds n.e.i. . . . per gallon, 14s." be reduced by 1s.

One-half of the Ministry have told us that this is a revenue Tariff, and the other half declare it to be a protectionist Tariff. I have been returned as a revenue tariffist and I shall support the Ministry if they levy this duty for revenue purposes only, and increase the excise duty to the same amount as that levied on imported spirits. A fair quantity of whisky is consumed in Queensland, and the people wish to get it as cheaply as they can, and as good as they can, and I think a duty of 13s. will be quite sufficient.

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Mr SKENE

- Whilst we are all agreed that this must be a revenue Tariff, some consideration should be given to the point raised by the honorable member for Wentworth in regard to the public health. The Government may have taken into consideration the experience that has been gained in Victoria, but I should like to bring before the House the report of the Tariff Board of 1894. The spirit duties had been raised to something like 15s. per gallon, but subsequently the Government reduced them to 12s. per gallon after the report from the Tariff Board. One report was made in 1894, and the other in 1895. The first report stated - On this important subject we heard the evidence of every branch of the trade, and of some disinterested

persons. On the main point, viz., that the spirit duties should be reduced, there was a perfect unanimity of opinion.

An importer of wines and spirits, who represented the importing trade, placed before us some very instructive figures in regard to the effect of the late increases of duty on the revenue. The duties, import and excise together, collected in Victoria in 1891-2, the year before the increases of rate were levied, were, he said, £806,622. In 1892-3, in the early part of which year the higher rates came into force, the amount was £472, 805, showing a decrease of £333,817.

During the same years he pointed out that the revenue in New South Wales, where both import and excise duty is 14s. per gallon, with an allowance for underproof spirits, had not fallen in anything like the same ratio, the decrease being from £860,134 in 1891-2 to £746,743 in 1892-3, equalling £113,391. This greater proportionate decrease of the revenue of Victoria was attributed partly to the depressed condition of the colony, but very largely to the high duties imposed. The importers generally stated that the high duties had seriously crippled the trade. Their imposition almost prohibited the importation of high-class French brandy and other spirit, and had led to the importation of low-class spirits. The price had been raised beyond the consumer's means, and the better class of spirits had, to a great extent, gone out of consumption.

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That was in 1894. A second report was made by the same board in 1895, in which the following occurs : - Although the duties on spirits, wine, and beer were dealt with fully in the first report, at the urgent request of representatives of the distilling industry we took further evidence upon the subject. A large amount of additional interesting information, which we do not think it necessary to recapitulate, will be found in the minutes of evidence. No material facts of sufficient importance to induce us to alter our principal recommendations were, however, brought to light. Much of the evidence has, on the other hand, tended to show that our proposal for the alteration of the duties is moderate and equitable, and necessary in the interests of the revenue.

There is a point to which I particularly desire to address myself, because I consider it of very great importance that we should place in consumption the very best of spirits. The report proceeds - We regret to say that we regard the fact to be proved that a very inferior quality of spirits is vended in Victoria, and that this state of things has been fostered, by high duties. Further, we have learnt that deception is common throughout the trade ; false description and fraudulent sophistication appear to be common, and the public health is menaced in consequence. We cannot hope that a return to lower duties will at once ] place this important branch of trade on an honest footing, and we believe that the thorough investigation and exposure of the trickery which is said by competent witnesses to exist should be made. The laws for the regulation of the liquor traffic have not proved successful in suppressing the illicit and dangerous practice of selling inferior drink, and probably an investigation would prove the necessity for some amendment.

I took the trouble to ascertain what the duties in Victoria were during these years, and in this connexion I make allowance for the fact that they were the years of depression. The duties collected on spirits in Victoria in 1894, when the duty was 15s. per gallon, amounted to £385,950.

Sir George Turner

- The honorable member does not include excise.

Mr SKENE

- No; I am only dealing with imports.

Sir George Turner

- The honorable member ought to deal with excise, because there was considerably more excise paid at that time.

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Mr SKENE

- Possibly that may be so : but what I wish to point out is the class of spirits which were put on the market. In 1896, when the duty was 12s. per gallon, the amount collected was £404,151. We know perfectly well that inferior spirits are sent out - raw, immature spirits, one year instead of three years old. In looking through the reports of debates in the Victorian Parliament, I find reference made to the bad spirits put on the market. I find that a proposal was made during a debate on the question in the Victorian Parliament,

by Mr. Trenwith, that there should be a duty of 13s. put on good spirits and a duty of 15s. on bad spirits, the former meaning spirits made from grapes and malt. I bring these facts forward only in order to show what the opinion in Victoria was at the time these duties were reduced. In the Distillation Bill, which was recently before this House, we were very careful indeed to insert a clause requiring that any spirits used for fortifying wines should be at least 30 degrees over proof, while other spirits had to be 60 degrees over proof. I am not sufficiently familiar with the question to know whether I am correct in the conclusions I have drawn, but I place my opinion before the committee for what it is worth. It occurred to me that there is an inconsistency in that while we insisted that wine should be fortified by spirits of something like 30 degrees over proof, we allow spirits imperfectly distilled, of 25 degrees under proof, to go into consumption. If spirits below 30 degrees under proof are not fit to fortify wine with, how much worse it is to allow spirits of 25 degrees under proof to go into consumption? That will be the effect to a great extent of the high duty. Not only shall we get inferior spirit imported, but an inferior spirit will be distilled here. I have no doubt from the experience of Victoria that, with a lower duty, we shall get more, or, at any rate, as much revenue as from the higher duty proposed; and, in the interests of the public health, it would be better to take a little risk as to revenue than face the evil mentioned by the honorable member for Wentworth

Mr MACDONALD-PATERSON

- I have listened with considerable interest to the observations of previous speakers with reference to the duty on spirits. I wish to say at once that I speak on behalf of the whole of the licensed victuallers of Queensland, of thousands of voters within my constituency, which contains within its boundaries five electorates, returning eight or nine members to the local Parliament, and on behalf of many other people in Central, West, and Northern Queensland. All of these people regard the duty of 14s. per gallon on spirits in Queensland as one of the worst calamities that ever befel the public and those who vend spirits in that State. I know something about this matter, because in my early manhood it was part of my business as a merchant to deal with wines and spirits. I then came into contact with storekeepers in the western country, who held wholesale licences, and also with many respectable licensed victuallers, particularly in the central and central west districts. At that time there never was a word said about bad spirits in Queensland, and the duty was only 10s. per gallon. If it were possible to have a duty of that amount in respect of all spirits, I would gladly vote for it to-night. But the exigencies of the various States have from time to time caused an increase of duty on spirits from the wise and popular 10s. to the maximum of 15s., which has prevailed in some States of the union. I advocate a reduction of the duty to 13s., although I would much prefer 12s. I am informed on the best authority that even a reduction of 1s. will make a great difference, not in the profits of the licensed victuallers, but in the , public health and comfortable living of people who use spirits. I am satisfied from an experience of about 40 years of the different States of Australia that a duty of 10s. per gallon would conduce more to the health of the people, and produce a larger revenue, than the 14s. now proposed. I am speaking from technical and from personal knowledge of years ago, and from up-to-date information given to me by those interested in the trade of Victoria and the other States, and, I may add, by the secretary of the Licensed Victuallers' Association in Queensland. The conclusion I come to is that as the thermometer of the duty goes up, the thermometer of quality goes down. The price of the drink cannot be altered from the popular sixpence.

Mr Poynton

- The size of the glass can be altered

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Mr McDONALD

- PATERSON. That reminds me of the story of the old Scotch woman of Paisley, who, when the Forbes-Mackenzie Act came into operation, was so disgusted with the size of her penny glass of whisky that she asked the publican to empty it into her eye. If another few shillings per gallon be added to the duty, we shall have men bathing their eyes with whisky, instead of putting it down their throats. I urge with great respect that the Government should accept the proposed reduction of 1s. per gallon. My mind was made up months ago that 12s. would be the proper duty, but representations have been made to me by my constituents that a reduction from 14s. to 13s. will enable merchants and licensed victuallers to put a better article on the market than would the higher duty. It would be better to have a lower duty, and better health and fewer deaths among the people. When I was in Scotland, I visited many manufactories and

distilleries, but what interested me most were the bottling departments in Leith, Dundee, and elsewhere. I can assure honorable members that I was offered whisky in Dundee at 10<sup>d</sup>. per gallon,, and we know that pure barley whisky cannot be made for four times that amount. The cheap spirit to which I have referred comes out here under the name of whisky, but it is not good wholesome whisky brewed from barley, which is, I believe, fluid food to those who like it. I remember that even when the duty was 10s. per gallon in Queensland there was illicit distillation. I let a paddock, belonging to my brother, some six or eight miles from Rockhampton, to an apparent horse-dealer or teamster, and to my astonishment I was summoned by the Commissioner of Customs - I do not remember whether as a witness or as a defendant - the tenant having been carrying on illicit distillation for two or three years. A duty of 14s. no doubt means illicit distillation and adulteration. If I were a member of the Cabinet I should never have supported a proposal to make the duty 14s. per gallon. I should have favoured an impost of 12s. per gallon. But I am now suggesting a compromise. I am not in favour of free whisky. I am not a free-trader to that extent ; but I unhesitatingly recommend the Ministry to adopt a reduction of 1s. per gallon, in order that a sounder article may be consumed than is supplied when the duty is 14s. per gallon - an article of a less gross quality. I urge this in the interests of the health of the people. The duty of 14s. per gallon has never been popular in Queensland. Its imposition was a mistake from the first, and its operation has resulted in a diminished revenue, a bad article, an increasing number of inmates of the lunatic asylums, and increasing drunkenness. All these evils were brought about by the abominable adulteration which was referred to by the honorable member for Wentworth. I shall support a duty of 13s. per gallon.

Mr HARPER

- I am a little surprised at the remarks which have been made as to the unsuitability of the rate which the Government propose. The imposition of the increased duty upon spirits in Victoria some years ago was a very unwise step, because the people were notoriously unable to pay the prices which they had previously been paying, and it was predicted that it would result in a reduction of the amount of revenue derived from that source. That prediction was abundantly justified. On the present occasion, however, the Government are faced with the difficulty that they have to raise a certain amount of revenue for the smaller States. It appears from this return that in those States a duty, not of 14s. per gallon, but of 15s. and 16s. per gallon has hitherto been operating. The Government, in proposing to adopt the lowest duty prevailing in all the States save one, namely, Victoria, are following a safe course, and one which is likely to conserve the interests of the revenue. The difference between a duty of 13s. and 14s. is merely the difference between tweedledum and tweedledee. One shilling per gallon will not make any substantial difference so far as the quality of the spirits is concerned.

Mr Macdonald-Paterson

- It means that it is four years older.

Mr HARPER

- It seems to me that we have to consider the amount of revenue which the States require, and that the Government have adopted a safe course in choosing the rate which is the lowest that has hitherto been operating in any of the States save one. I shall support the duty of 14s. per gallon.

Mr. PIESSE

(Tasmania). - I hope the proposal of the Government will be accepted. It constitutes a fair compromise. It is the same duty as the leader of the Opposition himself proposed in his own State. It is much less than the duties which have hitherto operated in several of the States, and any further reduction would mean a very considerable loss to the revenue. In Tasmania the revenue derived from the several items which we have been considering, as compared with the amount which the Treasurer expects to realize, shows a decrease of 11 per cent. I must take that fact into consideration in any vote which I give upon a matter of this kind. If we reduce these duties still further, the result will probably be a loss of from £100,000 to £120,000. The honorable and learned member who has made the strongest appeal for this reduction has shown no ground for it at all. He confessed that when a duty of 10s. operated in Queensland, illicit distillation was rife, and that any duty at all will encourage people to engage in the traffic in order to secure a profit. I repeat that the Government proposal constitutes a fair compromise and will return a large amount of revenue.

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Sir GEORGE TURNER



- I trust that the committee will consider this matter very carefully before coming to a decision, because we expect to derive £1,700,000 from these customs duties, and close upon £300,000 from those of excise. That is a very large item indeed out of the total amount which the Commonwealth expects to receive. I can understand strong objection being taken to any proposal to largely increase existing rates. It might be urged that such action would lead to illicit distillation, and to deterioration in the quality of the spirits. But we must not forget the fact that up to the present time these high rates have prevailed in nearly all the States. We ought not to assume that a reduction of the rates in several of the States is going to cause any injury to the health of the people of those States. As some States have hitherto had a duty of 14s. per gallon operating, I fail to see that any fear need be entertained in regard to the health of the community. I am aware that in Victoria the revenue derived from this source after increased duties were levied showed a considerable falling off. But we must not assume that it was wholly in consequence of the increased duties that the falling off in the revenue took place. I believe that in 1890 we experienced very bad times indeed ; and while I am not urging that the large increase of from 12s. to 15s. per gallon which was then made did not affect the imports, I believe that the depression which existed affected them far more. But if we make a reduction of 1s. per gallon in the customs duty, we must make a corresponding reduction in the excise. We have thought fit to keep a certain margin between the customs rate of duty and the excise rate, and whatever alteration is made, that margin must be maintained. That was the course followed in 1895 and 1896, when the Victorian Tariff alterations were in hand. I would point out that serious results will arise to the smaller States in the event of any reduction being made. If the amendment proposed were adopted there would be no increased consumption, for example, in Queensland ; and, consequently, there would be a serious falling off in the revenue of that State. If the same amount of revenue is to be derived as hitherto, there must, in the event of any reduction being made, be an increase in the consumption. Queensland will lose a large amount if we make the reduction, and in Tasmania and South Australia, where the duty is now 15s., there must be a considerable falling off in the revenue unless the people drink more. Of course, if we are going to drink ourselves out of debt, well and good, but we shall have to drink a considerable amount more in order to produce the revenue required. In Western Australia the spirit duty was 16s., and we are proposing to bring it down to 14s., which will involve a loss of £20,000 a year. We shall add another £10,000 to that loss if we adopt the proposal now made. I quite agree that this is a question of adopting the rate of duty best calculated to produce the largest amount of revenue. That is the one question we have to consider, but we must remember that even under our proposals there will be a considerable falling off in the consumption of imported spirits, because there is no doubt whatever that the colonial spirit will take the place to some extent of the imported article. We know that in Victoria local distillers produce some 200,000 gallons of spirit per annum. In New South Wales they are producing nothing at the present moment, but if I am correctly informed, one of the largest and best-equipped distilleries in Australia is being erected there, and will soon be in operation. My honorable friend suggests the true free-trade idea that we should make the excise exactly the same as the import duty. In New Zealand that was done, and compensation was given to all persons interested. I could understand the proposal being made if we were prepared to go the length of compensating all those persons who on the faith of the various Tariffs have invested a large amount of money in this particular industry ; but I am afraid that if we once attempted to provide for that compensation we should have to find a considerable sum. Therefore, at the present time - whilst I am not unfavorable to such an idea, if it could be worked out on the principle of giving fair compensation and taking control of the whole matter - we are not in a position to see whether our revenue would enable us to stand the strain, even if we had the right to apply the Commonwealth revenue to such a purpose. We have given this matter full consideration on several occasions, and if we could have seen our way to reduce the rate of duty on imported spirits, we should have been very glad to do it ; but after considering all the facts and the information we could get from our experts, and after making inquiries in the different States, we were forced to the conclusion that if we fixed the amount of duty at anything lower than 14s. we should sustain a considerable loss of revenue in several of the States, and those are the States which unfortunately cannot afford to bear such a loss. Under all these circumstances, we must urge upon the committee that this is the rate that ought to be adopted. We believe that it will give to us the highest amount of revenue in the States where revenue is most required. If we make a reduction of 1s. per gallon, which will be a very large amount in the total, and will affect the excise duties, it will represent a loss of

something like £200,000, unless people are to drink a very much larger quantity of spirits, and thus make very much heavier contributions to the revenue. After giving this matter the fullest consideration, and looking at it from every point of view, and having regard to the experience gained in Victoria, we came to the conclusion that 14s. per gallon was the best rate that could be adopted, and we certainly see no reason why the committee should alter it.

Sir EDWARD

BRADDON (Tasmania). - I think the Treasurer will find that the duty, if reduced as proposed, will enable him to raise a maximum revenue. In Tasmania high duties have not resulted in producing the amount of revenue expected, but have encouraged the consumption of highly deleterious substitutes for genuine spirits. If we adopt this 1 3s. rate we should also raise the excise duty to the same amount, and then there will be no danger whatever to the revenue. I can see no reason why, as suggested by the Treasurer, there should be any compensation given to those who, for the last 30 years and upwards, have been enjoying the advantages of a tremendous measure of protection. There must be an end to this protection some time, and if those who have been distilling spirits and enjoying special advantages are to be compensated, the principle should be extended also to boot manufacturers and all the rest of those who have battered for 30 years upon a miserable system of protection.

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Mr V L SOLOMON

- The Treasurer seems to be under some misapprehension as to the effect of this Tariff on the smaller States. He told us that the duty upon spirits as now proposed was a reduction upon the rate formerly charged in three of the States, including South Australia, but he entirely omitted from consideration the fact that the bulk of the spirits imported into that State was brought in in the form of case spirits at a strength of 16.5 degrees under proof, and that an allowance of 2s. 6d. per gallon was made on account of the reduced strength. In Queensland there was no allowance, but in South Australia, although the duty was nominally 15s., it was virtually only 12s. 6d. upon case spirits, so that the duty now proposed of 14s. per gallon, with no allowance for under-proof spirit, will really be 1s. 6d. higher than the duty previously charged in South Australia. The effect of this will be that the merchants will import their spirits in bulk and break them down in the State, and pass them into consumption adulterated, in many cases, with cheap colonial spirit, and generally in such a form as to thoroughly impose upon the public, and work them great injury. There is hardly a week passes in South Australia but that the inspector of distilleries and public-houses has to prosecute some hotel-keeper for selling spirits of an inferior character in bottles bearing some well-known label. This high duty on imported spirits will give a strong impetus to the production of local spirits, either from the grape, malt, wheat, or potatoes ; and there will be no security to the public against the passing into consumption of vast quantities of inferior spirit. Our greatest security at present is afforded in this connexion by the importation of case spirits ; and it would be well for the Government to consider the desirability of continuing to make an allowance for spirit under proof to the extent of 16.5 degrees, in order to encourage the continued importation of case spirits. It might be desirable to lower the duty a little, but I am not favorable to the proposal of the honorable member for Maranoa. I would rather see the duty retained at 15s., with a proper allowance for under-proof spirit. So far as the South Australian revenue is concerned, there is no doubt that the proposed Tariff will operate to the prejudice of the revenue, and also to the disadvantage of the general public. I think it would be better for the Government to reconsider their proposal, and bring the duty up to 1 5s. for proof spirit, with an allowance for under-proof spirit.

Mr. CONROY

(Werriwa). - I was very sorry to hear the Treasurer say that, if the import duty on spirits were reduced, the Government would have to consider an alteration of the excise duty. The excise duty was fixed at far too low a figure, because a difference made in favour of the local manufacturer would amount to very heavy protection for him. The protectionist element should never have been introduced into a matter of this kind, because it cannot be argued that there should be any distinction between the two duties because of the employment that is given in connexion with local distilleries. The result of the difference in the duties, if they are passed in their present form, will be to give one or two distillers a great advantage at the expense of the rest of the community, and surely that cannot be intended. This matter should be considered as one of taxation for revenue purposes pure and simple, and we should endeavour to see

that every penny extracted from the pockets of the people goes into the Treasury. In addition to the difference of 3s. between the excise duty and the import duty, further protection is afforded to the local distiller to the extent of about 1s. 3d. per gallon, which represents the cost of bringing the imported whisky to Australia. That is the average, but in some cases the cost is very much greater still. I believe it will be found that the desires of this committee are in the direction of increasing the excise duty, so as to prevent any individuals being allowed to put money into their pockets at the cost of the general community. The statement of the Treasurer regarding compensation to local distillers had no reasonable foundation, as, if any distillers have been making large profits up to the extent of £30,000 or £40,000 a year owing to the difference in the import and excise duties, the sooner a stop is put to their operations the better. The men who have received that money should, so far from being given any further consideration, be told promptly that they have already done very well. A great many teetotallers will thoroughly agree that men engaged in the manufacture of spirits ought not to be singled out for special consideration. Speaking as citizens, whatever we might think if we were in the position of Treasurer, we do not wish to see the consumption of drink increase very much. One of the strongest arguments in favour of lowering the duty is that the great bulk of the men concerned in the trade seem to think that there is a point beyond which we ought not to go if we wish to see a fairly decent spirit put on the market, and that point seems to range from 13s. to 14s.

Sir John Forrest

- It was 16s. in Western Australia for years.

Mr CONROY

- Western Australia was in a very exceptional position. Her population consisted mainly of men going to the gold-fields, and there were small facilities for distillation.

Sir John Forrest

- Revenue must be got somewhere.

Mr CONROY

- We want to see as much revenue as possible consistent with a decent spirit in the market. I think that the reduction of 1s. is scarcely enough, and that, in order to place a good article before the public at 6d. a "nobbier," the duty ought not to exceed 1 2s. a gallon. In this matter we ought to be largely guided by what business men say; and that is the conclusion to which they come. If I remember rightly, the Minister for Trade and Customs, in introducing the Tariff, pointed out that he was not quite sure whether 13s. was not the highest amount which could with safety be imposed. It is evident that if the duty be placed above 10s. there is produced an amount of illicit distillation and a lower quality of spirits. Now that the Customs control has passed from the States to the Federal Government, the supervision that can be exercised in matters of this kind will be of an entirely different character to that which prevailed before. Spread over such a large area the administration cannot be so keen as in the case of separate States. The people do not yet seem to grasp the fact that any matter which concerns the Commonwealth equally concerns the States, and there will be, as there always is on the part of some people, a tacit acquiescence in any evasion that may go on. This is a fact that must be borne in mind. On the grounds I have mentioned I shall be content to vote for a reduction of 1s. per gallon in the duty, although, personally, I think a reduction of 2s. would be better.

Sir WILLIAM

McMILLAN (Wentworth). - I did not hear the Treasurer refer to the question of under proof, although I think he spoke on the matter of a reduction of duty.

Sir George Turner

- I spoke on the matter of under proof in reply to the honorable member for Bland, and said it was proposed to allow for spirit now on the water.

Sir WILLIAM McMILLAN

- I do not pretend to be acquainted with the subject myself, but I listened with great care to the honorable member for South Australia, Mr. V. L. Solomon, who knows this business thoroughly, and I think we are running a great risk of inducing the importation of proof spirit which may be doctored after it comes here.

Mr Harper

- That has been going on for years in this State.

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Sir WILLIAM McMILLAN

- But we are now putting a premium on the practice, and it seems to me that we are inducing the importation of a very improper article.

Sir George Turner

- Surely merchants will see that they import a good and not a bad article ?

Sir WILLIAM McMILLAN

- Merchants will do exactly what pays them, just as The Treasurer will do exactly what will bring him in revenue, and just as daily newspapers run their business in a way that pays. I think this is a matter which the Treasurer ought really to consider, and although in some cases we have to consider the population affected, it is just as well to take each case on its merits. While I do not pretend to be an expert, still I think, from the arguments I have heard, that for the sake of public morality and health, we ought not to do anything to induce a wrong mode of procedure on the part of importers. This proposal throws on the importers the necessity of bringing in a spirit which, though not under proof, is of a kind not so good for the purpose intended.

Sir GEORGE Turner

- According to the statement of the honorable member, the importers will do so if it pays them.

Sir WILLIAM McMILLAN

- That is true enough ; but another arrangement would not pay them as well as the system proposed, which offers a premium to the extent of about one-sixth of the value. I take it that the custom of allowing so much for under proof was initiated for some good reason, and was based on the common-sense application of a principle.

Sir George Turner

- Importers tried hard to get the allowance from our Tariff Commission, but it was refused.

Sir WILLIAM McMILLAN

- I do not know that the refusal is any great argument for thinking that there was great wisdom in the action taken.

Sir George Turner

- The fact that it was granted in New South Wales is no argument in its favour.

Sir WILLIAM McMILLAN

- The allowance seems to stand on the basis of common sense and reason.

Sir George Turner

- As a matter of fact the spirit is sent out to the agents to be bottled, just the same as if it were bottled in the old country.

Sir WILLIAM McMILLAN

- That may be so, but Parliament ought not to place a premium on an improper practice. I am sure a man of the morality of the right honorable gentleman would not consciously do a thing of the kind, but I am sure he has been misled by bad advice.

Mr. MACDONALD-PATERSON

(Brisbane). - I omitted, when speaking previously, to say one or two words on some important aspects of this question. I desire to have these additional words placed on record, in the hope that some wavering members may be induced to vote in the same direction as myself, namely, for a reduction of the duty. I wish to say, first, that I am in favour of a reduction of the duty ; secondly, that I am in favour of an allowance for all spirits under proof ; and thirdly, that I am in favour of treating case spirits in the same way as spirits in cask are treated. When spirits come in casks the duty is paid on the precise quantity ; whereas spirits in case have to pay on four gallons, even if there be but one gill above three gallons.

Sir George Turner

- Is it not rather unfair to say that quarts or pints are contained in bottles which do not contain anything near those quantities ?

Mr MACDONALD-PATERSON

- It is unfair to the public that three gallons and one gill should be charged as four gallons.

Sir George Turner

- The consumers should get four gallons.

Mr McDONALD

- PATERSON. But alleged four-gallon cases are never sold as four gallons.

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Sir George Turner

- They are sold as four gallons to the consumers, many of whom believe that they get that quantity. I have seen these bottles, and some of them are fearfully short in quantity.

Mr. MACDONALD PATERSON. That

may be owing to the malpractice of some of the trickster merchants in Victoria. As the honorable member for Wentworth has said, merchants will do exactly what pays them, and will sell whatever article the public require. The practice of having reputed pints and quarts began with beer in the early seventies, and it was then quite right ; but in the case of spirits it is a different matter. A little below a pint, perhaps a wine-glass below, was sold at probably 3d. per dozen less than the imperial pint. I am entirely opposed to these duties on the grounds I have mentioned, and I desire to get back to the simple commonsense method of assessing the duty on the quantity of spirit, whether in bottle or in cask.

Sir George Turner

- Why not put the full quantity in the bottles ?

Mr McDONALD

- PATERSON. What has the Government to do with that 1 The public want, perhaps, half or three-quarter pints, in order that they may purchase at, say, 1s. instead of 10d., or at 1s. instead of 1s. 1½d That is a matter for manufacturers and producers to agree to, in order to bring the article within the popular shilling or half-crown.

Sir George Turner

- If they sell the quantity as a quart, they ought to pay duty on a quart.

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Mr McDONALD

- PATERSON.- I do not know of a single brand of Guinness' stout, in the case, of which the bottles are labelled as a quart or pint. A law should be passed calling upon people to pay on a certain quantity, but the Customs laws should not be entangled in the way proposed. Speaking of spirits under proof, it was only the other day that a friend of mine was inquiring after a certain article, and was surprised to find a notice on the bottle to the effect that the contents were guaranteed as of full strength. On inquiry as to the reason for this innovation, he was told that it was owing to the Victorian law not making the allowance which had previously prevailed when the duty was charged on the precise degree of proof or under proof. If the proposal of the Government be persisted in, an article will be imported which will go just as far in the matter of satisfying the alcoholic appetite, while it may be 20 or 22<sup>^</sup> per cent, under proof. I remember thousands of cases of Geneva hollands being imported, every gallon of which was from 25 per cent, to 33 per cent, under proof. Messrs. Parbury, Lamb, and Co. brought 17,000 cases in one ship. It suited the palates of the "nippers," as we may call them. If the spirit was 25 "degrees under proof; the importers -were-' only charged a percentage of the duty, and that was the honest way for the Government to treat them. The Government ought to gauge the duty according to the quality and strength of the spirit. It is according to the standard of proof that the duty ought to be charged. It is to be noticed that ever since duties have been increased upon spirits there has been a demand for the establishment of inebriate asylums and similar institutions, for the cure of drunkards. Many a man who could take a certain quantity of spirits when the duty was 10s. per gallon, and who was considered a sober man, could not drink half the quantity when the duty was raised to 14s. or 16s. a gallon without being alleged to be a drunkard, and without exhibiting all the symptoms of alcoholic libation. The increase of the duty led to adulteration on a large scale. I remember a man who kept a hotel in a certain State, and who, under the guise of being an amateur photographer, used to conduct experiments in a laboratory in the way of adulterating spirits. The experts were set upon him, and found upon his premises all the materials for concocting brandy, whisky, and gin. He was tried, found guilty, fined heavily, and I believe died in gaol. That was caused by high duties. In Victoria, prior to 1892, when there was a low duty the fines for adulteration, as showed by the Custom-house returns, were between £2,000 and £3,000 per annum. From 1892 to 1895, under a high duty, the amount of fines for adulteration was something like £6,000 - more than double the previous amount. Those figures support the contention of those who support the reduction of the duty by 1s. in order to give a better quality of liquor to the people. Since then, under a lower duty of 1 2s. per gallon, the

finer for adulteration in Victoria have gone down to £3,000. Since the duty has been 15s. per gallon in Tasmania, the consumption of spirits has been "39 per inhabitant. Under the same duty in South Australia the consumption is precisely the same. In Queensland, with a duty of 14s. per gallon, the consumption is -98. In Western Australia, with a duty of 16s., the consumption is 1-85, which is about double the consumption in Queensland. At one time the consumption of spirits in Queensland was nearly as great as that now in Western Australia, but, of course, we must take into -account that in the latter\_State to-day we have a hard-working population of males out of all proportion to the population of males in the other States. These figures are all in favour of my contention. I shall conclude by saying that I am conforming with the unanimous wish of the electors of Queensland in supporting the reduction to 13s. If the honorable member for Maranoa had not proposed that amendment, I should have moved the reduction to 12s., but I do not wish to encumber the committee with extra work, and am quite prepared to accept the honorable member's amendment.

Mr SAWERS

- I earnestly hope that the committee will reject the amendment of the honorable member for Maranoa. We have heard from the Treasurer - to whose statements upon such matters honorable members attach great importance - that the loss in consequence of this amendment, supposing the excise was reduced slightly to balance the amount, would be something like £200,000, and even if we did not touch the excise the Treasurer estimates that the loss would be something like £120,000 a year. We are now on the fringe of the Tariff, and before we get to the end of it I suppose that many duties will have been considerably reduced. I am prepared to assist those who would reduce taxation on the necessaries of life. When we get to those articles, I have no doubt that the duties will be reduced to an extent that will be considered a dangerous point by the Government. I therefore impress upon the committee that they should not reduce the duty upon this item, but should reserve themselves for the more important items which are to come. I especially appeal to the labour party as to whether it is not desirable that we should reduce taxation on the necessaries of life rather than upon such articles as are now under consideration. In spite of all that has been said upon this matter, we find that in three of the States a higher duty has been operating than that which the Government propose ; that in one State the same rate has been levied ; and that in another the duty has been lower. It is absurd to reduce the revenue which is likely to be realized from this item by £100,000 or £200,000 annually. Much has been said about the question of adulteration, but I would ask if it is not the duty of the different State Legislatures to prevent such adulteration. It is idle to talk about the poisoning of the people and the filling of the lunatic asylums by reason of the consumption of adulterated spirits. I do not think that such an argument has any value whatever. There is much in this Tariff to which honorable members object, but the fact remains that it is imperative that a certain amount of revenue shall be raised to meet the requirements of the different States. If we are to reduce any duties, by all means let us reduce those which chiefly affect the working classes.

Mr.V. L. SOLOMON (South Australia). - I alluded just now to the disadvantage of making no allowance for under-proof spirits. I have looked up the figures relating to the importation of bulk and case spirits into Victoria and South Australia for the year 1900. In South Australia, the duty of 15s. per gallon has been reduced for case spirits of 16 degrees under proof to 12s. 6d. per gallon. The result has been that in the year mentioned South Australia imported 20,444 gallons of case brandy, as against 9,880 gallons of bulk brandy. That State also imported 128,963 gallons of case whisky - or whisky of assured brands - as against 37,560 gallons of bulk whisky.

Sir George Turner

- Does not the Broken Hill trade affect that?

Mr.V. L. SOLOMON. - Not at all ; the bulk of these importations was cleared for home consumption. If we take Victoria, we see the reverse side of the picture. In this State there was a duty of 12s. per gallon upon proof spirit, with no allowance for underproof. What was the result 1 The same quantity of case spirits of assured brands was not imported. During the year 1900, Victoria imported 39,551 gallons of case brandy, as against 65,003 gallons of bulk brandy. The case whisky imported amounted to 179,750 gallons, as against 393,592 gallons of bulk whisky. Of course it was not likely that merchants would import case whisky at 16 degrees under proof when they could get bulk proof whisky at the same price. It will thus be seen that South Australia imported more than double the quantity of case brandy of assured brands than of bulk brandy, and nearly four times the quantity of case whisky as compared to bulk whisky. Victoria, on

the other hand, imported 393,592 gallons of bulk whisky to be broken down locally, and vended to the general community.

Sir George Turner

- The people in England send out whisky in bulk to their agents here, and it is bottled in Victoria as well as it can be anywhere else.

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Mr V L SOLOMON

- I am not aware that brands like Crawford's, Walker's, or Dawson's are bottled here. I suggest that, instead of reducing the duty by 1s. per gallon, and making no allowance for underproof spirits, we should adopt the system which has been in vogue in New South Wales and South Australia, and make a proper allowance for under-proof spirits. I wish to ask whether, in the event of the amendment which is at present before the committee being negatived, I shall be in order in moving the insertion of the words " an allowance for under proof up to 16-5."

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The CHAIRMAN

- It will be competent for the honorable member, whether the amendment is negatived or otherwise, to move to insert any words he may desire.

Mr. REID

(East Sydney. - I look upon this as one of the most important revenue lines in the whole Tariff, and I desire to give the committee the benefit of my experience as Treasurer for five years in New South Wales. I have been under the necessity on several occasions of considering the effect of high spirit duties, and from the information I have been able to acquire I have come to the conclusion that a spirit duty when unduly high really gives rise to a number of abuses, a number of illegalities, and a great deal of mischief in the community. I believe, therefore, that the lower duty of 1 3s. would probably produce almost as much revenue as the 14s. duty proposed by the Government. I do not wish to discuss the excise duty at present, except to say that I see no necessity for reducing the excise duty in the event of our making a reduction in the import duty. When we come to deal with the excise I shall point out that the difference which the Government propose to make between the import and the excise duty will eat the heart out of these import duties, and a Government that is prepared to eat the heart out of the import duty by fixing a lower excise duty, might be prepared to listen to the suggestion of the honorable member for Maranoa. A duty of 13s. will be equivalent to an impost of 400 per cent, on the value of the article, which is an enormous percentage. I admit that in some of the States the spirit duty has been higher than 14s., but we have to consider the entirely new set of circumstances that has arisen. I believe that if we reduce the duty to 13s., the result will not be unsatisfactory to the Government as a matter of revenue. When we come to the excise duties I shall certainly propose that the difference which exists between the import duty of 14s., and the excise duty of 1s. per gallon, shall be very considerably reduced, and I think I can give very good reasons for taking that course. I believe that it would pay the Government to give £100 a year for life to every person employed in the Australian distilleries, and that it would save tens of thousands of pounds to the revenue of the country. For every pound that goes out in wages to distillery employes the revenue loses fully £3. I really believe that the reduced duty would work more satisfactorily, and that the Government might well accept the amendment.

Mr. KIRWAN

(Kalgoorlie).- Much as the people of the State of which I am one of the representatives are interested in the question of beer, it seems that they are still more concerned about spirits. Western Australia will be required to pay, in connexion with the spirit duty, three times as much as Tasmania, which has a population nearly as large, and one and a half times as much as South Australia, with a population twice as large. I hope the Government will remember the proportionate share which the people of Western Australia will pay in the form of duty on stimulants, when we ask them to make reasonable amendments upon items which specially bear upon the people of that State. The duty on spirits in Western Australia has been 2s. higher than the amount now proposed, but I think the experience there has not been such as to encourage a high rate of duty. The high duty has undoubtedly been productive of a certain amount of illicit distillation, and a large amount of vile spirits, locally known as chain-lightning, has gone into consumption. It seems to me that the duty proposed by the Government is really more for protective than

for revenue purposes, and in so far as it is protective, it certainly may be called revenue destroying. For the benefit of those who vote for the duty on protective lines, I should like to lay before honorable members the position of the distilleries in Victoria, the number of the hands employed, and the wages paid. The number of persons employed in the distilleries in Victoria in 1900 was only 134, all told, who produced 247,000 gallons of spirits, in which 53,000 gallons of imported spirits were included, while the total wages amounted to £12,542, the average wage paid, according to the Chief Inspector of Factories, being £1 17s. 6d. It will therefore be seen that those who seek to impose the duty for protective purposes would do so for a limited number of persons, earning salaries which are certainly not extravagant. I should like to refer now to the evidence taken by the Tariff Board which sat in Victoria in 1894-5, and before which

Mr. Joshua,

of Joshua Brothers, Limited, distillers, gave evidence. One of the questions he was asked was-" Do you look forward to a time when you will be able to do without the differential duty?"

The CHAIRMAN

- The honorable member will see that he is not in order in dealing with the excise duties, which he will have an opportunity of referring to later on. The question before the Chair is the import duty, and the import duty only.

Mr KIRWAN

- I fail to see how I can otherwise present my argument that the duty is really for protective purposes. Is it within my province to argue that a rate is for protective purposes, and that the proposal of the Government is revenue destroying?

The CHAIRMAN

- The question before the Chair is the import duty, and I have requested other honorable members, including the leader of the Opposition, not to break the standing orders, but to discontinue dealing with another item which is on the list later on.

Mr KIRWAN

- I presume I am within my rights in saying why I consider this duty will not bring in as much revenue as a lower one would, and that the duty is really more for protective than for revenue purposes. It seems extraordinary if I cannot proceed on that line of argument. However, if any honorable members vote for this duty under the idea that it is for protective purposes, and that it will assist the distillers, they will vote under a mistake, for the simple reason that, according to the evidence given before the Tariff Board, Mr Joshua said that his firm would be able to do without any duty within ten years. That period will expire in 1905, and I am sure Mr. Joshua would not underestimate the length of time the duty was required.

Mr O'MALLEY

- As I understand the speeches of honorable members who are endeavoring to reduce the duty from 14s. to 13s. they mean that the difference of 1s. will increase illicit distillation in Victoria. I remember the "Moonshine Slippers" in Tennessee, and also the "Rattlesnake Dens," and when the United States Government reduced the revenue duty, the effect was really to increase the illicit distilleries. A little experience is worth a good deal of theory. If I thought that a reduction from 14s. to 13s. would decrease distillation I should vote for it myself, but it seems to me to be a sort of sop to a hungry tiger. But that "sop," as a matter of fact, is the dinner of the Tasmanian people ; because the loss of this difference in revenue will be a loss of income to Tasmania. The Tasmanian people are not heavy drinkers, and we want a heavy duty to make up upon the drinking of the people in the other Australian States for the lack of drinking on the part of the Tasmanian people. In that island you may find here and there a man who drinks a little for social purposes, but not because he likes it. I cannot see how, if we do not get revenue out of the " stagger juice " and the " boozeries," how are we going to get it at all. The suggestion about increasing the " shypoo " or " moonshine " shops is ridiculous, because as long as men can make money by engaging in any business that will enable them to increase their worldly possessions, they will go into that business, no matter whether the duty is 1s. more or less. The United States have had a taste of it. In Louisiana, about 2,000 men were shot by the "moonshiners," and about 2,000 were killed in the mountains of Tennessee during the time I was there. I do not know how many have been killed since I left.

Mr Reid



- Were they killed in consequence of the lower duty?

Mr O'MALLEY

- There were more killed afterwards than before. This is a item upon which we ought to get duty, because spirits are a luxury. I am in favour of the excise and Customs duties on spirits being the same.

Mr Reid

- We should get the revenue then.

Mr O'MALLEY

- I should also be in favour of imposing an excise of 1s. a gallon on Australian wines. That would lead to better wine being produced. However, I will vote for the 14s. duty.

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Mr POYNTON

- The question involved is not only one of the class of spirits to be used by consumers, but also a question of revenue. I understand that the Treasurer believes that he is assisting the smaller States by the higher duty, but I believe that it will work out in the opposite direction. The Treasurer appears to have forgotten the fact that the high duty applying in the States before federation was accomplished, applied to all classes of spirits coming into the States, but now we are going to substitute an excise duty considerably lower than the import duty, and in that way not only will the revenue be defrauded, but probably an inferior article will be sold, in consequence of there being a greater consumption of locally made spirits. I do not say that the spirits consumed will be inferior because locally produced, but because there will not be time for them to mature. I think the Chairman is making a mistake in confining the speakers solely to the import duty.

The CHAIRMAN

- The honorable member has no right to reflect upon the Chair except in a constitutional way. When a ruling is given the honorable member has his constitutional right of dissenting from it. I ask the honorable member to do what I have asked others to do, namely, to confine himself to the discussion before the Chair, and not to go into details upon other items, although an incidental reference to other items is in order.

Mr POYNTON

- I fail to see how the committee can discuss one question without considering the other. The import duty hinges upon the excise duty and vice versa. I believe the Treasurer is making a mistake in thinking that a high duty is in the interests of the smaller States, because those States are on a different footing now to what they were previously.

Sir George Turner

- I have not overlooked that point.

Mr POYNTON

- Formerly the duty applied to the whole of the spirits imported into a State. Now it will apply only to spirits from outside the Commonwealth, whilst locally made spirits and spirits imported from other States will pay the much lower excise duty.

Sir George Turner

- The question of 13s. or 14s. makes no difference to that point; it is the difference between the excise and import duty that makes that difference.

Mr POYNTON

- The lower excise duty, by giving the local article the preference, must necessarily interfere with the revenue. I do not believe that the duty will work out in the way the Treasurer believes, and I shall vote for a reduction.

Question - That the duty on spirits and spirituous compounds not exceeding the strength of proof, per gallon 14s., be reduced by the sum of 1s. - put.

The committee divided -

15

AYES

25

NOES

Majority ... .. 10

Question so resolved in the negative.

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Mr V L SOLOMON

- I have pointed out already that if no allowance is made for spirits under proof, the result will be, as shown by the experience of Victoria during last year, that a great quantity of bulk spirits and only a very small quantity of the under-proof spirits, which are now imported in case, will be brought into the Commonwealth. I do not think it can be denied that in many instances well-known brands of spirits imported in case are more reliable and wholesome than bulk spirits, which are very often broken down, mixed with inferior colonial spirits, and bottled in the States.

Mr Watson

- Most of the big firms are bottling their spirits in Australia and even in New South Wales.

Mr V L SOLOMON

- It is not so in South Australia. I pointed out just now that in one year something like 393,000 gallons of bulk whisky were imported into Victoria, as against less than half that quantity of spirits in case. That points to the fact that in future importations will undoubtedly consist of proof spirit. Spirits in bulk -will be imported instead of spirits in case, in order to avoid the loss to the importers of something like one-sixth. I do not think that will tend to increase the revenue, for the reason that every five gallons of proof spirits imported will stand the addition of a gallon of water, and the mixture will be sold by the ordinary hotelkeeper as six gallons of spirits. If water only were added, it would not be a very serious matter ; but I am satisfied that in some instances inferior colonial spirits will be added to the imported article, to the detriment of the consumers. In South Australia and New South Wales, an allowance has been made for under-proof/spirits up to 16-5, and I propose that we should make that allowance. I move - That the words " with an allowance for under proof up to 16\*5 " be inserted after the amount "14s." Having spoken so fully a little time ago, I do not think it necessary to deal further with the subject now, and I shall content myself by moving the amendment.

Sir GEORGE TURNER

- I must strongly oppose this amendment. This is no doubt the practice in two of the States, but the practice is the other way in four States. We have heard it represented time after time to-night that unless we allow the importation of this under-proof spirit, we are going to have people importing spirit, and putting bad matter into it, for the purpose of making profit. One or two persons may occasionally do that kind of thing, but I venture to say that respectable and reputable persons in the Commonwealth who import bulk spirit will take very good care that it is reduced as well here as it would be by those who would send out spirits in the reduced form. There is no doubt that a very large amount of spirit sent out here is bottled by the agents of the owners who send it out for that purpose. I am told that one of the largest firms, the D. C. L. Company, send out bulk spirit, and have it bottled here. By that means, we get the benefit of the work being done here, and we get employment for our own people, and I do not believe we shall have any of these objectionable practices going on to any greater extent than would be the case if we adopted this under-proof provision. I cannot understand why there is such a strong pressure for this importing of under-proof spirit. I see no reason why bulk spirit should not be sent out and bottled here, or why the quality under these circumstances should not be just as good as that of importations of under-proof spirit. We know that bulk spirits are brought out in the wood, and I understand that rather improves the quality. I certainly cannot agree to the views of the two States that have adopted this practice, over-riding the views of the four States that have not adopted it. I have heard no reason adduced to show that the bottling cannot be done as well here as at the place where the spirit is made.

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Mr THOMSON

- The right honorable the Treasurer has admitted that the object of this proposal is to protect the bottler here, and to compel the bottling of spirits here, where it may be less convenient to bottle them. In insisting upon this, there is the risk to which the honorable member for South Australia has referred, that these spirits will not be as well matured when sent out as proof spirit as they would be if sent out as under proof spirit. It is recognised that 16\*5 under proof is a desirable selling strength for spirits, and under the Government proposal the reduction must take place here. Under the proposal of the honorable member for South Australia, it is left entirely to the convenience and advantage of the producer of the spirit to fix

where they shall bottle it. I desire to point out the difference in treatment meted out to imported spirits as compared with spirits produced on the spot. On the spot the duty charged is as per proof gallon. And the excise here is on the strength, down to 25 per cent under proof. But in the case of imported spirits, as usual, it is considered justifiable and right to make anything that is imported the object of special prohibitory legislation. I do not think it is desirable, and I do not think it is altogether just that whilst on the spot we give an allowance for under proof down, not to 16.5 but to 25 per cent., while in the case of imported spirits we provide that they shall be imported as proof spirit or pay the proof rate. That seems to me to be a very peculiar thing.

Mr Salmon

- Not at all. One is manufactured under our own supervision, and the other comes we know not whence.

Mr THOMSON

- It is manufactured under our own supervision, but we pass it, though it goes down to 25 per cent, under proof, and it is not distributed under the supervision of the Commonwealth.

Mr Salmon

- Neither is the other.

Mr THOMSON

- There is the point. We do not secure any more in the way of protection to the consumer under excise than under import inspection. I shall support the amendment of the honorable member for South Australia.

Progress reported.

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23:17:00

House adjourned at 11.17 p.m.