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1901-11-12

House of Representatives

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

QUESTIONS

HIGH COMMISSIONER

Mr PAGE

- Has the Prime Minister any objection to state whether it is true - as reported in a city publication - that the position of High Commissioner for the Commonwealth in London will be offered to the honorable member for Melbourne?

Minister for External Affairs

Mr BARTON

- The Cabinet have not yet in any sense considered the names of any persons who may be either applicants for or desirous of obtaining the position to which the honorable member refers.

RIVERS MURRAY AND DARLING

Mr McCOLL

asked the Minister for Home Affairs, upon notice -

What progress has been made towards carrying out the promise of the Government to ascertain the information available in the States of New South Wales, Victoria, and South Australia relative to the locking and utilization of the waters of the Rivers Murray and Darling ?

Sir WILLIAM LYNE

- Information has been obtained from the States, but it is not sufficiently full and complete, and further details are being sought. The matter will be expedited as much as possible.

STATUTES AND PAPERS

Mr POYNTON

asked the Attorney-General, upon notice -

Whether he will endeavour to make arrangements for the sale of Federal Acts and Parliamentary papers through the Government Printing offices of the States!

Attorney-General

Mr DEAKIN

- A correspondence has been for some time in progress between the Treasurer, in whose department the printing office is, and the printing offices of the States with a view to the making of an arrangement for the sale of Acts and papers.

DRAWBACKS

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Mr WILKS

asked the Minister for

Trade and Customs, upon notice -

Whether it is a fact that a considerable sum of money is due for drawbacks to exporters of dutiable goods !

What time is permitted to lapse before these payments are made?

Minister for Trade and Customs

Mr KINGSTON

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

I am not aware of any drawbacks being in Arrears, but if the honorable member will kindly indicate more closely to what he refers the matter will be further inquired into.

Drawback debentures are passed for payment so soon as the goods have been exported. See sections 172 and 173 of the Customs Act.

Sir William McMillan

- It is a matter of complaint in Sydney.

Mr KINGSTON

- Now that I learn that it is complained of in Sydney, I shall make further inquiries. I shall be obliged if honorable members will give me full information.

## FEDERAL CAPITAL

Mr McCOLL

asked the Minister for Home

Affairs, upon notice -

Whether, in connexion with the inspection of sites for the federal capital, he will have a preliminary examination made of the districts of Echuea and Wentworth, with a view of including them in the places to be inspected subsequently by the members of the Federal Houses ?

Minister for Home Affairs

Sir WILLIAM LYNE

- Echuca, being outside the boundary of New South Wales, is, under section 125 of the Constitution Act, not eligible as a site for the federal capital. The climate of Wentworth is much against the possibility of its inclusion in the list of places for inspection.

## NAVAL DEFENCE

Sir LANGDON BONYTHON

asked the Minister for Defence, upon notice -

Whether he will obtain, for the information of this House, an estimate of the annual subsidy required from the Commonwealth to give effect to Admiral Beaumont's scheme for the naval defence of Australia?

Minister for Defence

Sir JOHN FORREST

- A communication will be addressed to His Excellency the Admiral, and the desired information asked for.

## PAYMENT OF INCREMENTS

Mr HUGHES

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

Whether it is the intention of the Postmaster-General to make provision for the payment of increments to post and telegraph masters, operators, and assistants of New South Wales in grades up to £299 per annum, as provided by regulations framed under the provisions of the New South Wales Public Service Act, but which have not been paid for the year ended 30th June, 1901 ?

Minister (without portfolio)

Sir PHILIP FYSH

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

Increments have been provided for those officers in New South Wales who were entitled thereto under regulations framed under the provisions of the New South Wales Public Service Act, and in operation at the time when the Post and Telegraph department was transferred to the Commonwealth.

## PRICE OF SUGAR

Sir JOHN QUICK

asked the Minister for

Trade and Customs, upon notice -

Whether he will cause inquiries to be made, and inform the House -

What was the price per ton charged for sugar in Victoria by the Colonial Sugar Refining Company under the Victorian Tariff rate of £6 per ton ?

What is the price of sugar charged in Victoria by the same company under the Federal Excise Tariff of £3 per ton ?

Is it a fact that the said company is receiving nearly the whole benefit of the reduced duty.

Will the Minister endeavour to secure for the public the benefit of the reduction in the duty?

Mr KINGSTON

- The information which I propose to give, and which, of course, I believe to be correct, has been kindly supplied to me by the Colonial Sugar Refining Company. The answers to the honorable member's questions are as follow : -

Under the Victorian Tariff the duty on sugar refined locally was £5 15s. per ton, and the price for the standard sugar No. 1a was (on 8th October) £23 5s. per ton.

Under the Federal Tariff the proposed duty is £6 per ton on sugar refined from foreign raw sugar. For some time past such sugar has been exclusively used in the refinery here, and the price for 1a is now £21

10s. per ton, this reduction being in consequence of a fall in the value of sugar in Europe.

No. There is no benefit in regard to imported sugars, and any profit derivable from the new duties in respect of raw sugar purchased in Queensland goes to the vendor there under existing contract.

I could only obtain the price from the source I mentioned, and I believe that the reply is correct.

#### BRITISH NEW GUINEA

In Committee

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Minister for External Affairs

Mr BARTON

. - I move -

That this House authorizes the Government to accept British New Guinea as a territory of the Commonwealth, if His Majesty's Government are willing to place it under federal control.

That towards the expenses of the administration of the possession this House is willing, when called upon, to vote a sum not exceeding £20,000 per annum, subject to revision at the end of five years, as from 1st July, 1901.

At this stage it is not possible for the Commonwealth to begin the control of New Guinea. Steps must be taken by honorable members of the Government to that end before the Commonwealth itself can assume control. That will become plainer if I refer honorable members to section 122 of the Constitution, which provides -

The Parliament may make laws for the government of any territory surrendered by any State to and accepted by the Commonwealth ; or-- and this is the important part - of any territory placed by the Queen under the authority of, and accepted by the Commonwealth or otherwise acquired by the Commonwealth. Then there is a provision for the representation of such territory to the extent that this Parliament may think fit. I draw attention to this section in order that it may be seen that the territory of New Guinea comes within the provision which I have last quoted, which speaks of territory placed by the Crown under the authority of, and accepted by the Commonwealth. Until New Guinea is placed under the authority of, and has been accepted by the Commonwealth, it cannot become the territory of the Commonwealth, and it strikes me - whether it »is absolutely necessary under the Constitution or not - that the acceptance of a territory, from whatever source the offer come3, must be the subject of an Act of Parliament of the Commonwealth. Therefore, what I am asking the House now to do is not to take the final steps in this regard, but to express a desire which I hope it will, that New Guinea may become a part of the Commonwealth, in the sense of being a territory subject to its exclusive legislative power. There are parts of the Empire in the seas surrounding us which may well become, as time goes on, subject to the legislative control of the Commonwealth, and this, I think, formed part of the hopes and aspirations of those who look forward to the creation of a federation in these seas. And there are many reasons why that should be so - reasons connected with a policy which I consider to be now laid down as a permanency. With regard to that matter, I shall have something to say a little later on. But if force and effect are to be continuously given to the policy of the Commonwealth, I think that can be best accomplished by our acquiring, not aggressively, not too rapidly, not with any undue haste, but as opportunity and reason make it right and convenient, and without disturbing the relations of the Empire to outside Powers, parts of the surroundings of the Commonwealth in these seas. The Commonwealth will have exclusive legislative power over any tract of country acquired by it as a territory, so that whilst laws may be passed giving limited legislative capacity to some authority within the territory, the Commonwealth will have, outside of that, its own control, so that any local legislation may be amended or replaced by legislation of the Commonwealth. Now, what is this territory that it is proposed to give authority to the Commonwealth Government to acquire ? Turning first to the physical aspects of the matter, British New Guinea comprises an area of 90,500 square miles. Included in that area is about 2,750 square miles of adjacent islands, such as the Louisiade group, the D'Entrecasteaux Islands, and Woodlark Island. The principal waterway is the Fly River, which runs for 620 miles through British territory - it does not end in British territory - and is navigable by steam launch, at any rate for about 500 miles. The Owen-Stanley range is the highest range of mountains within the territory, and it contains one or two peaks of 13,000 feet or more in altitude. Situated as it is between the fifth and eleventh parallels of south latitude, New Guinea territory has a range of temperature in extremes from 64 to 96 degrees ; but the average is from

74 to 94 degrees. Of course, there may be exceptional hot or cold days which go beyond these limits, but these are the fairly ascertainable extremes. The rainfall varies greatly. Port Moresby has an annual rainfall of 37 inches. Daru has an annual rainfall of 85 inches, and Samarai has as much as 126 inches per annum. On the northern coast Dogura has an annual rainfall of 59 inches.

Mr Henry Willis

- Those places are all along the coast.

Mr BARTON

-Yes; the honorable member will recognise that the settlement has not so far advanced into the interior as to permit of reliable scientific investigation further inland.

Mr Henry Willis

- The exploration has been confined to the coast line.

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Mr BARTON

- It has been mainly confined to the coast line, although there have been explorations that have reached some parts of the ranges. Among the products of

New Guinea there is, of course, the cocoanut palm, and from such experiments as have been made the territory seems to be very well suited to the growth of cotton. The tobacco plant and several varieties of sugar-cane are indigenous to the island, so are rubber plants - both tree and vine. Among timbers, the island produces sandalwood, ebony, and cedar. Of products that are not indigenous, tea, coffee, and cocoa - so far as experiments have gone - have thriven, and the climate is believed to be congenial to the growth of rice, maize, and all kinds of tropical fruits. It is well known to honorable members that gold has been found in this territory, mostly on the islands adjacent to the mainland. In its waters are found pearl shell, pearls, and sponges, and turtle shell also is recovered there. Fibre, made from the banana and cocoanut trees, may be expected to become one of the products. The native population of the island is estimated to be between 300,000 and 350,000, whereas the Europeans number about 500. These figures may be varied by accessions during the last two or three years, which, I think, will make the European population somewhat larger. The rubber from the rubber-trees and vines, when properly prepared, is worth about £230 a ton, and of this last year 81/4 tons were produced. The planting of the cocoanut is going on extensively. In the year 1898 - which I take as perhaps the most reliable - the external trade represented about £128,000. In a very valuable report from Mr. Le Hunte, the Administrator, to the Lieut.-Governor of Queensland, dated 5th July, some interesting figures are given. They are figures which he states show the expansion of trade during the previous ten years, and which justify him in asking for further funds for purposes of development. I will take first the imports and exports. For the year 1890-1 the imports amounted to £15,530, and the exports to £8,134. In 1891-2 the imports represented a value of £23,755, and the exports totalled £11,289. In 1892-3 the imports were worth £25,261, whilst the exports were valued at £14,966. In 1893-4 the value of the imports had reached £28,501, whilst the exports totalled about the same value as those of the previous year. In 1894-5 the imports were valued at £28,367, and the exports at £16,215. So the trade has continued to increase until in 1899-0, the imports were valued at £72,286, and the exports at £56, 167, giving the total of £128,000, of which I spoke just now. For the two years intervening between that period and the present time the returns have not yet been furnished. The local revenue from 1890-1 up till 1899-0 has advanced from £2,674 to £13,834. The expenditure is not shown so clearly year by year, but it has advanced from £22,000 in 1890-1 to £28,301 in 1899-0. For the year 1900-1 the expenditure was estimated at £36,520, and for 1901-2 at £40,600. These figures are instructive, as showing that the territory with which it is sought to have authority to deal is advancing in every material way. New Guinea, like other places, has a Tariff.

Mr Henry Willis

- What do they spend the money upon ?

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Mr BARTON

- I will endeavour to show that presently? There are no ad valorem duties in the Tariff, except at the rate of 10 per cent. These are somewhat extensive. It is purely a revenue Tariff. The duties are upon hardware, earthenware, leatherware, boots and shoes, brushware, and other lines of which these are perhaps the most important. The duty upon spirits is 14s. per gallon, and upon beer 6d. per gallon. There

is an impost upon manufactured tobacco of 3s. per lb. ; upon trade and unmanufactured tobacco of 1s. per lb., and upon tea of 2d. or 3d. per lb. In 1899-0 the customs duties yielded £10,821, which is a little more than the receipts for the previous year. These are the main and leading facts about the fiscal characteristics, products, and trade of the possession. Its political history, for our purposes, may fairly be said to have begun in 1883. In that year, with the consent of Mr. Thomas McIlwraith, afterwards Sir Thomas McIlwraith, Mr. Chester set the British flag flying in New Guinea. The movement, however, was not recognised by the then Secretary of State for the Colonies, Lord Derby. Subsequently - I think in November or December of the same year - an intercolonial convention was held, at which all the colonies, if I may except Tasmania, were represented. New Zealand was also represented. It was the convention at which the Federal Council Bill was adopted for transmission to the Imperial authorities. At that gathering, which was a representation of governments, and not an elected representation of the people, the-Australasian governments agreed to provide £15,000 a year for the administration of the possession. To this amount, even New Zealand contributed for a very short period, thus recognising a certain degree of responsibility in the matter. The acquisition of the territory as a possession of the Crown did not at once follow, but in November, 1884, a protectorate - and a protectorate only - was proclaimed. In the following year Sir Peter Scratchley, who will be remembered as a man of great ability and experience by a large number who are now living, was appointed special commissioner. He arrived in 1885, but was in New Guinea all too short a period, because he died in the same year. There are some here who will recollect what a valuable despatch was written by his secretary, Mr. Seymour Port, in April, 1886, including as it did a number of notes and memoranda, which Sir Peter had intended to embody in a report for the future guidance of those administering the possession. After his death the Honorable John Douglas, now Administrator of Thursday Island, temporarily administered the protectorate, until Dr. McGregor, afterwards Sir William McGregor, who had been appointed by the Imperial Government, arrived in New Guinea. In 1887, at the Imperial Conference, three of the colonies - New South Wales, Queensland, and Victoria/ - undertook to guarantee £15,000 a year for ten years, on the understanding that the Imperial Government would convert the protectorate into an annexation. In September, 1888, a proclamation was read in New Guinea by Sir William McGregor annexing the present territory. An Act called the British New Guinea Queensland Act was passed in 1887, and was assented to on 4th November of the same year. It dealt with the administration of the territory, and set forth the agreement which the three colonies had entered into, at the Imperial Conference, to contribute in equal shares £15,000 a year for the government of the possession. I have a further reference to this matter which I shall read.

Mr JOSEPH COOK

- We had to buy England's recognition of the island.

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Mr BARTON

- I will not say that; but it is quite certain that the original protectorate and the subsequent annexation were more at the instance of Australia than the result of the particularly pressing desire of England. The Queensland Act to which I have referred recites in its preamble -

Whereas Your Majesty's Australasian Colonies cheerfully recognise and acknowledge the obligation to indemnify Your Majesty's Imperial Government against the necessary cost of the administration of the Government of the said territory, in accordance with the conditions of the said amended proposals or such other conditions as maybe mutually agreed to by Your Majesty's Imperial Government and the Governments of the said colonies, and it has been agreed that the colony of Queensland on their behalf shall formally recognize and give effect to such obligation.

That was the preamble to the Act, the 1st schedule to which contained the draft proposals for the administration of British New Guinea. These provided that Queensland was -

To undertake by a permanent Appropriation Act to defray the cost of the Administration of the government of British New Guinea to an extent not exceeding £15,000 per annum for the term of five years, subject to the following conditions : -

The colonies of New South Wales and Victoria to undertake by similar permanent Appropriation Acts to bear equally with Queensland any amount which the latter colony may be called upon to pay under article 1, so that each colony shall be liable for one-third of the whole expenditure to an extent not exceeding £3,000.

So that each colony was to be liable for one-third of an expenditure the" total of which was not to exceed £15,000 ; and any contribution made by the Governments of the other Australasian colonies was to be applied in reduction of the amount which the three colonies were called upon to pay under the two articles I have just quoted. Those are the principal provisions, as far as the financial matter was concerned, but there was another schedule to this Act containing amended proposals for the administration of British New Guinea. To this it is not, I think, necessary to make any reference, except to mention that the term of five years was altered to ten years, and also to quote the 19th and 20th articles, which are these - The Governor of Queensland to be directed to consult his Executive Council upon all matters relating to British New Guinea.

The Government of Queensland to consult the Governments of the other contributing Colonies in all matters other than those of ordinary administration, and to report to them all action taken.

That is the position which arose under the Queensland Act of 1887. After that Act was passed, there were issued on the 8th June, 1888, pursuant to Orders in Council, letters patent constituting British New Guinea a separate possession. The outcome of this was the proclamation of the 4th September, 1888, of which I have spoken. Concurrently Royal instructions were issued, bearing date the 8th of June, 1888.

These will also be found in the book which I am about to lay upon the table of the House, and which contains the Orders in Council, proclamations, and other documents relating to this country. They need not trouble us in the description of New Guinea which I have to give, because they do not, in any sense, affect the action which we are about to take if the House agrees with the Government. Under all these instructions the Government of New Guinea, or the administration of it, was continued for the term of the agreement, which was extended to ten years - that is to say until 1898 - under the amended agreement. Therefore, at the end of 1898 the whole period expired, the money in the meantime having been found by the colonies concerned. Beyond that point temporary arrangements had to be made from time to time.

Some small revenue was being collected in New Guinea, and was available in supplement of the amount of the grant made by the various States, which was saved up and amounted at the end of 1898 to some £30,000. At the end of that time the contributions of the three States I have mentioned ceased, and New Guinea was thrown back upon her accumulated surplus derived from her own revenue. It was found, however, that the surplus was not sufficient for the purposes of the Government, which in the meantime became sadly contracted, so that the development and extension of any kind of settlement became largely hampered. Now, leaping over a period of years, I come to a despatch written by Sir Samuel Griffith to the Governor-General of the Commonwealth, on the 6th July, 1901. I mention it now because of the way in which it describes the position. Sir Samuel Griffith was then, it will be remembered, and is still, the Lieutenant-Governor of Queensland; and, therefore, occupied the position of Governor in relation to the agreement which formed the schedule of the Queensland Act. He sends with his despatch a copy of the despatch from the Administrator of British New Guinea, to which I shall have to refer again ; also a copy of a letter from Mr. Philp, Premier of Queensland; and a despatch from the Lieutenant-Governor, forwarding the estimates. In the course of his despatch Sir Samuel Griffith says : -

Since the expiration of that period -

That is, the period of ten years to which I have already alluded, expiring in 1898 - temporary arrangements have been made, from time to time, by the Government of Queensland, with the Governments of New South Wales and Victoria, for providing the necessary funds for defraying the cost of administration, which has always exceeded the annual revenue of the Possession. For this purpose the accumulation of revenue already referred to was drawn upon, and has been exhausted.

That is the sum of £30,000 to which I have already referred. It was more than exceeded, and in 1900-1 there was a deficit, as I shall explain presently -

No definite arrangement is at present in existence, either between His Majesty's Government and the Government of Queensland, or between the latter and the Governments of New South Wales and Victoria, with respect to the future responsibility of the finances of the possession.

So that really the arrangements that have been made since the year 1898 have been purely tentative. While the Government has been carried on since that year with reference to the previous Orders in Council, Acts, and agreements, it has had to be carried on without reference to the colonies which had hitherto been contributing.

In October, 1900, it was agreed -

That is, in view of the insufficiency of the local revenue to provide for the finances of British New Guinea - by the three Governments, that the probable deficiency in the funds of the possession at the end of the year ending 30th June, 1901, which was then estimated at £7,000, should be guaranteed by the three colonies in equal shares, in the event of the Government of the Commonwealth not sooner taking over the financial responsibility; and an appropriation ordinance, authorizing an excess expenditure of that amount, was duly sanctioned and passed by the New Guinea Legislature.

Which, like the Legislatures of many Crown colonies, consisted of the Governor and certain officials, and one or two persons who were not officials.

The actual authorized expenditure, however, for the year ending 30th June, 1901, exceeded the available funds of the possession by nearly £10,000.

No provision has yet been made for defraying the additional £3,000, but I understand that the Government of Queensland will look to the two other guaranteeing Governments to bear equal shares of the whole deficit, if the financial responsibility for the possession is not, as suggested by Mr. Philp, taken over by the Commonwealth as from the 1st of January.

I may mention that Mr. Philp was anxious that the Commonwealth Government should take over the financial responsibility as from the 1st of January.

Mr Fisher

- I think the Commonwealth Government should do so.

Mr BARTON

- The position of "this Government has been otherwise. The financial responsibility, as honorable members will see, has been met up to the 30th June, and the suggestion is that we should go a little retrospectively, and take over the responsibility as from the 1st July. However, that is a matter which will concern us more as I go on. Mr. Philp has invariably been anxious that the Commonwealth Government should take over the responsibility earlier, but I have pointed out that we cannot do anything in that direction, without the sanction of Parliament, and that in any case we could not go back so far as the 1st January, because the Government would thus be committing themselves to nine months of an administration in which we had had no share.

Mr JOSEPH COOK

- Can the Prime Minister tell us whether the proposition includes those islands given to us by Germany a little while ago?

Mr BARTON

- The islands to which the honorable member refers are, more particularly, parts of the Solomon Islands. This proposal does not include any of those islands but the Louisiade Islands, the D'Entrecasteaux Islands, and Woodlark Island are really part of the territory which was originally annexed. The proposal includes the whole possession of British New Guinea. As to the Solomon Islands, I am now in process of inquiry with reference to the method of administration, the expense, and so on; and if the results of my inquiries are sufficiently satisfactory, it is quite likely I shall later on have a proposal to make in regard to those islands.

Mr Henry Willis

- Is the administration of these islands the same?

Mr BARTON

- There is a difference, they are under the High Commissioner and a Deputy Commissioner. To continue Sir Samuel Griffith's historical account: - [0. As a temporary measure, Lord Lamington, with the advice of his Ministers, who had previously obtained the consent of the Governments of New South Wales and Victoria, recently authorized -

That is recently, before July, 1901. - the passing of an Appropriation Ordinance for the three months ending on 30th September next -

That is the 30th September, now passed. - the rate of expenditure being based on that for the preceding twelve months, which had been sanctioned in detail, with a trifling addition, which is explained in Mr. Le Hunte's despatch of 21st June. The estimated revenue of the possession for the same period will, however, be manifestly insufficient to meet the authorized expenditure, and is absolutely necessary that before the expiration of the three months a new arrangement of some kind should be made.

This appropriation ordinance, carrying on the expenditure of New Guinea to the 30th September, while it

might have effect, could not find the money, because the money was not forthcoming. Before going further, I should like to refer to two important letters of the 21st June and the 5th July, from Mr. Le Hunte, which were enclosed in the despatch I have quoted, and which I ought to have read before. I am sorry I shall have to weary members with a long quotation, but it is necessary to place on record the financial position of the possession. On the 21st June, writing to the Lieutenant-Governor of Queensland, Mr. Le Hunte said : -

The estimate of revenue for the coming financial year amounts to £20,900, or £5,325 over that of the present year. The principal items in which an increase is expected are - Customs, £700; land sales, £1,660; gold-field receipts, £800 ; and the sales of the new issue of the postage stamps, £500.

The only difficult items to estimate are the two relating to lands and surveys. I may state that the Chief Government Surveyor's original estimate was much larger, but the Executive Council did not consider it well to calculate on too high a problematical amount, and reduced it to the figures given above.

I ask honorable members' attention particularly to what follows.

A good deal will of course depend on whether the Government of New South Wales will withdraw its opposition to the application of the Hall Sound Company for the 100,000 acres of land for agricultural purposes.

It appears that there was an Australian company called the Hall Sound Company who wished to acquire 100,000 acres of land for agricultural purposes.

Mr Fisher

- And another company wanted 200,000 acres.

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Mr BARTON

- Another company wanted a much larger area ; but referring to the less extensive application first, we find that the Government of New South Wales were opposed to its being granted. Applications of this kind afford another reason why the possession should be under the control of the Commonwealth, in order that future dealings in land may be governed under Australian knowledge of conditions, and not on any understanding which involves a less continuous and inner knowledge of the affairs of such possessions.

Mr. Le Hunte's letter proceeds -

The company have officially informed me that unless the objection to it, of which the New South Wales Government gave Your Excellency's Government notice last year, on the first intimation of the application, is allowed to lapse, they will withdraw at once altogether from any further enterprise in the possession ; while, should their application be successful, they will be prepared to invest a large amount of capital and proceed at once with their enterprise. In the interests, therefore, of the financial administration of the possession, I should be glad to know at an early date whether there is any likelihood of the opposition to the company's application being withdrawn ; I fear that, otherwise, not only shall we lose the first and best chance of material agricultural development which has occurred since I have been in the possession, but that others who may be intending to undertake similar enterprises will be discouraged and withdraw from them.

I quote that passage in order, first, to put the House on its guard in view of the fact that we may have difficult questions to deal with in regard to possessions of this kind, and next as a strong argument that an Australian Government is the most competent power to deal with those difficult issues.

Mr Fisher

- And the most responsible power.

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Mr BARTON

- And a power more immediately responsible. Much more might be quoted, but I cannot read all the documents within the limits of this speech. As to the expenditure, Mr. Le Hunte says -

The figures for the expenditure for the first quarter of the coming financial year - £8,851 5s. -

That is for a quarter, being more than £35,000 a year are based on the present year's estimates, with certain additions, viz., (1) the inclusion, as directed, of the present survey staff ; (2) the appointments made and approved during the present year ; (3) certain small increments to the salaries of subordinate officers, in no case exceeding .-£25, which had been promised to them from the 1st of July ; and (4) certain items under constabulary, gaols, &c. , which are found to be insufficient for present actual



requirements.

We may be quite certain that so far as more police protection is concerned, the need of that will increase with white settlement. 20 r

With these exceptions and the provision for the 4 per cent, interest on the Special Survey Loan of £3,000 made by the Queensland Government towards the end of last year. There was a special loan made by the Queensland Government, for which the possession continues liable, amounting to £3,000. That was for the survey of land in anticipation of alienation.

And the cost of the new postage stamps, the figures for 1900-1 have been adhered to as strictly as possible, in accordance with what I stated in my telegraphic request for authority to pass the Temporary Appropriation Ordinance. And so on. In this, or the succeeding letter, estimates for the possession are printed, and when the papers have been laid on the table, which I propose shall be done shortly, honorable members will see the entire position ; all I can give at present is a summary. The succeeding despatch from Mr. Le Hunte, of the 5th July, was written before the date of Sir Samuel Griffith's despatch, in which it was enclosed, and it contains this passage -

In my despatch to Lord Lamington, No. 60, of 21st August 1900 (paragraph 5), I stated that I intended to ask for a guarantee from the Commonwealth Government of £20,000 per annum for any deficiency between the revenue and the expenditure of the possession after the former financial arrangements with the three contributing colonies terminated, as they have now done ; and I have accordingly, after considering the actual immediate requirements of the possession with my Executive Council, based these estimates, on a local revenue of £20,900 -

Now we are drawing closer to the true financial position - and a contribution from the Federal Government, of the sum I then mentioned, viz., £20,000, or a total of £40,900 revenue, against which the estimated expenditure for 1901-2 amounts to £40,600 ; and I would ask that the above sum of £20,000 should be guaranteed for a given period, say, for five years, in the same way that the former arrangement was for a fixed and definite period. It is scarcely necessary for me to point out the advantage of this to both sides, the Federal Government knowing what they will have to provide in their Estimates, and the administration of the possession knowing the limit of the annual contribution to their revenue. I may point out that, after the Imperial Government ceased to contribute anything, the possession received an actual contribution of £22,000 per annum from the three contributing colonies', £15,000 of which was paid directly by them, and £7,000 for the Merrie England being drawn from the Accumulated Revenue Fund (or, to be strictly correct, from the revenue, instead of going into that fund), which was the property of the three colonies.

I wish to draw the attention of the committee to this matter, because the contribution had been fixed at £15,000 originally, but was increased to £22,000 in this way. In the first instance the Imperial Government contributed £7,000 towards the maintenance of the possession. That sum included the cost of keeping up the steamer Merrie England, which has been found a necessity for the possession. Subsequently the Imperial Government, having first reduced their contribution by something like £3,000, withdrew it altogether. The necessity for £22,000 appears to have existed, and the three contributing States arranged for it. They paid their £15,000, but the accumulated revenue was then drawn on for the remaining £7,000 so as to bring up the total to £22,000. That course was occasioned by the failure of the Imperial Government to continue their contribution. Mr. Le Hunte points out, to put it more accurately, that the £7,000 was taken from the revenue instead of the money going into the accumulated fund ; so that the accumulated fund consisted after 1898 of only that which remained of the revenue after payment of the £7,000 which was intercepted. That accumulated revenue fund was practically the property of the three States responsible for the administration of British New Guinea, and the additional £7,000 was taken out of the revenue fund and added to the £15,000 which was found practically by the three States. Mr. Le Hunte continued -

I am, therefore, not really asking for more, though the additional £5,000 will appeal- as an extra direct contribution in the future.

Mr. LeHunte's position is very correct, because the revenue fund being that which was looked to, in addition to the contributions from the colonies, to make up the total financial resources of New Guinea, it was practically the money of the States for that purpose, as he points out. Thus, when he asked for a contribution of £20,000, it must be borne in mind that, in that aspect, the request is really. not for more

than the States have been finding. .

Mr Fisher

- It is really insufficient.

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Mr BARTON

- I do not think that is so. Without concessions in the direction of land-grabbing, and without giving way to such proposals as were made by certain gentlemen in England a few years ago - which, I am glad to say, were not acceded to - there will, no doubt, be a development and expansion of this country under white possession, which will largely tend to increase the land revenue. It will be for us to decide by- Act of Parliament the way in which the lands of the possession shall be dealt with. Whether we shall deal with it by way of alienation or by way of leasing is a matter entirely for the Federal Parliament to decide. In whichever way we deal with it, the revenue from British New Guinea land must largely increase.

Therefore, instead of finding that £20,000 is insufficient, it is on the cards that we shall find it sufficient for the five years' period. I have put at the end of this motion the words, " subject to revision," so that when we have had control during five years - whether the necessities of the possession, as they appeal to us, are greater or less - we may then, having given it an assured revenue for these five years, revise the whole question, and see to what extent our liabilities go. At the end of July last, Mr. Philp, Premier of Queensland, urged upon me the necessity for making certain repairs to the Merrie England, at a cost of £1,000. In my reply to him - and I am bound to state briefly what took place - I said -

Tour telegram as to Merrie England received. Seeing that the proposed transfer of New Guinea Administration to Commonwealth is not yet decided on, and that a definite agreement, resulting from official communications with Imperial and Queensland Governments could alone justify me in expressing approval or disapproval of the proposed expenditure, I cannot assume that responsibility. I will consult colleagues further, as soon' as circumstances allow, on the main question as to whether Commonwealth should accept administration ; and if so, when.

Rightly or wrongly I have maintained that attitude throughout. I thought I was not justified in pledging the finances of the Commonwealth until the time came when I could put some definite proposal before Parliament, and gain its assent. I felt that if that proposal succeeded there would be a justification for dealing retrospectively with some of the finances, but that there would not be any justification on my part for dealing with the finances directly, while there was any sitting of Parliament to which I might appeal. At that time, however, neither the position of public business nor the position of negotiations made it possible for me to appeal to Parliament. Therefore, my only resort now is to seek to antedate the financial assistance to this possession to what I think is a reasonable time, namely, the 1st July last, and I think I shall be honoured by the concurrence of Parliament in that proposal. There are further communications between Mr. Philp and myself to which I must refer. On the 2nd August last, Mr. Philp telegraphed to me as follows : -

Merrie England will be docked in .about two weeks' time. Essential that special and ordinary repairs should be done simultaneously. Suggest authority be given for their execution by Queensland, pending ultimate decision on subject.

I replied -

Merrie England repairs. As I cannot assume responsibility in present condition of affairs, I hesitate to tender advice, though no harm could come by necessary authority being given by the three contributing States.

If we take over British New Guinea, of course we can make that good. After further correspondence I requested His Excellency the Governor-General, on the 13th August, to send a cablegram to the Secretary of State for the Colonies. It must be remembered that for three years prior to that date, the Imperial Government's contribution to the finances of New Guinea had ceased. It appeared to this Government that it would be reasonable to apply to His Majesty's Government for some assistance towards those finances, especially in view of the restrictions which are placed upon the early finances of the Commonwealth. I, therefore, asked His Excellency to send the following telegram to the Secretary of State for the Colonies : -

Mr. Barton has been in communication with the Government of Queensland, and also with the Governments of New South Wales and Victoria, on the question of the future of British New Guinea. If

Imperial Government desire that Administrator should take directions from Commonwealth instead of Queensland, three States above named appear likely to support that step.

I must say that I have been always of opinion that a mere change in the instructions would scarcely do, and that if this country were taken over it should become the territory of the Commonwealth -

If you approve of the change Ministers are prepared to bring before Parliament for proper authority. It would be necessary for the Commonwealth to guarantee about £22,000 per annum for next five years. We find on revision that £20,000 will be sufficient -

In view of the difficulties imposed on early finances of the Commonwealth for the next five, and, perhaps, ten years, by sections 87, 89, and 93 of the Constitution, my Ministers suggest that during five years Imperial Government should find 7, 000 per annum of proposed amount, being the sum formerly contributed by Imperial 20 e z

Government under lapsed agreement, and covering maintenance of steamer Merrie England.

The answer to that cablegram was as follows : -

Referring to your telegram of 15th August, His Majesty's Government quite prepared to approve British New Guinea being placed under Commonwealth Government, but much regret impossible to ask Imperial Parliament for Imperial contribution towards expenses of Administration. Please obtain from Governor of Queensland my despatch, British New Guinea, No. 23, of 8th June, 1898, which explains.

With reference to that despatch of the 8th June, 1898, which honorable members will have an opportunity of reading before they come to a decision, the chief reason .given by the Imperial Government for the withdrawal of their contribution was that British New Guinea was annexed only in response to the unanimous demand of Australia, and upon the understanding that the Australian colonies would pay for the administration of the new dependency, which was to be, to all intents and purposes, an Australian possession. The justification for that paragraph will be found in what I said some time ago, when I mentioned that at the Imperial Conference the contributing colonies agreed to spend the £15,000 a year then mentioned, if, instead of allowing it to remain a protectorate, the British Government would make New Guinea a British possession, and annex it -

It is true that Her Majesty's Government have since materially contributed to the expense of the administration of the dependence, but each year it is becoming more difficult for them to induce the House of Commons to vote money for the administration of a possession in which the taxpayer of the United Kingdom has so little direct commercial interest ; it is felt that the time has come when the grant-in-aid, which has been made for so many years, should cease.

That was three years ago. The Secretary of State goes on to say -

It is practically certain that if the possession is to be developed, it will be by Australian capital and enterprise. What trade it at present does - amounting to less than £40,000 a year - "is carried on with Australia."

We know that the trade now amounts to something like £128,000 a year.

Experience in Fiji shows that the only enterprises which have been successful on a scale worth mentioning have been those of Australian companies and individuals, and it is unlikely that the fate of New Guinea will be different. The Australians are practically on the spot, and they have unlimited command of capital. The Australian, living in a sub-tropical country, takes more kindly to tropical life and work than the native of the United Kingdom. Similarly the trade of Fiji is wholly with Australia; and although no doubt some parts of it is in goods from this country, or for export to this country, there is not, and probably never will be, any direct trade between the United Kingdom and Fiji. The distance is too great, and there is a sufficient market in Australia both to buy in and sell in.

The Secretary of State for the Colonies points out that therefore -

The interest of the English exporter in the Pacific market is only indirect. It is part of the market of his Australian customer, and it is on the Australian intermediary that he must rely for the exploitation of that market. It is too small to make it worth his while to establish a direct trade, especially when he might thereby offend a large and influential supporter.

Further on he says -

If, as seems not improbable, the territory should turn out to be a gold-producing centre of some importance, there can be no manner of doubt that the rush to it will come from Australia, and inevitably tend to link it more closely to Australia.

Then the right honorable gentleman closes by reiterating that he cannot recommend any further contributions. That was in 1898, and it was the despatch to which I was referred in reply to my telegram of 13th August. The Secretary of State concludes the despatch by saying something which it may be well to remember in regard to possible future events -

As regards the Solomon Islands, I will not for the present, press further the proposals that the colonies should relieve Her Majesty's Government.

Showing that up to that time, three years ago, there was a disposition on the part of the Imperial Government that the Solomon Islands themselves "might be taken over. I will now pass on to a further telegram on the 13th September. I asked that His Excellency should suggest by cablegram to the Secretary of State the reasons set forth - I have to be frank with honorable members in this matter because I wish them to understand that while I think the contribution that will be asked for, not in this resolution, but later on by a vote, will be necessary, I have done my best, within reason, to see that it should not be too large. This was my minute -

Mr. Barton presents his humble duty to Your Excellency, and referring to your minute of 28th August, desires to inform you that your Ministers have carefully considered the despatch of the Secretary of State of 8th June, 1898, therein referred to, on the subject of an Imperial contribution towards the cost of the administration of New Guinea.

Mr. Barton will be glad if Your Excellency will suggest, by telegram, to the Secretary of State that the reasons set forth in his despatch for the refusal of a subsidy by His Majesty's Government seem to Your Excellency's Ministers, with great respect, not to preclude further consideration. These reasons imply that the whole benefit of any present or future trade with the possession will accrue to Australia ; but it is a fact that a large part of the profit must accrue to the British manufacturer or exporter, whose goods are the subject of the trade, and whose interest in the possession is none the less real because his business is, in this regard, conducted by an Australian resident.

The Commonwealth Government express the hope that the Secretary of State, before he finally refuses to ask the Imperial Parliament to contribute a sum towards the maintenance of the possession, may give his kind consideration to the difficulties of the Commonwealth in undertaking anything more than the minimum of necessary expenditure, owing to the incidence and pressure of section 87, 89, and 93 of the Constitution, which were inserted to prevent the finances of the States from suffering during the transition period. These, while they provide security to the revenues of the States, must greatly increase the caution of the Commonwealth in the undertaking of new enterprises which involve any considerable expenditure. Although three of the States have borne the expense of the administration in equal proportions since the discontinuance of the Imperial contribution, yet if that expense be now undertaken by the Commonwealth, it must be regarded as new, and not as transferred expenditure - it not having been incurred in connexion with any of the transferred departments.

The three States which formerly contributed are very anxious that the Commonwealth should relieve them of the burden they have hitherto borne ; but it appears to be difficult, under the Constitution, for the Commonwealth Government to undertake the administration of the possession, except as a territory of the Commonwealth. Such a course will involve the Government in the liability to greater expenditure than has hitherto been necessitated,

If, owing to financial obstacles, the Commonwealth were now compelled to decline the task of supervising the affairs of the possession, it is practically certain that the three States hitherto contributories would also decline any further expense or responsibility ; and it does not seem to Your Excellency's Ministers that they should be forced to make a choice between the entire burden of the administration and the leaving of the possession in a helpless position.

One of these results must ensue if His Majesty's Government is not prepared to co-operate, in some degree, in initiating the new order of things.

If the Commonwealth found itself compelled to decline to accept the burden, the whole of it would probably fall upon His Majesty's Government, if Imperial interests are to be maintained ; and, while your Ministers are most unwilling that this should be the case they think that, in view of such a possibility, they may venture to ask His Majesty's Government to reconsider the question.

In answer to that there was a further telegram, in which Mr. Chamberlain said : -

Referring to your telegrams of 14th September and 4th October, British New Guinea. After full

consideration, His Majesty's Government much regret are unable to depart from previous decision as to contribution to expenses of administration. Despatch follows by mail.

A despatch did follow by mail, enforcing these reasons at somewhat greater length, but as it will be laid upon the table, I shall not further trouble honorable members with it now. I have read this correspondence to show two things: First, that this Government has done its best to see that the finances should be supplemented by Great Britain as far as possible, if any willingness to undertake that assistance could be discovered; and next in order that the House might see, as will have appeared from the correspondence, that the three States which have contributed are not prepared to go any further in the making of a contribution. In the face, therefore, of the unwillingness of the British Government to contribute, and in the face of the fact, which is true, that while a large proportion of the trade is in goods manufactured in England, nevertheless, as pointed out by subsequent despatches of the Secretary of State, a large proportion of the trade is in foodstuffs that come from Australia, it will not be right for the Commonwealth to neglect its material and trade obligations in this matter. In addition to that it will not be wise for the Commonwealth to make the false step at the beginning of its march of leaving, or taking any course which may help to leave this possession in an abandoned or defenceless position in which it may become even a menace to the Commonwealth. To my mind it is our clear duty to recognise the responsibility which in respect of future trade carries with it a corresponding advantage, and the other responsibility which in connexion with our future safety may also have great advantages accompanying it.

Mr JOSEPH COOK

- Does the right honorable and learned gentleman propose to continue the present form of government 1  
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Mr BARTON

- It will have to be continued for a short while, but I shall come to that question in a few moments. The intention to move these resolutions has been communicated to the Imperial Government, with the statement that, from their willingness to give full control, expressed in former telegrams, we assume that this proposal will, if carried by this Parliament, lead to a consent on the part of His Majesty's Government. In the meantime, the Government of Queensland is bearing the whole responsibility. Drawing the memories of honorable members back to the position at the 30th June, 1901, when the estimated deficit in the finances of the possession, then for three years deprived of assistance from the States, had become £10,000 instead of £7,000, I should mention that the three States agreed to bear that extra burden of £1,000 each, having already agreed to divide the liability of £7,000 between them, so that they paid ultimately £3,350 apiece. If not from the 30th July, at any rate from the 30th September, Queensland has, unaided, been guaranteeing the finances of the possession, and that is not a position in which any State should be left. There is, in addition to the other arguments I have used, a duty incumbent upon us to put an end to a position so anomalous as that in which the State of Queensland is left, by assuming responsibilities which can never be denied by us, for whatever we might do, we could do no more than delay. The telegram from the Secretary of State for the Colonies, which I am about to quote, was received on the 9th October. The Lieutenant-Governor of Queensland, no doubt with the advice of his Ministers, had made a suggestion that as the administration had not yet been taken over by the Commonwealth, the Imperial Government should consider whether they should not make New Guinea a Crown colony, and the telegram to which I allude says -

Referring to the telegram of 5th October from Governor of Queensland to me, His Majesty's Government cannot accept suggestion that British New Guinea should be created Crown colony; they have no objection to your Government having fullest power of control, with regard to possession on accepting responsibility of its administration and expenditure. If desired, such powers would include appointment of all officers, from Lieutenant-Governor downwards, on occurrence of vacancies.

Of course it does not mean that those who are performing duties should be removed; but that as vacancies occur the Commonwealth should have the power of filling them.

His Majesty's Government most earnestly hope that in the interests of British New Guinea, and of Australia itself, with which the possession is so closely connected as a natural dependency, your Government will either take over administration at once, or will come to some temporary understanding with Government of Queensland for carrying on administration pending arrangement of details in order that immediate embarrassment of British New Guinea may be relieved.

The answer which this Government makes to that proposal is that there ought to be no half measures in this matter - that we should not make any merely temporary arrangement, but that if we recognise our responsibility for the future of these seas, it is the duty of the Commonwealth to assume legislative supremacy over New Guinea, and its control - not as a precarious possession, but as a territory of the Commonwealth - and it is on those terms that I ask the House to concur with the Government. As I have said, claims to the 30th June have been made by three States, although their liability extended to a period only three years before. Now we have one State alone guaranteeing all expenditure pending the settlement of this question. The House will not fully recognise its obligations if it leaves that State in such a position. Queensland, no doubt, relies on the Commonwealth to assume this responsibility, and it would take a strong case to prove that such a responsibility is not a proper one for the Commonwealth. I know that it may entail certain things. I know that other arguments may be founded upon it if it is carried out; that I cannot help, because if we consider, as a Parliament, that the undertaking of this burden is a just one, then we ought not to be afraid of any argument which may be built upon such just action. On the two questions of revenue and of the disposal of labour, as to both of which I have seen, if I have not heard, objections raised - it is indispensable at the present time to leave New Guinea with a Tariff of its own. The financial responsibilities of the Commonwealth cannot be indefinitely added to, and we must leave this territory in a position to raise a reasonable amount of revenue from dutiable articles, to supplement the grant which we shall make to it.

Mr Thomson

- Shall we admit goods coming from New Guinea duty free?

Mr BARTON

- The Commonwealth is not obliged to admit goods from New Guinea duty free. Honorable members will have heard a great deal of the American cases which have been decided, and there is no doubt that as we view those decisions, from one stand-point or another, they may be regarded by those who read our Constitution, only as somewhat curious ones.

Mr JOSEPH COOK

- Would it not be a desirable thing to admit their goods free ?

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Mr BARTON

- That is a matter for the House to consider when we bring in a Bill. I am only saying that, as to the immediate future, I think it would perhaps be more desirable that the Tariff of New Guinea and that of the Commonwealth should not be interfered with on the immediate taking over of the possession. As to the position of the Commonwealth, section 92 of the Constitution, which has not its counterpart in the American Constitution, says -

On the imposition of uniform duties of customs, trade commerce and intercourse among the States, whether by means of internal carriage or ocean navigation, should be absolutely free.

Honorable members who were in the convention may recollect that in the original of that section the phrase was not " among the States," but " throughout the Commonwealth," but the difficulties which might ensue were pointed out notably by, I think, the honorable and learned member for Indi, and it was thought that in view of the acquisition of territories by the Commonwealth, which might necessitate special treatment for a time, it was advisable to use the words " among the States." My view of the section is, that it is not imposed on the Commonwealth as a duty that immediately on its taking over a territory there shall be free-trade between the Commonwealth and the territory, but that the Commonwealth having exclusive power of legislation over any territory which it accepts, is entirely its own master to legislate for free-trade with the territory, or for the maintenance of any tariff between it and the Commonwealth. That is, therefore, entirely a matter within the legislative power of the Commonwealth, which need not enter too much into our consideration in dealing with our responsibilities under these resolutions. Hereafter it will be a matter for the Commonwealth to decide whether we shall allow New Guinea to retain a Tariff and retain our Tariff towards New Guinea, or have absolute free-trade with the territory. That is a matter entirely within the powers of the Commonwealth itself when it comes to legislate on the subject. I am not quite so careless as to imagine that our responsibility towards New Guinea will end with the passing of these resolutions, because after steps have been taken to place the territory under the control of the Commonwealth it will be inevitably necessary for us to pass laws controlling New Guinea, and to deal with

the Tariff under those laws.

Mr HUME COOK

- Would not the same questions arise in the case of the Northern Territory of South Australia ?

Mr BARTON

- No; the circumstances are not quite the same. The Northern Territory is a part of the State of South Australia, and is defined in the Constitution in that way. The taking over of the Northern Territory as a territory of the Commonwealth, if it were done in this way, would raise precisely the same questions ; but whilst the questions might be the same the answers might be different, the territory being in one case on the mainland and in the other divided from the Commonwealth by the sea.

Mr Winter Cooke

- Does not the word " States " in section 92 of the Constitution include any territory acquired by the Commonwealth ?

Mr BARTON

- No, it does not, in my judgment.

Mr Winter Cooke

- That is the interpretation, I think, under section 6 of the Constitution Act.

Mr BARTON

- I think not.

Mr Henry Willis

- Would the policy of the Government towards New Guinea be the same as that of the United States with respect to the Hawaiian Islands ?

Mr BARTON

- I should like to know more about the policy of the United States in the matter before saying whether our policy would coincide with theirs. Whilst we may within a short period deal with the question whether there ought to be a Tariff between New Guinea and the Commonwealth, if the Constitution does not enforce free- trade at the time of the taking over of the territory, it is purely a question for us to decide how long we should maintain the present position, and when we should pass a law providing for the free interchange of products. I do not wish to bring about any complications in connexion with this matter. I think New Guinea should be taken over whether one result or the other is to happen. In view of the long centuries for which I hope New Guinea is to be a territory or, perhaps, a State of this Commonwealth, the question whether or not we are immediately to have a Tariff with New Guinea is one of the smallest considerations that should weigh with us. The honorable member for Wannon has referred to section 6 of the Constitution Act. That section provides -

The States shall mean such of the colonies of New South Wales, New Zealand, Queensland, Tasmania, Victoria, Western Australia, and South Australia, including the Northern Territory of South Australia- These are the words of description that incorporate the Northern Territory as part of the State of South Australia - as for the time being are parts of the Commonwealth, and such colonies or territories as may be admitted into or established by the Commonwealth as States, and each of such parts of the Commonwealth shall be called a State.

That means "such part of the Commonwealth as may be admitted and established as a State," and it does not affect the inchoate position of a territory not yet made a State. As to the question of the revenue of New Guinea, the Commonwealth may properly consider the case to be met by the maintenance of the New Guinea Tariff, or may take its own good time to otherwise determine the matter. I am asking for support on both sides of the House, and, therefore, I am not seeking to complicate this matter by endeavouring to deal with what I consider must be a detail in the life of New Guinea - that is, the question how long it shall retain its Tariff. Now, turning to labour, I think that that is a matter to be determined on very much the same lines'. The legislative control of the Commonwealth over New Guinea will be exclusive. The Commonwealth has laid down a policy which is that on the mainland of this country, we intend not only to keep the white race predominant, but the country as purely white as possible. If New Guinea is not taken over, I can imagine times of difficulty when that policy maybe interfered with, but if it is taken over by the Commonwealth, we shall have exclusive legislative power, and our control over the labour question will be supreme.

An Honorable Member. - In our part of New Guinea %

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Mr BARTON

- Yes ; over our part of New Guinea. If British New Guinea were to lapse into the same condition as the German or Dutch parts of New Guinea, then the position of the Commonwealth would be rendered more difficult, and much as we may lament the fact that we cannot have the whole of New Guinea brought under our control, that circumstance should not deter us from seeking to exercise control over that part of the island from which the proximate danger may arise. Both as to labour and the Tariff, future developments will be in the hands of this Parliament, if New Guinea is taken over as a territory, and I have every confidence in its determination. I am sure that this territory can be far better administered by this Commonwealth than by any other authority, knowing as we do that whatever advantage there may be in local knowledge is as much at the disposal of the Commonwealth as at the command of any other authority. Of course, if this motion is assented to, a Bill will be brought in later on to provide for the government of New Guinea. We cannot govern the country completely till then, but if this motion is assented to we can ask the Imperial Government to take such steps as will most speedily place the possession under the Commonwealth control. Until we have that control we cannot exercise full legislative power, but in the meantime we can ask for such power as will enable us to carry on the administration. Some reliance must be placed in the tact and judgment of those who are administering the Commonwealth at the time of the taking over of the possession, but there will be no long tax upon the patience of honorable members in that regard, because no Government would be likely to undertake the extreme responsibility of going on for years with the administration of a territory of this sort when it could take the far more salutary and wholesome course of consulting the wisdom of Parliament, and obtaining a proper charter for the Government of the territory. I hope I have not trespassed too much upon the time of honorable members. I know that long expositions of this character are not as deeply interesting as are many others, but one has to discharge a high function, one of great responsibility, in bringing a matter of this kind before the House; and I hope that honorable members will at least give me credit for having endeavoured to make a clear statement such as ought to assure them of what is our duty in this affair.

Mr REID

- I do not think the Prime Minister need think for a moment that he has occupied too much time in placing these resolutions before the committee, but he must see that he has an advantage that we do not possess, arising from the fact that the documents and despatches to which he has referred have not yet been in the possession of honorable members, and, personally, I should like to postpone any remarks I have to make until I have had an opportunity of perusing the despatches. I think it would tend to a more satisfactory discussion of the matter.

Mr BARTON

- If any honorable member wishes to continue the discussion for a time, there is no obstacle in the way of his doing so. But at any time when it is desired, I shall be very glad to grant a sufficient adjournment of the debate to enable honorable members to obtain a clear understanding of the papers relating to the subject.

Progress reported.

TARIFF

In Committee of Ways and Means: -

Consideration resumed from 8th October, vide page 5744.

Mr JOSEPH COOK

- It is a rule, in connexion with the consideration of the Estimates, that the proposal of an amendment upon any particular item prevents the discussion of any preceding item, unless the mover of the amendment voluntarily gives way. Is the same rule to be pursued here?

Sir George Turner

- We propose considering the Tariff item by item.

Mr JOSEPH COOK

- But if an honorable member proposes an amendment in connexion with the last item, it will block discussion upon the previous ones.

Mr Kingston

- There is no suggestion of anything of that sort.



Mr REID

- Before we proceed to deal with those matters which are of importance in detail, I should like to know for our guidance whether we are to understand that the Government have recently been giving consideration to the propriety, if not the necessity, of amending their proposals. We have read a good deal in the public prints to the effect that Ministers have been busily engaged in considering, up till a late hour at night, certain amendments which they intended to make in the Tariff. It would be a great help to the committee - and it is information to which the public is entitled - if the Government would take the country into their confidence as to the alterations which they intend to propose.

At present the Tariff must be regarded in the light of the announcement made by the Minister for Trade and Customs, who declared that its preparation constituted the most wonderful performance ever known in the history of Tariff proposals. I forget the exact expression which he used, but his meaning was that this Tariff was such an admirable compilation that it would bear favorable comparison with any Tariff that had ever been known. If the Government still maintain that attitude, I am prepared at once to enter into the consideration of its details. But if, as a matter of fact, they have reconsidered the Tariff, and upon such reconsideration have decided to make amended propositions, I submit that, before we proceed to deal in detail with any part of it, we ought to be informed of their intentions. It will be impossible for us to deal with the Tariff to any advantage if we are kept in the dark as to alterations which the Government have already decided upon making. If we are to understand that the Government are submitting this Tariff in the form in which it was presented at the beginning of the discussion, and without any intention of proposing any amendments, we know precisely the position in which we are placed. But if they have decided upon any alterations in their proposals, I would suggest that as a matter of convenience they should be frank with the committee and give us information as to what their changed proposals are. The resolution as a whole is at present before the committee, so that it is perfectly in order for Ministers to make such a statement as I suggest.

Mr KINGSTON

- The right honorable and learned member must know that, as is natural, in connexion with a Tariff of this description, we have received a great number of suggestions. I am only sorry that I have not yet received any suggestions from the right honorable and learned member. I hope that he will repair the omission at the earliest possible moment. I suppose, however, that he will make his suggestions here, when it is less convenient to consider them. The Government have given consideration to a number of suggestions, and are still considering some of the others. They will not fail to acquaint the committee at the earliest possible date with their position. But as to the item of stimulants, with which we are now dealing, the Government do not propose to make any alteration.

Mr FISHER

- Before we attempt to consider the Tariff in detail, it would, I think, be wise to have a statement made by the Government regarding their position in relation to the payment of refunds. In some of the States it has been the custom to allow refunds or rebates on account of any alteration made in the Tariff during its progress in Parliament. I hold very strongly that it is simply robbing the country of money to make refunds to merchants. I trust that the Government will take a course which will secure the protection of the revenue. I hope that they will regard the Tariff now before the committee as the Tariff of the Commonwealth during the time it is under discussion in Parliament. It is necessary and desirable that every one should be told exactly what the Tariff is, and whether there are to be refunds or not. It is almost certain that reductions will be made in committee, and for that reason I respectfully ask the members of the Government what course they propose adopting. As far as I am concerned, I hope that they will retain every penny which is collected for the Commonwealth up to the time when the enactment of the new Tariff is actually made.

Mr KINGSTON

- If any refunds are made, it is very difficult to ensure that they shall go into the pockets of the people who have actually paid the duty. We cannot necessarily secure to the party paying the duty that the refund will be for his benefit.

Sir William McMillan

- Then the importer does not pay the duty ?

Mr Reid

- Hear, hear ! A good start !

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Mr KINGSTON

- The importer does everything he can to put the payment of duty upon other people's shoulders.

Sometimes he is successful ; sometimes he is not. The Government are not proposing at the present moment to make anything in the shape of refunds. Of course, when the Bill embracing the Tariff comes before honorable members, the question can be considered, but I take it that the idea will be that the duties will be fixed to be paid from a certain date, and that if any alteration is made that alteration will take effect from the date of the alteration, and will have no relation to the original duty.

Mr. REID(East Sydney). - I think we are starting admirably in dealing with this

Tariff, because we have now an official assurance that the person who consumes an article is the person who really has to pay the duty under this Tariff. We now have it admitted that it is not the importer who pays the duty. Because the right honorable and learned gentleman will admit that if so - if the importer pays the duty - it would certainly not be honest to refuse to refund the difference between the duty now being paid and the duty upon the articles as finally agreed upon by Parliament.

Mr Fisher

- No one really believes that the importer pays the duty.

Mr REID

- I do not think that any one in real life believes it. But now we are getting Ministers into real life, and I gladly welcome them into that atmosphere. There is one case which the Government will have to consider, and that is where the importer is in possession of the goods on which the duty has been paid, but has not sold them. Suppose the importer has paid £1,000 on a certain shipment, and still has those goods in his store. Suppose, then, that the duty is reduced 50 per cent. Surely, then, it would not be fair to compel that importer to pay the higher duty, and to compete in the market with other persons who have obtained similar goods at a rate of duty 50 per cent. lower.

Mr Fisher

- Did not the importers raise the price immediately this Tariff was introduced ?

Mr REID

- I am speaking of goods not sold, and which the importer still has in his store.

Mr Fisher

- The importers take the risk.

Mr REID

- It is a case we have to consider. I entirely agree with the Minister, however, that where goods have gone into consumption, it would merely be giving a premium to persons who have not paid the duty to grant refunds. But where the higher duty has been paid by the original importer, and the goods are not sold, they will have to enter into competition with goods upon which perhaps 50 per cent. lower duty has been paid. That is a matter which ought to be considered.

Mr JOSEPH COOK

- Suppose the duty is struck out altogether. Is there to be no refund ?

Mr REID

- That is another question, which the Minister has plenty of leisure to consider. It is a matter of some importance.

Mr KINGSTON

- I am glad that the right honorable and learned member thinks that we are getting on so nicely. I thought I had made it clear before, but if not, I will take this opportunity of saying again, that as regards those duties called revenue duties, they undoubtedly do raise the price to the consumer ; and even as to those duties which are of a protective character, there is for a little time a tendency to raise the price until the local competition restores the equilibrium which we desire.

Mr. REID(East Sydney). - If the Minister for Trade and Customs is desirous of entering upon a fiscal controversy, I am willing to indulge him. May I ask, if the duty has been paid on an article, in what possible sense it can come within a protective incidence? In that case the goods have been imported, and not made in the country. When the goods have paid duty, it does not matter whether the duty is

called a revenue or a protective duty.

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Mr MACDONALD-PATERSON

- Did I understand the Minister for Trade and Customs to intimate that if a merchant pays £1,000 in duty on an article, and does not sell it, and the duty is afterwards reduced, he is not to get any rebate ? The article may come into competition with goods imported by a man who has paid a lower duty. The goods, as pointed out by the leader of the Opposition, may be laying in a merchant's store after the duty has been paid upon them. If some honorable members had only a homoeopathic dose of intimacy with commerce and the importation and sale of goods, they would see the necessity for the payment of such a rebate. A merchant who may have paid £1,000 in duty may not have sold a pennyworth of the goods, and another merchant may have paid only 50 per cent. of the duty. Is there to be no refund in such a case ? I should also like to know whether honorable members can move increases as well as reductions of duties? What will be the position in respect of any increases that may be proposed by an honorable member ?

Mr. FISHER(Wide Bay).- As the first question of the honorable member was apparently addressed to me, I may, perhaps, claim priority of reply. After I have been in Parliament long enough, and have received a sufficient number of homoeopathic lectures from the honorable and learned member for Brisbane, I shall, perhaps, understand the principles of trade and commerce, and be able to display a knowledge similar to that of the honorable and learned member. I have never had any antipathy to any person conducting business, but I am here as a representative of the people, to protect the people's interests. If a merchant has paid duty on goods, and has sold the whole or portion of them, he has done so for the purpose of making profits for himself, and not from philanthropic motives.

Sir Malcolm McEacharn

- Supposing the merchant holds the goods ?

Mr.FISHER. - That is the whole crux of the question. If a merchant is holding goods, on which he has paid a higher duty than that which may be imposed next week, it is very likely, if he happens to be in a sister State, where there is free-trade, that he raised prices from the moment the Tariff was imposed and practically collected the duties from the people for his own advantage. If a merchant gets an advantage from a Tariff as introduced, surely he should not grumble at any disadvantage he may experience under an alteration. He ought to have not only the commercial morality, but the commercial backbone to take the risks common to business transactions.

Mr THOMSON

- As to commerce and the method of conducting it, there is a good deal to be said for the contention that duties refunded to an importer cannot reach the consumer. Tradespeople look after themselves, whether they be importers, or whether in the wholesale or retail business. Their contracts are usually so worded that they are safeguarded in the event of any concessions being made in the duties ; but I admit that the retailer cannot pass on concessions to the multiplicity of small buyers who may have purchased his goods during the operation of the temporary Tariff. No doubt in any proposal the Minister may make, he will keep this fact in view and make some fair arrangement. There is some truth in the remark that a merchant may have obtained an advantage in regard to any portion of goods he may have sold, and strong objection has been raised to merchants advancing prices on the introduction of a Tariff; but the merchant has no option.

Mr Fisher

- I do not object.

Sir George Turner

- As a rule, when there is a reduction of duty, it does not come into effect for five or six months.

Mr THOMSON

- Not always.

Sir George Turner

- As a rule.

Mr THOMSON

- That is not proposed in regard to this Tariff.

Sir George Turner

- Because we cannot.

Mr THOMSON

- Many articles are imported ; but not for sale. There may be a large shipment of machinery, the duty on which is £1,000 or £2,000.

Mr Kingston

- But it might be brought in for sale?

Mr THOMSON

-I am pointing out that machinery is imported by manufacturers and others for their own purposes.

Sir William McMillan

- There is mining machinery.

Mr THOMSON

- Exactly ; and if the Minister wants to do justice he will have to remember that fact in any proposal he makes. Is it right that a man should pay £1,000 duty on plant if that duty is afterwards removed ? Is an industry to be taxed to that extent, when other industries in connexion with which importations were made immediately before the Tariff was imposed, or immediately after the duty is removed, are not taxed ? If it is a permanent tax, then the industries must take their chance ; but if it be temporary, consideration should be given to cases of the kind to which I refer.

Mr KINGSTON

- In reply to the question of the honorable and learned member for Brisbane, I would say that this is not a "cast-iron" Tariff. The idea of the Government is that in matters of this sort it would not be fair to endeavour to tie the hands of the committee. There are, of course, questions in regard to the matter of order, but subject to that, our intention is to facilitate the taking of the opinion of the committee on questions not involving too great a principle, and to give effect to that opinion.

Mr Thomson

- In regard to raising duties?

Mr KINGSTON

- Our idea is to get the sense of the committee and to give effect to it.

Mr. Reid. - Now we know the position of the Government.

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Mr KINGSTON

- As to increases, I want to repeat that, subject, of course, to the ruling of the Chair, we shall be delighted to take the opinion of the committee. I believe means can be devised whereby that opinion can be expressed and given effect to, subject to the qualification to which I have referred.

Sir Malcolm McEacharn

- Could the standing orders not be suspended ?

Mr KINGSTON

- I do not know that it will be necessary to suspend the standing orders. The Government have not come down with a " cast-iron " Tariff by any manner of means. We have a Tariff which, as regards the question of principle, has received the approval of the House quite recently, and, under the circumstances, we should not be treating the House with that generosity which honorable members have extended towards us if we attempted to adopt a hard-and-fast line. As to the question of refunds, there is no doubt a different position when the imported article has remained entirely in the hands of the importers. That is, in some respects, different from the case where an importer has, it may be, sold an article of general consumption at a certain price in view of the duty, and, although he has charged the higher duty against some one else, applies for a refund. The two matters require to be looked into very carefully. It would be highly improper, it seems to the Government, that duties should be refunded to the importer when he has added to the price charged to the consumer, who cannot have the charge returned. I answered a question on this subject this day week in the House, as the following extract from Hansard shows -

Mr BATCHELOR

asked the Minister of Trade and Customs, upon notice -

Whether it is true that the Government -

refuse to undertake to refund to importers the difference in case the duties collected are higher than the duties finally imposed by Parliament?

oblige contractors for Government supplies to undertake to lower their prices to the extent of the

difference between the duties collected and the duties finally imposed ?  
If the answer to (a) be in the affirmative, what is the reason for the policy ?

Mr Kingston

- The answers to the honorable member's questions areas follow -

The Government cannot give any undertakings in this matter on account of the difficulty of securing the benefit of any rebate to the person really affected by the duty.

I have no knowledge of this matter, but it will be further inquired into.

That shows the disposition of the Government. We will give the matter further attention, and hope with the assistance of the committee to provide what is fair in all circumstances.

Sir WILLIAM McMILLAN

- It seems to me that honorable members are losing sight of the whole point with regard to the principle of refunds. The act that we are practically doing now in collecting this Tariff is illegal. When such a thing is done, it is understood in most Parliaments that the operation of the Tariff is entirely tentative, subject to an Act of Parliament embodying the impositions. It is as a rule understood that if the duty which is ultimately levied - that is to say, the duty which ultimately gets parliamentary sanction - is less, there must in justice be a refund to the individuals who have paid the higher duty. It is not a question as to whether the importer may have parted with goods or not ; it is a matter of good faith and justice on the part of the Parliament of a country.

Mr Poynton

- But if the importer has got the extra price from the retailer?

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Sir WILLIAM McMILLAN

- That is another question. Nobody can tell to what extent a man may have sold old goods or new goods. The whole question is one of public justice and right. Certainly, putting aside these cases, no doubt great hardship will be inflicted in relation to plant and machinery which have been purchased direct for certain industrial purposes, and in regard to which I trust the duty will be so very largely reduced - if it is not done away with altogether by this committee - that it will mean the difference between great financial difficulties and prosperity. Then again, if we attempt to say at this moment - and the Ministry do not seem to know what to say upon the point - that there will be no refund in any circumstances, we paralyze, practically, the whole importation of States such as Western Australia. Surely we may look to the good faith of the Government in dealing with a question of this kind ? Everything in trade depends upon certainty, and the Government should say now what they intend to do. We have a right to expect a clear statement to the people of Australia as to whether these duties are to be refunded. It seems to me to be childish to speak of taking matters of this kind into consideration, more especially when it is a matter which rests on right and equity. I would appeal to the Minister for Trade and Customs to show us a little of that independent backbone which he is supposed to possess in contradistinction from some of his colleagues, and to tell us exactly on his own account what he intends to do. We know very well that whatever he says shall be done has to be done ultimately, and why should he go through the farce of consulting his colleagues between now and tomorrow in order to let the country know his decision upon such a matter. The Minister ought to consider this question at once, and let the committee know the course which he intends to adopt. On a previous occasion, to which he has referred, he went to the extent of saying that this matter would be decided when the Tariff came up for consideration. We have been waiting some time, and I know that as a matter of fact, there is a great deal of delay in trade and annoyance in connexion with this question. The feeling of irritation is more strongly felt in some States than in others, and we have a right to insist upon a clear statement now on the part of the Government as to the policy they intend to pursue.

Mr PIESSE

- It is true, as the honorable member for Wentworth has said, that this is a matter of right and justice, but whether right and justice will be gained best by following what has been the practice, is a matter which this Parliament, and not the Minister alone, will have to decide. I can scarcely understand the honorable member's contention that it is within the power of the Minister to decide, on his own motion, that moneys collected for the Commonwealth should be returned. Surely, that is a matter for Parliament to determine? I do not know that we are in a position to decide it.

Mr Conroy

- It is not collected now upon the authority of Parliament.

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Mr PIESSE

- Does the honorable and learned member mean to contend that the hundreds and thousands of pounds which have been collected through the Customs under this Tariff are within the disposition of the Minister for Trade and Customs ? Such a contention is absurd. As a matter of common sense the moneys must be disposed of as this Parliament shall order. What has been said already upon this question shows that it needs a great deal of consideration. The duties which have been paid on articles that have entered into general consumption should not be refunded, because they have been paid by the people of the Commonwealth, and the moneys which they have yielded belong to the people of the Commonwealth. As to duties upon goods in the hands of the original importers, or upon articles such as machinery imported for special purposes, wherever justice can be done, the policy of Parliament should be to refund the duty. In other cases no refund should be made.

Mr. REID(East Sydney).- One difficulty has occurred to me while this discussion has been going on which will have to be considered fairly by the Government. While the original importer who has not operated with goods upon which he has paid duty will have a strong claim ' upon the Government in the event of that duty being lowered, a consideration of that case drives us to the contemplation of another which is still more difficult. I refer to the case of those persons who have purchased goods from the importer, and paid the higher duty, but who have not sold the goods, and retain them in their shops. There is a number of difficulties which will have to be considered here. I agree that we shall be thorough in not refunding money when we see that the persons to whom the refund is proposed to be made have reaped the benefit of the duty. There is no kind of right or justice which calls upon us to pay money to a man who has already received that money from his customers. I have no sympathy with such a proposal. On the other hand, we must have a strong feeling of sympathy for people interested in mining enterprises, for example, who have had to import the machinery to work their own mines. Those are the people whom the Government will have no difficulty in considering. That they should have to pay a high duty because their machinery arrived in a certain month, while others whose plant arrived in another month paid no duty, would be an intolerable hardship. The committee has to attend to that matter. But a much greater and graver consideration has been opened up - and I think that it is no waste of time to deal with it before we enter into the detailed discussion - by the honorable member for Brisbane. I understood him to ask Ministers what were the intentions of the Government with reference to any increase of the duties which they have submitted to this committee. I understood the Minister to say that the Government were ready to carry out the wishes of this committee. How can this committee express its wishes in the form of increasing a duty ? It is clearly against the constitutional practice for any private member to propose an increase of a duty which the Ministers of the Crown have recommended.

Mr Crouch

- The Governor-General's message may be dealt with afterwards.

Mr REID

- These lightning-like pieces of information, delivered by my honorable and learned friend, are very instructive. I am not altogether unaware of that fact, because I have been in politics for 20 years, and have held office as Treasurer for five years. I am dealing with another matter, but, as usual, the honorable and learned member hits the wrong mark. Seeing that no private member can test the feeling of the committee as to an increase, how is this committee going to register its decision in regard to an increase of a duty placed before it, so that an obedient Government may carry it out ? That is the difficulty. If a proposal for a reduction is made, it is a proper constitutional proposal ; the feeling of the committee can be tested on it, and the Government may or may not accept the reduction. But since the committee cannot propose the increase of a duty as submitted by the Government, are we to have the Government "whip" going round to every honorable member in order to feel his pulse, and find out how many will back up a demand for an increased monopoly in the production of some article in Australia ? Are we to have the lobbies filled with people wishing to interview honorable members and ascertain whether they will stand an additional 10 per cent, duty on some article or other ? Are we to be exposed to dangers of that sort ? So far as my knowledge of Constitutional Government goes, I should think a Government has never been heard of which, after submitting certain duties, subsequently proposed higher duties in

connexion with the same Tariff. There are already sufficient openings for influence upon the deliberations of the committee sitting on a Tariff affecting the money interests of individuals throughout the length and breadth of the country. We are all exposed to annoyances from that source. I suppose every honorable member has received floods of letters and suggestions as to the desirability of increasing certain duties and dealing with other matters relating to the Tariff.

Mr Thomas

- In most cases decreases are desired.

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Mr REID

- Yes, that is because this is a maximum Tariff. Still, I suppose, honorable members are aware that a number of suggestions have been made in the direction of increasing the duties on particular items. I do not object to persons in business making known their views. Honorable members are in a position of great responsibility, but I have absolute confidence that every one of them will hold himself absolutely free from any kind of improper influence. I think there is no harm in receiving information at any time. People outside have a right to give us information, but if it is to be known that the Government, by some process of ascertaining the views of honorable members, are to decide whether they will increase the duty on a particular article above that submitted in their own Tariff, then the whole Tariff will be thrown into a double set of uncertainties. Surely it ought to be understood when the Government submit a Tariff, that while reductions may be made there can be no increases proposed upon duties which are not intended for revenue purposes, but which are intended to promote the interests of certain individuals ? As things stand, I do not know that I can quote the duties upon spirits and narcotics, because they are very high, and I am not sure that we could make them any higher, without possible injury to the public revenue. But supposing that the duty was 10s. or lis. per gallon on spirits, I should be prepared to admit that there would be no sort of impropriety, if the Government, after the Tariff was fully considered, found that their revenue anticipations were seriously interfered with, and came down with a fresh proposal to increase the duty. That would be ordinarily a revenue duty, but protection creeps in even here. We have now a protective incidence even in the case of the duties on spirits. However, the duties on spirits are so high that I am afraid it is impossible to add to them. I am not advocating that they should be increased, because I would rather see them lowered, but that is all by the way. It will only add to the annoyance, of the Government themselves as well as to the annoyance of the committee, if it is thought that the Tariff is equally open to increase or reduction. We shall have a new outcry by people who want us to impose a different duty. We shall have trouble enough ; but there should be some certainty, and the public ought to be assured of the worst. We have the worst in this Tariff in my opinion, but we ought to have the satisfaction of knowing that at any rate, bad as they are, these proposals might be made better, but cannot be made worse.

Mr Fisher

- Would it not be well to move an increase on the first item to test the standing order on the point.

Mr REID

- I do not think there is any point in it. I think our honorable friends will admit that it is very clear, on our Parliamentary practice. So far as I can judge of the rule, it is not competent for a member of a committee to propose an increase of a duty submitted in the Government proposals, though I quite admit that it may be competent for the Government to withdraw a proposal and bring down another. I think it is clear that whatever the Government may be able to do themselves, no private member can propose an increase upon a duty submitted by the Government.

Mr Crouch

- Members did it in considering the last Victorian Tariff.

Mr REID

- There would be a difference in that case, because there was an existing Tariff in Victoria preceding the proposal made at that time, and if an attempt to raise a particular duty in committee still left it lower than the duty on the existing Tariff, a set of circumstances would be created which would be entirely different from those existing at present. Here we have a Commonwealth in which we have had no previous Tariff proposals, and the argument which might have been used for such a course as is suggested by the honorable and learned member for Corio in connexion with the consideration of the Victorian Tariff would

not prevail here.

Mr Piesse

- We have had only six Tariffs before in this case.

Mr REID

- The honorable member is not beginning his education at present, and he knows that the Commonwealth, of which we are the Parliament, has had no previous Tariff. This is a Tariff for the whole of the six States, and it is to be uniform throughout the Commonwealth. No other Tariff was so before, and, therefore, this is the first Tariff. If the honorable member for Tasmania thinks it is the third, fourth, or the fifth Commonwealth Tariff I can understand his vote on a recent occasion. I do not know what the Victorian rules are, and there may be some rules justifying a procedure of the sort referred to.

Mr Mauger

- Honorable members indicated what they desired, and the Government afterwards brought down recommendations to give effect to their desires.

Sir George Turner

- The Government might or might not bring them down.

Mr REID

- The increases were not actually made in the committee. It was not done in this way : That a member moved an increase upon a duty stated in the Tariff, the committee voted the increase, and the item was altered by the chairman in accordance with the vote ?

Mr Mauger

- No.

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Mr REID

- That is the case I am dealing with. So long as it is understood that a private member cannot increase a duty which the Government have placed before the committee, it will clear away a lot of confusion and difficulties. I do not think there is any doubt upon the point, or that anyone will question it. I do not think the Government would accept a proposal for an increase of any duty coming from a private member, I mean upon this particular Tariff. They may bring down another proposal. They are quite at liberty to do that ; but I am speaking of these proposals, and so long as they are before the committee there can be no increases. I think there can be no increases at the instance of a private member, and on the same rule, I think there can be none at the instance of Ministers either. It is better that these things should be cleared up, because there is a great deal of misunderstanding outside. I believe that to allay the dissatisfaction outside' people have been told - " Oh, that will be all right. The duty is too low to suit you, but it can be increased in committee." That is, of course, altogether a delusion and a snare, and it ought to be clearly understood that as for the Government bringing down higher duties upon some sort of irregular way of finding out the opinion of members of the committee, that is a method of procedure which the Government will be very slow to adopt. They will be very slow to use this engine of taxation in that way. It is a very serious responsibility, and I hope that the public will at least have the satisfaction of knowing that while the proposals submitted by the Government may be modified by the reduction of some of the burdens proposed, at any rate those burdens will not be increased. If they are increased, I feel sure it will be by another message.

Sir George Turner

- There is no message in the case of taxation?

Mr REID

- I mean some other Tariff. Does the right honorable gentleman say that he can at this table increase proposed duties by 10 or 50 per cent. without some other step having to be taken, or fresh proposals submitted ? Because if he can do that we have not seen the worst of these proposals. We ought to know where we stand, because we shall be simply fooling our time away if a member of the Government can rise, and suddenly raise a duty which has been published to the world by 10 or 15 per cent. On the Customs Bill the Minister for Trade and Customs made an observation which bears on this question of refund of duty. I do not wish to hold a Minister to a chance expression in committee ; but there the Minister viewed these duties which are paid during the temporary collection as money paid in trust. The honorable and learned member for Corinella led the Government into that fix.



Mr Mccay

- It is only paid over in trust. Mr. KINGSTON.- Yes, it is only paid in trust.

The worst of it is that these things are published to the business community, and it is a very serious matter which the Minister will have to consider by-and-by ; but I shall never use my influence to force a Minister to pay money back to a man who has got it from somebody else.

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Sir JOHN QUICK

- I cannot acquiesce in the proposition submitted by the leader of the Opposition, that a private member cannot propose an increase of a tax. I cannot say that I should be glad to support an increase of a tax any more than would any other honorable member. An increase of taxation would no doubt be an undesirable thing, but an occasion may arise where it may be necessary for a private member to submit for the consideration of the committee a proposition that there should be an increase of a duty. I certainly think that honorable members should not join in contracting or restricting their powers and privileges in this committee. There are only two authorities which regulate this question. I see nothing in the Constitution to restrict or limit the power of a private member to propose either a new tax or an increase of a tax. Section 56 deals with messages relating to appropriation of revenue. An honorable member could not propose an increase of expenditure in committee, because expenditure has to be recommended by a message from the Crown. That section is expressly confined to the spending of money after it has been raised, which is an entirely different question from the raising of revenue. I am aware that according to the previous practice of Parliament the power of members in matters of taxation was limited. I referred to this question at the beginning of the session, when the matter of standing orders was under consideration. I took the opportunity of expressing the hope that the standing orders would not be so designed as to restrict or cut down the powers or privileges of honorable members in matters of taxation. On referring to the standing orders, I find nothing to restrict the power of a private member in Committee of Ways and Means. There is one standing order, No. 171, which provides that -

No amendment for the imposition or for the increase of a tax rate or duty shall be proposed by any non-official member in any committee on any Bill.

The Committee of Ways and Means is not a committee on a Bill. It is a committee of the whole House in anticipation of the preparation of a Bill. It has unfettered freedom in matters to be submitted for its consideration. Without expressing a desire to increase the taxation, or without having in view any increase of a particular duty, I think that honorable members ought to fight for retaining their rights. An occasion may arise to increase a duty, and, therefore, honorable members ought to have a free hand to submit such propositions in the direction of taxation as they may think fit.

Mr. MACDONALD-PATERSON(Brisbane). - When I put the question to the Minister for Trade and Customs as to the power of the committee to increase a duty, I was well aware of the constitutional practice which had obtained in the State Parliaments. But I am also aware that it is unwise to say, as the leader of the Opposition said that outsiders are being told, "Oh, leave it until we get into committee, and that will be put right." I put the question at the beginning of our committee work because so many members of both Houses have been discussing this point most seriously for weeks. I felt that we ought not to restrict our right to move an amendment in that direction if we think proper to do so. I am informed by several very good constitutional lawyers, much better versed in that department of knowledge than I am, that there is a superabundance of precedents in the history of parliamentary government to support the contention made by the last speaker. The department of Trade and Customs has been groping in the dark all through in the construction of this Tariff. We have been told by the Minister for Trade and Customs, and inferentially by the Treasurer, that they dared not seek the confidential advice of importers and manufacturers, or even of the farmer and digger. I understand that out of the superabundance of the knowledge of the Customs experts of the different States they have framed this Tariff, and it would be a cruel injustice, and a piece of political infamy, if the representatives of all classes of the community should have their mouths closed and their hands tied now that the Tariff is before them for the first time.

Mr HUGHES

- I have been trying to gather from the remarks of the honorable and learned member for Bendigo, and of the honorable and learned member who has just sat down, some reasons for a departure from the ordinary practice of parliamentary government, but I have not heard any reason at all, except that under

section 56 of the Constitution there is nothing specifically binding us not to do certain things. Our Constitution, however, is to be read in conjunction with the Constitutions and parliamentary practice that have governed our procedure from time immemorial, and to say that because our Constitution does not restrict the right of the individual members to propose an increased tax, therefore it is competent for him to do so, is against all precedent and against the authority of May, who lays it down most indubitably that no tax can be increased except by the Government, and only then upon a message from the Crown.

Sir George Turner

- There is no message from the Crown in connexion with taxation, but only in cases of proposed expenditure.

Mr HUGHES

- May lays it down at page 675 of the ninth edition, that no grant or tax can be increased except by the Ministry. He says -

On the 14th March, 1844, Mr. Howard Elphinstone, proposed a committee of the whole House to consider the Stamp Acts with a view to imposing the same amount of probate duty on real estate as was paid on personal property." An objection being taken to this proceeding, the Speaker said that the duty must be considered as imposed for the service of the year, and should therefore be voted in the committee of ways and means, but it ought not to be proposed unless it could be shown that the public service required it. After some discussion the motion was withdrawn.

Later on he says in reference to resolutions as to the licences to be taken out by brewers -

Mr. Bass gave notice of an amendment extending such licences to other manufacturers, ironmasters and coal owners, but this amendment, held to be inadmissible, was not moved. On the 17th February, 1845, however, Mr. Roebuck moved an amendment in committee of ways and means for extending the income tax to Ireland, an exceptional course not supported by precedent, and opposed to the principles upon which grants are made to the Crown. But this objection does not apply to an amendment by which it is sought to substitute another tax of equivalent amount for that proposed by Ministers.

I take it that that clearly lays down the practice that I understand has been followed in all the State Parliaments, under which it is not competent for any private member to make any proposal for increasing the taxation of the people. It is competent for honorable members to propose to decrease but not to increase the Government proposals, and I do not think that our Constitution extends the authority of individual members in any way. I admit that there is no restriction in the Constitution, but does the honorable and learned member for Bendigo say that because such a restriction is not specifically set out in the Constitution it does not therefore exist ?

Sir John Quick

- Hear, hear. Certainly.

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Mr HUGHES

- I take quite the contrary view, that unless permission is given under the Constitution, all the restrictions hitherto imposed by parliamentary government and by parliamentary authority continue in full force. Under section 56 I see no indication of any relaxing of the very stringent and very wise rules that have been in existence for so long. The Government take the whole responsibility, the whole of the odium if need be, and the whole of the kudos in connexion with the imposition of any taxation, and it cannot be left to individual honorable members to increase their proposals. It is practically contended that because certain reductions may be made which would involve a shortage in the revenue, it is therefore competent for an honorable member to propose that certain duties shall be increased so as to produce an amount which will cover the estimated shortage. There is no such power under our Constitution, and it was never intended that there should be. I have not had time to look up the reports of the debates in the convention, but I am sure that the honorable and learned member for Bendigo cannot point to any indication during those debates that the power of an individual member was to be extended in the way that he now contends. Standing Order No. 171 provides -

No amendment for the imposition or for the increase of a tax, rate, or duty shall be proposed by any non-official member in any committee on any Bill.

The honorable and learned member for Bendigo says that we are not dealing with a Bill ; but does the honorable and learned member say that a Bill is something which, as it were, springs into existence

suddenly, and that the whole of the stages from its very inception to the very finish are not part of the proceedings upon a Bill ? When a motion is brought forward that the House shall go into committee to consider the expediency of bringing in a Bill, we are from that very moment governed by Standing Order No. 171 relating to the procedure on Bills. . We there and then proceed to do something which will ultimately bring . under our consideration a Bill. Standing Order 171 governs every stage of the proceedings of a Bill.

Mr Kingston

- This is not a committee on a Bill - it cannot be a committee upon something which does not exist.

Mr HUGHES

- If the Minister carries his resolutions does he not propose to introduce a Bill ?

Mr Kingston

- Yes ; but this is not a committee on the Bill.

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Mr HUGHES

- Does a Bill spring into existence at once ? Is not the Bill already prepared, and do we not know what is in the Bill ? Has not the measure been placed before the House, and have we not been discussing it for the last three or four weeks ? It is absurd to say there is no Bill simply because technically it is not under immediate consideration by us. Obviously there is a Bill.

The Government, however, have submitted a maximum Tariff, and an admirable Tariff in every way according to their views, but now that they find that reductions are to be made, they propose to put up some one to make corresponding increases. The Government will thus be in a position to say - " Oh, these free-traders gone insane have reduced the amount which the Tariff would yield by £1,000,000 j and accordingly the duties will have to be increased in some other direction in order to compensate for that loss." Thereupon, some private member will be put up to move that increased duties be imposed, and thus the Government will evade their just responsibility. I am told that an amended schedule is to be proposed. The schedule will continue to be amended as fast as a body of opinion in this Chamber becomes so formed that it is known which way the wind is blowing. There is thus no prospect of finality being reached, and, as a result, the country, commerce and industry will be thrown into inextricable confusion. I understand that it is proposed within three or four weeks to go into some sort of a recess. What prospect is there of going into anything except a lunatic asylum, unless the Government intend to stand or fall by their Tariff? It is a Tariff which we were told by the Minister for Trade and Customs was the production of infinite care and labour. We have heard a lot of Yankee flap-doodle about the protectionist flag being mast-high, but now where is the flag 1 As soon as we claw a piece out of this Tariff, the Government will haul it down, and fashion it to the exigencies .of the situation. I do not propose that they shall do anything of the sort. Let them accept the responsibility which properly attaches to such an admirable production. Although this Tariff is not yet three weeks old, it has not a solitary friend upon the continent. I am aware that there is a number of apologists for it, but it has not one true and sincere friend, because those gentlemen in whose interests it was framed see too clearly that it is likely to throw their interests into confusion. The Government, therefore,- propose to find some other way of safeguarding their interests. Thus, just as fast as we remit any particular duty, some private member will propose an increase to makeup the loss sustained. I see no prospect of anything like a speedy determination of this matter. 1 do not propose to allow the Government to evade their just responsibility. There is absolutely nothing to justify our departure from the time-honoured practice which has been followed in the State Parliaments of Australia, and also in the British Parliament. I admit with the honorable and learned member for Bendigo, that our Constitution does not specifically restrict us to that particular practice ; but I submit that the Constitution has to be read with the recognised practice of the State Parliaments of Australia, and of the British Parliament. Under these circumstances I shall do what I can to prevent the Government from departing from that procedure.

Mr A McLEAN

- I think we are wasting much valuable time in a fruitless discussion. I do not think that any honorable member is prepared to abandon his privileges because of any compact which may be sought to be made across the table. Notwithstanding any such compact, I should adhere to my right to move in any direction that I might deem desirable. When I hear old parliamentarians declaring that for a private member to

move either for an increase of any duty or for the imposition of a new duty is an unheard-of proceeding, I really think that they are affecting a degree of unsophisticated innocence which it is difficult to imagine they are possessed of. I can point to quite a number of cases in connexion with the Victorian Tariff in which new duties, as well as increased duties, were imposed, upon my own motion. A very large list of new duties upon rural industries was proposed by me, and is now upon the statute-book. What is the use of honorable members saying that such a procedure is unheard-of? It is not of the slightest use trying to throw dust in the eyes of honorable members. Whatever promises are extracted at the table will not bind Parliament in the slightest degree, but every honorable member will maintain and exercise his privileges in the interests of the people when he thinks it is right to do so.

Sir GEORGE TURNER

- There is no doubt that this is a very important question, but I fear we are not attempting to decide it at the proper time. The proper time for its decision is when some question arises in connexion with the increase of a particular duty. The Chairman will then give his ruling after having heard the arguments upon both sides, and as the matter is of such importance it will no doubt be referred to Mr. Speaker for his final decision. I have previously stated that the Government were unable to obtain as full information as they would have liked in connexion with the preparation of this Tariff. Further information upon many items might have induced us to deal with them in a different way. While it may be very doubtful indeed whether a private member can initiate a tax, it seems to me clear that he has a perfect right to propose an increase of the duty upon any item. That has been the practice in the State Parliament in Victoria. It was so ruled in 1874 by Mr. Speaker, who, in giving his decision, referred to the practice of the House of Commons. He said -

The practice of the House of Commons, as far as I can gather, has been that in Committee of Ways and Means honorable members have been allowed to substitute one duty for another; and in Committee of the Whole to increase or decrease a duty, but not to impose a new duty, upon an article not included in the Tariff proposed by the Government.

I may also refer to Todd's Parliamentary Practice, pages 710-11. Of course, there is the constitutional right. There is nothing in the standing order which takes away that right. The argument with regard to a Bill is an entirely different matter. We have no Bill before us; we are not now dealing with a Bill. After this committee has dealt with the Tariff it will be embodied in a Bill, and when that Bill comes before the House I quite agree that there will be no power for any private member to move to increase an item. Todd says -

It should be observed, however, that the rule confining the initiation of all taxation to Ministers of the Crown is one of constitutional practice merely, and is not enforced by any standing order. Accordingly, it has not been invariably insisted upon. But if not positively forbidden, it is nevertheless highly inexpedient for a private member to introduce a measure affecting the public revenue.

Mr Glynn

- That is the point; it is a reflection on the Government.

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Sir GEORGE TURNER

- We are quite prepared to endure that reflection. Again, on page 711 the same writer says -

The general question of a revision of a certain class of duties having been submitted to the House by the Crown, it is perfectly competent to any member, in Committee of Ways and Means, or in Committee of the Whole House upon the Customs or Inland Revenue Acts, to offer an amendment to a particular rate of duty proposed to be levied, either for the increase or diminution of the same; it may even be proposed to insert in the schedule a new rate of duty, provided it relates to an article which is already included therein.

So that it seems to me that the point is, that though it may be inexpedient for honorable members to move to increase items, there is nothing in our Constitution, or in our standing orders, which in any way takes away the constitutional right of an honorable member to make a proposal of that kind, or the constitutional right of the committee to carry it. While it seems fairly clear that private members are not allowed to initiate taxation, and are not allowed to move the insertion of a new item, yet, when an item is before the committee, it is quite competent for any private member to propose either an increase or a decrease in the amount of the item, and if the committee choose to decide in favour of an increase, it is quite within

their constitutional power to do so. "The Government have no desire to shirk any of their responsibilities in regard to the Tariff. I said some time ago that we were prepared to listen to all the arguments urged, and if we found we had made a mistake we were prepared to take the proper course to remedy the error, and bring down a further proposal. But this is quite a different question, and I do trust that honorable members will be very loath indeed to give up their constitutional rights. I think we ought not to discuss the matter at any great length now. Nothing can be gained by the discussion of it at this stage. But when we come to an item in which any proposal for an increase is made, let us have the matter fully discussed. Honorable members who have a (better acquaintance with constitutional authorities than I have can look into the matter in the meantime, and after the matter has been debated it can be referred to the highest authority we have - the Speaker. I trust, under the circumstances, that we shall leave the subject until we have an opportunity of obtaining a final decision upon a matter which is of the greatest importance to every honorable member.

Mr. JOSEPH COOK (Parramatta).- The Treasurer failed to give us a specific instance in which an increase of duty had been permitted. He told us what Todd said might be done, but he did not give us an instance in which it had been done.

Sir George Turner

- There are a number of them here; they are all cited in Todd.

Mr JOSEPH COOK

- Bearing upon this point?

Sir George Turner

- Certainly ; the honorable member can look up the cases at his leisure.

Mr JOSEPH COOK

- I hear of these cases for the first time. In New South Wales it has been the invariable rule that no increase can be moved by any private member. Of course, it is always within the power of a committee to decrease an item, but it has always been regarded as the sacred right of a Government to take the first steps with regard to taxation and expenditure. Whatever Todd may say, May makes it very clear that these increases may not be moved, and, of the two authorities, I would undoubtedly take May in preference to Todd. As to the constitutional question, the honorable and learned member for Bendigo had not, I think, looked at section 49 when he spoke. It says that, where no practice is laid down for our Parliament, we must pay regard to the practice of the House of Commons. There is no practice prescribed by our standing orders forbidding these increases to be moved for, and we therefore have a right to look to May, in order to ascertain what is the practice of the House of Commons. Now May, on pages 532 and 533 of the 10th edition says that it cannot be done -

The principle, that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by the Minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at the moment submitted to the consideration of Parliament.

Sir George Turner

- That is a proposed tax.

Mr JOSEPH COOK

- But May says-

Nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration be made in the area of imposition.

That is very clear.

Sir George Turner

- What is the meaning of " tax " - not the rate ?

Mr Reid

- The rate, surely.

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Mr JOSEPH COOK

- It does mean rate, whatever else it may mean. It may mean other things besides the rate. It may mean the aggregate amount proposed to be imposed, but it also means the amount or rate of each duty. Surely the greater includes the less.

In like manner, no increase can be considered by the House, except on the initiative of a Minister, acting on behalf of the Crown, either of an existing or of a new or temporary tax for the service of the year.

If we turn to May's chapter on Committee of Ways and Means, page 589, we find this -

No augmentation of a tax or duty asked by the Crown, as has been already explained, can be proposed to the committee, nor tax imposed, save upon the motion of a Minister of the Crown ; and, accordingly, an amendment designed to extend the imposition of licences upon brewers, as proposed by the Government, to other manufacturers, was ruled to be irregular.

Here is a definite case in which a proposal for an increase has been ruled to be irregular.

Noi- would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted.

Sir George Turner

- That was putting the duty on other persons than those originally proposed.

Mr JOSEPH COOK

- Those other persons are a section of the people.

Sir George Turner

- A certain class was selected, and a private member wanted to put the taxation on another class.

Mr JOSEPH COOK

- That is only one instance. The principle laid down by May is that no augmentation of . a tax or duty can be proposed except on the authority of the Ministry. Is not that as clear and definite as anything can be ? I have yet to see a case put more strongly. Whatever Todd may say, there is no doubt about what May says. I am surprised to hear from the honorable member for Gippsland that it has been the practice in Victoria to permit private members to move increases. One wonders how much further the system of protection will lead honorable members to wrench the constitutional powers under which the whole Empire has been governed. At all events, at the seat of Empire itself, the home and origin of parliamentary practice, there does not prevail such a condition of things. I have heard of no such practice anywhere else in the Empire ; and it is with great surprise that I now learn that Ministers in Victoria, under pressure from various vested interests so powerfully represented in their Parliament, have succumbed on this point of responsibility in relation to the moneys of the people of the country. This is the most sensitive matter on which Ministerial responsibility should be preserved. Whatever may have been done in Victoria, when this question comes up for definite settlement, I shall endeavour strenuously to make the Ministers take the responsibility for raising the public revenue, and for the public expenditure. As to the question whether, in case of an alteration in a duty, the difference ought to be refunded, I feel strongly, with the honorable and learned member for Brisbane, that the Government ought to go out of its way, if need be, in an endeavour to find the people to whom the money belongs. We have no right to that money, unless it has been legally collected under the authority of the Parliament of the country. As to duties remitted altogether, it would be neither more nor less than downright robbery to keep that money in the Treasury.

Mr Fisher

- Does the honorable member think there is any chance of finding the people ?

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Mr JOSEPH COOK

- Why not? A mining company the other day imported some machinery which they expected to arrive before the duties were imposed, but, as it happened, they found that under the Tariff, they had to pay £400 duty. The mining company have actually paid the duty; it cannot be passed on ; and, as it would be the easiest thing in the world to give a refund, it would be simple robbery not to do so. In such cases, I apprehend that the Supreme Court, or the Federal High Court when constituted, would have something to say, whatever Ministers might do in the exercise of their own sweet will. Numberless cases of the kind could be cited. I was told the other day of a member of this House, who, although professing to be a protectionist, has indulged in the luxury of importing an article of furniture for himself, and who found when the article arrived, that he had to pay duty. If that duty should happen ' to be remitted in committee I apprehend that honorable member will apply for his refund ; and he most assuredly ought to get it. I hope that the question whether a private member, with only his general responsibility, may move to increase the charges on the people of the country as a whole, will be decided in the negative, and that we shall preserve for all time the responsibility of the Ministry both as regards the imposition of charges on the

people, and the expenditure of moneys so raised.

Mr BRUCE SMITH

- The portions of the speech just delivered by the honorable member for Parramatta, in which he dealt with the question of refunds, call for serious consideration on the part of the committee. The expressions of opinion which the Minister for Trade and Customs has given from time to time, leave this question in a very doubtful position, and I do not think that the Minister himself realizes to what extent this may affect the commerce of Australia. The question is whether, if the duties which are ultimately adopted by the committee are less than those which have been temporarily imposed throughout the Commonwealth, the difference shall be refunded. The Minister, backed up, I think, by an observation from one honorable member of the labour party about the duty having been already passed on to the public, gave a very desultory answer to the question as to whether the Government contemplate refunding these amounts. I quite sympathize with the attitude taken up by the honorable and learned member for Brisbane, who urged that this question may involve very serious effects on commerce. The Minister for Trade and Customs pointed out to this House as far back as July last, the very great necessity there was for providing some means for shielding the Government against actions for having collected duties without the justification of an Act of Parliament. The Minister then gave an assurance which I do not hesitate to say every merchant in the Commonwealth not only relied on, but was justified in relying on. The honorable and learned member for Indi had just then addressed the committee, and the assurance was given by the Minister for Trade and Customs in reply. I ask the committee to listen to the words I am about to quote, because if the mercantile classes in Australia are justified in relying on an assurance given by a member of the Government, standing in his place in the House, then every merchant in Australia is justified in expecting a refund of the ultimate difference between the duties imposed and the duties collected in anticipation of the Tariff. On the 23rd July, in discussing the Customs Bill, the Minister for Trade and Customs said -

What we wish is to have the power of collecting the larger duty.

Mr Isaacs

- We shall have to validate that, and that is discriminating.

Mr. Kingston. - We wish to have the right to the temporary collection of the larger duty with a refund of the excess when the Tariff is validated.

Mr Isaacs

- I do not know how the fact is, but will the honorable and learned member tell us whether that was not in relation to a clause then proposed, which is not now in the Customs Bill ?

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Mr BRUCE SMITH

- I admit that the words were in relation to that clause, but the Minister for Trade and Customs made it perfectly clear to the House and to the mercantile classes of the Commonwealth, that whatever duties were imposed ultimately, would be the duties which everybody would have to pay, and that any difference which existed between the rates ultimately adopted in the Tariff and those adopted temporarily in order that the Government might not miss the opportunity of collecting duties, was to be refunded. I submit that when a Minister gives an assurance to so large and important a section of the community, that they may with confidence clear their goods from the Customhouse without fear of being placed at any disadvantage in relation to other mercantile people, when the Tariff is decided upon, we have a perfect right to see that that assurance is fulfilled with regard to every degree of good faith. One honorable member of the labour party appears to have jumped to the conclusion that in every case where the duties have been paid, the goods have been passed on to the public, and the duties paid by the latter. It has been pointed out with considerable force that a very large quantity of machinery which was not intended for re-sale has been purchased, that the duty has been paid upon it, and that it has been erected in connexion with different industries. Would the Minister for Trade and Customs say that, in the event of the duty being removed ultimately, the people engaged in these particular industries, who had paid the duty, should be placed at a disadvantage to the extent of some hundreds of pounds, because they had carried out their work in a prompt and businesslike way? It would be very unfair. There would be many other cases of injustice, in regard to which I might appeal to the honorable member for Melbourne to bear me out. There are cases in which merchants might clear their goods, not necessarily for immediate sale, but in order to have them

in stock. If, for example, cottons were allowed to come in free, as proposed by the labour party, a softgoods merchant who had previously cleared from bond between £3,000 and £4,000 worth of cotton goods would find that his stock had cost him 15 per cent, more than that of his next-door neighbour, who had waited until the ultimate expression of opinion upon the Tariff had been made by Parliament. We should not visit upon these mercantile people who, accepting the Ministerial assurance, have cleared their goods on the higher duty, the consequences of their business aptitude and promptitude. I admit that it would be very unfair to make any refund to merchants in respect of a reduction of a duty on goods when the public themselves had paid that duty. I wish the Minister to exercise, if he will, a little more care in laying down the principle which is to guide him in future in dealing with these questions. I am sure that the mercantile classes in all the capitals of Australia will be somewhat surprised to hear that, after the expression of opinion made on the 23rd July by the Minister for Trade and Customs, he has now, in an off-hand manner, committed himself to the principle of retaining the whole of these duties. When, in July last, he made the statement to which I have referred, he appeared to regard the money paid in respect of these duties as belonging to a kind of suspense account, because he said - It is only paid in trust. It is subject to our control.

The right honorable and learned gentleman ought to give us some very definite and well-thought-out statement as soon as possible in regard to the intentions of the Government. If, as is anticipated, very numerous amendments are made in the Tariff, or even if the amendments suggested by the labour party are carried out, the result will be - that, in regard to certain classes of goods which are required in certain industries, and in certain other classes of goods which are supposed to be used more largely by the poorer sections of the community, those merchants who have shown expedition in clearing their goods, and making up their stocks, will stand at a great disadvantage compared with those who have been dilatory, or who for business purposes have not had occasion to clear their stocks. If the Minister thinks this over he will see that it will be necessary on the division of any sum to require from every claimant of a refund a solemn declaration, with the consequent punishment behind it, that the goods in respect of which the refund is claimed, have not been sold to the public, and that he, or the firm making the claim, is to the debit to that amount.

Mr. THOMSON(North Sydney). - I desire to refer very briefly to the attitude of the Government upon the question of the increasing of duties upon the motion of private members. I should have thought that after the care which the Government said they had bestowed on the Tariff - that after the statement that it was impossible for honorable members without the knowledge which the Government possessed to deal properly with it - they would have taken the responsibility of Ministers. I thought they would have said that whilst they would listen to any evidence as to erroneous conclusions on their part, they would not allow private members to take the business out of their hands, and to increase the taxation of the people, it might be, by a chance majority on a division. Surely that is the attitude which a Ministry should take up 1 It will be a very unfortunate thing if chance majorities of this Parliament are going to impose taxation. We should have the life of a Ministry behind the imposition of taxation. It is an important matter, for it affects the people throughout the Commonwealth. The Ministry should be prepared to take the proper responsibility, and to place themselves behind their proposals. If they can be convinced that they are wrong in regard to any proposal, then the Government themselves should move in the matter. They should not allow a private member with a chance majority to impose taxation which they themselves are convinced should not be imposed.

Sir George Turner

- Notwithstanding that any honorable member has a constitutional right to do it 1

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Mr THOMSON

- Private members have a constitutional right to do almost anything that a Minister may do. But practice has created a certain distinction. The recognised necessity has grown up, during centuries of parliamentary government, for Ministries to take upon themselves responsibilities, and to refuse to throw those responsibilities upon individual members of Parliament.

Sir William McMillan

- Especially when the imposition of a burden on the people is involved.

Mr THOMSON



- Yes; but there are scores of cases. If the Ministry found that business of even less importance than this question of taxation was to be taken out of their hands, they would say, " If you do that, then our responsibilities cease, because we will not allow individual members to take the responsibilities which properly belong to us." As to the intention under our standing orders I find that rule 171 provides - No amendment for the imposition or for the increase of a tax, rate, or duty shall be proposed by any non-official member in any committee on any Bill.

It is true that this is not a Bill, but if it is desirable that private members should not have the power to impose taxation under a Bill, then is it not just as proper and desirable that they should not possess the power of doing so under a Tariff? Surely that must be evident? The intention in framing this rule was evidently that they should not have such a power, and that the Tariff as well as a Bill was not included in this rule seems to have been a mere omission. The honorable and learned member for Bendigo said that rule 171 was the only one which really referred to the imposition of taxation by a non-official member. In the absence of anything in the standing orders in regard to rules or practice relating to that matter, we have to be guided by Order No. 1, in which it is provided that-

In all cases not provided for hereinafter, or by sessional or other orders, resort shall be had to the rules, forms, and practice of the Commons House of the Imperial Parliament of Great Britain and Ireland in force at the time of the adoption of these orders, which shall be followed as far as they can be applied to the proceedings of the House of Representatives.

The honorable member for Parramatta has quoted extracts from May showing what are the rules and forms of the House of Commons, and the Treasurer has quoted some extracts from Todd which seemed to contradict his statement. It was stated either by the Treasurer himself, or in an extract which he read, that it was the constitutional practice to confine increases of taxation to Ministers of the Crown. We are bound here not merely by the rules, but by the forms and practice of the mother of Parliaments. I think it will be found that, although there may be occasional exceptions as a matter of practice, it is not the custom for private members to propose increases in taxation. It has, I believe, been the practice in Victoria, although I do not know whether it went any further than allowing an increase up to a previously existing duty.

Sir George Turner

- Yes; any increase. There is no limit that I ever heard of.

Mr THOMSON

- I have heard of legislative chambers in which there has been that limit, and I have heard the argument that we may propose increases up to the height of previously existing duties; but, if that did apply in other cases, it cannot apply in this case, because although duties have existed in some of the States to a certain extent, in others those duties may not have existed at all. We are dealing with the Commonwealth as a whole, and are imposing new taxation under an entirely new Tariff, which has no relation whatever to any previously existing Tariff. I think the point has been properly raised, so that Ministers may have an opportunity of saying what they are going to do. Are they going to abandon responsibility? Are they going to request those members who want increases in certain duties to place before them such representations as will induce Ministers themselves to raise the duties?

Sir George Turner

- The question must be decided by the Speaker; the Government cannot decide it.

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Mr THOMSON

- The Government can decide it in the most practical way possible by saying whether they will stand it. That is the way in which on many occasions they have to decide matters that do not come under the standing orders of Parliament at all. Matters of that kind have constantly to be decided, and it is simply a question of the attitude of the Government. The Minister for Customs proposes to fix these duties apparently in the same way that he is going to fix the duties upon whisky, only in the one case he gauges a cask, and in the other case he proposes to gauge Parliament, and when he has found out what duties honorable members desire to propose, he will be prepared to accept any proposal that he thinks has enough votes behind it. I think that the Government in handling such an important matter as the first Tariff of Australia, with all their responsibilities behind them, and with all the States' needs behind them, should look upon this as a matter which they and they alone should deal with, and, however strong the

arguments, statements, and facts put before them may be, they should recognise that the responsibility must rest with them of accepting or rejecting proposals, and that they alone should move in matters of increases especially.

Mr. FISHER(Wide Bay).- There are two questions being discussed in the committee alternately, but I wish now to address myself to one which has been spoken to by the honorable and learned member for Parkes, who seems to think that the merchants who have been paying duty are much wronged persons. The arguments which the honorable and learned member used this afternoon are exactly contrary to the arguments he used in supporting the motion of censure moved by the leader of the Opposition. In dealing with that motion, the honorable and learned member and his colleagues argued on the one point that the consumers of New South Wales had to pay some 4s. pe.. week more for their goods now than they had to pay previously to the introduction of the Tariff. Now, the only point raised by the honorable members for Wentworth and Parkes is that we should afford some protection to the merchants themselves - the merchants who have passed the increased prices on to the consumers - and they ask the Government to keep what they call the solemn promise of the Minister for Trade and Customs to give back to the merchants what they have extorted from the people who have consumed their goods. I should like to- see some principle in these gentlemen who are leaders, or supposed leaders of a party. The two statements cannot be true; one of them must be false. Why should we make any refund to merchants who have already extorted the full amount of the duties from the consumers ?

Mr Thomson

- I do not think the honorable and learned member proposed that.

Mr FISHER

- I do not object to the apology for the honorable and learned member, but if he did not propose that I can only say that that is my impression of the whole of his arguments, and the only Conclusions I could draw from his statement.

Mr Thomson

- The honorable and learned member meant that they would have to make an affidavit that they had not disposed of the goods.

Mr FISHER

- That was the contention of another honorable member. If the honorable and learned member for Parkes will admit that it is only in instances where an affidavit is made by a merchant to the effect mentioned that a refund shall take place, I can turn to the statement made by the honorable member for Wentworth. That honorable member said it would be an injustice to the merchants, and that we had no power at all to retain any of the money, because this was not a legally enacted Tariff, but was only a privileged and tentative resolution. What I say is that if the duties under this Tariff are to be passed on to the people, and if honorable members are to be actuated by honest political principles, they will pass a Bill through Parliament which will safeguard the public interests, and keep the money extorted from the consumers for the public use. Surely honorable members will agree to that, and surely the honorable member for North Sydney would agree to it.

Mr Thomson

- I have given my opinion.

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Mr FISHER

- With regard to machinery brought in, and indented articles which can be traced, I have no serious objection to the proposed refunds being made; but if we attempt to make refunds in all instances we shall start an industry greater than any other in Australia in the employment of a staff of officers necessary to find out where goods have gone, who were the purchasers at the increased prices, and who are entitled to the refunds ? Ten thousand diligent clerks would be unable to obtain the information in ten years.

Mr. KINGSTON(South Australia Minister for Trade and Customs). - I was rather taken by surprise when the honorable and learned member for Parkes professed to quote a promise which he said I had made in this matter, that on an amendment of the Tariff by way of reduction there would be a refund made to the importers of the excess of duty collected. Of course it is easy to spring a statement of that kind on one at any moment, and until one has had time to look at it he may not be in a position to reply. I should like honorable members to understand that I make this refutation of the accusation with a full knowledge of

what I am saying, when I say that there is no foundation in fact for the statement that I ever made, or intended to make, such a promise, and the honorable and learned member could not intelligently have read the words he quotes, or he would not have dreamt of making such an accusation. The honorable and learned member has had opportunities of considering the matter, but having made the statement once, he gets up and repeats it, and, under all the circumstances, I do not think he can do his duty in this respect without apologizing for putting such an abject misrepresentation before honorable members. My words had nothing whatever to do with the question we are now discussing, whether when the Federal Tariff had been proposed, and the duties under it temporarily collected, there would be any refund in the case of an alteration of the duties. What was under discussion was this : On the introduction of the Tariff the Government proposed a clause staying proceedings for a certain period, pending a full consideration of the matter - to the close of the session. I pointed out that what we had in mind was that as there were varying State Tariffs, and it might be possible that the Federal Tariff would not get through at all, to be on the safe side we should collect under the State Tariffs in the meantime.

Sir George Turner

- On the higher duties?

Mr KINGSTON

- Of course, on the higher duties ; and how in the name of fortune could we honestly have contended for any other position ? We simply contended that, by way of security for the payment of the lower duty we are proposing, we should collect the higher duty, undertaking when the Federal Tariff was validated to refund the excess. That is all we proposed or thought of doing, and, under such circumstances, for an honorable member of the standing which the honorable and learned member for Parkes enjoys, to make such a suggestion as he has made, and hammer it home by repeating it, and to put it as if we were guilty of a breach of faith - words fail me to adequately describe what I think is the absolute iniquity of his conduct.

Mr Glynn

- There is not. very much difference after all.

Mr KINGSTON

- Undoubtedly there is very much difference. We were merely collecting the high duty by way of security for the payment of the lower which we proposed. What was intended to be done was, as soon as we had got the lower duty validated, to return the amount which we collected simply by way of security. The two cases are not parallel. As regards the words which the honorable member has used on the subject of this money being collected in trust, the impression which he put to honorable members was that the money was collected in trust for the importers. Nothing of the sort.

Mr KINGSTON

- What we wish is to have the power of collecting the larger duty.

Mr Isaacs

-We should have to validate that, and that is discriminating.

Mr KINGSTON

- We wish to have the right to the temporary collection of the larger duty with a refund of the excess when the Tariff is validated.

Sir John Quick. - But the Government cannot refund if the money is paid over to the States.

Mr McCay

- It is only paid over in trust.

Mr KINGSTON

- Yes, it is only paid in trust. It is subject to our control.

Mr Higgins

- It is only a bookkeeping entry.

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Mr KINGSTON

- Yes ; and we have the right to adjust accounts from time to time in connexion with our collections. What we propose, as is stated here, is that the effect of the passing of these clauses shall be that whatever rights are possessed by individuals shall be simply suspended pending parliamentary consideration of the matter.

That is the position we take here, and we have indicated as clearly as we can what are the points which trouble us. It was not a hasty, but a deliberate answer I gave, and it is an answer which I venture to say has found full acceptance here. We cannot - as I have already stated in reply to a question - undertake to refund in all cases, on account of the difficulty of securing the benefit of any rebate to the person entitled to it. I do not mind being criticised, but I do mind having words put into my mouth which I never uttered, and distorted to my discredit in the House. The honorable member for North Sydney amuses me. Not content with the role of financial critic, which he so admirably fills on the other side, he proceeded to lecture the Government on what they ought to do, and what they ought not to do. What he says is this, "Here we are, a number of free-traders, desiring reductions of duties. Now let us so arrange that we can propose amendments which will suit us, and no member on the other side shall have a chance to propose amendments which will suit them." It is the neatest thing I have heard for a long time. If we are to fall into a trap of that sort, I do not think the time has come yet. A proposal of that sort has only to be considered for a moment in order to be condemned as absolutely absurd. The way in which they attempt to stir us up to do everything we ought not to do is too ridiculous. They say we said that it is an admirable Tariff. So it is.

Mr Thomson

- What did they do in South Australia ?

Mr KINGSTON

- I am coming to that. We have been chaffed about this admirable Tariff. Probably the more we see it the more we like it. But however admirable it may be, we do not think that it could not be improved. Honorable members may think that it may be improved.

Mr.reid. - In what respect does the Minister think it can be improved ?

Mr KINGSTON

- In the way which the Government will propose.

Mr.reid. - Then they are going to alter it?

Mr KINGSTON

- Some time or other, yes. We feel, in connexion with the first Australian Tariff, that if ever there was a time when efforts should be made to secure the best thing possible under the circumstances, and the best information from all sources, this is the time. And we do not propose, if we can avoid it, to allow technical difficulties to obstruct salutary alterations. In that respect we differ from the other side. Their first proposition was to tie the hands of all. who want to alter in one direction - to prevent alterations emanating from those who have the chief right to be called the friends of the Government. We shall do our best to consult the public interest. We shall be delighted to receive information from all sides, and that which we believe to be a good thing for Australia we shall take the responsibility of adopting. We have taken a lot of trouble to turn the Tariff out as well as we possibly could ; but, at the same time, who, for a moment, would suggest that a conference with others could not be utilized for the benefit of all ?

Mr Glynn

- Although it may reduce the Supply which is asked for ?

Mr KINGSTON

- We shall do our duty under all circumstances in which it pleases this Parliament to place us. We shall accept the responsibility of whatever we do, and we do not require to be warned by the other side that we are taking too liberal a view of the circumstances. The honorable member for North Sydney asked about the practice in South Australia. The Treasurer has placed in my hands a copy of Blackmore's Practice of the House of Assembly, which says at page 219 -

In the proceedings on the Tariff revision in 1870, amendments to increase the duty on certain articles above the rates proposed by the" Government were permitted.

Mr Thomson

- That was only oneyear.

Mr KINGSTON

- We do not have a Tariff every day in South Australia.

Mr Poynton

- We had a Tariff in 1887.

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Mr KINGSTON

- In 1887 we had a very excellent Tariff, and I had the honour of being amongst those who prepared and advocated it, and it has stood the test of fourteen years. I have gratified the desire of the honorable member for North Sydney for information on a particular point, and I hope he is satisfied with it.

Mr. REID(East Sydney).- The Minister for Trade and Customs would study the interests of the Government if he were to address himself more faithfully to the point which has been submitted by the Opposition. What they have submitted is not a question as to an arrangement between the Government and the Opposition that no increase of duties shall be proposed. No such ridiculous proposition has been made ; but my right honorable friend has a peculiar knack of taking some distorted view of what we propose, as a sorb of Aunt Sally, at which he can shy his quips and cranks. My right honorable friend has indulged in some childish explosions, not of temper, but of blood-letting, which seem to be necessary for his health. We are never angry with him, even when he is most insulting, because we know that these explosions of his are the result of mere constitutional weakness, and are necessary for his relief. There is a certain amount of superfluous vapour always hanging about ray right honorable friend, and he must get rid of it somehow, but he would save public time if he would look the position honestly and fairly in the face. The question that we submit is : - Do the rules of Parliament which bind us, allow such a thing, to be done? We shall probably have to ask the Speaker for a ruling, but these matters have to be argued out by honorable members first. This constitutional question must be settled by authority, but we must have a certain amount of discussion upon it before it can be settled. The very first of our provisional standing orders clearly directs that, where we have no special provision upon any point, we must have regard to the forms and practices of the House of Commons. There is a guide for us, and as we have no special provision in our standing orders in connexion with this question, we must inquire as to the practice of the House of Commons with reference to this particular matter at the time that these rules were adopted. As to the practice of the House of Commons, which is generally accepted, it is laid down by May in more than one place that no one, except a Minister of the Crown, can make any proposition in the direction of increasing a duty or charge upon the people.

Sir George Turner

- Would it not be better to discuss this matter on a motion for an increase of duty; we can then secure a decision from the Speaker 1 It would save time, as the whole thing will have to be discussed over again.

Mr REID

- I hope not. The matter is one which we cannot consider too fully. I heard the Minister of Trade and Customs quote an authority upon this very matter just now.

Mr Kingston

- That was in answer to a question. An honorable member asked me for my authority, and I read it.

Mr REID

- It does not matter whether it was in answer to a question or not. I am now questioning the authority quoted by the Minister. My right honorable friend seems' to think that when Sir Oracle has spoken, all men should be dumb. Now I am going to teach Sir. Oracle. My right honorable friend was a very great man in a very small House once; but in this Federal Parliament we are all equal, and we are not going to allow any one, however able, or however distinguished, to lay down' the law for us. .The House will not permit me to do it, and I do not see why my right honorable friend should be allowed to do it. I do not know of any principle that has been more uniformly recognised in the mother State than that to which I have just referred. Just as the House of Commons is the mother of Parliaments of the British Empire, so New South Wales is the mother State of Australia, and the Minister for Home Affairs will agree with me that the practice in the mother State is a matter of some importance and interest to us, and bears upon this question. I think I am absolutely correct in saying that in no case has a private member been allowed to increase the amount of duty proposed by the Crown in connexion with the Tariff. I think there was a decision given at one time.

Mr SYDNEY SMITH

- Mr. Speaker Barton gave a decision in 1886.

Mr REID

- I should be very much surprised if that decision were not to the effect that a private member could not propose an increase of duty.

Sir William Lyne

- I think that that was the decision, although I could never understand why that should be the practice.

Mr REID

- The reason probably rests on the same principle which Ministers have found so serviceable in connexion with the Estimates of Expenditure. Just think of what the position would be if private members were allowed to increase the amounts set down in the Estimates of Expenditure. We should soon arrive at an utterly chaotic state of affairs. We always start fair in Committee of Supply, and there is a certain mark beyond which members cannot go - that is the Estimates submitted by the Crown.

Sir William Lyne

- There is a difference between Estimates of Expenditure and proposals for taxation.

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Mr REID

- There is this difference, that it is a more serious thing to increase taxation than to increase a vote upon the Estimates. A taxation proposal affects the public more seriously than a proposal to vote money for expenditure. The two cases differ, but the difference is all in favour of keeping the powers of members in regard to taxation within the same limits as they are kept in regard to expenditure. From every point of view, it will conduce more to the regular conduct of our proceedings in committee if the Ministry are not embarrassed by such propositions. Let us consider what they mean. A responsible Minister of the Crown submits a request that he shall be allowed to tax the public on a certain article at a certain rate. A private member, for some reason of his own, may then move to double the duty. Thus the Ministry will be placed between two fires. I can see that such a position would be a very embarrassing one for them to occupy. The rule to which I have referred seems to be a very wise one. It makes the Executive responsible for every proceeding which has the effect of imposing a burden upon the community. I quite agree with the Treasurer that we should not labour this matter at the present stage. There are a number of authorities for the proposition which is laid down in May, that no private member can augment a tax. I hope that when the matter comes up Ministers will refer to these authorities. If they do so, they will find that Mr. Speaker Barton who, however unsound a guide he may be upon fiscal matters, was one of the ablest and most accurate Speakers who ever occupied the chair in Australia, gave a decision upon this very point. I had the honour of proposing him for that position, and I always felt very pleased that I was associated with his elevation to the Chair, because he filled the position with so much ability and efficiency. His ruling, I wish to point out, supports my contention. If that ruling were a right one in New South Wales, it is right here, 'because the New South Wales standing orders contain the same provision as do the standing orders under which we are working, namely, that in cases which are not specially provided for, resort is to be had to the practice of the House of Commons. This case is not specially provided for, and therefore the rule should apply. That eminent Speaker, Mr. Barton, who spent many laborious nights in studying the practice of the House of Commons during his term of Speakership, came to the conclusion that the principle for which we contend is the correct one. I am very glad that this question has been raised. I should like to hear what the Prime Minister has to say upon it, but, as he happens to be absent from the chamber, I have no doubt that his attention will be directed to his own ruling. I am very curious to hear what he has to say in reference to it. I think that the rule which I am pressing on, the attention of the committee is one of the greatest safeguards of the interests of the public. Under this rule, the public can always hold Ministers responsible for every tax that is levied. It would not be a healthy position if the Government could say to the public - "We never proposed this tax. There was a combination of members, which forced it upon us, and it was not a matter of sufficient importance to warrant us in resigning our offices. In point of fact we are not responsible for this duty." It is a much healthier condition of things to compel the Government to put their sign manual to every tax which they impose. The responsibility must be clear, and must rest upon the executive just as does the responsibility of collecting these duties without the sanction of the law. In the interests of good government, apart altogether from the question of the Tariff, the rule to which I refer is a wise one. I shall be glad if, in view of its great importance, the Government will look into the matter very carefully.

Mr MAUGER

- I do not propose to prolong the discussion upon the technical constitutional question which has been raised, but I wish to point out to my honorable friends opposite that, while I thoroughly agree that it is

desirable that we should continue this discussion in a statesmanlike and friendly manner, we are not likely to do that by imputing motives and by using such words as "robbery." That has been done two or three times during the course of this debate. The insinuation has been thrown out that protectionists and manufacturers are all robbers.

Mr JOSEPH COOK

- Who said, that 1

Mr MAUGER

- It has been said half-a-dozen times, as our records will show. It is continually being said. If there is so much commercial immorality amongst manufacturers - and I refuse to admit it - there is quite as much amongst importers. All the robbery is not on one side. Surely honorable members opposite do not suppose that protectionists are entirely satisfied with the proposals of the Government. I have already said that there are duties in the Tariff which, if carried into effect, would close down a number of our industries. While I recognise that we cannot hope to get the Victorian Tariff, I intend to do my best to remove many anomalies that I believe will be detrimental to the interests of the manufacturing interests of Victoria. For that reason, to take up the position that the criticism of the Government proposals must all come from those who want reductions, and that no amendments must be moved by those who believe that there are items on the Tariff which, even under our changed circumstances, are not adequately protective, seems to me to be monstrous. It is a position which cannot be maintained.

Mr JOSEPH COOK

- It has not been taken up yet.

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Mr MAUGER

- Then what is the meaning of the contention which has been put forward 1 What other construction can be put upon the debate than that honorable members opposite, recognising that protection is the acknowledged policy, so far as this House is concerned, propose to challenge items which are not protective, whilst we are not to move increases on items upon which we do not think the proposed duty is sufficiently high t That position is neither logical, reasonable, nor just. We have a number of constitutional lawyers who are prepared to discuss the constitutional aspect of their question from their varying points of view, and I have no doubt that in time the Speaker will give a satisfactory ruling ; but I may be allowed to express the hope that the committee will not consent to give up any of their privileges concerning the Tariff proposals.

Mr. SYDNEYSMITH (Macquarie).My right honorable and learned friends the Treasurer and the Minister for Trade and Customs were very indignant in consequence of some of the remarks made by the honorable and learned member for Parkes with regard to quotations from Hansard. The Treasurer pointed out that the honorable and learned member had misquoted certain passages. I am going to refer to a statement made by the Minister for Trade and Customs. I believe that during the time he was speaking the Treasurer handed to him a little book known as the Practice of the House of Assembly, by Blackmore. The Minister was good enough to quote from page 219 as a justification for the contention put forward that it was quite competent for honorable members to move to increase the proposed duties which the Government now submit for the consideration of Parliament.

Mr Kingston

- I quoted it in answer to the honorable member for North Sydney.

Mr SYDNEY SMITH

- The fact remains that this quotation was used by the Minister in order to show that there were great authorities who could be quoted in favour of the course advocated by honorable members opposite, who, it is alleged, are desirous of increasing certain duties. The passage quoted by the Minister stated that in the course of the proceedings on the Tariff revision in South Australia, in 1870, an amendment to increase the duties on certain articles was proposed, and was permitted. For example, on the Treasurer moving that the item, chicory 2d., stand as printed, an amendment was put and carried that the duty should be 4d'. Now,

I have taken the opportunity of looking up the proceedings, and I find that it is true . that such a proposal was made ; but the fact is that no point of order was raised. The proposal to increase the duty got through evidently by some mistake, and without attention being called to it. But what does the same authority say

upon another page, where the passage has been marked - I presume by the Treasurer.

Sir George Turner

- No.

Mr SYDNEY SMITH

- Strange to say, these passages are marked as worthy of reference and quotation. I find it stated by Blackmore -

It is a constitutional principle that no burdens shall be imposed upon the people except such as are necessary for the public service. Such necessity can only be made known to Parliament by the Crown through its responsible Ministers. A new tax, therefore, cannot be imposed, nor can an existing tax be increased, except on the recommendation of the Crown.

Mr Kingston

- No new tax.

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Mr SYDNEY SMITH

- This is a new tax. This is the first time the Commonwealth has been called upon to impose any taxation whatever. It is all very well to say that there have been taxes in Victoria, but that is only one State. We represent the Commonwealth. Then again, Blackmore says -

If a private member suggest any plan of taxation, and the Government approve it, the constitutional course is for the Government themselves to adopt it, and propose it in Committee of Ways and Means. If it is objected by the Government that the exigencies of the public service do not require such a tax the constitutional course is for the member to withdraw it.

That is quite a different quotation from that to which the Minister referred. He quoted a passage from Blackmore to show that it was quite constitutional for any honorable member to move any amendment to increase an item. I have shown from the same authority that it would be unconstitutional for any member to propose any new tax or any increase of taxation, and that the only way of proposing taxes or increasing duties is by means of a recommendation from the Government. I can also refer to May. That authority has been quoted before, but we cannot refer to a good thing too often. I look upon this as a very important point. I am not discussing it from a party point of view because I consider that a great constitutional question like this should be settled apart from party considerations. It was always regarded as being above party considerations by the man who perhaps did more than any one else to give us our present Constitution, May says -

In like manner, no increase can be considered by the House, except on the initiative of a Minister, acting on behalf of the Crown, either of an existing, or of a new or temporary tax for the service of the year.

Sir George Turner

- That is all right ; the honorable member does not see the distinction.

Mr SYDNEY SMITH

- Arguments have been advanced over and over again to the effect that it is quite competent for a private member to propose an increase of the duties.

Sir George Turner

- To increase the duties proposed by the Government.

Mr SYDNEY SMITH

- That is a pretty line of distinction !

Mr McDonald

- This is new taxation itself.

Mr SYDNEY SMITH

- Of course, and yet the Minister tries to make out that when any honorable member proposes an increase on the Government duties it is not a new proposal. The general rule for the conduct of our business reads : -

In all cases not provided for hereinafter, or by sessional or other orders, resort shall be had to the rules, forms, and practice of the Commons House of the Imperial Parliament of Great Britain and Ireland, in force at the time of the adoption of these orders, which shall be followed as far as they can be applied to the proceedings of the House of Representatives.

Then Standing Order 247 reads -



No amendment whereby the charge upon the people will be increased, may be made to any such resolution, unless such charge so increased shall not exceed the charge already existing by virtue of any Act of the Parliament.

An Act of "the Parliament" means an Act of the Parliament of the Commonwealth. If honorable members take the trouble to look at the Constitution they will see that the reference is to an Act of Parliament passed by the Commonwealth, and as we have no such Act of Parliament, it is clear that the standing order does not support the contention of the Minister. This is no new question, at all events in the State of New South Wales, similar attempts having been made there on two occasions. The Government of which Sir Patrick Jennings was the head, and the present

Minister for Home Affairs was a member, brought down a proposal to tax people through the Custom-house. Mr. Forsyth, who was well known as a strong protectionist, considered, like many on the Government side of this House, that enough protection was not given to several industries ; and, just as certain honorable members desire to do on the present occasion, he proposed to re-adjust the taxation proposals of the Government. When a proposal to that effect was submitted by Mr. Forsyth, Sir Henry Parkes, who was leader of the Opposition, speaking on this as a non-party question, said -

In order to save time I should like to take the Chairman's ruling as to whether the honorable member can move the amendment to which he has referred at this stage of the business, and if the Chairman rules that the honorable member can do so, I would take his ruling as to whether the honorable member can propose to increase the duties submitted to the committee by the Government.

The matter was debated, and the deputy chairman stated -

The amendment which the honorable member for South Sydney desires to propose would, in my opinion, be out of order. May, at page 674, says -

As a proposed grant cannot be increased in Committee of Supply, nor a new grant made, unless recommended by the Crown, so also it appears that a new tax cannot be proposed except with the indirect sanction of the Crown.

Sir Henry Parkes. That is, of the responsible Minister ?

The Deputy-Chairman. - Yes. If the amendment were agreed to, it would result in an immediate increase of taxation to the extent of something like ?500,000.

Mr. Forsyth had given the House an assurance that, by his proposed re-adjustment, there would be a decrease instead of an increase of taxation.

Sir George Turner

- What was Mr. Forsyth's proposal?

Mr SYDNEY SMITH

- The proposal was to re-adjust the burdens of the people by increasing some duties and adding others.

Sir George Turner

- It all depends on what the proposal was.

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Mr SYDNEY SMITH

- The amendment of Mr. Forsyth was to substitute a duty of 10 per cent. upon a number of specified articles, in lieu of the 5 per cent. duties proposed by the Government. The case exactly on all fours with that which is likely to arise here. Mr. Forsyth followed the matter further, and thought it so important - and I quite agree with him - that it ought to be referred to the Speaker. On a motion to that effect, Sir Henry Parkes, the father of the Constitution, speaking, not as a supporter of the Government, or with any desire to help the Government out of the difficulty, but with the desire to uphold the Constitution, said -

I do not think the honorable member will press this motion if he will only reflect for one moment.

Responsible Government would be a mere name if an irresponsible Member of the House could increase the taxation of the country.

Mr. Forsyth. I do not want to do so.

Sir Henry Parkes. The principle that underlies the whole of our institutions is that no expenditure shall be incurred without the intervention of a responsible Minister, and that no new taxes shall be proposed except upon that responsibility.

As I said before, the proposal was to impose duties on some additional articles, and to increase the duties on other articles from 5 to 10 per cent.

Mr Kennedy

- On the same articles as proposed by the Government?

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Mr SYDNEY SMITH

- Yes. The matter was referred to the Speaker, who is reported as follows -

The resolution proposed by the Colonial Treasurer is in the following terms : - That towards raising the supply to be granted to Her Majesty, there shall be charged, collected, and paid, from and after the 3rd day of April, 1886, upon the several articles, goods, wares, and merchandise imported into the colony, enumerated in schedule A, and not enumerated in schedule B (including such as are now in bond), the duties of Customs specified against each respectively, in lieu of existing Customs duties, namely. It will be observed that after the word "namely" two schedules are contained. It is proposed, by way of amendment, to leave out the word "namely," with a view to the introduction of certain excepted articles, which are to be subject, in the terms of the amendment, to an ad valorem duty of 10 per cent. The contention of the mover of the amendment is, that inasmuch as by his own reckoning the imports upon which a duty of 10 per cent. will be chargeable will be £4,805,000, the amount of revenue received will not be higher than the amount of taxation proposed by the Government. This question does not depend upon the honorable member's estimate, but upon the rate of taxation. In schedule B there are a large number of articles proposed to be charged by the honorable member at the rate of 10 per cent. , upon which the Government do not propose to charge so high a duty.

So high a duty ! - That is a point which should be borne in mind -

The Government, moreover, propose only 5 per cent. ad valorem duties. It does not seem to me that any facts have been adduced which would warrant me in differing from the opinion of the Acting Chairman of Committees. I need only refer to a very concise passage, which is to be found at page 215, in a recent publication by Mr. Blackmore, a clerk at the table in the South Australian House of Parliament. -

I referred to that passage a few moments ago-

It appears to me that it is impossible to resist the Contention that the duties contained in the amendment would operate in addition to the duties proposed by the Government ; and that, as they are not proposed with the direct or indirect sanction of the Crown, for the purpose of covering supply, they are not admissible in the form of an amendment in Committee of Ways and Means.

That decision was given by Mr. Speaker Barton, who at the present time is Prime Minister of the Commonwealth. There are several other passages in that discussion which would be interesting to the committee, because Sir Patrick Jennings, when debating the question, referred at length to the opinion given by Blackmore on the point of order raised. It seems to me to be clear that under the rules of the House of Commons, it would be impossible to allow private members to move to increase any duty submitted by the Government. Somebody should be responsible for the placing of additional burdens upon the people. I believe that at one time private members in the Victorian Parliament were allowed to make such proposals, and that that practice was adopted also in one or two cases in the South Australian Parliament without a point of order being raised. I think, however, that it would be a most dangerous practice for the Government to adopt, although they seem to be inclined to do so. I speak in this way, not from any party motive, because I regard this question as being above party considerations. I have always held that opinion, and I supported it always in the State Parliament, in which I had the honour to sit for many years. It seems to me that the Government are not alive to the responsibilities of their position. From the very outset of their career they have appeared to be ready to climb down immediately after any hostile criticism has been passed upon any of their proposals. Of course the Government should be open to reason ; but in bringing down measures for the consideration of Parliament, they should be careful that they bear on the face of them some evidence that they have been considered properly. I am afraid that in regard to many of their measures, that evidence has been wanting.

Mr JOSEPH COOK

- Two Ministers were engaged for six months in framing the Tariff.

Mr SYDNEY SMITH

- They have had a considerable amount of time in which to carry out their work, and we have given them a good deal of latitude. I do not think, however, that anyone can be pleased with the result of their

labours. One Minister has said that one evidence of the merit of their proposals is the fact that they please no one. If that was their object they have succeeded admirably.

Mr Kingston

- Is this a continuation of the discussion from the party stand-point?

Mr SYDNEY SMITH

- No ; I am dealing simply with one or two points which have arisen during the discussion. I felt it my duty to refer at some length to the question of whether any private member should be allowed to propose increases in the duties submitted by the Government, because I was under the impression that Ministers were anxious to obtain some information on the point. The ruling given by a Speaker of such well-known ability as the right honorable and learned member for Hunter should receive some consideration from Ministers, and I thought it my duty to place it before honorable members. I do not desire to deal further with this point at the present time. When a proposal is made for increasing the duty on any particular article, it will be within the power of any honorable member to raise a point of order. I have addressed myself to the question to-night, because while honorable members of the Government deprecated the introduction of a discussion on this point, they put forward reasons why action of this kind should be adopted, and I thought it would be improper to allow that course to be followed without showing what I believed to be the other side.

Mr JOSEPH COOK

- It is a strange thing that the Government should be arguing so strenuously for this proposal.

Sir George Turner

- It is not in our own interests that we do so.

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Mr SYDNEY SMITH

- I do not want to deal with the question from that point of view ; I am discussing it only from the constitutional standpoint. The honorable and learned member for Parkes, in common with several other honorable members, has raised a point in regard to the making of refunds in cases where duties are reduced after they have been paid on the higher scale. It would be a very difficult thing in some cases to make refunds, but there may be many other cases in which refunds ought to be made. I have a case in my mind of a man who is engaged in an important industry in my own State, and who has a large quantity of machinery on the way out to Australia. Although he is a protectionist, he has made a strong appeal to me to endeavour to induce the Government to allow the machinery to come in free of duty. He states that the orders were given for it some months before the imposition of the duty. If Parliament sees fit, as I hope it will, to remove the duties from mining machinery, then it would be most unfair if those persons having paid the higher duty were not allowed a refund, while others who had ordered machinery which did not arrive until the decision of Parliament had been given were not called upon to pay anything. I know that in many cases it might be quite possible for the Government to arrange for a refund of the overcharge to the person entitled to it ; but it will be almost impossible to do that in the case of duties imposed on the necessities of life. Several persons met me on Saturday, and one of them told me that he had just been down to a store and had had to pay 3s. 6d. per pair more for boots than he had to pay for them before this Tariff came into operation. These people had read the speeches of the protectionists and had been told that the foreigner was going to pay the duty, and they wanted to know where the foreigner was that they might get the money from him. One member of this House, who made a very strong speech some weeks ago, said that high protective duties were a great advantage to the people of the country, because the foreigner, and not the consumer of goods, had to pay them. I believe that honorable member only a few days ago had a sample of how it worked. He imported an article of machinery on which a duty of 12s. was charged, and a friend of his wanted to know if he was going to get the foreigner to pay the 12s. The honorable member could not find the foreigner, and had to pay it himself. A refund might be arranged in such a case as that, but it cannot be arranged in the case of thousands of people who are called upon under this iniquitous Tariff to pay 50 or 60 per cent. more than they previously had to pay for boots, shoes, and hats. The duties are being charged illegally at present, and though the House may, as I hope it will, make substantial reductions in the burdens imposed upon the people by the Government, I can quite see that when a duty has once been collected it will be a very difficult matter to arrange for a refund of it. This question affects every one in the Commonwealth, and

particularly the residents in my own State, where I am glad to say that under our policy we have been free from these iniquities. The only time during which we were subject to such iniquities in New South Wales was when some of our honorable friends opposite were in power. But immediately the people had an opportunity of speaking at the ballot-box they relegated those gentlemen to private life, and as soon as our honorable friends opposite face the people they will be treated in the same way.

Mr Crouch

- Is the honorable member going to speak all night ? - because I should like to know if I may go home.

Mr SYDNEY SMITH

- I think the honorable member had better go home - nobody would miss him. I am not speaking for the purpose of stone-walling, and have no desire to do it ; but I feel very keenly upon this matter, because I have seen such distress brought about by the iniquitous policy of protection in New South Wales as to warrant me in taking a determined stand against these proposals of the Government. During the few weeks this Tariff has been in operation I have had further evidence of what will take place if the Government have their own way. We have had a great many disloyal speeches during this debate by honorable members who have been making little of the old country. I object to the remarks which have been made as to the condition of the old country, because there is no warrant for them. There is no country under the sun where the labouring classes are in such a flourishing condition as they are in England to-day.

Mr Tudor

- I question that, on absolute experience.

Mr SYDNEY SMITH

- The honorable member for Yarra questions the statement, but I have here a report for 1900 prepared by Mr. Llewellyn Smith, of the Labour Department of the Board of Trade in England, which shows conclusively the prosperous condition of the labouring classes in that country.

The year 1900 was the culminating point of the upward movement of wages which began in 1896. Not only did the general level of wages in the United Kingdom stand higher at the end of 1900 than in any other year for which statistics exist, but the rate of increase during last year was unprecedented high. If we confine ourselves to the industries for which it is possible to obtain definite statistics, we find that no fewer than 1,112,684 work-people, or about one-seventh of the total number employed, received advances during the year amounting to no less than £212,000 per week, while only 23,010 sustained decreases to the unimportant amount of £2,800 per week. The net weekly rise of £209,000 compares with £91,000 in 1899, and £81,000 in 1898.

Mr Tudor

- It went down in August 2s. a week all round.

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Mr SYDNEY SMITH

- Even supposing that a depression has taken place, what did the increase mean to the miners of England ? I notice, with much dismay, that a gentleman who represents a coalmining constituency is supporting a Tariff of the kind that did so much harm to the industries of England when they had protection. What has been the result of 50 years of free-trade on the mining industry in England ? Mr. Smith says -

As in the two previous years by far the larger amount of the increase is accounted for by the rise of miners' wages, which rose on the average nearly 4s. 5d. per week in the course of the year, and accounted for £168,000 or 80 per cent. of the total weekly increase of wages. Taking into account the various dates at which the changes came into operation, it is estimated that the additional amount disbursed in wages during 1900, occasioned solely by the increase in wages recorded in this report, apart from any change in the number of the working population, was not less than £6,000,00.0.

That shows that the wages of coal miners have been increased in a substantial way. It is true that a slight depression took place in the early part of the present year, but that did not amount to a sixth part of the total increase which the men obtained during last year. Whereas there was in round numbers a decrease of £30,000, according to this Board of Trade report there was an increase of £200,000 per week last year. Miners' wages were 4s. 5d. a week more last year than they were in the previous year. With the largest numbers of miners employed, and the largest output last year, how can any persons get up and say that

the old country is going back? I have felt it my duty to show from an official report the condition of the wage-earners in the old country, and the substantial increase which has taken place during the last year, because my honorable friend opposite contradicted a statement I made as to the condition of the workers there." I do not know where one can get any better information.

Mr Mauger

- According to the Economist there has been a very serious reduction.

Mr SYDNEY SMITH

- During the early part of this year, on account of a depression, there was a slight decrease, but even if we make a deduction of £30,000, their wages have been increased by £179,000, whereas the increase amounted to £91,000 for 1899.

Mr Isaacs

- Mostly coal miners ; no question of protection or free-trade is involved, and wages\_ have gone down this year.

Mr SYDNEY SMITH

- I admit that a large number of them were coal miners, but I have heard my honorable and learned friend referring to the importance of encouraging the mining industry. Why should the Government bring down a policy which will ruin the miners? How can honorable members help the miners by taxing their boots and clothes and all the necessaries of life 1 My honorable and learned friend cannot show me one case where any miner in his electorate has been benefited by a protectionist policy. In 1892 he made a very able speech showing how a system of protection would ruin the mining industry

Mr Isaacs

- The honorable member has not read the speech.

Mr SYDNEY SMITH

- If my honorable and learned friend wishes it I shall read it.

Mr Isaacs

- Read it from Hansard, and not a garbled extract made by the Free Trade Association.

Mr SYDNEY SMITH

- Presently. Mr. Smith in this official report goes on to point out that the increase in the wages of the workers amounted to no less than £6,000,000 yearly. This report is dated July, 1901, and the honorable and learned member for Indi will find in it a lot of useful information bearing upon this very question.

Mr Isaacs

- The honorable member has not the latest information showing how wages have been reduced since.

Mr SYDNEY SMITH

- I have already referred to the fact that wages were reduced in the early part of this year, but they still show a large increase over 20 t 2 preceding years. We have heard a great many references to the advantages derived from protection in Germany, but no protectionist has quoted the paragraph which appeared in the newspaper a few days ago, stating that there were between 80,000 and 85,000 workers out of employment in Berlin, and that in the country districts a large number of people were unable to obtain the necessaries of life.

Mr Isaacs

- Nearly as bad a state of things as is to be found in Lancashire.

Mr SYDNEY SMITH

- I will, in compliance with the request of the honorable member for Indi, give one short quotation from the honorable member's speech in 15.92- .

We are told that the miners patriotically stood by protection in the past. Are we to whip the willing horse to death ? Is protection to go on for ever to an unlimited extent, right on, as we are told, to prohibition ? Are we never to stop taxing the miner ?

If protection is going to help the miners, why should the honorable and learned member object to it?

Mr Isaacs

- I objected to revenue duties of the kind advocated by the honorable member. I also objected to prohibition.

Mr SYDNEY SMITH

- The honorable and learned member continued -

He is the man who goes through the most arduous labour, the most dangerous pursuits to win the wealth of the country ; and what does he get in return for it ? A promise that more burdens shall be laid upon him. His pick is weighted with taxation, every article he wears is weighted with taxation, and when he goes home, every article in his house, even his knife and fork, is taxed. Is this a fair and equitable Budget that does all these things ?

Mr Isaacs

- Exactly ; it was that Budget I was speaking of.

Mr SYDNEY SMITH

- What is the difference t That only emphasizes my argument, because the duties now proposed are in some cases much higher than those proposed on the occasion to which the honorable member was referring.

Mr Isaacs

- I was a member of the next Government, which reduced those duties.

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Mr SYDNEY SMITH

- If the honorable and learned member for Indi entertained such a strong objection to taxing the miners in 1892, I cannot understand how he can support the present Tariff which presses still more heavily upon that class. I could cite several other quotations which are stronger from a free-trade stand-point than that which

I have just read. I claim the vote of the honorable and learned member for Indi in the interests of the miners against this Tariff.

Mr Conroy

- The honorable and learned member said that 25s. was only worth a sovereign.

Mr Isaacs

- That is absolutely incorrect.

Mr SYDNEY SMITH

- I suppose the honorable and learned member will say that he has been misreported.

Mr Isaacs

- The honorable member will not find that I am reported to have made that statement.

Mr SYDNEY SMITH

- I have no desire to prolong this debate, but I would recommend the honorable and learned member for Indi to carefully read the speech to which I have referred. Taxation through the Customs doe3 not represent the amount which people are called upon to pay, but it enables the local manufacturer to raise the price of the article he produces. One large firm in New South Wales manufacture . 8,000 pairs of boots per week, and have always been able to undersell the imported article. They employ 300 persons in their factory, and pay them the highest wages. Yet the managing director informs me that they do not want any protection, and are able to compete with the outside world. I refer to McMurtrie and Co.

Mr Kingston

- They are importers.

Mr SYDNEY SMITH

- How does the right honorable and learned gentleman account for the fact that according to Coc/Jdan more boots are manufactured in New South Wales than in Victoria 1

Mr Kingston

- The boot manufacturers of New South Wales cannot supply their own people. They import .nearly £400,000 worth of boots annually.

Mr SYDNEY SMITH

- I am very pleased to note that the young population of Victoria are beginning to see the fallacy of protection. This is evidenced by the fact that the free-traders recently faced a public meeting here in what was said to be the strongest protectionist centre in the Commonwealth. I shall leave those who were present to judge of the reception which was accorded to the leader of the Opposition, and to the resolution which was submitted condemnatory of the Tariff. What a contrast that meeting presented to the demonstration held by the protectionists, which was advertised and placarded everywhere. Although tickets for admission to that meeting were issued there were not enough people present to fill the hall.

The Minister for Trade and Customs, for whose ability and strong personality I have the greatest admiration, was advertised to speak at another meeting, but could not secure an attendance at the outset of more than 50 persons. The number gradually increased to 150 or 200. Then, again, I believe that the Attorney-General, who is a popular orator in Victoria, was advertised to speak at another meeting, which no one attended. The promoters stopped until nine o'clock. There was a rising of the people !

Mr Deakin

- The honorable member is wrong.

Mr SYDNEY SMITH

- I know they expected the honorable and learned gentleman there. I read a paragraph in a newspaper, which stated that the chairman of the meeting, Mr. McMahon, was present, but that no meeting really took place, as no one attended.

Mr Mauger

- What has this to do with the Tariff?

Mr SYDNEY SMITH

- It has a great deal to do with the Tariff. The people outside have to pay the money raised by these duties. It is not a fair thing to honorable members opposite, who are secure in their seats for two or three years, to laugh at the people outside.

Mr Cameron

- Let us fight the Tariff, and do not waste more time !

Mr SYDNEY SMITH

- I am responsible for my actions to the people who sent me here.

Mr Tudor

- What is the good of wasting time ?

Mr SYDNEY SMITH

- My honorable friend who interjects voted the other night against the proposal of the leader of the Opposition, and yet we found him immediately afterwards attending a caucus meeting of the labour party, who decided in favour of taking off £1,250,000 from this Tariff. Why does the honorable member propose to do that ? Is not that an evidence that we are justified in the course we are taking ?

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The CHAIRMAN

- The honorable member will not be in order in reflecting upon any honorable member's vote in the House.

Mr SYDNEY SMITH

- I am referring to the action of the honorable member for Yarra in interjecting just now, and am going to show that his action at the caucus justifies everything the Opposition have done. Honorable members opposite tried to close down the debate and prevent any discussion at all.

Mr Deakin

- Absolutely untrue ! I rise to order. The honorable member for Macquarie is making a statement that is absolutely incorrect.

Mr SYDNEY SMITH

- I say, with all respect to the Attorney-General, that I endeavoured to get a speaker on the other side to follow an honorable member on this side, but could not get one.

Mr Conroy

- As a point of order I draw attention to the fact that the Attorney-General has said that a statement made by the honorable member for Macquarie was absolutely untrue.

Mr Deakin

- What I said was that the statement was incorrect. On that particular evening when the honorable member commenced his speech, I myself went into the corner, and asked three members in succession to speak. Yet a newspaper in this city, merely drawing an inference from my movement to that corner, stated as a fact that I was endeavouring to prevent honorable members from speaking. That statement was absolutely incorrect. I went over to ask three members to speak, but they told me that they were not prepared to speak that evening. They said "We will speak if the Government want to fill up time, but we have not brought our notes with us, not having expected to be called upon to-night ; this debate is going

to be a long one, and we prefer to speak later on." I said " I do not wish any honorable member to speak if he is not prepared, but I wish that some honorable member would follow the honorable member who is now speaking." There never was any attempt to close that debate, nor was there any expectation of it being closed then.

Mr SYDNEY SMITH

- I was referring to the time before I commenced my speech on the motion of the leader of the Opposition. The Attorney-General says that he was trying to get some one to follow me.

Mr Deakin

- I knew that the honorable member was going to speak.

Mr SYDNEY SMITH

- I say that no honorable member of this House knew that I was going to speak. It was not until the last moment, when I saw that the motion would go to a vote if no one spoke, that I . rose.

Mr Deakin

- The honorable member came over to me and asked me to find a speaker.

Mr SYDNEY SMITH

- I went to the Government whip and to the Attorney-General

The CHAIRMAN

- I am sure the committee will recognise that I have allowed a very large amount of latitude. I have no desire whatever to curtail the privileges of honorable members, either real or acquired. It has been a matter of practice at all times upon a Tariff debate or upon the Estimates to allow a general discussion on the first item. We have not yet reached the first item, but are discussing the Tariff as a whole. I am sure, however, that some of the remarks made during the last hour or so have been outside the resolution as a whole, and I will ask the honorable member to deal with the items.

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Mr SYDNEY SMITH

- I shall be glad to be corrected if the Chairman thinks I am out of order. I was drawn away by an interjection, and sat down to allow the Attorney-General an opportunity of explaining. I do not wish to say anything unfair, but I will not allow anybody to curtail my rights as a member. I did not rise with any intention of " stone- walling," but merely for the purpose of rebutting arguments that have been advanced by the Minister for Trade and Customs and the Treasurer with regard to the power of a private member to move any increase of duties. When honorable members question the accuracy of my statements I am prepared to take my own part, and place before the committee arguments which I think substantiate my position. As there will be many opportunities for honorable members to place their views before the committee I shall not at this stage take up any further time. But I make no apology to the Minister for Trade and Customs for any of the remarks I have made. The right honorable gentleman has been very insulting to-night ; he will have many opportunities, before this debate is over, of repeating his conduct, and (he need not be surprised if it is resented. I have always treated the right honorable member with courtesy, and I expect in return to receive that courtesy to which I am entitled. I have done my duty in directing attention to the point of order, and also to some of the iniquities of the ' proposed Tariff.

Mr ISAACS

- I do not rise at the present moment to take part in the general discussion, but for the purpose of referring to a matter that has been forced upon me by some honorable members on the other side. I entirely acquit the honorable member for Macquarie and several of my honorable friends of the Opposition, of any intention to misrepresent me, but after -what I shall say to-night, they will have no possible excuse. During my election campaign there was distributed a circular, from which some of my honorable friends, including the honorable member for' Robertson, have quoted. It is not unnatural that they should trust to the accuracy of documents supplied by their friends who, to a large extent, furnish them with the bullets which they fire off. But it is unfair to represent the speech made by me as a member of the Victorian Parliament in 1892, as a freetrade speech.

Mr SYDNEY SMITH

- It is a very good free-trade speech.

Mr ISAACS

- If it is, I wish the honorable member would subscribe to the same tenets, because if he did he would be



sitting on this side. I shall read a quotation or two from that speech, which I think will convince honorable members. That speech was delivered shortly after a general election, during which I made my opinions known, as I have ever made them known since. I have never wavered in my attitude, which is simply that I do not hold with either extreme. I am opposed to monopoly in any shape or form. I am opposed to the importers' monopoly just as I am opposed to the local manufacturers' monopoly. I have resisted always, and I resist now, any measure or any policy which, on the one hand, would allow the workers of this country to be compelled by importers and manufacturers under a free-trade policy to descend to the degrading level of other countries, or, on the other hand, would erect such a wall as would allow our local manufacturers to raise their prices to any height and obtain a virtual monopoly within this territory. In the Victorian Hansard, vol. 70, my honorable friends, who profess to have quoted from my speech, can see for themselves observations I actually made. In my opening remarks on that occasion I made it perfectly clear that the question was not one of free-trade or protection. I was speaking all through regarding the Budget which was introduced by a man, to whom the liberals of this State, and I believe, of all Australia, owe a deep debt of gratitude. His views were opposed to mine in that he believed - and carried his belief into effect in that Budget - that prohibition was the proper course to adopt from a protective standpoint. I disagreed with that view, and that was the whole burden of my speech. I said - I think that this Budget, if carried in its entirety, would deter the approach of any ship laden with foreign cargo as effectually as if the guns of our batteries were pointed at that ship as it entered the heads. We are marching steadily on to absolute prohibition, therefore I think it is a question not of free-trade or protection, because no one has attempted to storm the fortress in this citadel of protection in the Southern Hemisphere.

Then I spoke in regard to the miner ; and I believe this is the part which was omitted from the pamphlet. When I exposed the pamphlet on the platform I believe I got many votes which were wavering, because the electors felt that a cause which descended to misrepresentation was not one that could exist by fair means. I said -

Is this a fair and equitable Budget that does all these things? I desire to intimate to the Government now, because I think it will save time hereafter, as far as I am concerned, in explaining the position that I purpose taking up, that I intend to fight to the very utmost against what I conceive to be the inequalities of this Budget.

Mr SYDNEY SMITH

- That is the Kingston Budget !

Mr ISAACS

- Is it possible for my friends to restrain their youthful impetuosity ? I said -

I may not hereafter take the opportunity of expressing my views. I express them now at once. I intend to oppose to the utmost of my power those portions of the Budget which I think inflict unfairly and unjustly burdens upon certain sections of the community, and for this reason as much as for any other.

Mr Poynton

- What portion of the Budget was that t

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Mr ISAACS

- Mainly the revenue Tariff portion. I shall quote a passage which will convince honorable members - I think they are fair-minded enough to accept what I said - that I took up the same position then that I do now.

Can it be denied that when we have prohibition we create a monopoly ? I object to the foreign trader having a monopoly here. One of the chief reasons for introducing protection was that it would prevent such a monopoly ; that it would protect the people of this country against the foreign trader, who can ask what price he likes.

That was one extreme to which I objected.

But if we shut out the foreign trader absolutely, do we not create a monopoly at home? Are we to oppress the great bulk of the people, the great body of consumers in the country, the farmers, and the miners, and the general population, by placing on their necks a monopoly? There is not the slightest doubt that prohibition is another way of spelling monopoly.

Mr Poynton

- What did the honorable and learned member say in regard to what the miners lost ?

Mr ISAACS

- That has been read to the committee already. Surely my honorable friend does not wish to have that statement repeated fifty times.

Mr Poynton

- But the honorable and learned member is picking out only certain portions of his speech.

Mr ISAACS

- I have selected passages which show that I was advocating protection, not prohibition; that I was protesting against monopoly, and that I was taking up the stand then that I took up the other night, and which I take up now, that those who advocate prohibition advocate monopoly. I said, I objected to it from that standpoint, and that those who, like my friends opposite, advocated absolute free-trade, advocated a monopoly to which I equally objected.

The CHAIRMAN

- I would again point out to the committee that I think the time has arrived when I should ask honorable members to confine themselves to the motion on the Tariff. I have no intention of curtailing legitimate debate, but I intend to put a stop, to recriminations.

Mr. JOSEPHCOOK (Parramatta).- As I intend to touch on the way in which the Tariff affects the mining industry, I shall have to refer incidentally to what the honorable and learned member for Indi has said. The quotation from his speech, which has been read by the honorable member for Macquarie, is so very apropos of the mining duties contained in the Budget, that I think it is only fair to call attention to it, and to quote more of his remarks, if necessary, in support of any arguments we may use from this side of the committee. The present Budget affects to relieve the miner of some of the imposts of the past, and yet, strange to say, while that is the case in regard to gold mining it does not apply to those engaged in the coal mining industry. I wish to invite the attention of the Minister for Trade and Customs to a letter relative to this subject which I have received from a tradesman, because I can only bring myself to believe that what he has done has been done unwittingly. I believe that the decision of his officers in regard to some of the imposts which they have inflicted upon the coal mining industry is wrong. I suppose the Minister who has framed this Tariff will scarcely know what I mean when I refer to coal mining forks.

Mr Kingston

- If the honorable member has received a letter making any complaints in regard to the Tariff he should hand it to me. I will look into it.

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Mr JOSEPH COOK

- I will hand it over to the Minister when I have read it. The letter is as follows : -

Dear Sir, -Re duty on miners' coal forks : We got an opinion from the Customs to-day, and they inform us the only forks that are free are as under : - Digging, hay, stable, and tanner's forks, as set out in the free list, page 5. To-day we paid 25 per cent. duty on coal scoops. Had they been invoiced " coal shovels" they would have passed free. - These coal scoops are really miners' forks -

You say " tools of trade " are exempt. Coal picks carry 25 per cent. ; "universal" handles - This is another form of the miner's pick - carry 20 per cent. ; also all other " unattached" handles and painters' tools, brushes, knives, sash tools, Ac, carry from . 15 to 25 per cent. ; coal mauls, coal wedges, sledge-hammers, 25 per cent.

The Minister will see from this that nearly everything which the coal-miner uses, with the exception of the little lamp which is on the free list, is taxed 25 per cent. I do not believe that the right honorable and learned gentleman intended that such should be the case. I believe he intended that the exemptions should apply to coal-mining as well as gold-mining, and I shall be glad to hear him say that he will rectify that anomaly. It is an anomaly that, while other sections of the mining community are exempt in some instances, the coal-miner should have to pay these heavy duties on what he uses. If the Minister does not rectify it we shall have the same complaint as was made by the honorable and learned member for Indi on the memorable occasion to which reference has been made. I wish to tell the honorable and learned member that no one on this side of the committee has quoted him incorrectly. No one has attempted to make more of that speech than he intended. No one has quoted him as being a free-trader, because all that these utterances show, and all that it has been sought to make clear, is that the honorable and

learned member believes that the miner may be taxed unduly under any system of taxation, whether it be on protectionist or revenue producing principles. Therefore, he thought the proposal was unjust, and that some concession should be made. We have never said that he was a free-trader.

Mr Isaacs

- The honorable member has not said so, but other members of the Opposition have.

Mr JOSEPH COOK

- We have said that the honorable and learned member gave utterance to some splendid free-trade sentiments regarding the miner. I do not know that we could put the matter in a clearer way than he did on the occasion to which reference has been made. It is clear that he had been reading the Rev. Sydney Smith's brochure, and that he was giving the House the benefit of it. He could not have put in a more concise and emphatic manner, the way in which these duties fall upon the mining section of the community - and he might have added, upon all those engaged in the primary industries of the country. I subscribe entirely to what he said on that occasion. I do not think his position is altogether an inconsistent one. He believes in low duties. He tells us, plainly, that he does not believe in prohibition or in the keeping out of foreign goods ; he does not believe in anything that would give either the importer or the manufacturer a monopoly. Clearly, therefore, he must be written down as an uncompromising opponent of this Tariff. I do not know whether, when the honorable and learned member assumed office in the State Government of which the present Treasurer was the head, he endeavoured to cut down any of those high duties to which he objected.

Sir George Turner

- Those to which the honorable and learned member objected were cut down to a large extent by my Government.

Mr JOSEPH COOK

- Were the protective duties cut down ?

Sir George Turner

- Yes, very much.

Mr Isaacs

- The duties that were carried, but to which I objected on the occasion referred to, were cut down by 10 per cent. by the present Treasurer as the head of the Government to which I belonged.

Mr JOSEPH COOK

- Then it was a very praiseworthy effort on the part of the honorable and learned member. I hope we shall have him with us in committee trying to cut down many of the items in this Tariff.

Mr Mauger

- This is a very different Tariff, from a protectionist point of view.

Mr JOSEPH COOK

- What must that Tariff have been if it was stiffer than that now before us.

Mr Conroy

- What robbers they must have been.

Mr JOSEPH COOK

- In this Tariff, there is a duty of 50 per cent. on cement, 45 per cent. on timber for butter boxes, 42 1/2 per cent. on lining and weather boards, and 42 1/2 per cent. on laths.

Mr Mauger

- I rise to a point of order. I referred in the early part of the evening to the insinuations which had been thrown out in regard to protectionists and manufacturers being robbers. An interjection to that effect has been made again, and I wish to direct your attention to it. It is an offensive interjection.

Mr JOSEPH COOK

- Is the honorable member representing manufacturers specially? There is no point of order.

The CHAIRMAN

- I heard the honorable member for Werriwa use the term "robbers," but I did not quite catch his application of the term. If the honorable member intended to apply it to any member of the committee, or to suggest that any member of the committee had any connexion with it, it is distinctly out of order, and I ask him to withdraw it.

Mr Conroy

- The remark I made was not applied to any member of the committee, nor was the honorable member for Melbourne Ports speaking at the time. I said that with a Tariff of 50 per cent., the men who tried to get that extra duty out of the pockets of their customers were neither more nor less than robbers. I would repeat that anywhere, and it could not be applied to the honorable member for Melbourne Ports, unless he professed to be the friend of such robbers.

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The CHAIRMAN

- The honorable member for Melbourne Ports intimates that the term is specially offensive to him, and he objects to it, and I must ask the honorable member to withdraw it.

Mr Conroy

- If you, sir, will remember the honorable member for Melbourne Ports was not speaking, and he could not have taken the term as applying to him personally any more than to any other honorable member of the committee. If the honorable member gets up and says that he is in alliance with and working for manufacturers who do that kind of thing, the term would then have an application to the honorable member.

The CHAIRMAN

- The honorable member for Werriwa assures me that he did not intend to apply the term to the honorable member for Melbourne Ports.

Mr Conroy

- No; the honorable member for Melbourne Ports was not speaking at the time.

Mr JOSEPH COOK

- We were told by the honorable member for Melbourne Ports, also by way of interjection, to which no one took exception as being offensive, that this is a very different Tariff from that which the honorable and learned member for Indi tried to cut down. What must that Tariff have been if this is moderate compared with it ? I have already cited items, the duties upon which average from 45 to 50 per cent. In connexion with men's hats, a subject about which the honorable member for Melbourne Ports should know something, I find that the duty upon hats, which are sold retail at 7s. 6d., amounts to about 40 per cent.

Mr Mauger

- At one time it was 36s. a dozen.

Mr JOSEPH COOK

- Surely that was prohibition ?

Mr Mauger

- No ; there were more imported then than when the duty was 30s. a dozen.

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Mr JOSEPH COOK

- If the industry could not live with a duty of less than 30s. a dozen it ought not to live at all. I say that any Tariff which takes 30s. a dozen out of the pockets of the people for head-gear can only be denominated as legalized robbery. I hope the honorable member for Melbourne Ports will not take that to be offensive, because it is not intended to be so. I believe that protectionist manufacturers are as good as any other people. They merely take advantage of what the law permits them to do, and any of us would do the same thing if we were permitted to do it by the laws of the country. The protectionist manufacturer is not a whit less honorable, or more dishonest than any other member of the community. No one on this side has said anything to the contrary, and when the term "robbery" has been used in this connexion, it has simply been with respect to a legalized arrangement by which the manufacturer gets more out of the purchaser than he ought to get under fair circumstances, and takes more of a man's earnings than he gives any substantial return for. I do not know that the honorable member for Melbourne Ports has any right to take offence at a statement of that kind, because what is done by the protectionist manufacturer is done under the laws of the country, and he has a perfect right to do it. I have cited duties of from 45 to 50 per cent. I find that the duty on salt is 125 per cent.; oh starch, 100 per cent. ; waggons and buggies, 83 per cent. ; glass jugs, sugar basins and butter dishes, 85 per cent.;, workmen's hats, 77 per cent. ; and so on. One could go through a whole list of articles like these ; and when we are told, after enumerating these enormous impositions, that this Tariff is mildness compared with the one against which the honorable and. learned member for Indi protested, all I have to say is that I applaud him for his. protest on that

occasion, and had I been behind him in the Parliament of the State I should have been fully with him in the protest he made. At the same time that does not overcome the difficulty that, under this Tariff, the miner will have to suffer taxation, out of which he will get absolutely no return for himself. We have since heard of another form of protection of which the honorable and learned member for Indi may be called the author, because he was the first to propound it here. He now tells us of a protection that even the coal-miner, the gold-miner, and the man away in the back parts of the country enjoys the protection afforded by railways,, roads and bridges, and such means of communication, and by artesian wells. The miner enjoys those things in no different sense from the rest of the community. I presume that if a coal-miner wants to ride on the railways, he has to pay for it just in the same way as the farmer, the manufacturer, or anybody else. I know that the great complaint of people in the back parts of the country is that they do not get cheaper fares, and they feel that the imposition of excessive railway charges now cuts them off--: from many comforts they would otherwise enjoy. I fail to see how the payment of interest upon railway construction can be said. to be a protection to the miners of the country. They enjoy these -advantages in common with everybody else in the community, but in addition to this protection afforded by improved means of communication which is common to all alike, the manufacturer has the protection of impositions specially enforced for his benefit, and clearly he has an advantage that the miner can never have under a proposal for protective duties such as is submitted by the Government. But the honorable and learned member is quite consistent in his protest against these high duties. That was not the only occasion on which he entered a protest. Strange to say, he has always been able to speak infinitely more eloquently in denunciation of protectionist duties than in advocacy of them. He has coined some of his best periods in denunciation of Tariffs from time to time. On the 25th October, 1892, in connexion with the same schedule of duties, I believe, he uttered these sentiments, which I find in volume 70 of the Victorian Hansard, at page 2472-

Now, he thought the same thing might be said of nearly every other duty which had been passed, and it was in view of that fact - that there had been no evidence before the committee - that honorable members like himself had consistently and positively refused to assent to any of those prohibitive duties. He was not at all surprised that members representing some constituencies had supported the duties, but he was surprised - and the fact must be extremely disheartening to several constituencies in the country - to find honorable members who were sent there to support the country constituencies, and to resist the imposition of those duties which pressed so heavily upon them, helping to carry those prohibitive duties through. He could not help expressing his sincere sorrow that this should be the case. The country was getting heartily and thoroughly sick of seeing this juggernaut of taxation rolling on and claiming its victims all over the colony.

The honorable and learned member is never so eloquent as he is in denunciation of these infamous duties.

Mr Isaacs

- Prohibitive duties.

Mr JOSEPH COOK

- He added-

He trusted that some other and better means would be devised of raising revenue.

That is precisely our contention. We think that the duties could have been imposed much more fairly and equitably than they have been. I rose specially to express the hope that the Minister will consent to remove these imposts from the coal miners. Since he has expressed his intention of trying to free the tools of trade of other sections of miners, he should extend similar consideration to the coal miners.

Mr CONROY

- I believe that when the discussion was started this afternoon, it was confined to two points. The first point was whether the Ministry intended in the case of a duty being lowered considerably to make any refund. We desire to get a statement on that point, so as to satisfy business men. It is very much better for business men to have certainty than uncertainty. It will be no satisfaction to them for the Minister to say, "We shall not answer the question just now, because we shall be able to deal with it later on." If the Minister could assign any reasons\_ why it should be deferred it would receive considerable attention. The only reason which can be assigned is that whenever you have anything to do which is disagreeable, or which presents a little difficulty, you should if you can put it off till to-morrow. I hope that the Minister will

try to come to some determination, and announce it to the committee I do not think that in every case the Government ought to return the duty. In many cases the goods will have been consumed, and it will be impossible to find out the particular person who has paid the duty. Business men demand that when it can be shown that the duty-paid goods are still within their control, a refund of the duty should be made to them. It would be far better for the Ministry to say straight out either that they will refund the duty in such a case or that they will not. While there is hesitation and doubt considerable confusion must arise, so that the sooner the question is dealt with the better it will be for all concerned. If the Ministry do receive suggestions from the Opposition - and of course one cannot hope that they will pay to them that attention which they always deserve

Mr Kingston

- They will be fairly treated wherever they come from.

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Mr CONROY

- We hope that the interests of such a large body of men will be considered. When any form of taxation is proposed there is bound to be a certain amount of difficulty, but that can be got over to a large extent by a definite announcement of policy on the part of the Ministry. This is not my representation alone, but that of various business men throughout the community. The other point in the discussion has been whether an honorable member has a right to propose an additional duty or an increase of a duty. So far as I can see the Ministry have abandoned one position. They have stated that there is no known instance of a duty having been imposed at the instance of a private member on articles in the free list. It would mean the destruction of responsible government if honorable members were allowed to propose increases of duties. We had the Minister for Trade and Customs getting up and saying, " You are doing away with half of the rights of members. Why should they be limited in any way ?" Their rights are no more limited in that respect than they are when dealing with expenditure proposals. Private members are not allowed in any circumstances to propose an increase in the expenditure attached to a particular office or department. The Ministry ought to be the very last to encourage the idea that private members can bring forward proposals for increases of duties. As far as the English Parliament is concerned, there are practically no instances of this having been done within recent times - nor would any Ministry deserve to exist for a single moment that acknowledged that there were men outside their own Cabinet who had the right to take upon themselves the control of matters so largely affecting the people. It has been urged that there is nothing in the Constitution to prevent private members from proposing increases of duties, but as has already been shown, the whole spirit of the Constitution and the whole practice of Parliament are entirely against such a course of procedure. The right to propose increases of taxation has been very zealously guarded throughout the whole history of parliamentary government, and nothing should be allowed to infringe upon that right now. If private members were permitted to propose increases of duties, we should have honorable members laid open to the suspicion of acting corruptly at the instance of certain manufacturers.

Mr Mauger

- Does not the honorable and learned member see that that would cut both ways, and that the importers would be just as eager to secure a reduction of the duties as the manufacturers would be to have the duties increased ?

Mr CONROY

- The suspicion would not attach to honorable members who sought to reduce the duties in the same degree, because there is not the same inducement for importers as for manufacturers, to resort to corrupt practices to secure their own ends. Individual importers or combinations of importers cannot secure the advantage of a reduction of duties to themselves alone, but must share it with their neighbours. On the other hand, individual manufacturers or rings of manufacturers, owing to the special circumstances under which they are able to control production, derive the full benefit of an increase of duty upon the goods in which they are specially interested. Take the case of the local distiller who makes something like 400,000 gallons of spirit a year. The difference between the excise duty and the duty on imported spirit is 3s. per gallon, and that represents an advantage of £60,000 a year to the local manufacturer. If, however, as might reasonably be expected, the output of local spirit were increased to 1,000,000 gallons per annum, the difference between the excise and the import duty would represent an advantage to the distiller of

£150,000, which would come entirely out of the pockets of the great mass of the people. I am told the money is still in the country, but that could also be said if 4s. and 5s. income tax were imposed, and yet, what a cry there would be. "What rights," the protectionists inquire, "have poor people except to bear the burden of taxation?" They will cheerfully consent to a duty of 4s. or 5s. in the £ being placed upon the great bulk of the articles which are consumed by the masses. Free-traders hold that every penny which is collected from the people, above what is absolutely necessary for the purposes of Government, represents an injury to the community, inasmuch as it lessens the amount of capital that can be employed in productive works. They insist that the whole of the revenue shall go into the Treasury, and that not one penny of it shall be used for purposes other than those of administration.

Mr MAUGER

- Consummate rubbish!

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Mr CONROY

- I can quite understand that it is consummate rubbish to the honorable member, who is unable to distinguish anything except an old hat from a new one. Are the worst examples of American politics to be followed in connexion with the Commonwealth? It will be remembered that the Government made a very bad start by acting upon the assumption that the spoils belong to the victors and that the offices in the Federal Public Service ought, therefore, to be filled by personal and political friends. We saw that in connexion with half-a-dozen appointments.

The CHAIRMAN

- The honorable and learned member is not in order in referring to anything outside of the Tariff.

Mr CONROY

- A very bad example has already been set, and I ask if the Ministry intend to repeat that example. They will be doing great injury to the public if they allow the idea to go forth that it is possible for manufacturers to secure the imposition of increased duties upon any particular item by procuring the support of ten, twelve, or twenty honorable members. The people will demand a lot of explanation from any honorable member who dares to propose a tax which will increase their burdens. I am frequently astounded to hear honorable members declare that a Tariff which takes four shillings in the £1 out of a man's pocket is a revenue Tariff, whilst one which extracts ten shillings in the £1 confers a great benefit upon him. I object to a class of manufacturers being singled out.

Mr Page

- I object to all taxes.

Mr CONROY

- That is a very proper spirit to exhibit, and one with which I am thoroughly in accord.

Mr Mauger

- What is the idea of "stonewalling"?

Mr CONROY

- To inform the people of the evils of this iniquitous Tariff is not "stonewalling." There is a ring of men who have their hands upon the throats of the people and who are trying to squeeze the life blood out of them. When the Government propose duties which are purely for the purposes of revenue they obtain a certain amount of support from this side of the chamber, but the moment they propose duties which have the effect of benefiting manufacturers we are opposed to them. We strongly oppose the difference between the excise and import duties on tobacco, which practically allow a sum of something like £200,000 a year to go into the pockets of the manufacturers. Two of the worst points about this Tariff, in addition to those I mentioned in the previous debate, are the large amount of money that is going to be diverted from the Treasury into the pockets of individuals, and the heaviness of the duties upon articles consumed by the poorer people. In the case of the import and excise duties on beer, the difference in favour of the local manufacturer in New South Wales has been very considerably increased. The extra money will go into the pockets of a few people. The amount is so large that we may well ask ourselves why such a proposal has been made. The Treasurer wants all the money that can well be obtained. Honorable members require to ask and to ascertain why it is that in the case of the tobacco duties and the spirit duties, so large a sum is to be diverted from the Treasury to the pockets of private individuals.

Mr GLYNN

- There are only two matters which were suggested in the earlier portion of the debate to which I wish to allude. One was as to the return of the duties collected by the Government in excess of the amount which will be collected under the Tariff as finally imposed by Parliament. I should like to ask the Government under what authority they propose to retain this excess ? As I understand it, the practice has hitherto been to retain the duties as collected if they are finally adopted, and that is done because the Act of Parliament, operating retrospectively, makes the collection not only constitutional as a matter of practice, but legal. But no Act of Parliament which we pass here as an outcome of the Tariff, can possibly, or will, ratify the collection of duties which are not finally adopted by Parliament.

Sir John Quick

- Could not the collection of the duties be validated 1

Mr GLYNN

- The Government do not propose to validate them.

Mr Kingston

- I did not say that.

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Mr GLYNN

- Then what is the policy of the Government ? What I presume they propose to do is to collect, with a sort of retrospective validity, the duties finally imposed, and to justify the collection which has been made. But there may be duties in this Tariff which will not be finally imposed. The original Tariff of the State may have been 15 per cent. The amount collected by the Government may be 25 per cent., and the amount finally imposed may be 20 per cent., What the Government do is to validate the difference between the 15 per cent, and the 20 per cent, by an Act of Parliament operating retrospectively, but they do not validate the difference between the 20 per cent, and the 25 per cent. So that the collection has taken place as an Executive act, and the difference between the 20 per cent, and 25 per cent, is not validated by any Act of Parliament ; that is clear.

Sir George Turner

- Yes, it is validated.

Mr GLYNN

- The rule in England has been - and I think it was the invariable rule in Australia before federation - that where the Government collect a duty that is higher than the existing duties prior to the declaration of the Tariff, they make the Bill embodying the duties retrospective, so as to justify the collection. But we are now in a different position. The Government may now collect a duty which is higher than the duty finally imposed, and which of course may be higher than the duty which existed prior to the introduction of this Tariff. Let me put the case again. Suppose the highest State duty was 15 per cent., that the Government propose 25 per cent., and that the duty finally imposed by Parliament is 20 per cent. The Government propose to pass an Act to justify the collection of the 20 per cent., that is 5 per cent, over the existing rate. But they have collected 10 per cent, over that rate. They have collected at the 25 per cent. rate. Under what authority can that be done 1

Mr Isaacs

- Can we not say that the duty shall be 25 per cent, up to a certain date 1

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Mr GLYNN

- That may be done ; but do the Government propose to do that 1 I have not heard any suggestion of the sort. The Government simply intend to use the iron hand of power - nothing more. They seem to pick up their policy as they go along. They introduce a measure, the committee settle it in some way, and then, by some retrospective action on the part of the Government, it is declared to have been their initial policy. What do they propose to do under these particular circumstances 1 I have understood that the Government policy was to collect all the duties as proposed, no matter whether in excess of those finally imposed or not, or whether or not they are in excess of the duties of the States prior to the imposition of the Tariff. If the Government collect a single amount beyond what is finally declared by the Tariff, or what existed prior to the introduction of the resolution, they are doing it, not under an Act of Parliament, whether retrospective or otherwise, but simply by an Executive act which is utterly unconstitutional. There is no precedent for it anywhere, because in England, as I have already stated, the Act always operates



retrospectively from the date of the introduction of the Tariff resolution. In this case the Government will be collecting a duty without the authority of an Act of Parliament ; they will be doing what is always condemned - collecting duties by Executive act without the authority of an Act of Parliament in existence at the time, or of one subsequently passed. Such a course as that is utterly unconstitutional, and the Ministry ought to explain what they propose to do under the circumstances. As regards the question of the power of private members to increase duties in Committee of Ways and Means, I personally think that the power of increasing the rates, though not the amount asked for, exists. There is no doubt that the distinction drawn by May and other authorities is somewhat inconclusive. The distinction sought to be made is that the amount asked for by way of Supply cannot be increased, but that the particular method of obtaining Supply may be interfered with by private members. But while that is technically possible in Committee of Ways and Means, it is not considered respectable, to put it mildly, on the part of the Ministry to allow it to be done. The Ministry have financial control and hold the reins of government, and if they hand over their duty indiscriminately to members to be interfered with, they are guilty of an act deserving of a certain amount of condemnation. The practice in the United Kingdom, according to Hearn in his Government of England, seems to be not to exercise technically the rights that exist as regards private members of increasing the rates of a tax with the view to covering reductions elsewhere suggested. What is done very often is that the proposals of the Government are reduced, and the responsibility thrown on the Government of finding ways and means elsewhere. There are instances cited by Hearn, at page 351 of his Government of England, of the rejection of the financial proposals of various Governments, but I have not found a single instance where a private member has himself suggested another method of raising the taxes, and such method has been acquiesced in by the Government. Hearn states - But the ways and means by which the amount granted is raised are exclusively a parliamentary question; and in them the Crown has no concern.

That is the justification for his statement that technically a private member can in Committee of Ways and Means suggest an increase of the rate so long as he does not vary or increase the Supply asked for by the Crown.

Sir George Turner

- The total.

Mr GLYNN

- The total. The amount cannot be accurately gauged; it is conjectural on the part of the Government, but they know what they want for expenditure, and ask for a certain Supply. It is competent in committee to vary the method of getting Supply, but it is regarded as unconstitutional for a Ministry to accept indiscriminate variations of their method at the hands of private members.\_\_\_\_

Mr Kingston

- Unconstitutional ?

Mr GLYNN

- It is a bad practice. It may have been done once or twice in the colonies, but I do not find in Hearn a single instance in which a private member has been allowed to increase the rates, beyond the existing maximum, though these have been reduced. What is done is to reject or reduce the proposals of the Government, and leave the responsibility on the Crown of finding other ways and means.

Mr Kingston

- But members assert their constitutional right.

Mr GLYNN

- Their technical right; their constitutional right is another matter. We find this statement in Hearn - On several occasions the House of Commons has refused to adopt the financial proposals of the Ministers.

And then several instances are given. We read further on -

On several occasions since the Reform Act the Ministerial Budget has not been regarded with favour. In such circumstances the Chancellor of the Exchequer has usually withdrawn the obnoxious proposals, and has endeavoured to suggest other and more acceptable modes of raising money.

The effect of the instances cited in Hearn seems to be that the proposals of the Government have sometimes been rejected or partially rejected, and sometimes duties have been reduced ; but that alternative proposals, though they may have been debated as possible, have been left altogether to the

Government. I do not think the Government would be acting as responsible Ministers ought to act if they allowed private members to increase their taxation by making specific increases in particular items. Private members can reduce as much as they like, acting not only within their, technical rights, but according to constitutional usage and practice. But I defy the Treasurer or Minister for Trade and Customs to show that it is the constitutional practice, as distinct from mere technical rights, for private members to increase the rate of a tax, even though in doing so it is part of the policy of that private member to get the same Supply by reductions elsewhere. The inexpediency of allowing a private member to so tamper with the Government proposals is easily seen. What guarantee is there that, if this were allowed, the reduction which is anticipated elsewhere would be made? We should be reduced to chaos if such a practice were permitted. There is some possibility of symmetry if the matter be left in the hands of the Government; but otherwise, where is there any possibility of organized proposals in the shaping of a Tariff? For these reasons it has not been the custom, so far as I could find, for any Government who respected themselves to allow private members to propose increases.

Mr HUME COOK

- It would be equally chaotic to cut all the duties away.

Mr GLYNN

- No; because it is left to the Government to introduce corresponding proposals. The idea of a private member is either to make an increase without abatement elsewhere, in which case he will be interfering with Supply-

Mr HUME COOK

- If all the rates are cut away a new set of proposals are forced on the Government.

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Mr GLYNN

- A private member can only be actuated by one of two ideas in proposing an increase. One idea is to increase Supply, and by doing that he is interfering with the prerogative of the Crown, seeing that it is only on the suggestion of a Minister of the Crown that a certain Supply can be granted. Supply is a matter beyond the competence of private members, who can increase the rate up to the maximum of an existing rate, but not the amount of Supply asked for. If a private member proposes to increase a duty without having in his mind a corresponding reduction elsewhere, so as to leave the total the same, he is doing something the Ministry ought not to permit, because it is clearly unconstitutional. But, if a private member makes a proposal, so as to leave the same sum total to be raised by increasing in one line, and remitting in another, then, if that be allowed, the Ministry are practically handing the matter over to chaos, because there is no guiding hand. A duty may be raised, but there is no guarantee that it will be followed by a corresponding reduction; and I think the Minister for Trade and Customs or the Treasurer ought to tell us definitely whether the Government are going to allow or to accept any proposals for increases in committee, whether in relation to reductions in other lines or not. There is a suggestion made by the labour party, for instance, that a reduction without relation to the Supply asked for by the Government may be made to the extent of over £1,000,000, and I should like to know the policy of the Ministry in regard to such proposals. Are they going to allow the Tariff to be interfered with without any suggestions or proposals to make up the amount elsewhere? At present there seems to be a disposition, as suggested by the honorable member for Echuca, to regard the proposals of the Government as merely tentative, for discussion by the committee. If that be so, the Government are really abandoning the true position of a Ministry, who should have control of the Tariff when once introduced; and I certainly think an explanation ought to be given.

Mr KINGSTON

- The honorable and learned member for South Australia, Mr. Glynn, has delivered himself in support of some authorities which were quoted on this side of the committee, showing that a private member has a right to propose an increase of duty. He makes the qualification, however, that a private member ought not to be permitted to do so.

Mr Glynn

- I said that it had not been done in England.

Mr KINGSTON

- But once it is admitted, as the honorable and learned member has admitted, in so many words, that

private members have a right to propose an increase--

Mr. Reid. - The whole case is given away.

Mr KINGSTON

- Exactly. The honorable and learned member suggested that the Government should do what they could to deprive private members of that right. That would be a monstrous thing to do. Imagine the position in which the Government would place themselves - the right admitted, but the Government seeking to prevent its exercise. We should be accused of trying to gag the Committee if we attempted to deprive honorable members of the privilege. We are not going to do anything of the sort. At the same time the Government have their responsibilities in matters of this sort, and when the occasion arises they will not fear to exercise them as they deem to be right. One of the matters to which reference has been made is the collection of duties. That is a question which has to be decided finally by the House. We can make our duties, as finally passed, date back to the period when the Tariff was originally proposed, or we can provide otherwise. For instance, if the committee made an alteration in the Tariff, by way of a reduction, we should not go on collecting the whole amount. We should take the reduction as an intimation from the committee that we should collect the reduced amount. What we are proposing at present is, that all the duties shall be collected from the date proposed originally, and set in force by the good will of the House, in order, amongst other things, to bring free-trade into force. If there is an alteration in the schedule, we can deal with it. How has such an alteration been dealt with from time to time, for instance, in Victoria? Say that there was a duty of 40 per cent. proposed by the Tariff when introduced, which was reduced at the end of six months to 30 per cent. Then, as provided in the Customs Act, they would collect the duty at the rate of 40 per cent. from the original date until the date of alteration, and subsequently at the rate of 30 per cent. Honorable members will find dozens of cases in the Victorian Act. In one case, we find in the Victorian Duties of Customs Act 1892: -

Silks in the piece . ... 35 per cent., ad valorem, and on and after 26th October 1892 25 per cent. , ad valorem.

We can easily make any provision necessary on the subject. Honorable members have recognised the difficulty of making any all round provision on the subject of rebates of duties, and they are already informed of what are the difficulties and desires of the Government in that respect. I think we shall do well to leave it to be provided for in the Bill. We have the fullest power to deal with this matter in the way I have shown.

Mr Fisher

- What about increases ?

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Mr KINGSTON

- In the case of an increase we should undoubtedly collect the duty at the increased rate from the moment that it was authorized by the committee.

Mr. REID(East Sydney). - That is scarcely the question we have been discussing all these hours.

Mr Kingston

- The right honorable and learned member has been away for the last three hours.

Mr REID

- Well, that is not the question which we were discussing when I left - the right of a private member to propose an increase of duty - which I think it is of greater importance that we should settle. We have taken up so much time in discussing the matter that we ought to have it decided at once, instead of bringing it forward again, and having a second discussion upon it. In the interests of public business it would be well if we could determine it in some way now. If it could be referred to Mr. Speaker, I should be quite agreeable to the adoption of that course.

Sir George Turner

- Some honorable member might move an increase on one of the items, in order to test the matter.

Mr REID

- Yes. Some honorable member might propose a nominal increase on one of the items, not with a desire to carry it, but to test the question.

Sir George Turner

- But Mr. Speaker would have to hear the point discussed. Let us wait until the occasion occurs.

Mr REID

- I am quite agreeable that the question should be tested on the first item proposed. Might I suggest that some one should move a nominal increase on the first item at once. That would give Mr. Speaker time to look into the matter and give his decision to-morrow. It would be an advantage to get rid of the question before we came to the real business.

Mr.Fisher. - Why not pass Division 1, and test the question on the item " opium."

Mr REID

- Division 1 cannot be passed in that easy way. There are some very important questions to be considered apart from this. Could not my suggestion be adopted ? I do not wish to press on the Government any course of which they do not approve.

Mr Kingston

- I think we should take the case as soon as it arises.

Division 1. Subdivision 1. Item 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.

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Mr McDONALD

- A good deal of time has been wasted on this matter, and the debate from the beginning has been carried on in a very irregular way. If we are allowed to discuss in this way a question which has really never been before the Chair, it will lead only to a good deal of trouble in committee and in the House generally. In order to test the question, I move -

That the duty be increased by the sum of 1s. In order to put myself right with the committee, it is well that I should give my reasons for moving in this direction. It seems to me that the discussion which has taken place this afternoon has had no result, and I propose this amendment merely to test the question of whether a private member has a right to move for an increase of duty. I do not think it would be a good thing that honorable members should have a right to move for the increase of any duty. If it is reasonable and logical that a private member should have a right to reduce an item in the Tariff as submitted by the Government, it is reasonable also that he should be able to propose increases. I believe, however, that any objection that could be taken to this Tariff should have been taken in the House before we got into committee. That is the course which ought to have been pursued. Having reached the committee stage, we should now deal with the items as laid down in the Tariff, instead of wandering round the subject as we have done this afternoon. I do not think it wise for honorable members who are not in an official position to take upon themselves the responsibility of increasing various items in the Tariff, because I think the Government should be responsible for the Tariff they bring down. They bring down a Tariff which they say will provide as much money as they require, and any attempt to increase their Tariff proposals is an attempt to go beyond what the Government think is a fair amount of taxation to impose upon the people. This is taking the whole matter of levying taxation out of the hands of the Government, who are responsible to the Crown, and placing it in the hands of members of the committee. Where is the thing likely to end, and what is the Tariff likely to be? Is it not likely to lead to a good deal of log-rolling?

Members may say amongst themselves - "There are certain items that we want increased, and there are certain others that you would like decreased. If you vote for our proposals, we will vote for yours." By that means we should get into a state of chaos, instead of having the business conducted in a systematically business-like way. I think that private members ought not to be allowed to move increases in the Tariff. Though it has not been specially laid down in our standing orders that we should not be allowed to do it, I think that, outside Victoria, the practice followed is not to permit private members to move such increases. I can speak for Queensland in that respect. I admit that precedents may be quoted to show that upon some occasions the House of Commons followed this course, but it is not the general practice of the House of Commons, nor has the House of Commons looked upon it as a wise course to follow. Our standing orders being silent on the point, we are, under the first standing order, to have recourse to the English procedure and practice, and I think it should guide us to a large extent. There is not the slightest doubt that the spirit of Standing Order No. 121, quoted this afternoon by the honorable and learned member for Bendigo, is distinctly that no private member should be allowed to move these increases, and that the right should be reserved to a Minister of the Crown, by some special mode of action. A number of

honorable members seem to think this is a good course to follow because it appears to have been the rule in Victoria ; but I think it is an attempt to relieve the Government from a very awkward position, and I do not think it should be followed. I am not specially referring to the present Government, as if the present leader of the Opposition were on the Government side, and proposed to pursue the same course I should take exactly the same objection. I move the amendment I have suggested, merely to test the matter.

Mr THOMSON

- I have no objection whatever to the honorable member testing the matter at this stage ; I think that it is highly desirable, but I want to see that his amendment shall not preclude a subsequent amendment for a reduction in the item. I desire to ask the Chairman whether, in the event of this amendment being defeated, it would be impossible subsequently to move for a reduction in the item. So long as it is clear that it will not prevent the committee from subsequently dealing with the item in that way, I go with the honorable member for Kennedy in getting the matter tested.

Mr REID

- I think the difficulty raised by the honorable member for North Sydney is avoided by the way in which the Chairman has stated the question, "That the duty be increased by the sum of one shilling." If that proposition is negatived, it will not prevent any honorable member from afterwards proposing to decrease the item in the Tariff. So long as there is no proposal " That the words proposed to be altered stand part of the Tariff" no difficulty will arise. If the amendment now proposed in the form in which it has been stated from the Chair is negatived, the only thing negatived will be the increase proposed, and nothing will have been affirmed except that the item shall not be increased by 1s.

The CHAIRMAN

- I have stated the question upon the amendment proposed by the honorable member for Kennedy in this form - "That the item 1s. 6d. be increased by 1s."

If that is negatived, it will be competent for any member of the committee to move that the item be decreased.

Mr Fisher

- I desire to ask the chairman's ruling as to whether the amendment moved by the honorable member for Kennedy is in order, and whether that question can be submitted to the committee. I ask for a ruling upon the point before we proceed with any further discussion. The matter is of the greatest importance, and I shall be quite prepared to take sides upon it when a decision is given. I believe that under our standing order a question of the kind is submitted ultimately to the Speaker for his opinion. I suggest that we should now have the question definitely decided one way or the other, as it will facilitate the consideration of the Tariff.

Mr Reid

- Now that the point is raised, I would suggest that it should go to the Speaker, and, instead of having a long debate in the House, the case might be very briefly put from each stand-point. I should be very willing to facilitate the decision of the matter in as brief a space of time as possible, consistently with its importance.

Sir Malcolm McEacharn

- Let only two speak.

Mr Reid

- As we have discussed the point so long, that is a very sensible suggestion, and two or three brief speeches on either side should do.

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Mr McDonald

- I think that the honorable member for Wide Bay is taking the correct course in proposing, sir, that if ' you rule in favour of my motion to increase the duty the point should be referred to the Speaker. I believe that that would settle the point in the most expeditious manner.

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The CHAIRMAN

- The point on which I am asked to rule is whether it is competent for an honorable member to move to increase a duty. The only standing order which deals with the subject is No. 171 -

No amendment for the imposition or for the increase of a tax rate or duty shall be proposed by any

non-official member in any committee on any Bill.

I have given this matter some consideration, because I anticipated that it would come up for decision. In the discussion, section 53 of the Constitution has been referred to. There is only one power which, in my opinion, the Senate has, and- that is the power of suggestion. Section 57 deals with the subject, but it is not to my mind very applicable. I can only infer that Standing Order 171 deprives a non-official member of the right to move for the increase of a tax in the schedule to a Bill, otherwise it would have contained the words "or any resolution." We are dealing not with a Bill in the committee of the whole, but with a resolution in Committee of Ways and Means. Standing Order 247 has also been referred to, but it does not apply, because it relates to a report on a Bill. Our first rule provides that where the standing orders are not very clear or distinct, we may resort to the practice of the British House of Commons. On page 533, May states definitely -

No motion can be made to impose a tax save by a Minister of the Crown, unless such tax be in substitution by way of equivalent for taxation at that moment submitted to the consideration of Parliament, nor can the amount of a tax imposed on behalf of the Crown be augmented.

Bourinot, another great authority, lays down, on page 555, the same principle, but on page 557 he admits the right of a private member to propose a substituted tax of equivalent amount to that proposed by Ministers, or to propose a substituted scheme of taxation, or to increase a proposed tax. Todd, in his Parliamentary Government in England seems to make a private member's disability in regard to taxation extend only to the initiation. In volume 1, at page 710, he says -

The practice is merely constitutional, and not enforced by any standing order, and has. not been invariably insisted upon.

He quotes a case where, in 1851, the Speaker allowed a member to move an increase of duty ; it will be found in Hansard, vol.115, pages, 660-8. At page 711, he says-

The general question of a revision of a certain class of duties having been submitted to the House by the Crown, it is perfectly competent to any member, in Committee of Ways and Means or in committee of the whole House upon the Customs or Inland Revenue Acts, to offer an amendment to a particular rate of duty proposed to be levied, either for an increase or diminution of the same : it may even be proposed to insert in the schedule a new rate of duty provided it relates to an article which is already included therein. He thus .lays it down that it is competent for a private member either to propose to increase or diminish a duty submitted in the form in which duties have been brought before the House in the Tariff list. Todd cites another case which will be found in Hansard, vol. 218, page 1,041, where a private member moved that the income tax proposed by the Government, namely 2d., should be increased to 3d. In the Mirrarr qf Parliament, another well-known authority, in 1840, vol. 4, page 3,043, there will be found a case where Mr Hume moved an amendment on the Budget by which he tried to substitute a probate duty foi- a proposed increased customs duty. In reference to the statements that have been made as to the practice in the various Houses of Parliament in Australia, I am well aware that in the State to which I have the honour to belong the practice is not to allow a private member to propose an increase of any tax, and the rule even goes so far as not to permit a Minister of the Crown to propose a motion for an increase of any tax, rate, or duty. In other States, however, and more particularly in the State of Victoria, it has been almost the constant practice for a longtime past tq allow honorable members to move for an increase of the rate of duty, and in some cases I find also that members have been permitted to move for the initiation of a new duty altogether. The right of a private member to propose an increased, or a new duty has been discussed in the State of Victoria, not on one occasion, but on many, and the question has been very f fully debated. It will be found that in 1874,. when this question was very fully considered, that the opinion was clearly expressed by the then Speaker that in Committee of Ways and Means, a private member could substitute one duty for another, and that in committee of the whole House, he could increase or decrease a duty, but not propose the imposition of a new duty. The report of that debate will be found in Hansard, vol. 19, page 1414. Other references show that later on, in the State of Victoria, new taxes and increased taxes have been moved by private members, A motion by a private member to increase the duty will be found in Hansard, vol. 58, pages 1088 and 1090, vol. 70, pages 2393, 2463, 2467 and 2534, and again in vol. 78, pages 1547, 1674 and 1687. It will also be found that in the State of Victoria, as reported inHansard, vol. 77, pages 1503, 1512 and 1513, and again in vol.78, pages 1559, 1563, 1568, 1657 and 1697, a motion to impose a new duty was proposed and accepted by the committee. I have

come to the conclusion that if the intention of the framers of Standing Order 171 had been other than what appears to me to be expressed, the words, " on any Bill" would not have been included. It would then have been provided absolutely that no amendment for the increase of a tax, rate, or duty could be proposed by any non-official member of the committee. We have no Bill before us now, but a resolution only, and we have nothing whatever to do with the question whether the resolution may be covered by a Bill afterwards. I find that the practice in the British House of Commons, in the State of Victoria, and also in the State of South Australia has been to permit a non-official member to move for the increase of a tax. Taking everything into consideration, therefore I have no other course to pursue than to give my ruling in favour of the motion by the honorable member that the item be increased.

Mr Reid

- I should like to refer this matter to the Speaker at once, and I shall, therefore, propose that the committee dissent from your ruling, and that Mr. Speaker be requested to give his opinion on the question raised.

Sir George Turner

- It will be sufficient to refer the matter to the Speaker without expressing dissent.

Mr Reid

- I only proposed to adopt the form of motion I have indicated, in order that my position might be made clear, but if it is understood that the point will not be raised against me, I shall be content to move, with the concurrence of the committee, that Mr. Speaker be requested to give his opinion on the question raised.

Mr Fisher

- With all respect to the leader of the Opposition, I think the proper course is to move that the Chairman's ruling be disagreed with, and referred to the Speaker.

The CHAIRMAN

- If the honorable member for Wide Bay will look at Standing Order 228, he will find laid down there the course of procedure to be adopted in such a case as this -

If any objection is taken to a ruling or decision of the Chairman of Committees, such objection shall be stated at once in writing, and may forthwith be decided by the committee ; and the proceedings shall then be resumed where they were interrupted.

The honorable and learned member for East Sydney has asked for the concurrence of the committee in a motion to refer the question raised to the Speaker, and there is nothing to prevent him from taking that course.

Mr Fisher

- I do not rise to offer any objection to the course which has been proposed, although I really think that we should have proceeded in accordance with our standing orders, which provide that the committee shall decide these matters for themselves. The committee is quite as competent to decide them as is Mr. Speaker, especially in the light of the Chairman's ruling, which I have no doubt has been well considered after consultation with the best authorities. However, I offer no objection to the course which is proposed.

Mr Kingston

- I take it that the disposition of the committee is to adopt the speediest and most courteous course for obtaining the highest authoritative ruling on the point which has been raised as early as possible.

Mr Fisher

- But we are doing wrong.

Mr Kingston

- The circumstances are very special and we desire to avoid anything in the shape of a formal dissent. We want to refer this matter to the highest constitutional authority without unnecessary delay.

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Mr McDonald

- I wish to point out that the Chairman has already ruled that it is competent for an honorable member to move for the increase of a duty upon any particular item. If this matter is referred to Mr. Speaker, he may give a diametrically opposite decision. We shall thus have two rulings which are in conflict. If the Speaker decides that the Chairman is wrong, will the latter have to withdraw his ruling ?

Mr Kingston

- Certainly, and very naturally so.

Mr McDonald

- I merely wish to point out that we are not placing the Chairman in a fair position. I think that the committee should have settled this matter by vote straight away.

Motion (by Mr. Reid) agreed to -

That Mr. Speaker be requested to give his opinion as to whether any private member may propose an increase in a rate of duty under consideration in Committee of Ways and Means.

In

the

House -

Mr Chanter

- Mr. Speaker, the committee have directed me to report progress, and submit to you a resolution which has been arrived at, having reference to a certain point that has been raised. During the proceedings in committee, the honorable member for Kennedy proposed an increase in the rate of duty upon the first item of division No. 1. The present duty is ls. 6d. per gallon, and the honorable member proposed to increase it by ls. per gallon. The honorable member for Wide Bay thereupon asked my ruling as to whether a private member had a right under our standing orders to propose an increase of duty. I looked up Standing Order No. 171, which as far as I can ascertain is the only one having reference to the matter and which provides that none other than an official member shall have the power to move to increase . a rate or duty in any committee upon any Bill. Reference was also made to our first rule, which provides that in all cases which are not provided for in our own standing orders attention must be paid to the practice of the British House of Commons. After looking up these authorities and quoting them to the committee as fully as possible, I found that the standing orders did not debar a private member from moving an increase of duty in committee when dealing with the resolution only, but did debar him from so doing in committee dealing with the Bill. Accordingly I felt it to be my duty to rule that the honorable member for Kennedy was in order in proposing the increase. The committee by concurrence then gave the right honorable and learned member for East Sydney the right to propose a motion which has been carried remitting the whole question to you for your opinion.

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Mr Reid

- I wish very briefly to submit for the consideration of Mr. Speaker reasons which incline me to believe that no private member has a right to take the course which has been taken by the honorable member for Kennedy. There are two standing orders which the Chairman considers are applicable to this matter, or at any rate have a bearing upon it. One is Standing No. 171 which reads -

No amendment for the imposition or for the increase of a tax, rate, or duty shall be proposed by any non-official member in any committee on any Bill.

Mr. Chairmandrew from that the inference that because the words " in committee on any Bill " are used, a private member is, by imputation, allowed to move to increase any duty at a stage prior to the introduction of the Bill. In the first place, I should like to point out the difference in procedure between a Bill which covers a resolution and an ordinary Bill. An ordinary Bill is introduced after motion, is read a first time, and then follow the usual stages. But the procedure upon resolutions in Committee of Ways and Means is very different, and the fact that an honorable member, under Standing Order 171, is prevented from making any proposal to increase a rate or duty in any committee upon any Bill, so far from seeming to me to give him liberty to do what he likes at a previous stage, affords strong argument that there is no such intention. If an honorable member has the right, in Committee of Ways and Means, to secure the increase of a tax, upon what principle should that right be taken away from him whilst the matter is still under consideration ? That is one view which occurs to me. The second view is that it cannot, I think, be stated accurately that Standing Order 171 provides for such a case as is now submitted for your opinion. Of course, if Mr. Speaker held that 171 was intended to affirm that a private member, in Committee of Ways and Means, had the right to propose a motion for the purpose of increasing a tax, no further argument could be heard. . But I think that would be rather a strained construction to place upon the words of this standing order, as expressing authority for what it is now proposed to do. I do not think that those words will bear that strain. If they will not, this is not a case provided for by Standing Order 171. Another



standing order has been referred to - No. 247. It is to be observed, of course, that these two standing orders are under special headings, and refer to other classes of subjects. For instance, No. 247 is as follows : -

No amendment whereby the charge upon the people will be increased may be made to any such resolution, unless such charge so increased shall not exceed the charge already existing by virtue of any Act of Parliament.

There, I submit, there is a principle involved, and I say that it contains no express provision applying to the case we are now dealing with. It is perfectly clear that this is a matter which stands in this position, so far as I can see - that there is no standing order to decide the question before us. No one can point to a standing order which says that what is now proposed to be done shall be done. That being so, I think that in a case of this sort - which is a matter of grave importance, involving large and serious consideration - as there is no standing order which deals with the subject, we are thrown back upon our first standing order, and upon the course which has often proved to be of great service in the conduct of parliamentary business. We are thrown back upon the practice of the House of Commons. That practice, I am sure, is very familiar to you, Mr. Speaker, and I will not take up the time of the House or your time by making more than a general observation upon it. I think I am within the bounds of accuracy when I say that in the history of the House of Commons in dealing with such proposals, there is no practice under which honorable members are allowed to propose increases in rates of duty. Questions have arisen, however, as to whether members should be debarred when a specific proposal was before the Committee of Ways and Means from suggesting some substituted tax. But such proposals do not touch the matter which is now before you, because this Commonwealth Parliament is in a novel and unprecedented position. Whereas all the cases to which all the authorities upon the practice of the House of Commons and of the colonial Legislatures apply are cases in which it was proposed to revise the existing system of taxation, and to alter existing rates of taxation, this Commonwealth Parliament is not in the position of having any such duty to discharge. We are dealing with the first Tariff of the Commonwealth. There has been no Commonwealth Tariff previously, and there is no revision of any rates or duties that can possibly apply to the proposal made under the circumstances I have described. We are now laying down a system of taxation for the first time. There is no question of whether a proposed duty is in substitution for some existing rate under some Act of Parliament. The Commonwealth has no customs duties and no customs burdens at all. We are now, as a Commonwealth Parliament, proposing to impose such burdens on the Commonwealth for the first time. Under those circumstances I submit that that class of case does not apply at all. The question is therefore narrowed down to this point : In the case of an entirely new tax, has any private member the right to propose to increase the rate of the proposed new tax? I doubt strongly whether there is any practice in the history of the House of Commons which would justify that course on such an occasion. As I have said, it is a very serious and important matter, and one upon which we should all like to have your opinion. The standing orders to which I have referred rather point to the strength of the position which I have put before you, Mr. Speaker, because, if it is incompetent for a private member to do these things at certain stages, it seems to me that, there being no provision as to a previous stage, a great light is thrown on the practice of the House of Commons. In the great multitude of proposals which have been submitted to the House of Commons during past years, even if there be a case which seems to warrant the contention now put before you by reason of the fact that it fulfils certain conditions which do not now exist, it must be regarded not as part of the practice of the House of Commons at all, and not as one of those broad land-marks of procedure by which a new Parliament should be guided. It is, I think, not likely that any doubtful and isolated instance in a long course of procedure ought to guide our procedure. It is all very well to say that we can create a practice for ourselves; but I think we prefer to look to the spirit and continuity of parliamentary history, as shown in the parliamentary records of the House of Commons, for the true principle for our guidance. I submit that this principle is, and conspicuously has been, observed in the practice of the House of Commons - that any proposal for a new charge in the way of a burden or a tax upon the people should be under the authority of the Executive. There is, so far as I know - and this, I think, is rather a strong statement as bearing upon the case - no provision in our standing orders which would prevent an honorable member from proposing an increase in every item of expenditure upon the Estimates submitted by the Ministry. In that case what would our position be? If the Chairman is right, he would be quite justified in ruling that private members

in Committee of Supply on the Estimates submitted by Ministers of the Crown would be entitled to move that the items be increased. The standing orders do not bear on the question, and the practice of the House of Commons would here come in under our general rule for the conduct of business. I think I am safe in saying, at any rate as to this point, that there is no break in the continuity of the practice of the House of Commons ; that is to say, no private member has been allowed to increase an item of expenditure in Committee of Supply. The broad principle under which this is so, applies, I submit, in the case before us.

Mr Fisher

- I was responsible for raising this point of order, but as debate has taken place on the matter, I do not think it is necessary to now speak at any length. The Crown has submitted a Tariff estimated to bring in a certain amount of revenue for the purpose of carrying on the government of the Commonwealth, and on the very first item, it is moved by a non-official member to increase the taxes on the people. I know of no precedent whatever for increasing the total amount asked for by the Crown ; and it must inevitably follow, if the increase be made, that the Crown will receive a larger amount, which must be extorted from the subjects of the Commonwealth. That, as a principle, is fatal to constitutional government ; and at the same time, without going into reasons, I think it is against the spirit and even the letter of own standing orders.

Mr SPEAKER

- Ordinarily, debate should not take place on a question of this kind, but I desired, as the question is of considerable importance, that I should hear both sides. I have heard both sides, and I should prefer, unless there is some very important and quite new point, to now give my decision. I am not prepared to allow any debate to take place at this stage on the question, unless the honorable member for Parramattadesires to state some new point ?

Mr JOSEPH COOK

- I do, Mr. Speaker. I desire to point out that there have been one or two places quoted in support of the contention---

Mr SPEAKER

- That would be a discussion of the question, and if I allow the honorable member for Parramatta to discuss it, I should have to allow every other honorable member to do the same. I may say I have known for some four weeks past that this question would arise at some stage of the proceedings on the Tariff, and I have, therefore, given it very careful consideration. When first this was made known to me, I at once conceived that the idea of any unofficial member proposing an increase of an item of taxation asked for by the Crown was contrary to the spirit of parliamentary government, the spirit of parliamentary government being that the Crown asks for an impost to be made on the people, and the people's representatives in Parliament consider the request of the Crown, and may grant the request, or may grant a lesser amount, but would not conceivably give to the Crown a larger sum than the Crown asks should be imposed. When, however, I went from the question of the spirit of parliamentary government to the practice which has grown up as parliamentary institutions have developed, I am obliged to admit that in the House of Commons, which is the standard of our proceedings, where it is not otherwise set out in our standing orders, the practice of proposing imposts on items not suggested as subjects of taxation by the Crown, and of proposing increases on items which are suggested as subjects of taxation, has sprung up, and that on several occasions, without any objection being taken, new taxes have been proposed by unofficial members, and increases on details of new taxes suggested by the Government.

Mir. Joseph Cook. - Lately?

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Mr SPEAKER

- There are cases which I am quite prepared to quote, but which, I understand, the Chairman has already cited. One case dates back to 1840, and another can be seen in Hansard, vol. 1. 2.18, page 1041.

Striving to interpret the practice of the House of Commons by the practice in other Parliaments, I find that in Canada the same course has been followed ; and also in Victoria, where attention was called to the importance of the matter. In South Australia, according to Blackmore's Practice of the House of Assembly, the practice was followed in 1870, and on other occasions. Therefore, ruling as I have to rule, that neither

Standing Order 171 nor Standing Order 247 applies to this case - as we are now dealing with a resolution in Committee only and the Bill stage will come later - and falling back on Standing Order No.1, which incorporates the practice of the House of Commons, I am bound to decide that the Chairman has correctly determined the practice in this House, which is that duties on items may be increased, and that other items which are mentioned in the Tariff on which no duty is proposed may be proposed as subjects for duty, and that in that way the House will have the freest possible hand in debating the Tariff. I may say I should have been better pleased to have decided the other way, had ray duty permitted me so to decide, because I can see that the ruling I have given may tend to produce considerable discussion beyond that which otherwise would have taken place. But with the practice of the House of Commons before me, I can only rule, as I have ruled, that the Chairman is correct in his decision.

In Committee.

Mr McDONALD

-Seeing that no one is prepared to contest the ruling of the Speaker, I ask leave of the committee to withdraw my amendment.

Amendment, by leave, withdrawn.

Progress reported.

PAPER

Mr. KINGSTON laid on the table

Correspondence relating to British New Guinea.

ADJOURNMENT

Motion (by Mr. Kingston) proposed -

That the House do now adjourn.

Mr MAHON

- I desire to ask the Minister for Trade and Customs, without notice, whether his attention has been drawn to a statement in the Western Australian newspapers to the effect that, under his instructions, Customs officials in that State are obliged to work nine hours per day, namely, from eight o'clock in the morning until half-past five in the afternoon, with half-an-hour's intermission. I desire to further ask the right honorable gentleman, whether these are the same hours that Customs officials in other States are employed.

Mr KINGSTON

- That is so. I would like to say in this connexion that there has been an application that the hours should be extended, and strange to say that application came from some of the men employed. There has been some little difficulty in assimilating the practice in the various States, but the rule which now obtains in one obtains in the other, the hours being fixed by regulation.

Mr Mahon

- The right honorable gentleman has not answered my question, and I should like to say--

Mr SPEAKER

- The honorable member cannot speak again, but may repeat his question on another occasion.

Question resolved in the affirmative.

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23:20:00

House adjourned at 11.20 p.m.