



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives Official Hansard

No. 6, 1902
Thursday, 6 February 1902

FIRST PARLIAMENT
FIRST SESSION

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

LEGISLATURE OF THE COMMONWEALTH.

GOVERNOR-GENERAL.

His Excellency The Right Honorable THE EARL OF HOPETOUN, a Member of His Majesty's Most Honorable Privy Council, Knight of the Most Ancient and Most Noble Order of the Thistle, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, and Commander-in-Chief of the Commonwealth of Australia. (Sworn, 1st January, 1901; Recalled, 9th May, 1902.)

ACTING GOVERNOR-GENERAL.

His Excellency the Right Honorable HALLAM BARON TENNYSON, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief of the Commonwealth of Australia. (Sworn, 17th July, 1902.)

THE MINISTRY.

The Right Honorable Sir Edmund Barton, P.C., G.C.M.G., K.C.	Minister for External Affairs.
The Honorable Alfred Deakin	Attorney-General.
" Sir William John Lyne, K.C.M.G.	Minister for Home Affairs.
The Right Honorable Sir George Turner, P.C., K.C.M.G.	Treasurer.
" Charles Cameron Kingston, P.C., K.C.	Minister for Trade and Customs.
" Sir John Forrest, P.C., G.C.M.G.	Minister for Defence.
The Honorable James George Drake ...	Postmaster-General.
" Richard Edward O'Connor, K.C. ..	Vice-President of Executive Council.
" Sir Philip Oakley Fysh, K.C.M.G.	Without portfolio.

MEMBERS OF THE SENATE.

FIRST PARLIAMENT.—FIRST SESSION.

President.—The Hon. Sir Richard Chaffey Baker, K.C.M.G., K.C.

Baker, Hon. Sir Richard Chaffey, K.C.M.G., K.C.	...	South Australia.
Barrett, John George	...	Victoria.
*Best, Hon. Robert Wallace	...	"
Cameron, Lieut.-Col. Cyril St. Clair	...	Tasmania.
Charleston, David Morley	...	South Australia.
Clemmons, John Singleton	...	Tasmania.
Dawson, Anderson	...	Queensland.
De Largie, Hugh	...	Western Australia.
Dobson, Hon. Henry	...	Tasmania.
Downer, Hon. Sir John William, K.C.M.G., K.C.	...	South Australia
Drake, Hon. James George	...	Queensland.
Ewing, Norman Kirkwood	...	Western Australia.
Ferguson, John	...	Queensland.
Fraser, Hon. Simon	...	Victoria.
Glassey, Thomas	...	Queensland.
Gould, Lieut.-Col. Hon. Albert John	...	New South Wales.
Harney, Edward Augustine	...	Western Australia.
Higgs, William Guy	...	Queensland.
Keating, John Henry	...	Tasmania.
Macfarlane, James	...	"
Matheson, Alexander Perceval	...	Western Australia.
McGregor, Gregor	...	South Australia.
Millen, Edward Davis	...	New South Wales
Neild, Lieut.-Col. John Cash	...	"
O'Connor, Hon. Richard Edward	...	Tasmania.
O'Keefe, David John	...	Western Australia.
Pearce, George Foster	...	South Australia.
Playford, Hon. Thomas	...	New South Wales.
Pulsford, Edward	...	Victoria.
Sargood, Lieut.-Col. Hon. Sir Frederick Thomas, K.C.M.G.	...	Western Australia.
Smith, Miles Staniforth Cater	...	Queensland.
Stewart, James Charles	...	Victoria.
Styles, James	...	South Australia
Symon, Sir Josiah Henry, K.C.M.G., K.C.	...	New South Wales.
Walker, James Thomas	...	Victoria.
Zeal, Hon. Sir William Austin, K.C.M.G.	...	Victoria.

* Chairman of Committees.

MEMBERS OF THE HOUSE OF REPRESENTATIVES.

FIRST PARLIAMENT.—FIRST SESSION.

Speaker.—The Hon. Sir Frederick William Holder, K.C.M.G.

Bamford, Frederick William	Herbert. (Q.)
Barton, Right Hon. Sir Edmund, P.C., G.C.M.G., K.C.	Hunter. (N.S.W.)
+Batchelor, Egerton Lee	South Australia.
Bonython, Sir John Langdon	"
Braddon, Right Hon. Sir Edward	Nicholas Coventry,	Tasmania.
P.C., K.C.M.G.	Canobolas. (N.S.W.)
Brown, Thomas	Tasmania.
Cameron, Donald Norman	Riverina. (N.S.W.)
*Chanter, John Moore	Eden-Monaro. (N.S.W.)
Chapman, Austin	Cowper. (N.S.W.)
Clarke, Francis	Werrawa. (N.S.W.)
Conroy, Alfred Hugh	Bourke. (V.)
Cook, James Hume	Parramatta. (N.S.W.)
Cook, Joseph	Wannon. (V.)
Cooke, Hon. Samuel Winter	Corio. (V.)
Crouch, Richard Armstrong	Gwydir. (N.S.W.)
Cruickshank, George Alexander	Ballarat. (V.)
Deakin, Hon. Alfred	Sth. Sydney. (N.S.W.)
Edwards, George Bertrand	Oxley. (Q.)
Edwards, Richard	Richmond. (N.S.W.)
Ewing, Thomas Thomson	Wide Bay. (Q.)
Fisher, Andrew	Swan. (W.A.)
Forrest, Right Hon. Sir John, P.C., G.C.M.G.	Perth. (W.A.)
Fowler, James Mackinnon	Illawarra. (N.S.W.)
Fuller, George Warburton	Tasmania.
Fysh, Hon. Sir Philip Oakley, K.C.M.G.	South Australia.
Glynn, Patrick McMahon	Flinders. (V.)
Groom, Arthur Champion	Darling Downs. (Q.)
+Groom, William Henry	Darling Downs. (Q.)
§Groom, Littleton Ernest	Mernda. (V.)
Harper, Robert	Tasmania.
Hartnoll, William	Nthrn. Melbourne. (V.)
Higgins, Henry Bourne	South Australia.
Holder, Hon. Sir Frederick William, K.C.M.G.	West Sydney. (N.S.W.)
Hughes, William Morris	Indi. (V.)
Isaacs, Hon. Isaac Alfred, K.C.	Moira. (V.)
Kennedy, Thomas	South Australia.
Kingston, Right Hon. Charles Cameron, P.C., K.C.	Kalgoorlie. (W.A.)
+Kirwan, John Waters	Kooyong. (V.)
Knox, William	Hume. (N.S.W.)
Lyne, Hon. Sir William John, K.C.M.G.	Brisbane. (Q.)
Macdonald-Paterson, Hon. Thomas	Coolgardie. (W.A.)
Mahon, Hugh	Corangamite. (V.)
Manifold, James Chester	Melbourne Ports. (V.)
Manger, Samuel	Corinella. (V.)
McCay, Hon. James Whiteside	Echuca. (V.)
McColl, Hon. James Hiers	Kennedy. (Q.)
+McDonald, Charles	Melbourne. (V.)
McEacharn, Sir Malcolm Donald	Gippsland. (V.)
McLean, Hon. Allan	Lang. (N.S.W.)
McLean, Francis Edward	Wentworth. (N.S.W.)
McMillan, Sir William, K.C.M.G.	Tasmania.
O'Malley, King	Maranoa. (Q.)
Page, James	

* Chairman of Committees.

† Deceased reported 8th August.

|| Sworn in 4th April.

† Temporary Chairman of Committees.

‡ Sworn in 25th September.

MEMBERS OF THE HOUSE OF REPRESENTATIVES.

FIRST PARLIAMENT—FIRST SESSION—*continued.*

Paterson, Alexander	Capricornia. (Q.)
Phillips, Hon. Pharez	Wimmera. (V.)
*Piesse, Hon. Frederick William	Tasmania.
Poynton, Alexander	South Australia.
Quick, Sir John	Bendigo. (V.)
Reid, Right Hon. George Houstoun, P.C., K.C.	East Sydney. (N.S.W.)
Ronald, James Black	Sthrn. Melbourne. (V.)
*Salmon, Hon. Charles Carty	Laanecoorie. (V.)
Sawers, William Bowie Stewart Campbell	New England. (N.S.W.)
Skene, Thomas	Grampians. (V.)
Smith, Bruce	Parkes. (N.S.W.)
Smith, Hon. Sydney	Macquarie. (N.S.W.)
Solomon, Elias	Fremantle. (W.A.)
*Solomon, Vaiben Louis	South Australia.
Spence, William Guthrie	Darling. (N.S.W.)
Thomas, Josiah	Barrier. (N.S.W.)
Thomson, Dugald	North Sydney. (N.S.W.)
Tudor, Frank Gwynne	Yarra. (V.)
Turner, Right Hon. Sir George, P.C., K.C.M.G.	Balaclava. (V.)
Watkins, David	Newcastle. (N.S.W.)
Watson, John Christian	Bland. (N.S.W.)
Wilkinson, James	Moreton. (Q.)
Wilks, William Henry	Dalley. (N.S.W.)
Willis, Henry ...*	Robertson. (N.S.W.)

* Temporary Chairman of Committees.

† Decese reported, 6th March.

OFFICERS:

Senate.—E. G. Blackmore, C.M.G., Clerk of the Parliaments; C. E. Boydell, Clerk Assistant; G. E. Upward, Usher of the Black Rod.

House of Representatives.—C. G. Duffy, Clerk; W. A. Gale, Clerk Assistant; T. Woppard, Serjeant-at-Arms.

Reporting Staff.—B. H. Friend, Chief Reporter; D. F. Lumsden, Second Reporter.

COMMITTEES OF THE SESSION.

SENATE.

STANDING ORDERS COMMITTEE.—The President, the Chairman of Committees, Senator O'Connor, Senator Lieut.-Col. Gould, Senator Sir J. W. Downer, Senator Sir W. A. Zeal, Senator Dobson, Senator Higgs, Senator Harney. (Appointed 5 June, 1901.)

TEMPORARY STANDING ORDERS.—The President, Senator Drake, Senator Lieut.-Col. Gould, Senator McGregor, Senator Sir W. A. Zeal. (Appointed 5 June, 1901; reported and report adopted 6 June, 1901.)

LIBRARY COMMITTEE (*Joint*).—The President, Senator Drake, Senator Sir F. T. Sargood, Senator Sir J. H. Symon, Senator Keating, Senator De Largie, Senator O'Connor. (Appointed 6 June, 1901.)

PRINTING COMMITTEE.—Senator Pulsford, Senator Clemons, Senator Pearce, Senator Charleston, Senator Dawson, Senator Styles. (Appointed 6 June, 1901.)

HOUSE COMMITTEE (*Joint*).—The President, Senator Lieut.-Col. Neild, Senator Ewing, Senator Playford, Senator Fraser, Senator Cameron, Senator Ferguson. (Appointed 6 June 1901.)

STEAM-SHIP COMMUNICATION WITH TASMANIA.—Senator Barrett, Senator Drake, Senator Macfarlane, Senator Lieut.-Col. Neild, Senator Pearce, Senator Playford, Senator Keating. (Appointed 26 July, 1901; reported 25 September 1902.)

ELECTIONS AND QUALIFICATIONS COMMITTEE.—Senator De Largie, Senator Sir J. W. Downer, Senator Fraser,† Senator Glassy, Senator Macfarlane, Senator Sir J. H. Symon, Senator Walker. (Appointed 12 June, 1901.)

HOUSE OF REPRESENTATIVES.

STANDING ORDERS COMMITTEE.—Mr. Speaker, the Prime Minister, Mr. W. H. Groom,* Mr. A. McLean, Mr. Reid, Mr. V. L. Solomon, and Mr. McDonald. (Appointed 5 June, 1901.) The Chairman of Committees. (From 23 July, 1901.)

LIBRARY COMMITTEE (*Joint*).—Mr. Speaker, Sir J. L. Bonython, Sir E. N. C. Braddon, Mr. Isaacs, Mr. T. Macdonald-Paterson, Mr. Bruce Smith, Mr. Spence. (Appointed 5 June, 1901.)

HOUSE COMMITTEE (*Joint*).—Mr. Speaker, Mr. Fisher, Mr. Glynn, Sir M. D. McEacharn, Sir William McMillan, Mr. Piesse,‡ Mr. Salmon. (Appointed 5 June, 1901.)

PRINTING COMMITTEE.—Mr. Ewing, Mr. Fowler, Mr. Harper, Mr. Poynont, Sir J. Quick, Mr. E. Solomon, Mr. Watkins. (Appointed 5 June, 1901.)

DECIMAL COINAGE.—Mr. Glynn, Mr. W. H. Groom,* Mr. Mauger, Mr. Piesse,‡ Sir J. Quick, Mr. Thomson, Mr. G. B. Edwards. (Appointed 6 June, 1901.) Mr. Hume Cook, Mr. Fowler. (From 19 July, 1901.) Mr. Paterson. (From 6 September, 1901.) (Reported 4 April, 1902.)

ELECTIONS AND QUALIFICATIONS COMMITTEE.—Mr. Batchelor, Sir E. N. C. Braddon, Mr. Clarke, Mr. Joseph Cook, Mr. W. H. Groom,* Mr. Kirwan, Sir J. Quick. (Appointed 5 June, 1901.)

BONUSES ON MANUFACTURES COMMITTEE.—The Minister for Trade and Customs, Sir E. N. C. Braddon, Mr. Joseph Cook, Mr. Winter Cooke, Mr. Fuller, Mr. L. E. Groom, Mr. Hughes, Mr. Kirwan, Mr. Mauger, Mr. McCay, Mr. Watkins, Mr. Watson. (Appointed 2 September, 1902.)

* Deceased reported, 8 August.

† Resigned, 28 August.

‡ Deceased reported, 6 March.

STATUTES OF THE SESSION.

ACTS INTERPRETATION ACT (No. 2 of 1901)—

An Act for the Interpretation of Acts of Parliament, and for shortening their language. [Initiated in House of Representatives by Mr. Deakin, 10th May, 1901. Assented to, 12th July, 1901.]

APPROPRIATION ACT 1901-2 (No. 16 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £52,497 to the service of the year ending 31st June, 1902, and to appropriate the supplies granted for such year. [Initiated in House of Representatives by Sir George Turner, 3rd October, 1902. Assented to, 10th October, 1902.]

APPROPRIATION ACT 1902-3 (No. 17 of 1902)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund to the service of the year ending the 30th June, 1903, and to appropriate the supplies granted for such year. [Initiated in House of Representatives by Sir George Turner, 3rd October, 1902. Assented to, 10th October, 1902.]

APPROPRIATION (WORKS AND BUILDINGS) ACT (No. 18 of 1902)—

An Act to grant and apply a sum out of the Consolidated Revenue Fund for the purposes of additions, new works, and buildings to the service of the year ending 30th June, 1903. [Initiated in House of Representatives, 3rd October, 1902, by Sir George Turner. Assented to, 10th October, 1902.]

AUDIT ACT (No. 4 of 1901)—

An Act for the collection and payment of the public moneys, the Audit of the public accounts, and the protection and recovery of the public property, and for other purposes. [Initiated in House of Representatives by Sir George Turner, 5th June, 1901. Assented to, 7th August, 1901.]

BEER EXCISE ACT (No. 7 of 1901)—

An Act relating to Excise on Beer. [Initiated in House of Representatives by Mr. Kingston, 24th July, 1901. Assented to, 5th October, 1901.]

CLAIMS AGAINST THE COMMONWEALTH ACT (No. 21 of 1902)—

An Act to make temporary provision for enforcing claims against the Commonwealth. [Initiated in House of Representatives by Mr. Deakin, 25th September, 1902. Assented to, 10th October, 1902.]

COMMONWEALTH ELECTORAL ACT (No. 19 of 1902)—

An Act to regulate Parliamentary Elections. [Initiated in Senate by Senator O'Connor, 24th January, 1902. Assented to, 10th October, 1902.]

COMMONWEALTH FRANCHISE ACT (No. 8 of 1902)—

An Act to provide for an Uniform Federal Franchise. [Initiated in Senate by Senator O'Connor, 4th April, 1902. Assented to, 12th June, 1902.]

COMMONWEALTH PUBLIC SERVICE ACT (No. 5 of 1902)—

An Act for the regulation of the Public Service. [Initiated in House of Representatives by Sir William Lyne, 5th June, 1901. Assented to, 5th May, 1902.]

CONSOLIDATED REVENUE ACT (No. 1 of 1901)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £491,882 to the service of the period ending 30th June, 1901. [Initiated in House of Representatives by Sir George Turner, 14th June, 1901. Assented to, 25th June, 1901.]

CONSOLIDATED REVENUE ACT (No. 3 of 1901)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £1,010,732 to the service of the year ending the 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 9th July, 1901. Assented to, 12th July, 1901.]

CONSOLIDATED REVENUE ACT (No. 10 of 1901)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £928,322 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 11th October, 1901. Assented to, 12th October, 1901.]

CONSOLIDATED REVENUE ACT (No. 15 of 1901)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £410,767 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 13th December, 1901. Assented to, 17th December, 1901.]

CONSOLIDATED REVENUE ACT (No. 1 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £320,955 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 25th February, 1902. Assented to, 26th February, 1902.]

CONSOLIDATED REVENUE ACT (No. 2 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £262 415 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 21st March, 1902. Assented to, 22nd March, 1902.]

CONSOLIDATED REVENUE ACT (No. 4 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £282,834 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 24th April, 1902. Assented to, 26th April, 1902.]

CONSOLIDATED REVENUE ACT (No. 6 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £493,944 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 28th May, 1902. Assented to, 30th May, 1902.]

CONSOLIDATED REVENUE ACT (No. 9 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £448,882 to the service of the year ending 30th June, 1902. [Initiated in House of Representatives by Sir George Turner, 13th June, 1902. Assented to, 19th June, 1902.]

CONSOLIDATED REVENUE ACT (No. 10 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £587,219 to the service of the year ending 30th June, 1903. [Initiated in House of Representatives by Sir George Turner, 20th June, 1902. Assented to, 23rd June, 1902.]

CORONATION CELEBRATION ACT (No. 3 of 1902)—

An Act to grant and apply out of the Consolidated Revenue Fund the sum of £1,365,597 to the purpose of defraying expenses attendant upon the celebration of His Majesty's Coronation. [Initiated in House of Representatives by Sir Edmund Barton, 10th April, 1902. Assented to, 15th April, 1902.]

CUSTOMS ACT (No. 6 of 1901)—

An Act relating to the Customs. [Initiated in House of Representatives by Mr. Kingston, 5th June, 1901. Assented to, 3rd October, 1901.]

CUSTOMS TARIFF ACT (No. 14 of 1902)—

An Act relating to Duties of Customs. [Initiated in House of Representatives by Mr. Kingston, 18th April, 1902. Assented to, 16th September, 1902.]

DISTILLATION ACT (No. 8 of 1901)—

An Act relating to Distillation. [Initiated in House of Representatives by Mr. Kingston, 9th August, 1901. Assented to 5th October, 1901.]

EXCISE ACT (No. 9 of 1901)—

An Act relating to Excise. [Initiated in House of Representatives by Mr. Kingston, 12th September, 1901. Assented to, 5th October, 1901.]

EXCISE TARIFF ACT (No. 11 of 1902)—

An Act relating to Duties of Excise. [Initiated in House of Representatives by Mr. Kingston, 18th April, 1902. Assented to, 26th July, 1902.]

GOVERNOR-GENERAL'S ESTABLISHMENT ACT (No. 7 of 1902)—

An Act relating to the Governor-General's Establishment. [Initiated in House of Representatives by Sir Edmund Barton, 30th April, 1902. Assented to, 30th May, 1902.]

STATUTES OF THE SESSION.

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IMMIGRATION RESTRICTION ACT (No. 17 of 1901)—

An Act to place certain restrictions on immigration and to provide for the removal from the Commonwealth of prohibited immigrants. [Initiated in House of Representatives by Sir Edmund Barton, 5th June, 1901. Assented to, 23rd December, 1901.]

PACIFIC ISLAND LABOURERS ACT (No. 16 of 1901)—

An Act to provide for the regulation, restriction, and prohibition of the introduction of labourers from the Pacific Islands, and for other purposes. [Initiated in House of Representatives by Sir Edmund Barton, 5th June, 1901. Assented to, 17th December, 1901.]

PARLIAMENTARY ALLOWANCES ACT (No. 20 of 1902)—

An Act relating to the allowance to Members of each House of the Parliament of the Commonwealth. [Initiated in House of Representatives by Sir William Lyne, 24th September, 1902. Assented to, 10th October, 1902.]

POST AND TELEGRAPH ACT (No. 12 of 1901)—

An Act relating to the postal and telegraphic services of the Commonwealth. [Initiated in Senate by Senator Drake, 5th June, 1901. Assented to, 16th November, 1901.]

POST AND TELEGRAPH RATES ACT (No. 13 of 1902)—

An Act relating to postal and telegraphic rates. [Initiated in Senate by Senator Drake, 5th December, 1901. Assented to, 9th September, 1902.]

PROPERTY FOR PUBLIC PURPOSES ACQUISITION ACT (No. 13 of 1901)—

An Act to provide for the acquisition of property for public purposes, for dealing with the property so acquired, and for other purposes connected therewith. [Initiated in Senate by Senator O'Connor, 27th June, 1901. Assented to, 12th December, 1901.]

PUNISHMENT OF OFFENCES ACT (No. 14 of 1901)—

An Act to make provision for the punishment of offences against the laws of the Commonwealth. [Initiated in Senate by Senator Drake, 12th December, 1901. Assented to, 17th December, 1901.]

ROYAL COMMISSIONS ACT (No. 12 of 1902)—

An Act relating to Royal Commissions. [Initiated in House of Representatives by Mr. Deakin, 21st August, 1902. Assented to, 8th September, 1902.]

SERVICE AND EXECUTION OF PROCESS ACT (No. 11 of 1901)—

An Act to provide for the service and execution throughout the Commonwealth of the civil and criminal process and the judgments of the courts of the States, and of other parts of the Commonwealth, and for other purposes connected therewith. [Initiated in Senate by Senator Drake, 13th June, 1901. Assented to, 16th October, 1901.]

STATE LAWS AND RECORDS RECOGNITION ACT (No. 5 of 1901)—

An Act to provide for the recognition throughout the Commonwealth of the Laws, the public Acts, and Records, and the judicial proceedings of the States. [Initiated in Senate by Senator Drake, 13th June, 1901. Assented to 5th September, 1901.]

BILLS OF THE SESSION.

BONUSES FOR MANUFACTURES BILL—

[Initiated in House of Representatives by Mr. Kingston, 1st May, 1902; referred to select committee, 2nd September, 1902.]

COMMONWEALTH ELECTORAL BILL—

[Initiated in House of Representatives by Sir William Lyne, 5th June, 1901; withdrawn. See *Statutes of the Session.*]

COMMONWEALTH FRANCHISE BILL—

[Initiated in House of Representatives by Sir William Lyne, 5th June, 1901; withdrawn. See *Statutes of the Session.*]

CONCILIATION AND ARBITRATION BILL—

[Initiated in House of Representatives by Mr. Kingston, 5th June, 1901; withdrawn.]

CONSOLIDATED REVENUE BILL (No. 1, 1901)—

[Initiated in House of Representatives by Sir George Turner, 11th June, 1901; laid aside.]

DEFENCE BILL—

[Initiated in House of Representatives by Sir John Forrest, 5th June, 1901; withdrawn.]

GOVERNMENT INSCRIBED STOCK BILL—

[Initiated in House of Representatives by Sir George Turner, 30th May, 1902; lapsed at prorogation.]

HIGH COURT PROCEDURE BILL—

[Initiated in House of Representatives by Mr. Deakin, 5th June, 1901; lapsed at prorogation.]

INTER-STATE COMMISSION BILL—

[Initiated in House of Representatives by Sir William Lyne, 5th June, 1901; withdrawn.]

JUDICIARY BILL—

[Initiated in House of Representatives by Mr. Deakin, 5th June, 1901; lapsed at prorogation.]

LOAN BILL—

[Initiated in House of Representatives by Sir George Turner, 4th June, 1902; lapsed at prorogation.]

LOAN APPROPRIATION BILL—

[Initiated in House of Representatives by Sir George Turner, 4th June, 1902; lapsed at prorogation.]

MATRIMONIAL CAUSES BILL—

[Initiated in Senate by Senator Dobson, 11th September, 1901; withdrawn.]

PARLIAMENTARY EVIDENCE BILL—

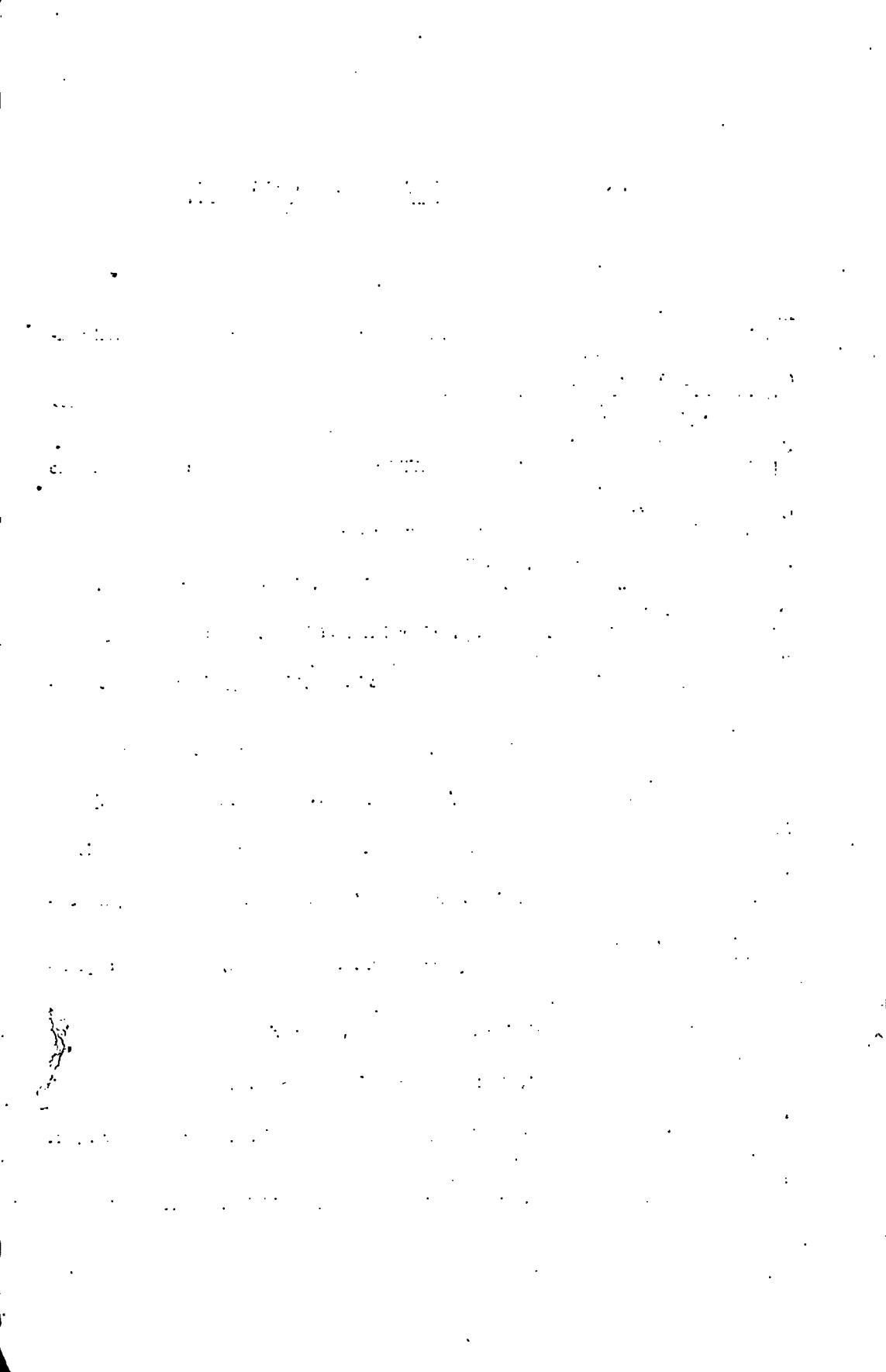
[Initiated in Senate by Senator Neild, 9th August, 1901; withdrawn.]

PROPERTY FOR PUBLIC PURPOSES ACQUISITION BILL—

[Initiated in House of Representatives by Sir William Lyne, 5th June, 1901; withdrawn. See *Statutes of the Session.*]

SERVICE AND EXECUTION OF PROCESS BILL—

[Initiated in Senate by Senator O'Connor, 10th May, 1901; withdrawn. See *Statutes of the Session.*]



PARLIAMENT CONVENED.

FIRST PARLIAMENT—FIRST SESSION.

(*Gazette No. 28.*)

The First Parliament of The Commonwealth of Australia was convened by the following Proclamation:—

AUSTRALIA TO WIT. By His Excellency the Right Honorable the EARL OF HOPETOUN,
 a Member of His Majesty's Most Honorable Privy Council;
 Knight of the Most Ancient and Most Noble Order of the
HOPETOUN. Thistle; Knight Grand Cross of the Most Distinguished
 Order of Saint Michael and Saint George; Knight Grand
 Cross of the Royal Victorian Order; Governor-General and
(I.S.) Commander-in-Chief of the Commonwealth of Australia.

WHEREAS by The Commonwealth of Australia Constitution Act it is amongst other things enacted that the Governor-General may appoint such times for holding the Sessions of the Parliament as he thinks fit: And whereas by the said Act it is further enacted that the Parliament shall sit at Melbourne until it meet at the seat of Government: And whereas it is expedient now to appoint the time for holding the First Session of the Parliament of The Commonwealth: Now therefore I, JOHN ADRIAN LOUIS, EARL OF HOPETOUN, the Governor-General aforesaid, in exercise of the power conferred by the said Act, do by this my Proclamation appoint Thursday, the ninth day of May instant, as the day for the said Parliament to assemble and be holden for the despatch of divers urgent and important affairs. And all Senators and Members of the House of Representatives, and all Officers of the said Parliament, are hereby required to give their attendance accordingly at Melbourne, in the building known as the Exhibition Building, at the hour of Twelve o'clock noon, on the said Thursday, the ninth day of May, One thousand nine hundred and one.

Given at Melbourne this twenty-ninth day of April, in the year of our Lord One thousand nine hundred and one, and in the first year of His Majesty's reign.

By His Excellency's command,

EDMUND BARTON.

GOD SAVE THE KING!

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days ago, to the effect that the South Australian Government do not intend to charge preferential rates upon their railways after the 1st February, is correct?

Sir WILLIAM LYNE.—I have received no definite information upon the subject from the South Australian Government. I forwarded a communication to the Minister for Railways in South Australia in reference to these rates some time ago, and his reply was to the effect that the South Australian Government desired to, as far as possible, assimilate the rates for the produce of all the States, but that up to the present time, although there had been several conferences upon the subject, they had been unsuccessful, and that he had requested the Railways Commissioner to report further. I had another telegram or letter to-day, which I have not by me now, but it does not carry the matter much further.

PAPER.

Mr. DEAKIN laid upon the table—

Minute by the Prime Minister to His Excellency the Governor-General, relating to the contract for supplies for troops in South Africa.

SYDNEY TELEGRAPHIC BUSINESS.

Mr. THOMSON.—Is the Minister who represents the Postmaster-General yet in possession of a return which has been promised by the Government, showing the lengths of telegrams sent in one day from the Sydney and suburban offices?

Mr. DEAKIN.—I mentioned the matter to my honorable colleague, Sir Philip Fysh, and he told me that he proposed to inform the honorable member that he had received a return, but that, thinking it was not quite in compliance in all particulars with the honorable member's request, he referred it back to have further information added. He is expecting to receive the return again at any moment.

Mr. JOSEPH COOK.—Will the Government keep back the consideration of the Postal Rates Bill until the return has been presented to the House?

Mr. DEAKIN.—I shall call the attention of the Postmaster-General to the honorable member's wish.

QUARANTINE ADMINISTRATION.

Mr. MAHON asked the Prime Minister, upon notice—

1. Has his attention been drawn to complaints concerning the administration by State Governments of the quarantine laws and regulations?

House of Representatives.

Thursday, 6 February, 1908.

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

PUNCHING AND SHEARING MACHINES.

Mr. R. EDWARDS.—I should like to know from the Minister for Trade and Customs whether, as the amendment of the honorable and learned member for Corio, placing various machines and tools of trade upon the free list, was carried, the Government are prepared to exempt punching and shearing machines.

Mr. KINGSTON.—I think that the fair construction of the determination arrived at by the committee yesterday necessitates the exemption of punching and shearing machines, and the Government therefore propose to admit them duty free from to-day.

SOUTH AUSTRALIAN PREFERENTIAL RAILWAY RATES.

Mr. THOMAS.—I wish to ask the Minister for Home Affairs if the report which appeared in the newspapers a few

2. When is it intended to issue a proclamation in terms of section 69 of the Constitution, Act to transfer the Departments of Quarantine to the Commonwealth?

Mr. DEAKIN.—I have been furnished with the following reply:—

1. Not from any official source.
2. It may be found necessary to introduce legislation before taking this step.

Mr. MAHON.—The Government are not likely to get official complaints.

Mr. DEAKIN.—The complaints referred to are not necessarily complaints made by officials, but complaints indorsed in some official quarter.

Mr. MAHON.—Well, the honorable and learned member can take one from me.

Mr. DEAKIN.—If the honorable member will make known any complaints that he has, they will be considered.

AUSTRALIAN NAVAL DEFENCE.

Mr. CLARKE asked the Minister of Defence, *upon notice*—

Whether he has any objection to cause printed copies of Captain Creswell's report on Australian Naval Defence to be circulated for the information of honorable members.

Mr. DEAKIN.—There is no objection. I shall lay it upon the table to-morrow.

DUTY ON BOOTS AND SHOES.

Mr. G. B. EDWARDS asked the Treasurer, *upon notice*—

Whether he will state the amount of revenue received in each State from the duty on boots and shoes since the imposition of the Federal Tariff, separately, for the months of October, November, December, 1901, and January, 1902.

Sir GEORGE TURNER.—The Treasury does not receive the information in sufficient detail to enable me to give the particulars which my honorable friend desires, and I have referred the matter to the Customs department. The information is available in regard to the months of October, November, and December; but it may take a day or two to get the figures for January. As soon as this information is complete, we shall have it circulated for the benefit of honorable members.

IMPORTS OF BEET SUGAR.

Ordered (on motion by Mr. FULLER)—

That there be laid upon the table of the House a return, showing—

1. The amount of beet sugar imported into the various States of the Commonwealth during the years 1900 and 1901 respectively, particularizing the amount imported into each State.

2. The amount imported into each State from 1st January, 1901, to 1st August of same year.

3. The amount imported into each State from 1st August, 1901, to 31st December of same year.

TARIFF.

In Committee of Ways and Means—

Consideration resumed from 5th February (*vide* page 9717).

Excise Duties:—

Item 133, Beer, viz.:—Ale, porter, and other beer containing not less than 2 per cent. of proof spirit per gallon, 3d.

Mr. McCOLL (Echuca).—The main reason for the imposition of excise duties is to provide revenue, but very frequently they are affected by considerations of national policy, such as the expediency of encouraging native industries, or the preservation of the health, or the improvement of the habits of the people. When we come to deal with the proposed excise on sugar, very far and wide-reaching effects will have to be discussed. Therefore, I take it that we are quite at liberty to propose any alterations we may think fit in this part of the Tariff, and I desire to move an amendment which will make the duty upon beer made from pure barley malt and hops 1½d. per gallon instead of 3d. per gallon, which is the Government proposal in regard to all beer. Among the habits which were imported from the old country is the good old English custom of beer drinking. About 40,000,000 gallons of locally-made beer are consumed in the Commonwealth every year, and if we put down the number of beer drinkers at about one-eighth of the whole population, it will be seen that its consumption per head is very large—probably 80 or 90 gallons a year. When dealing with articles of food or drink, we should always take into consideration whether we cannot improve our social conditions, and, at the same time, encourage the use of the productions of our own people. As we have nothing in the shape of a national drink, we should encourage the use of such drinks as will be beneficial to those who use them, and profitable to those who make them. Both strong liquors and teetotal beverages are consumed by the community, and some people aver that the teetotal beverages are almost as destructive of health as are strong liquors. However that may be, we find that our teetotal friends sail as near to the wind as they can, and make their beverages as

alcoholic as possible. A temperance beverage is defined in the Tariff as one containing not more than 2 per cent. of alcohol. I do not know from what source the Government have obtained this definition, but all drinks containing not more than 2 per cent. of proof spirit are to be exempt from either excise or import duty. The basis of taxation, both for import and excise, is alcoholic strength, and this is one of the grounds upon which I am claiming to have the beers of low alcoholic strength differentiated from those containing high percentages. The ordinary colonial beer contains from 7 per cent. to 12 per cent. of alcohol, and some of the imported English ale contains as much as 14 per cent. of alcohol. The pure beer we desire to introduce—beer similar to that brewed in Germany—contains only from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. of alcohol, and therefore, if the alcoholic strength is to be the basis on which the product is to be taxed, we claim that the pure beer ought to be taxed at a lower rate than are the strong beers generally consumed. I think we might almost have asked for a difference of 2d. per gallon instead of only $1\frac{1}{2}$ d. per gallon; but as $1\frac{1}{2}$ d. per gallon was the amount put forward by the agricultural societies who were advocating a differential excise duty upon beers, I am shaping my proposal accordingly. If I had known some time ago as much as I now know, I should have proposed to give a preference of 2d. per gallon to the pure beer. This is a question not only of revenue, but largely one of health. The pure beer that we desire to see consumed is made entirely of barley malt and hops. Of late years we find that the consumption of beer in the States has very largely increased, but that the use of barley has very largely decreased.

Mr. WATSON.—That is true of Victoria, notwithstanding the differential rate.

Mr. MCCOLL.—And I believe it is also the case in the other States, although I have no figures relating to them at hand. In 1894 13,752,000 gallons of beer made of sugar and other ingredients was brewed in Victoria, and in 1900 the quantity had increased to 15,567,000 gallons. In 1894 the consumption of malt and hops was 666,770 bushels, and in 1900 it had decreased to 600,417 bushels. In 1893 sugar was used in the making of beer to the extent of 90,375 cwts., whilst in 1900 111,461 cwts. was used, or an increase of 21,000 cwts., equal to from 20 per cent. to 25 per cent.

In 1893, 624,298 bushels of malt was used, whereas in 1900 the consumption had decreased to 597,879 bushels. This was not a very desirable state of affairs, from the point of view either of those who use the beer or of producers who grow the barley and hops. It is stated that the main reason why sugar is now so much used is that it allows the beer to be brought into consumption in a much shorter time. Instead of having to wait for some seven or eight weeks for the beer to mature, the brewers are able to place it in the hands of their customers within eight or ten days, and it is, therefore, put upon the market with less labour and less storage and generally at less expense. Beer in which sugar is one of the ingredients is not nearly so good from the point of view of health as pure barley malt and hop beer. The alteration made in the sugar during the process of fermentation converts it directly into alcohol, and it does not furnish all the various phosphates and other nutritive properties which are imparted by pure barley malt and hops. We do not wish to interfere with those who choose to use sugar. No doubt the great majority of people prefer beer made partly of sugar, and we do not wish to interfere with them; but we ought to encourage those who desire to give the public a better article, and who are willing to use only pure barley malt and hop beer. There are a number of other products used in brewing operations, which are detrimental to health, but I do not wish to enter into that phase of the question. No doubt a great many articles are used in the manufacture of beer which should not be so employed. The brewers will not admit that they use these ingredients, but the commodities referred to are advertised for sale, and as large quantities are introduced into the Commonwealth, and as they are only intended for the one purpose, the inference is that they are used in brewing operations. The Minister for Trade and Customs might pay attention to this question with a view to placing upon these ingredients such a heavy duty as would be practically prohibitive. The House of Commons has recently introduced legislation on somewhat the same lines as I am now following, with a view to encourage the use of pure beer, and the discouragement of deleterious ingredients. In connexion with this matter it might be desirable to have the beer labelled, so as to distinguish that made of

pure malt and hops from that in which sugar forms the principal ingredient. Apart from the effect of the use of sugar upon the public health, this question is one which very largely affects the farmers. We hear a good deal about the necessity of encouraging the agriculturists, and honorable members have now an opportunity of giving them very real assistance. Our production of barley is not anything like what it should be. In Victoria and Tasmania and in other States we can grow barley equal, if not superior, to that grown in any part of the world, and in the southern States we can grow hops equal to those produced anywhere. In Tasmania especially we grow hops which are not equalled in any part of the world. From what I can learn, if we could introduce this differential excise duty, and encourage brewers to make their beer of pure barley malt and hops; we should more than treble the production of barley and hops within the Commonwealth. The farmers' home market would be enlarged, and they would have an opportunity of adopting the system of the rotation of crops to an extent that is now impracticable. No doubt the cost of beer production would be increased to the brewer, because of the longer time required for the beer to mature, when made of pure barley malt and hops. The brewer will require more casks, and the cost of labour generally will be much increased. We must therefore give the brewer who desires to use the best materials a substantial advantage over those who use sugar. A difference of 1½d. per gallon is little enough, considering the extra expense involved in producing a pure article. It must be evident to any one that if we can induce our people to drink beer containing not more than 4 per cent. of alcohol, it will be better for the public health than if they continue to consume in large quantities beers containing from 10 to 12 per cent. of alcohol. I, therefore, propose that beer made from pure barley malt and hops shall be subject to a duty of 1½d. per gallon.

Mr. KINGSTON (South Australia—Minister for Trade and Customs).—In order to simplify matters, I move—

That the letters "n.e.i." be inserted after the word "beer," line 1.

It will then be open for the honorable member to move his amendment differentiating beers of the class he has referred to, from

those which will come under the duty of 3d. per gallon.

Amendment agreed to.

Item, as amended, agreed to.

Amendment (by Mr. McCOLL) proposed—

That the words "Beer made from pure barley malt and hops, per gallon, 1½d." be added.

Mr. GLYNN (South Australia).—I desire to support the amendment, and I am strengthened in that wish by a report recently presented to the Government of South Australia. An analysis was made of 38 samples of beer supplied to the public there, and in almost all cases the quality of the beer was found to be exceedingly inferior. According to the analyst, the evidence showed that beer was now being made, not from malt, but from sugar. He pointed out that whilst one might get a high alcoholic strength in beer made from sugar, one frequently got an article of very poor quality, so that a man would get drunk upon an inferior beer much earlier than would otherwise be the case.

Mr. KINGSTON.—This will not be a teetotaller's drink.

Mr. GLYNN.—But one can get a fairly high alcoholic strength—something like 11 per cent. in lieu of 7 or 8 per cent., taking the average of the South Australian beer—in a pure quality of beer, whereas at the present time the public are getting a very high alcoholic strength in an article of exceedingly poor quality. The report which I have mentioned was made by Mr. Hargreave, the Government Analyst of South Australia. He examined and tested a sample of beer from each brewery in that State.

Mr. KINGSTON.—I think it was Mr. Robertson who reported upon it.

Mr. GLYNN.—It makes no difference who formally presented the report. At all events an analysis was made through the Government of the quality of the beer. I do not wish to enter into details of that analysis, but I may say that from beginning to end the report strongly condemns the South Australian beer on the ground that it is not made from malt. In fact, in one place, after summing up the constituents of the beer, the analyst says:—

The beer is of a poor, weak, washy description, low in extract and weak in alcohol, and there are ample grounds for believing that in most instances substitutes for malt are used, while even where substitutes are absent, there is an insufficiency of malt disclosed.

He goes on to point out that independently of the analysis of the beer, the imports point strongly to the conclusion that malt has been practically discontinued as one of the substances used in brewing. He directs attention to the fact that under the local legislation which has been enacted to secure beer of comparative purity, it is not pure, and that something else must be done outside of the provisions of the South Australian Act, which is an Act having no relation to the Customs. He continues—

Beer may be brewed from anything that can be made to ferment, and may be bittered with anything that can be made to serve as a hop substitute.

He goes on to say—

The figures given show that whilst the consumption of beer remains practically the same, the importation of malt and hops is rapidly nearing vanishing point.

There is no local production, and there is a diminishing importation of hops reaching almost the vanishing point, both of which facts sustain his analysis, and point to the conclusion that malt has been almost discontinued as an ingredient in South Australian beer. I believe that on the Continent special legislation has been enacted to promote the purity of beer. In Germany it is compulsory that it shall be made from barley malt, hops, yeast, and other similar substances, and the brewing of it from any inferior substance is prohibited. In the interests, therefore, of the purity of the beer, I think that the differentiation suggested by the honorable member for Echuca should be supported.

Mr. KINGSTON.—The Government have no objection to giving a little additional encouragement to beer of the character which has been referred to, but, at the same time, they must be mindful of revenue considerations. I may also tell honorable members that I am not very sanguine that the imposition of a duty of the character suggested will induce the consumption of that beer which a great many of us regard as the better article, for the reason that when people want a particular beer they will have it, and the question of a little additional price will not baulk them in giving effect to their preference. I am also a little fearful that the relaxation of the duty will not result in such a cheapness of the article to the consumer as will induce him to gratify his tastes in the way that is desired. But there is something to be

said in favour of pure beer, and therefore we propose to accept an amendment of the character proposed, but without going to the extent of a 50 per cent. reduction.

Sir WILLIAM McMILLAN.—Is there any precedent for the adoption of that course?

Mr. KINGSTON.—Yes, there is a precedent to be found in Victoria. We do not propose to go to the length of a 50 per cent. reduction, because if such a reduction were largely availed of the result to the revenue would be disastrous. We can look into the matter more closely at another time when we see that there is an opportunity for making greater reductions. This experiment has been tried in Victoria.

Mr. WATSON.—And failed.

Mr. KINGSTON.—It certainly has not had a very marked effect in altering the taste of the people.

Mr. MAHON.—What was the difference in the duty here?

Mr. KINGSTON.—There was a difference of 1d. per gallon, the excise rates upon the two classes of beer being 2d. and 3d. per gallon respectively. I am sure that honorable members will agree that extending it from 1d. to 1½d. will not affect the tastes of the people. In matters of this sort the public have their preferences for certain brews of beer, and if possible they will gratify those preferences. Whatever legislation we pass will not have much effect, though I think it is desirable to encourage the production of the purer beer at which the amendment aims, and also the utilization of more of those products of our own which can be used to advantage in the brewing of that article. I find that a similar provision has been law in Victoria for about ten years, and the receipts from excise on the lower class of beer, from which we can gather an idea of its consumption, amounted in 1900 to £4,144. That is a less sum than was received during any of the five preceding years, and I do not know that the year 1900 was a very bad one for Victoria. In 1899 the revenue received from this class of beer was £5,342; in 1898, it was £5,865; in 1897, £5,403; in 1896, £5,872; in 1895, £5,430; and in 1894, £4,633. The only years in which the receipts were lower than those of last year were 1892 and 1893, when the revenue collected from this source was £2,500, and £3,900 respectively. It is evident, therefore, that the lowering of the duty in favour of this particular beer has

not caused any considerably increased consumption.

Mr. WATSON.—How much was received from the other sources of revenue?

Mr. KINGSTON.—In reply to the honorable member I may shortly state that the consumption in Victoria of beer of the character to which it is desired to give a preference was 500,000 gallons, whilst the consumption of the other beer amounted to 14,000,000 gallons.

Mr. GLYNN.—The tied-house system has a lot to do with that.

Mr. WATSON.—It affects it only to a limited extent.

Mr. KINGSTON.—I venture to say it is a matter upon which the Government do not feel very strongly. They are not very hopeful that this provision will alter the tastes of the people. Those who like their beer with sugar in it—and the great majority of Victorians do—will favour that particular class of article; whilst those who prefer a more bitter beer will gratify that preference. But, with the object of encouraging the production of purer beer, and the consumption of those articles which we produce, we are prepared to go to the extent I have mentioned, and I do not think we ought to be asked to go further.

Mr. WATSON (Bland).—I trust that the committee will not agree to the proposal of the honorable member for Echuca. In the first place, as one who drinks beer, I prefer the article made from hops and malt, known as bitter beer. At any rate, it is more bitter than the beer which is made from sugar. But we have to recognise the facts, and although the tied-house principle has been suggested as an explanation for the enormous consumption of sugar beer as compared with that which is brewed from hops and malt, it must be recollect that, whilst that principle generally has a very large bearing upon the class of beer or spirits consumed, the whole of the breweries which have tied-houses manufacture one class of beer only. When there are a number of breweries—as there are in Melbourne—competing with one another, each with a large number of tied-houses, it stands to reason that if there were an advantage to be gained from brewing a beer composed of malt and hops, one of these breweries would go in for it, to cut out other competitors. The breweries would derive an advantage if they obtained a very much larger output as the result of brewing

a beer more suited to the tastes of the people. But the facts are that the public do not want a bitter beer made from hops and malt. Having a natural curiosity as to which was the best beer to drink in Melbourne, I have taken an opportunity of consulting almost every acquaintance of mine as to what he considers the best beer brewed in this city, and I make bold to say that at least 90 per cent. of them have expressed a preference for a beer which is almost absolutely a sugar beer. The people have expressed that preference irrespective of their opportunities for getting it. I know of persons who will travel two or three blocks in order to reach an hotel where this particular beer is sold.

Mr. MAHON.—It is an acquired taste.

Mr. WATSON.—In my opinion it is a vitiated taste, and it is a pity that it is so. The proposed difference of 1½d. per gallon will make no alteration so far as that taste is concerned. If the proposal of the honorable member for Echuca would insure that beer composed of malt and hops could be sold at one-third of the price of sugar beer, we might in time wean the people from the article which they now favour. But a difference of 1½d. per gallon will not affect the present consumption of beer.

Mr. O'MALLEY.—It will affect the revenue.

Mr. WATSON.—It will affect the revenue, but I do not see that that is a matter we need "crow" about. We do not want to take chunks off the revenue unless some good purpose is to be served, and there is no good purpose in making this reduction. No difference will be made in the price of beer to the consumer.

Mr. GLYNN.—It will affect the quality.

Mr. WATSON.—So far as the quality is concerned, while I prefer beer made from malt and hops only, it is just as possible for the brewer to produce from sugar a beer as pure and as innocuous—or, we will say, as little pernicious—as that which is brewed from malt and hops. Whether the brewers restrict themselves always to the use of ingredients that are healthy is a question for the health authorities. But if brewers choose, they can brew sugar beer which, while not to my taste, is at any rate as healthy, or as little likely to be injurious, as beer made from malt and hops. The only effect of the proposal will be to retain a few pounds in the pockets of a number of brewers interested

in that particular class of beer; it will have no effect so far as the general public is concerned. It will have a bad effect on the revenue. The experience of Victoria, where for ten years past there has been an attempt to encourage the consumption of beer made from malt and hops, is not such as to lead us to expect that any material change will result. The Foster Brewing Company are brewing malt and hop beer.

Mr. KINGSTON.—They make nearly two-thirds of the whole quantity consumed in Victoria.

Mr. WATSON.—There is another firm in New South Wales who are also brewing this class of beer; but I do not think that we need expect any large alteration in the method of brewing beer as a result of this proposal. I trust the committee will not throw away the revenue that is involved in the proposal without fully recognising that the effects, so far as consumption is concerned, are likely to be very little indeed.

Mr. SALMON (Lanecoorie).—I am somewhat surprised at the attitude assumed by the honorable member for Bland, who leads with marked ability a party which sets itself to remedy abuses, no matter of what character or dimensions. The honorable member has told us that he recognises that it is a vitiated taste on the part of the public that causes the extraordinary consumption of sugar beer; but he confesses, in a somewhat pessimistic mood, that he regards it as hopeless to alter this taste in any degree. I take a very much more hopeful view of the situation. I feel that the men who, as he has told us, walk three or four blocks in order to obtain a certain brand of beer, do that simply because they are quite unable to procure pure beer made from malt and hops. Australians have not had the opportunity that those who live in the old country have had of cultivating a taste for that pure beer. The reason brewers use sugar is not that the taste of the public demands it, but that sugar is cheaper than malt and hops. The honorable member for Bland has consulted a number of beer drinkers; but 100 per cent. of the brewers whom I have consulted say that they use sugar because it is cheaper.

Mr. WATSON.—The 100 per cent. consulted by the honorable member do not agree with about 50 per cent. of those I have consulted.

Mr. SALMON.—Every brewer with whom I have spoken says that the reason sugar beer is brewed so largely in Victoria lies in the cost of production.

Mr. POYNTON.—Is the difference in the excise anything like compatible with the difference in the cost?

Mr. SALMON.—I admit at once that it is not—that the proposal is not at all in relation to the difference in the cost of production.

Mr. POYNTON.—That is why sugar beer is made.

Mr. SALMON.—No doubt; and the cost at which sugar beer is retailed largely determines the quantity consumed, sugar beer being chiefly produced and sold at a reasonable rate.

Mr. WATSON.—Both beers are sold at the same rate.

Mr. SALMON.—I am now comparing sugar beer with other drinks, not with other beers. I eliminate altogether the so-called lager beer made by the firm already mentioned, and I say that the quantity of malt beer consumed is very small indeed. I do not know where any pure malt beer is manufactured except at the so-called lager beer breweries, and I doubt very much whether the latter is only pure malt and hops. Those who desire to better the condition of the community must admit that the result of unlimited beer drinking is disastrous. The condition of those men, and women, too, who take large quantities of beer is deplorable in the extreme.

Mr. THOMSON.—Does the honorable member mean any sort of beer?

Mr. SALMON.—Yes; but especially sugar beer. The results of the constant use of lower class beers, in which sugar beer is included, are far more disastrous than those following the use of similar quantities of beer brewed from malt and hops. All authorities are agreed on this point; and I feel sure honorable members will realize the truth of the position. The reason is that in the sugar beer there is a larger quantity of alcohol of an inferior quality which is generated in the process of manufacture. I was about to allude to the condition of the community as a whole, following from the use of beer, and I say that anything we can do to minimize the results we are entitled to do. I recognise that under our Constitution we have no power to interfere in a matter which is really one for the local Governments. But we have the opportunity,

when fixing the duty, of giving preference to a certain article which is less inimical to the best interests of the community, and under the circumstances we are entitled to take the action proposed. I regret that temperance societies, who do a good and valuable work in showing the benefits of temperance and moderation, neglect a means of materially aiding the work. These societies should pay more attention to legislation which has for its object the bettering of the class of liquors supplied to the public; but they prefer to devote themselves to one aspect of the question. It would be better for their cause and the community if they were to bestow a little of their energy, which they show with most beneficial results in certain directions, in the direction I have indicated. In regard to the revenue, I say regretfully that there will not be much loss. I am afraid that it will take a long time, not before the taste of the public is altered, but before brewers will be sufficiently patriotic to give up the large profits which they at present reap from the manufacture of sugar beer.

Mr. POYNTON.—A bigger excise is required.

Mr. SALMON.—If I were sitting where the Minister for Trade and Customs is sitting I might, perhaps, endeavour to take the course suggested, but unfortunately I have not the power to do so at the present time. I much doubt whether this committee or any large section of it would be in favour of going the length I would go in order to secure food and drink for the community of the highest possible quality. I am afraid there will not be any great loss to the revenue, but, at any rate, the proposal is a step in the right direction. It will be an indication that this committee and Parliament are not unmindful of our very highest office and responsibility — namely, the preservation of the health of the Commonwealth. Under the circumstances, I feel that the offer which the Minister has made is a very fair one, and might be reasonably accepted. If the proposal for the 50 per cent. reduction goes to a division, I shall vote for it, but in order to save time, which is very valuable, I suggest that the offer of the Government be accepted.

Mr. MAHON (Coolgardie).—I intend to vote for the proposal of the honorable member for Echuca, for the reason mentioned by

the last speaker, namely, that it will be the beginning of an effort to raise the taste and improve the health of the people. The Minister for Trade and Customs has spoken a great deal about revenue, and so has the honorable member for Bland; but, according to the figures of the former gentleman, there were only 600,000 gallons of pure barley and malt beer brewed in Victoria during last year, so that the total amount to be given up is £3,850.

Mr. KINGSTON.—It is £4,000 or £5,000, and if we do not get more the thing is a failure.

Mr. MAHON.—The honorable member for Laanecoorie hit the mark when he said it is not the public who decline to drink pure beer, but it is the brewer that will not brew it. That is the secret of the whole business.

Mr. KINGSTON.—It is worth considering whether the brewer will reduce his price, or simply pocket the difference.

Mr. MAHON.—If the brewer brews more malt and hop beer, which he cannot brew so cheaply as the other, I think the public will get the advantage, because the price will remain the same. The Minister for Trade and Customs, as one who is generally a liberal, is consistent in wanting to allow the people to continue to enlarge their livers by drinking sugar beer.

Mr. KINGSTON.—I did not say that.

Mr. MAHON.—That is the effect of the Minister's position. I should like to see the proposal adopted, for the purpose of improving the public taste, and assisting the people to get a better article.

Mr. JOSEPH COOK.—Will this proposal do that?

Mr. MAHON.—I hope so; at any rate, we should try to make a beginning. The Minister for Trade and Customs has loaded up the brewers fairly well in the Excise Act, having imposed a licence-fee of £25 which never existed before in Western Australia.

Mr. KINGSTON.—Does the honorable member not think that will be good for the quality of the Western Australian beer?

Mr. MAHON.—In my opinion, every tax which is put on brewers drives them to some device to cheapen the cost of production, and, of course, to sell an inferior article. We ought to offer every inducement to provide the public with a healthy article. This proposal will assist the agriculturist in a legitimate way by increasing

the demand for his product, and at the same time improve the social condition and health of the community. Those are some of the reasons that will induce me to vote for the amendment.

Mr. RONALD (South Melbourne).—I think that the amendment is a very salutary proposal. It is our duty as legislators always to make it easy for the people to do right, and difficult for them to do wrong, and, without claiming to be an authority upon the subject, I know that sugar beer creates, instead of assuages, thirst, and that that is why it is popular, and is pressed upon the public. What is described by medical men in popular language as a beerish liver is caused almost entirely by drinking sugar beer, while hop and malt liquors are antidotes for liver complaints. With regard to the argument that the revenue will suffer if the amendment be carried, I would point out that the revenue can be affected only if the people cease to drink sugar beer and take to malt beer; and we can afford any loss of revenue from that cause in view of the improvement in moral and physical health which the public will gain. Taking it all round, the claim to a preference in favour of pure hop and malt liquor is one which I think the committee should recognise. The compromise offered by the Minister is a very fair one, and I hope that it will be accepted. All friends of temperance, health, and good liquor should vote to give a preference to pure liquor which satisfies thirst, as against liquor which is not pure and creates thirst.

Mr. McCAY (Corinella).—I am glad that the Government have seen their way to meet those who desire to make a difference between the excise on pure malt and hop beer and the excise on other beer, and the honorable member for Echuca will do well, in view of what the Minister has said, to accept the compromise which has been offered to him. Those who take up the position that the revenue will suffer if the amendment be agreed to are upon the horns of a dilemma, since the revenue cannot suffer unless an improvement takes place in the drinking habits of the community.

Mr. WATSON.—The honorable and learned member assumes that it would be an improvement for the public to give up drinking sugar beer.

Mr. McCAY.—It is an assumption that all the authorities support.

Mr. SALMON.—It has been proved beyond dispute.

Mr. WATSON.—Does the honorable and learned member mean to say that sugar beer cannot be as pure as other beer?

Mr. McCAY.—For the sake of my argument, at any rate, I assume that it would be an improvement if the public gave up drinking sugar beer. If the fear of those who oppose the amendment, that it will produce an improvement in the drinking habits of the community, is not justified, the revenue will not suffer, and consequently their objection falls to the ground.

Mr. PAGE (Maranoa).—If we cannot make people teetotallers by Act of Parliament, we can at least see that they get something good to drink. Until I came to Melbourne I had no idea that beer could be made out of such stuff as is used here. I was always under the impression before that beer is made out of good malt and good hops, and I am very pleased that the town in Queensland from which I come does not make the pure sugar beer that the honorable member for Bland speaks of. When I first came to Melbourne I was struck by the fact that there were no large waggons waiting outside the breweries for the grain, as I remembered seeing in London when a boy, and that set me thinking upon the subject. When I tell honorable members what this beer is made of, they will see that the difference between it and good beer is not a question of taste, but a question of poison. If we commence to raise revenue by poisoning the people, we shall soon have no people to obtain revenue from. I am sorry that the honorable member for Echuca has not proposed the remission of the excise duty upon pure malt beer. The brewers have been working tooth and nail against this differential arrangement.

Sir MALCOLM MCEACHARN.—Whose brief does the honorable member hold?

Mr. PAGE.—I do not hold a brief for the honorable member for Melbourne, or he would not ask the question. As soon as I begin to attack “boodle” he asks me where my brief comes from. I am speaking for the Pure Beer Association. Messrs. McCracken, the Carlton Brewery, the Castlemaine Brewery, and the Victoria Brewery say, in a pamphlet which they have issued in regard to the preservatives used in beer, that if the breweries used the substances which the anxious farmer has conjured up there might

be ground for uneasiness, but that there is not. If some of the ingredients which are advertised in the *Brewers' Journal* are fit for human consumption I am glad that I am not a beer drinker. This is one of the advertisements:—

Griefendorff's Flavorose (largely used by English and Australasian brewers) for ordinary running beers and stock ales.

Directions for use: Add 2 ozs. flavorose to every hogshead of finished ale (either running or stock beers), and an agreeable flavour will be produced which will tend to an increased demand.

Packed in 7 lb., 14 lb., and 28 lb. tins. Price 5s.

Flavorose will not cloud beer, but greatly add to its appearance and sale.

Does any honorable member think that flavorose is good for health? The advertisement continues—

The best preservative for summer and winter brewed beers for Australian, New Zealand, Indian, Japan and South African brewers. It can be used in the mash tun in place of kalium meta sulphite (K.M.S.) in the same proportions (say 2 ozs. for each quarter of malt or its equivalent in sugar, up to $\frac{1}{2}$ of an ounce of universal preservative per hogshead), and then need not be used in the finished beer.

If the beer is good, why should it need a preservative?

As a preservative this article is unequalled for the finest ales or stout. It is perfectly pure, and gives no objectionable flavour or smell. For a hogshead of finished beer $\frac{1}{2}$ oz. to $\frac{1}{2}$ oz. is sufficient, and can be put direct into cask. Thus 1 cwt. will preserve 3,584 hogsheads of beer, making the cost less than when bisulphide of lime is used. When employed in the mash tun, use $\frac{1}{2}$ oz. for each hogshead of beer to be brewed. If you use it in the mash, do not add any to finished beer. To sweeten brewery plant, mix universal preservative with water to form a thin paste, and with a white-wash brush paint the vessels with the liquid. It gives the better results when used in the mash tun in conjunction with Griefendorff's Kalamite Yeast Food.

Nearly all these things are made in Germany. Are those patriots who are howling for the Empire going to drink beer which is made from materials imported from Germany? I was interested in a brewery in Queensland, and I dropped a bit of stuff in it. I was chairman of the directors, and last December I went very patiently through the books, and found that the only chemical used was gypsum, which was obtained locally.

Mr. TUDOR.—Why was it used?

Mr. PAGE.—I do not know, because I am not a brewer. This is a letter, dated Melbourne, 31st January, which has been addressed to brewers of this city by one of

the principal firms who sell the adulterants necessary for the manufacture of sugar beer. If any honorable member questions its accuracy I should like to say that the original is in the hands of the Pure Beer Association. The letter is issued by the firm of Alfred Lawrence and Co., merchants and importers, Collins-street, Melbourne, and is as follows:—

Dear Sirs,—We are importing from Messrs. Wm. Bailey and Son, Kalarda juice liquid beer heading in kilderkins, barrels, and hogsheads, price 2s. per lb., or in cases containing 4 doz. champagne quart bottles, price 2s. 6d. per lb. Several of the largest brewers in Victoria are buying this article from us, and we have pleasure in stating you will find it better and cheaper than other heading. We can also offer you liquid beer heading (imported) in kilderkins, barrels, and hogsheads, price 9d. per lb. The latter, of course, is not so strong a heading as the Kalarda juice, but it is stronger than any other heading sold in Australia at present, and it enjoys a very large sale to brewers in Victoria. We have just landed new shipments. Kindly let us know if we may send some forward; we could invoice it to you as "sundries."

How does that strike the honorable member for Bland? When he is drinking beer he is really drinking "sundries," and we all know what a multitude of things "sundries" covers. I will give this to the Minister for Trade and Customs, and charge him nothing for it.

Mr. KINGSTON.—What is the date of that letter?

Mr. PAGE.—"Melbourne, 31st January, 1902."

Mr. KINGSTON.—I shall be delighted to have that letter.

Mr. PAGE.—The honorable member for Bland says that this is a matter that the health authorities should deal with, and I quite agree with him, but if we can assist the health authorities, why should we not do it? If we cannot guarantee that the public shall get that for which they are paying, we should do our best to protect them. The party to which I belong desire to help the weak by giving them pure, unadulterated food and drink, and we hold that if a man goes into a public-house and pays 3d. for a glass of beer, he should get a glass of beer and not a glass of "sundries." There must be something wrong underlying this business when it is necessary to invoice goods under other than their proper names. German brewers, who produce 1,400,000,000 gallons of light beer annually, have to conform to a law which requires that they shall make their beer

from pure malt and hops, yeast, and water, without the addition of any other substance, and if they are compelled by law to make this beer out of pure and unadulterated articles, why should we not be able to secure to Australian beer-drinkers a similarly pure article? France, Norway, Sweden, Denmark, Austro-Hungary, Switzerland, Holland, Belgium, and some of the United States are all moving towards the total prohibition of anything but pure malt and hop beer. A Bill has been prepared by the Victorian Government, making provision in the same direction, and the measure will be introduced into the State Parliament next session. The English House of Commons passed the second reading of a Pure Beer Bill recently by 245 votes to 133. Of the 6,000 breweries in England, about 4,000, including, of course, such well-known firms as Messrs. Bass and Messrs. Guinness, use no substitutes. *Melbourne Punch* of 17th January, 1901, says—

A well-known expert supplies us with the following facts:—"We are at present in the position in which they were in England before the outbreak of the epidemic. In the sugar beer which they drank, a small quantity of arsenic might have been present for years. That only killed off the weak and unhealthy. Then it just happened that the proportion of arsenic was by accident increased to a larger quantity, and then the affair resulted in the present epidemic. At the present time we run exactly the same risk, and we run this risk because it is cheaper to bleach the sugar by sulphur than by the use of charcoal, when there would be no danger at all. A large quantity of American sugar was at one time used here, but there is not so much in use now as formerly. This sometimes has a slightly bluish tinge, which has been produced by the addition of ultramarine, a poisonous matter. The poisoning in connexion with sugar beer in England was really due to an accident. The people had been drinking arsenic in their beer for many years, but no one was aware of it. It was only when a particular firm happened to use some extra poisonous sugar that the whole thing was found out. Invert sugar is produced by the addition of ultramarine, a poisonous matter. To give the public an idea of what they drink in some of the beers, it may be stated that, in Victoria especially, preservatives are used to an alarming extent. The reason for this is that the average temperature is much higher than in England, and this tends to cause decomposition to take place in the beer."

I will not further detain the committee. I have dozens of reports from eminent authorities showing how necessary it is to place restrictions upon the use of malt substitutes and preservatives in the manufacture of beer. But the people who give the whole case away are the proprietors of the *Australian*

Brewers' Journal. I have a number of paragraphs from that publication, dealing with complaints by brewers that the preservatives do not act up to requirements. The journal tells those who complain that they do not put enough preservative or arsenic into their beer. The people, therefore, are being slowly poisoned, and do not know it. I am very sorry that the honorable member for Echuca did not propose that pure malt beer should be altogether exempt from the excise duty. I admit that 1½d. per gallon will not make much difference, but it will at least show that this committee believes in having beer made of pure ingredients. I hope the Minister will accept the amendment as an instalment of the legislation that should be passed in the direction of giving the people pure beer.

Mr. O'MALLEY (Tasmania).—The proposal made by the honorable member for Echuca looks reasonable, on the face of it. There is no doubt that if the Commonwealth Parliament had the power to abolish tied houses it would do more to promote the manufacture of good beer than 40,000 such proposals as that now before us. We, however, cannot interfere with the rights and privileges of the various States in that direction, and we must do the next best thing. There are two ways of looking at this question. As a teetotaller I have the greatest sympathy with the beer drinkers. On one hand, the more quickly a man gets drunk the less he will spend in beer. It is true that the bad beer will injure him, and he will have to go to the chemist's shop and buy medicines, and also to the doctor and pay him a fee. Thus there will be a wider distribution of the money than if he were to get drunk slowly. On the other hand, if we are going to feed our people on beer we should do our best to insure a supply of good beer. There is no doubt, however, that if they keep well filled up with the beer made in Australia they will never become inventors, thinkers, writers, or the expounders of anything useful to humanity. Tasmania is the greatest hop-producing country in the Southern Hemisphere, and the best barley producer in the world, and I therefore cordially support the amendment of the honorable member for Echuca.

Mr. KENNEDY (Moira).—I shall heartily support the amendment. It is peculiar that notwithstanding that the demand for malt liquors has very largely

increased, the quantity of malt and hops consumed is annually diminishing. Beyond all doubt malt and hop substitutes are being used to a considerable extent in lieu of the genuine articles. I realize that what is now proposed can constitute only a very small step in the direction of insuring a pure beer supply. The preferential excise duty by itself will not give the public pure beer, but steps will also have to be taken in the direction of practically prohibiting these deleterious compounds which are now being used as ingredients in beer. It will doubtless benefit the farmers very largely if a preferential excise duty is imposed in favour of pure beer, but the chief consideration in connexion with the use of sugar is its bad effects upon the health of the people. In an immense quantity of the sugar beers brewed in Australia preservatives injurious to health are used.

Mr. WATSON.—In all classes of beers.

Mr. KENNEDY.—Particularly in sugar beers. We have some extraordinary information given to us by such publications as the *Australian Brewers' Journal*, which is not likely to say anything injurious to those engaged in the trade. In its issue of July, 1901, that journal says, in reply to one of its constituents—

How can you expect your sugar beer to keep sound in a trying climate like Australia without preservatives?

These preservatives are chiefly made up of salicylic acid, and some experiments made by a chemist of good repute in Victoria have induced him to write as follows :—

The result of the examination was that the presence of salicylic acid was shown in 109 out of 270 draught beers bought at Melbourne and suburban hotel bars, presumably of Melbourne and suburban manufacture, and five out of seventeen bottled beers of Victorian manufacture, while in the case of sixteen samples of imported bottled beers from breweries in Great Britain, Germany, Norway, Holland, France, and Japan not one was found to contain salicylic acid. Thus 40 per cent. of the Melbourne and suburban draught beers were found to be adulterated with this preservative, and 34 per cent. of the bottled beers, while the foreign beer reaches us across the equator from all parts of Europe without the aid of this adulterant.

Sir MALCOLM McEACHARN.—What date does that report bear?

Mr. KENNEDY.—It is a report by Mr. Percy Wilkinson, which is reprinted from the *Intercolonial Medical Journal of Australasia*, of 20th June, 1900. Thus it will be seen that though imported beer was paying a duty, it was absolutely free from

injurious ingredients. But I would point out that it was not the duty which had brought about that condition of affairs. It was the law under which that beer was brewed. In Europe the brewers are prevented by legislation from using any injurious adulterants in the making of beer.

Mr. POYNTON.—That is an argument for State law in this matter.

Mr. KENNEDY.—At the outset I said that I realized that an excise duty in itself would not give us a pure beer. The report states specifically that France, Germany, Norway, Sweden, Denmark, Austro-Hungary, Switzerland, Holland, and Belgium produce their beers under prohibition of the use of salicylic acid. Under Victorian legislation, however, the use of injurious adulterants will not be prohibited. The proposal under discussion constitutes one step in the direction of securing pure beer for the public, but in itself it is not sufficient to accomplish that purpose. On these grounds I trust that the honorable member for Echuca will adhere to his original proposal for giving a preferential rate of 1½d. per gallon to beer which is made exclusively from malt barley and hops. If all our local beers were brewed only from these articles, their local production would be increased fourfold, leaving out of sight altogether what should be our first consideration, namely, the health of the people. I do not think it can be questioned for a moment that the use in large quantities of adulterated sugar beer must injuriously affect the health of those who drink it. If we consider the people in the old country who drink pure beer we find that they consume an almost unlimited quantity of it, and yet attain a ripe old age. But here a man who habitually drinks sugar beers to excess, even if he is possessed of the most robust constitution, speedily becomes a wreck. To my mind we should do all in our power to prevent the brewing of liquors, the consumption of which injuriously affects the health of the community.

Sir MALCOLM McEACHARN (Melbourne).—I consider that the proposal under consideration is an extremely clever move on the part of those who are endeavouring, under cover of this amendment, to achieve a totally different object. Underlying the plea that we should deal with this matter from a health point of view, is an endeavour to raise the price of barley. That is

their real object, and although they profess to represent the Health Association and the Pure Beer Association, we know perfectly well that they are actuated only by a desire to assist the farmers. I have no objection to assisting the farmer, but I am doubtful whether this proposal will really accomplish that purpose. It is far better that any one advocating a particular course should plainly declare their object, than that they should under the pretext that they desire to help the Health Association or the Pure Beer Association, attempt to reach an altogether different goal. The honorable member for Maranoa is always refreshing, and we are at all times glad to listen to him. But I cannot congratulate him on this occasion upon having verified his facts. He refers to articles which he supposes are used in the brewing of local beers, whereas I am sure that the majority of the ingredients which he mentions—all I think in point of fact—would not pay for bringing in. What was the effect of the action of the Patterson Government in making a difference of one penny per gallon between the two classes of beer which we have been discussing?

Mr. McCOLL.—It was not the Patterson Government which did it.

Sir MALCOLM McEACHARN.—The honorable member ought to know better than I do.

Mr. McCOLL.—The Berry-Shiel's Government did it in 1892.

Sir MALCOLM McEACHARN.—The position between malt beer and malt-sugar beer is well expressed in the following extract:—

No stronger proof has ever been obtainable than the statistics in regard to this. It was, and is, known that when the preferential advantage of 1d. per gallon was granted to all malt beer in 1893, the avowed object was to encourage the use of a malt and hop beer, as against the malt-sugar beer. What has been the result? The figures show that the production of all-malt beer has been, up to the end of 1900, 5,525,794 gallons; while that of sugar beer has been 108,174,993 gallons, or about 22 times as much as all-malt. And to show that the latter is not growing in favour, we would quote the following figures:—In 1893, the production of malt beer was 516,474 gallons; in 1900 it was 600,417 gallons, or an increase of only 83,943 gallons. For malt-sugar beer, in 1893 the production was 13,501,895 gallons, and in 1900 it amounted to 15,567,889 gallons, or an increase of 2,065,494 gallons. I do not think anything more in favour of the malt-sugar beer could be shown than that, because the figures extend over a considerable length of

time, and you can see the result. This surely requires no comment beyond the fact that if the public had wished for a non-sugar beer, the demand would have led to a supply, and it is not likely that brewers would have continued to brew the malt-sugar beer, and pay the term some £450,000 extra excise.

That is the position in a nutshell. It is not a question of brewing beer cheaply, by putting sugar into it, but the point is, that the brewers have to make an article to suit the public taste. The honorable member for Maranoa spoke about "boodle"—

Mr. PAGE.—By whom is the honorable member briefed?

Sir MALCOLM McEACHARN.—I am the director of a brewery, and I am glad to learn that the honorable member for Maranoa has also been connected with that industry. But it is always the same cry with the honorable member. He is constantly speaking about "boodle," and I would suggest that he should invent another term. Surely those who advocate the course proposed by my honorable friend are making a distinction in favour of lager beer! I could almost believe that the lager beer breweries had briefed the honorable member for Maranoa to put forward the arguments which he has advanced. If the Ministry were going to benefit by the adoption of this proposal I could understand their agreeing to make a difference of 1d. per gallon between the two classes of beer. But I contend that their action will inflict hardship upon a large industry and penalize the working classes, who chiefly drink malt sugar beer, whilst it will benefit only the lager beer breweries.

Mr. McCAY.—There is no proposal to make the duty on sugar beer heavier.

Sir MALCOLM McEACHARN.—I think that the duty upon the two classes of beer should be the same. I say that honorable members who desire to raise the price of barley, and thus favour the lager beer breweries, should be very careful before making statements to the detriment of a very large industry. The speech of the honorable member for Maranoa was a most ill-judged one. He ought to know something about the business, having been a brewer himself.

Mr. PAGE.—I was not a brewer; I merely put my money into it and lost it.

Sir MALCOLM McEACHARN.—I hope that the vote in favour of the lager beer breweries will not be carried.

Mr. PAGE (Maranoa).—In view of the statement of the honorable member for Melbourne that the amendment, if carried, will have the effect of raising the price of barley, I am more than ever pleased that I spoke in favour of pure beer.

Mr. WATSON (Bland).—The honorable member for Maranoa seems to be under the impression that those who object to this proposal are anxious that the people shall be supplied with adulterated beer. In the first place he ought to know that such is not the case, but not being a beer drinker he has not taken that interest in the subject which I have. It seems to me that all the non-drinkers are experts, whilst those who drink are not allowed to have any voice in the matter. The honorable member for Maranoa should know that all the preservatives and adulterating ingredients which he has mentioned are sometimes used by the brewers of both classes of beer.

Mr. PAGE.—How does that statement accord with the speech of the honorable member for Melbourne, who says they will not pay for bringing in?

Mr. WATSON.—While most of those who brew beer do not use any of the ingredients mentioned, they may be used by either class of brewer. Therefore it is for the States to legislate to prevent ingredients being put into beer which are harmful to health. I contend that if this proposal is carried, it will not achieve the object at which honorable members are aiming.

Mr. EWING.—The Tariff will not affect the question of adulteration a bit.

Mr. WATSON.—Nor will the proposal to make a difference of three halfpence a gallon in the excise duty cause any alteration in the proportions of sugar and malt beer consumed by the people. They have their tastes fixed under present conditions. Another argument which is being used by some advocates of this proposal is that it will increase the price of malt. But in this connexion the experience of Victoria shows that the operation of such a provision has made no difference whatever in the demand for malt. As a matter of fact, notwithstanding the distinction and advantage which has been given to the malt beer, its consumption has steadily declined in Victoria, whilst that of sugar beer has steadily increased. Another argument of which I have just been informed, and which, even from my own knowledge acquired here, I believe to be

true, is that a brewing company which was established in Melbourne, almost wholly for the purpose of brewing malt beer, has been compelled to commence brewing sugar beer in order to meet the demands of the customers of a number of tied hotels which have been acquired by that company. Today that brewery produces two classes of beer, although it was started and gained its name for beer brewed from malt and hops; and that is evidence of the truth of my statement about the taste for sugar beer amongst the people. I am convinced that, so far as health is concerned, it is possible to brew sugar beer that is not more harmful than malt and hop beer. That there is a greater amount of adulteration in sugar beer ordinarily, I am prepared to admit; but that is a question which may be dealt with in another shape. Those who build hopes on this proposal as a means of producing a large alteration in the proportion of sugar-beer consumed are doomed to disappointment. The only way to secure the consumption, to any large degree, of malt and hop beer, would be to allow the latter to be sold, so long as it was not over a certain strength, without any restriction, fee, or licence, so that the cheap rate might encourage people to consume a drink which, in the majority of cases, is of low alcoholic strength, not intoxicating, and harmful only to a small degree, if at all. That, however, is apart from the proposal which, I regret, the committee seem inclined to pass into law.

Sir MALCOLM McEACHARN (Melbourne).—The statement was made on information supplied to the honorable member for Maranoa, that the Pure Beer Bill had passed its second reading in the House of Commons, and honorable members may, therefore, be under the impression that that measure has become law. As a matter of fact the Royal commission which considered the question for three years, was so much against the Bill that the latter has not been passed.

Mr. KINGSTON.—I think the offer made by the Government is very fair. We have offered in regard to this particular duty to reduce it to 2d. in favour of malt and hop beer, and that is a sufficient sacrifice of revenue to encourage the use of pure beer, if it can be encouraged in this way. The offer of the Government avoids excessive loss to the revenue, which would result from a lower duty, and I do not think that

at this time we are in a position to be at all too liberal in the way of remitting duties on particular articles. We cannot do very much in the shape of directing the taste of the people by means of Tariffs. The people interested will consume what beers they please, and past experience has shown a preference for sugar beer, the proportion between the two classes being altogether in favour of the latter to the extent of about 95 per cent. As a matter of fact I do not think that the consumption of malt and hop beer amounts to 3 per cent. of the whole. In regard to the question of preventing the sale of liquor which is to some extent deleterious or not so good as others, we cannot do that by a mere Tariff arrangement. That requires well thought out and carefully devised sanitary legislation, to which we ought to direct our attention.

Mr. PAGE.—Every one admits that.

Mr. KINGSTON.—If we deal with these questions simply by Tariff proposals, we fall far short, and may cause a considerable sacrifice of revenue without any corresponding benefit. I do not think there will be much benefit to the farmer, much as I should like to see that result. I do not think, further, that the relative consumption of the two classes of beer will be much altered, or that the price will be affected.

Mr. POYNTON.—As much will be got out of this duty as out of a duty on straw.

Mr. KINGSTON.—In Victoria, I believe, from the information I have received, that the price remains the same.

Mr. V. L. SOLOMON.—I do not think the price is the same.

Mr. KINGSTON.—I have no special knowledge, but, on inquiry all round the committee, I find a consensus of opinion that the price to the consumer is the same. In a matter of this sort, it is good to have the advice of an expert, and I have here a clear and concise report of the Chief Inspector of Distilleries, who has had occasion for years to consider these questions, and who says—

If the excise duty on malt and hop beer is made lower, I do not think it will affect the farmers in the slightest degree. The brewers of malt and hops only will probably pocket the difference, and hence make a profit at the expense of the Commonwealth.

Mr. REID.—I wish the Government had acted up to that report. The penny is a serious matter in view of that opinion.

Mr. KINGSTON.—That is the way in which the inspector puts his report, and I am inclined to the same opinion. At the same time, the Government are disposed to give the other side the benefit of the doubt to the extent of allowing the difference which previously existed in Victoria. Exception may be taken to our going so far, and I do not think we ought to be asked to go any further. It is a delightful task to read a sentiment so excellently expressed by the inspector as the following:—

Unless Parliament can force the people to drink malt and hop beer, there is no use lowering the duty.

It is possible that farmers may be benefited, and that some alteration may be made in the tastes of the people, and, on these points the Government give the benefit of the doubt. We do not, however, see our way to go further, and hope the committee will be content with what we propose.

Mr. REID (East Sydney).—It may be well that the concession which the Government have determined to make will not have any serious effect on the revenue, but that is a point which is not quite clear.

Mr. KINGSTON.—I quoted figures when the leader of the Opposition was not present.

Mr. REID.—I understand that the particular kind of manufacture which it is sought to encourage by a difference in the excise is one which has not acted on the public taste, but that in fact this pure malt and hop beer represents something below 5 per cent. of the Australian beer produced. If matters are in that state, the concession is not one of very serious moment. In the face of the strong, and probably accurate, and very succinct report which the Minister has read, I am afraid a proposition of this sort would have had very short shrift had it been made from another quarter. It would, I think, have been used with sledge-hammer effect on some of us had we endeavoured to interfere with the Government proposal.

Mr. KINGSTON.—I have given the committee the benefit of the report.

Mr. REID.—This report, if I may say so without disrespect, should have strengthened the backbone of the Government sufficiently to cause them to adhere to their proposal. On all sides we agree that when we come to matters of excise on spirits, tobacco, cigars, and cigarettes, we arrive at the chief

revenue-producing items of the Commonwealth; and, just as we desire to co-operate with the Minister, we hope the Minister will co-operate with us when we desire to protect those sources of revenue. From whatever point of view we regard financial problems, we must be pretty firm in regard to revenue items of a large character. If the matter had been more serious it might be that I should have had very strong objection to the course taken by the Government, in coming down at the beginning of the consideration of critical questions, on the invitation of the honorable member; but on the facts, the concession does not seem to mean very much. At the same time, should it turn out to have a serious effect on the revenue, it will be a matter which we shall all very much regret.

Mr. KINGSTON.—I do not think we may expect that, if we stick to the Victorian lines.

Mr. REID.—I hope not, but the facts seem to point the other way.

Mr. KINGSTON.—I suggest to the honorable member for Echuca that it would be well to submit his amendment in the same terms as were used in the Tariff of Victoria, namely, "beer brewed from barley malt and hops exclusively."

Mr. McCOLL (Echuca).—I give way on this point in deference to the views of my friends who have supported me, and I acknowledge the kindness of the Government in accepting my proposal.

Mr. REID.—The honorable member has done very well; he must have a lot of honorable members behind him.

Amendment amended accordingly and agreed to.

Item, as amended, agreed to.

Item 134. Spirits, viz.:—

Distilled wholly from grape wine, barley, malt, molasses, or maize per proof gallon 11s.
N.E.L, per proof gallon 12s. 6d
For fortifying Australian wine or making vinegar, per proof gallon	1s.
Methylated, per gallon 6d.

Mr. REID (East Sydney).—I do not wish to propose any amendment which might have the effect of limiting or embarrassing the discussion in any way. But if there is one item about which we ought to be careful, it is that of spirits, which is the chief revenue producer of the Commonwealth. I wish at the outset to express a very strong

hope that, in view of the enormous importance of this line to the revenue, any discussion that may take place will be entirely free from party bias. In New Zealand all parties united to deal with this matter as a question of revenue alone.

Mr. KINGSTON.—In New Zealand, in the first instance, the excise and import duties were the same. Then a duty of 14s. was imposed on foreign spirit, and an excise duty of 7s. on local spirit; and, finally, they made the import and excise duties equal.

Mr. REID.—We are not in as embarrassing a position as they were in in New Zealand; but the revenue consideration presses very seriously upon us. During the consideration of the Tariff, the Government have manifested a good deal of anxiety on account of the revenue, sometimes upon occasions which, to outsiders, might not appear of very great importance. The item now before the committee, however, is a revenue item which looms before us in a very emphatic manner. I have given a great deal of thought to this matter, as I believe most honorable members who are anxious to see a successful Tariff established have done, and I have come to the conclusion that a difference of 1s. between the import and excise duties would be sufficient protection for the local industry, though at the present time I do not propose to move any amendment.

Sir GEORGE TURNER.—Would the right honorable member have no differentiation at all?

Mr. REID.—I would have no differentiation. I would make the revenue my main object, and impose an import duty of 14s. and an excise duty of 13s. per gallon. Although I have often expressed the desire in New South Wales—and I hope that we shall ultimately do it here—to bring down the import duty to 12s. per gallon, I should not like to take the responsibility of moving any reduction at the present time, since the committee has fixed the duty at 14s. after very careful consideration. My desire at the present time is, not to take revenue from the Government, but to increase their revenue. While, of course, I should prefer to have the import and excise duties equal, as they were in New South Wales, I do not think there is the slightest chance of such a proposal being carried, and therefore, as it is impracticable, I am unwilling that time should be taken up in discussing it. A.

difference of 1s. a gallon would, however, give a very substantial amount of protection to the few distilleries which we have in the Commonwealth at the present time. I have been informed that most of the ordinary bulk whisky which comes into Australia—I do not speak, of course, of the finest qualities—runs from about 2s. 6d. to 3s. per gallon in bond, and that the expense of bringing whisky out here from the old country, including freight, the cost of casks, and everything else, amounts to 1s. 5d. or 1s. 6d. per gallon.

Mr. WATSON.—I was in a firm which imported spirits—not whisky—and I know that the importation charges did not amount to anything like that.

Mr. REID.—I have my information from what I believe is a competent source. The local distillers have this advantage over the distillers whose spirits are imported, that they often get their casks back, whereas the casks which are imported are never returned. Suppose, however, that we put down the charges connected with the importation of spirits at 1s. per gallon.

Mr. EWING.—If the spirit is worth 2s. 6d. per gallon in bond, and costs 1s. 6d. to bring it here, it must cost only 1s. to manufacture.

Mr. REID.—I have been informed that well-known brands of spirits are imported into England from Germany at prices ranging from as low as 7½d. up to 9d. and 10d. per gallon. If the cost of distillation is only 1s., a protection of 1s. per gallon in duty, and the natural protection, which is equal to another 1s. per gallon, is very large.

Mr. HIGGINS.—But the imported article enjoys the advantage of a prejudice in its favour.

Mr. REID.—I think the public are beginning to understand that there is not much ground for that prejudice. At any rate, there is no prejudice in the matter amongst the publicans. If the original cost of a good Continental spirit in London is less than 1s. per gallon, a protective duty of 1s. per gallon, plus the natural protection afforded by the cost of importation, which is equal to another 1s. per gallon, should be sufficient for our local distilleries. Some very competent judges say that if there is a difference of 3s. between the import and the excise duties, as the Government propose, it will lead to a very serious diminution in revenue.

Mr. THOMSON (North Sydney).—I agree with the leader of the Opposition that this is a matter of such serious import to the future revenue of the Commonwealth that, now that we are entering upon federation, and before distilleries are dotted over the face of Australia, we should come to some decision as to whether the industry is one which it is desirable to specifically encourage at the expense of our revenue, or whether it should be content with the large natural protection which it must always enjoy. The products which are used in the manufacture of spirits are usually as cheap in these States as in any part of the world, and, indeed, we have to export them to the more densely populated centres of the world in order to obtain a market for them. Under these circumstances I am of opinion that, if the industry cannot live without the enormous artificial protection offered by the Government, it is better that we should not have it at all. According to the Victorian statistics this industry employs some 69 hands in Victoria, who receive an average wage of £1 17s. 6d. per week, and to provide employment for those people the State submits to an annual loss of revenue amounting to about £35,000. I am taking the figures which most favour the advocates of the differential duty. In addition to that, we must anticipate the increased loss which federation will entail. Distilleries will be distributed through all the States, and their products will be sold far and wide to a much larger extent than heretofore. This will involve a further loss of revenue. It is useless to talk of any benefit that will accrue to the farmer, because the farmer can get from the distillers only the price which he can procure for his produce in the markets of the world. I am not in favour of purchasing the distilleries in order to enable us to equalize the import and excise duties. I think that is a principle which would be far too wide for us to adopt, because, if we attempt to apply it to one industry, we shall have to extend it to others. I agree that, where we decide that the preference previously given to an industry shall cease to be extended to it, we should withdraw the advantage as gently as possible. I therefore favour the gradual reduction of the difference between the excise and import duties. If we do not gradually work the excise duty up to the level of the import

duty we shall suffer greater and greater loss of revenue as the operations of the distilleries extend, and as the opportunities for producing an article more cheaply are increased. This decrease of revenue will be felt more and more year by year. The local distillers are able to obtain their raw products as cheaply as in any part of the world, and they enjoy a very considerable protection in the shape of the cost of importing spirits from abroad. There is no reason, therefore, why they should not maintain their existence and increase their trade. If they do increase their output, and derive large advantage in consequence, we should see that they do not make their profits at the cost of the general community. If we maintain a wide difference between the excise duties and the import duties, the distillers will achieve their success at the cost of the general community. The larger the difference the greater the cost. I do not wish to propose an amendment at this stage, because I desire that honorable members should have the fullest freedom of discussion, but I have expressed my views, and I shall probably endeavour to give effect to them, because I consider that we ought now to face the whole question. Now is the time to do so. It is not desirable that we should allow vested interests to be created, and then deal harshly with individuals. At present we have a limited number of distillers to deal with, and even though we offer them less advantages than before in one direction, the larger market afforded them under federation will enable them to produce their spirits more cheaply, and give them greater scope than in the past. More than this, the distillers who are already in the field will have an immense advantage over others who may contemplate embarking upon the industry. I desire to move in the direction of establishing a certain rate of excise; and, by a sliding scale, gradually approaching the import duty. To my mind it is inconceivable that our manufacturers, with the wider markets of the whole Commonwealth, cannot compete with the imported article. In a few years, they ought to be able to compete, not only in these markets, but in some of those nearest to our shores, against productions from abroad. If we adopt the course I am indicating, we shall get rid of a danger that seriously threatens the revenue in the future, without doing any

more than a temporary injury to those engaged in an industry which will eventually reach a fuller development, and be conducted on a more profitable basis.

Mr. KINGSTON.—Speaking on the subject of excise generally, of course it does happen that articles are frequently selected to be the subject of excise duties; but it seems rather hard that local products—native to the soil and climate—should, immediately they are made into saleable articles, become the subject of tribute which practically exceeds their value. In no case, except the few instances in which commodities are selected for the imposition of excise duties, is any attempt made to levy any serious taxation on any special industry.

Sir WILLIAM McMILLAN.—The distillation of spirits stands absolutely apart from every other industry.

Mr. KINGSTON.—In connexion with excise duties, we have to consider certain conditions that induce us to look more favourably upon some articles than upon others, and, as I have said, it seems rather hard to levy tribute on industries native to our soil and climate. The Government feel this very strongly, and they have proposed only one new excise duty, namely, that upon sugar. This is proposed with great reluctance, owing to the necessities of the moment, and under conditions which provide for its earliest discontinuance. I think that we should much prefer, if possible, not to impose this excise at all. The same conditions which induce us to come to this conclusion with reference to sugar should induce us to deal similarly with other industries which are native to Australia. I am not contending for the total abolition of excise, because we cannot afford to entertain any such idea at the present moment; but I believe we shall all be animated by the desire to do as little as possible to harass and embarrass an industry which may be considered to be truly Australian, and capable of the greatest development if it is not unnecessarily or unduly hampered by fiscal conditions. As regards this question of spirits, I believe I shall have the committee with me when I say that Australia is entirely suited for the production of spirits of the very best quality, and that it is well that we should encourage such production, and the disposal of the goods by those who produce them, taking full advantage of conditions which are

eminently suitable for the establishment and development of Australian industry.

Sir WILLIAM McMILLAN.—Why cannot the right honorable gentleman leave the protectionist argument out of this item?

Mr. KINGSTON.—We are bound to look at this matter in all its aspects. Honorable members admit that protection is a proper principle to apply in this case, or else we should have found them moving for the equalization of the customs and excise duties.

Sir WILLIAM McMILLAN.—That is what we are proposing.

Mr. KINGSTON.—Then I understand that the object of honorable members opposite is to sweep away the difference between the customs and excise duties, and to expose the distillers and those from whom they get produce to the unrestricted competition of the outside world. The leader of the Opposition did not go that length, and I did not understand the honorable member for North Sydney to go so far.

Mr. THOMSON.—I propose to do it gradually.

Mr. KINGSTON.—Then our distillers and wine-makers are to be skinned by slow stages until they become used to it, and learn to enjoy the operation. I admit freely that it is quite possible to give too much protection in this respect. The leader of the Opposition referred to the case of New Zealand, where spasmodic attempts to deal with this matter resulted in disaster. At first the two duties—customs and excise—were the same, namely, 14s. per gallon. Then a sudden spasm of protection passed over the land, with the result that the excise was reduced to 7s. per gallon, whilst the customs duty remained at the old rates, thus giving a preference to the local article of 7s. per gallon. Of course that could not last. The revenue suffered to such an extent that the pendulum swung in the other direction. The two duties were again equalized, and compensation was made by the State to the persons concerned, either by direct payment or by a continuance for a limited term of the privileges which they had previously enjoyed. We do not propose anything of the sort. I ask honorable members to look at the condition of things which prevailed prior to the introduction of this Tariff. In South Australia, which, of course, is largely interested in wine-growing and the distilling

of spirit, and which, I venture to think, has turned out as good wine and as excellent spirit as has any part of Australia, the customs duty was 15s. per gallon, and the excise 9s. 4d. per gallon—a difference of 5s. 8d.

Mr. V. L. SOLOMON.—There was an allowance made for underproof spirit, which reduced the customs duty to 12s. 6d. per gallon.

Mr. KINGSTON.—The nominal difference was of the character to which I have referred. That was a very considerable duty. But are we proposing to continue it? Nothing of the sort! We are simply proposing a difference of 3s. in respect of spirits distilled from wine and from the more approved material, and of 1s. 6d. in the case of spirits of an inferior quality. In New South Wales there was no difference between the customs and excise rates, and of course that enables the representatives of that State to view this proposal with comparative equanimity. I do not say that they do not take an Australian view of it, but, at least, they have not brought home to them so closely the suggestion that existing industries may be disturbed, if not destroyed, because, as a matter of fact, New South Wales has no local distillery. In Victoria, the difference was 4s. per gallon in the case of the better class of spirits, and 2s. per gallon in the case of those which were of a lower quality. In Queensland, the difference was 3s. per gallon. There, the charge upon the local spirit was 12s. per gallon. Owing to the possession of molasses Queensland was able to produce spirits more cheaply than was any other part of Australia, though perhaps she did not produce them of the same attractive quality. These are the conditions which operated prior to the introduction of the Federal Tariff. Distilleries have sprung up in some of the States. In themselves they may not be employing very many hands. I do not think that they are. But they employ a sufficient number to render them worthy of consideration. Just as in connexion with brewing we recognise that the establishment of breweries is important because it assists in providing a market for the products of the farmer, so undoubtedly distilleries in the States which possess them are of importance in finding markets for wine and produce, which are utilized in the processes of distillation. The matter seems to me of very considerable importance. I

appreciate thoroughly the way in which honorable members opposite have urged that this is a question to which we should give our very best consideration, and at this stage I think it well to intimate what are the conditions in favour of continued protection, and I hope that they will have weight with this committee.

Mr. WATSON (Bland).—I am one of those who are willing to give some consideration such as has been suggested by the Minister for Trade and Customs to these local industries. But it seems to me that that is not incompatible with a desire to make the excise duty higher than it is at the present time. We must recollect that every additional shilling which is imposed upon spirits by way of excise means a revenue of £50,000 or £60,000 per annum to the Commonwealth.

Sir GEORGE TURNER.—Upon excise?

Mr. WATSON.—I have worked the matter out very carefully, and I am convinced that the figures upon which the Treasurer has made his estimate are not reliable. For this, however, neither he nor his officers are to blame, but it is chiefly due to the very lax system which existed in New South Wales in connexion with the stills in vineyards.

Sir GEORGE TURNER.—£50,000 annually represents a million gallons at 1s. per gallon.

Mr. WATSON.—In addition to the lax system which prevailed in New South Wales there was no proper supervision in other places, and I am convinced that when the results are known each additional shilling which we impose will represent at least £50,000, probably more. Then again those who believe in paying some regard to the principle laid down by the Government that there shall be no destruction of existing industries, should endeavour to realize what the Government proposal means so far as its protective incidence is concerned. I think that the leader of the Opposition was slightly in error as to the original cost of matured whisky in England, and the cost of landing it after paying freight and other charges. My information is that the cost of reasonably matured whisky in England is about 1s. 6d. per gallon. The freight, evaporation, insurance, &c., amounts to about 1s. per gallon.

Mr. REID.—Will the honorable member pardon me for a moment. I now have the authority for the statement which I made,

if I may be allowed to mention it. My authority is the *Wine Trade Review* of the 15th October, 1901, which shows large sales in London of Belgian pure grain spirit, Anchor brand, at 7d. per gallon, casks extra. German spirits were quoted on the same day at from 9½d. to 10¼d. per gallon, 65 to 68 over proof. I might add that in Scotland the price of Scotch whisky is 1s. 3d.

Mr. WATSON.—I was not questioning that portion of the right honorable gentleman's statement, because it is a fact that German and Belgian spirit is sometimes sold in London lower than the price which he mentioned. But that is not the mature spirit of which I was speaking, because that very same German and Belgian grain spirit is held by the dealers in London for some time before it is sold to the colonial buyers. Of course it becomes more matured in the interim, and that fact increases its value. But I was speaking of reasonably matured whisky, which would be sold there at about 1s. 6d. per gallon. That represents a profit upon the 7½d. per gallon, and an increased value according to the time during which it has remained in bond or in the cellars. Of course, upon its arrival here it could be kept with advantage for another year or so. If we insist upon a difference of 1s. per gallon only, as between the product of Joshua Bros. or any similar firm and the imported article, we shall give an advantage of 66 per cent. on the original cost of the grain spirit in London.

Sir GEORGE TURNER.—The average is about 4s. per gallon here.

Mr. WATSON.—I do not think it amounts to that. I think it will be found that the greater quantity of whisky consumed by the average run of the public is sold at about 2s. 6d. per gallon in bond. But there is another important aspect of this question to which I do not think the committee have given sufficient attention, and that is that in fixing the excise at 11s. per gallon we deal not only with spirits intended to be drunk in the ordinary way, but also with spirits which are used for commercial purposes—spirits which may be obtained from molasses, potatoes, or a thousand and one things.

Mr. KINGSTON.—Commercial spirits are methylated.

Mr. WATSON.—That is another class of commercial spirits to which I intend to address myself at a later stage. But if we

take spirits which are used for tinctures, essences, and perfumes, we shall find that in the total they represent a very considerable item so far as Australia is concerned. The effect of maintaining a distinction of 3s. between the customs duty and the excise will be to place this class of spirit in the hands of the Colonial Sugar Company only. That company, with a difference of 3s. per gallon in its favour, can beat all competitors. By increasing it only 1s. 6d. per gallon they can beat all competitors, and make enormous profits, because that amount represents nearly 150 per cent. upon the original cost of the article. I was formerly a member of a firm which landed commercial spirits at 10½d. per gallon after paying all charges, and recently I was informed by a member of the same firm that several shipments of commercial spirits had had to be diverted to New Zealand, because of the impossibility of bringing them in and competing with the product of the Colonial Sugar Company. I do not for a moment say that the Colonial Sugar Company should not be given every reasonable opportunity of supplying the local market. I do not wish to create conditions under which people will go by way of preference to outsiders for their spirits, but when a preferential duty of 3s. per gallon is proposed in favour of the local product, we are attempting to carry protection to an extreme to which I trust this committee will not agree. By adopting such a proposal we shall simply be playing into the hands of monopolies to the detriment of the Commonwealth revenue. Honorable members must recollect that every pound of revenue which we fail to collect from items of this description must be raised in some way constituting a burden upon the people generally. I cannot go as far as the honorable member for North Sydney, who would put the two on a level, starting from the point set down by the Government. I disagree with the honorable member in his contention that it is necessary to keep at the point proposed by the Government in order to give those people a fair chance. I contend that both the people who distil spirits for drinking purposes, and those who distil for commercial purposes, would be well protected, in the first case to the extent of 66 per cent., and in the latter case to the extent of over 100 per cent., by the distinction of 1s.

Mr. Watson.

between the excise and the import duty. Further, I cannot agree with the honorable member for North Sydney in putting the two on a level of 14s. after a term of years. In view of the fact that it does take some little time, as a rule, to overcome the prejudice against a new article of colonial production, it is proper to give some little consideration to existing industries, especially as people have been encouraged under the various local Tariffs. In my opinion, a difference of 1s. would give all the protection to which those engaged in the business are reasonably entitled, in order to insure that the brands already on the market shall have a fair chance of competing with the imported article.

Mr. HUME COOK.—Would the honorable member restrict the margin, or would he extend it in the case of grape brandy?

Mr. WATSON.—I should put all on the same basis; but grape brandy, commercially speaking, is non-existent.

Mr. SALMON.—It is certainly commercially existent.

Mr. WATSON.—With all respect, I am prepared to submit to an analysis the brands of commerce in use in Melbourne or any other city in the States, and to assert that none will be found to be pure brandy.

Mr. KINGSTON.—I guarantee that I can put one pure brandy into the hands of the honorable member.

Mr. WATSON.—That could be got from the distillery in South Australia, but it is not sold in hotels.

Mr. KINGSTON.—Are we responsible for what is done in hotels?

Mr. WATSON.—I am only replying to the interjection of the honorable member for Laanecoorie, and saying that the pure grape brandy cannot be sold at a price at which the hotel-keeper can afford to retail it.

Mr. SALMON.—It can be bought for 3s. 9d. per bottle in Melbourne.

Mr. WATSON.—I think the honorable member is allowing his imagination to run away with him. I do not say that for medicinal purposes, perhaps, we ought not to encourage the production of pure grape brandy, but what is called brandy, and sold by Joshua Bros., amongst others, is not made from grapes, but very largely from molasses.

Mr. KINGSTON.—Does the honorable member say that we cannot get good pure wine brandy now?

Mr. WATSON.—I say that we cannot get it in hotels, and that, commercially speaking, it is non-existent.

Mr. KINGSTON.—I have an invoice in my pocket for a case at £2 5s.

Mr. WATSON.—Will the right honorable gentleman submit that to analysis, in order to see whether it is pure grape brandy?

Mr. KINGSTON.—I shall. I shall submit it to every member of the House.

Mr. WATSON.—The leader of the Opposition may recollect that some years ago, at one of the Government institutions in Sydney, a medical officer brought a storm about his ears by laying down the rule that the inmates of that institution should be given matured white spirit. When the press expressed horror at such an inhuman proceeding, the doctor explained that for years past all the samples of brandy sent to the institution had, on analysis, been found to be white spirit, and that he was determined the Government should in the future get the article for which it paid. So far as spirits generally are concerned, we have a right, to some extent anyhow, to regard them from a revenue point of view. Every one acknowledges that from narcotics and stimulants we are entitled to get a large proportion of our revenue, and I do not think that we are justified, in the interests of two or three firms who employ very few people, in making the enormous difference the Government propose, which can result only in the accumulation of large fortunes by these people, and in no difference so far as the consumer is concerned. If the result were to give the consumer cheaper or better whisky or brandy, there might be some shred of argument for the course proposed. That is the case in regard to the low excise on beer, because at 3d. per gallon the beer can be retailed at 3d. per pint in most parts of this continent. That means that the consumer gets the benefit of the low excise; but in reference to spirits the consumer gets no benefit—viewing the consumer as a man who goes to an hotel—because he pays 6d. a “nobbler,” whether the duty be 11s. or 14s. From that point of view, I maintain that we are justified in imposing a duty of 13s., which leaves a fair and reasonable amount of protection to those engaged in the industry.

Mr. CONROY (Werriwa).—I am surprised to hear the Minister for Trade and Customs speak of distilling as an industry which

should be encouraged in Australia. I should have thought that protectionists and free-traders would regard this item from the same point of view, and that neither could be charged with having any particular interest in advocating one course or the other. But the Minister has made an appeal to the House that we should give a large protection to this industry because certain individuals are employed. In fact, the Minister has gone so far as to say that, had it not been for revenue considerations, he would like to see “hundreds and hundreds” of distilleries within the Commonwealth. Such a view, however, is entirely foreign to the ideas of a great many people in this country. If there is any industry that we can spare it is this, and, so far from giving it extra encouragement, we should follow the example of New Zealand, and practically prevent distilling. If we did that, we should be able to see that every ounce of spirits coming into the market was of a certain quality, though, of course, this is more a matter for an Adulteration Act. There is not a teetotaller in Australia who does not think this industry inimical to the interests of the Commonwealth; and yet we have been asked to allow a difference, amounting to 3s. a gallon, which, in the case of Victoria, would last year have resulted in a loss of something like £35,000. The number of men employed in the industry in Victoria is 69, at wages representing £130 per week, or about £7,500 a year. In order that this amount may be earned, the Minister for Trade and Customs proposes a difference that will allow the various firms interested to get £35,000 per annum for themselves. One firm alone makes over 80 per cent. of the spirit used here, so that really the large amount of money I have mentioned would go to that firm. In New South Wales there was no difference between import and excise duties, and the result is that practically there are no large distilleries in that State. There was a difference made in South Australia and in Queensland, and we are now asked to give up an amount of revenue which in the first year will represent from £100,000 to £110,000 to the Commonwealth, and in three or four years £150,000 per annum. Possibly the idea is to make up this loss by an increased duty on tea or on coffee, because we know that the Government are taking that course in regard to other teetotal drinks. Neither

Victoria nor any other State can afford to give up this large revenue, and I very much doubt whether, if all the spirits consumed in the Commonwealth were made here, 70 extra hands would be necessary for the industry.

Mr. SALMON.—It must not be forgotten that nearly all those employed are employed indirectly in producing the raw material.

Mr. CONROY.—It is scarcely arguable that distilleries create any market for wheat, corn, or potatoes; indeed, distillation might be regarded as the destruction of good food. Some 80,000 gallons of wine are consumed here, but the export amounts to five times that quantity, and immediately an article is exported its price is regulated by the prices obtaining in the outside market, so that the grower then gets no advantage. We are asked to give up revenue amounting to £100,000 at the present time—and the loss is likely to increase in the next three or four years to £150,000—practically for the benefit of three firms, who employ only a very small number of men. I trust that the committee will not agree to the difference in the duty which is now proposed. I do not wish to see any difference. I should like to see the excise and import duties the same as they have been in New South Wales and are in New Zealand, where there are no distilleries.

Sir JOHN QUICK (Bendigo).—I join with other honorable members in the view that this is an extremely important question, and one which must be considered calmly and dispassionately—not solely from the protectionist or free-trade point of view, but in the endeavour to meet the requirements of the revenue, and to do justice to all concerned. I shall be very sorry if anything I suggest or say can be considered inconsistent with that view. In order to prepare myself for this discussion, I have taken the trouble to ask the Custom-house officials for information in regard to the production of spirits in Victoria; and I find, from the figures which they have supplied to me to-day, that the spirits manufactured in Victoria during 1900 amounted to 398,581 proof gallons, of which 159,493 proof gallons were distilled from barley malt; 27,524 proof gallons from barley malt and other grain; and 217,564 proof gallons from molasses. So that a difference of 3s. per gallon would amount to a protection of £59,787.

Sir GEORGE TURNER.—I understand that the figures which have been given to the honorable and learned member include methylated spirits. Duty was paid on 192,000 gallons in 1898, and upon 204,000 gallons in 1899; so that the average production is about 200,000 gallons.

Sir JOHN QUICK.—The total quantity of spirit distilled in 1900, including wine spirit, amounted to 469,671 proof gallons. I wish to discriminate between these two classes of spirits. The Government place all classes of spirits together, and give them a protection of 3s. per gallon, but I think that a protection of 2s. per gallon is sufficient for spirit distilled from barley malt, molasses, and maize, though I would allow the difference of 3s. per gallon to apply to spirits distilled from grapes. With a view to imposing an excise duty of 11s. per gallon on spirit distilled from grapes, and of 12s. per gallon on spirit distilled from barley malt, molasses, and maize—leaving the duty on “spirit n.e.i.” at 12s. 6d. a gallon—I move—

That the following words be omitted:—“Barley malt, molasses, and maize.”

If the amendment is carried, I shall propose the insertion of a new line, imposing a duty of 12s. per gallon upon spirit distilled from barley malt, molasses, and maize.

Mr. REID (East Sydney).—Is much spirit included under the term “spirits n.e.i.”?

Mr. KINGSTON.—Yes. It includes spirit made from potato and many other things.

Sir MALCOLM MCEACHARN.—Spirit made from unmalted barley, oats, and rye, for instance.

Sir GEORGE TURNER.—It includes about one-half.

Mr. REID.—That being so, I am afraid that the amendment which the honorable and learned member has moved will embarrass those of us who wish to impose a duty of 13s. upon all spirits. If a majority is in favour of a duty of 13s. all round, there is no need for a discussion about a differentiation, whereas, if a majority is against a duty of 13s. all round, what the honorable and learned member proposes can be done.

Sir GEORGE TURNER.—The right honorable member can do what he wants by moving the omission of the words “grape wine,” with a view to testing the feeling of

the committee as to whether the duty should be 11s. or 13s.

Mr. REID.—That is a very fair suggestion, and if the honorable and learned member for Bendigo will withdraw his amendment, I shall accept it. I am opposed to any differentiation.

Amendment, by leave, withdrawn.

Mr. REID (East Sydney).—I move—

That the words “grape wine” be omitted.

I am asking the committee to agree with me that there shall be only one rate of duty, namely, 13s. Those who differ from me will vote against the omission of these words. I do not wish to take up any more time upon this matter, although it is a very important one. The whole question has been placed clearly before the committee, and as the distilling industry is not a very large one, and the difference of 1s. between the import and excise duties represents about 66 per cent. of the value of spirits in the old country, I think it affords a sufficient margin. In addition to this, the cost of bringing the spirit out to Australia was stated by the honorable member for Bland at 1s. per gallon, and although I think the expense involved is greater, I will accept that figure. Therefore, we have a margin of 66 per cent., plus the extra protection of 1s. per gallon, which affords a very handsome margin.

Sir GEORGE TURNER.—I think we should undoubtedly differentiate between the several classes of spirits. Whether we should put grape wine, barley, malt, molasses, and maize on the same basis, as the Government propose, or adopt the suggestion made by the honorable and learned member for Bendigo, that there should be a distinction made between grape-wine spirit and that produced from other materials, is a question that may well be considered. There should, however, be no hesitation on the part of the committee in following the principle which we have already adopted in regard to beer, namely, that of fixing differential duties. If there is any distillation that we should encourage, it is the making of brandy from the grape wine. I think that will be admitted by all of us, no matter what may be our particular shade of political opinion. Something has been said in regard to the value of the imported spirit, and no doubt there is a great difference in the values of imported brandies and whiskies. I have obtained from one of our

officers, who has a full knowledge of the subject, a statement as to the import values of the different articles, and I think that honorable members should carefully consider this when coming to a conclusion as to whether we should give a fair preference to the brandy made from the grape wine over brandy made from other substances. The invoice prices for Continental brandy vary from 5s. to 15s. per gallon in bulk. British brandy varies in price from 4s. to 6s. When we come to whisky we find a vast difference. Inferior whisky is valued at from 7d. to 1s. per gallon, and the better qualities at from 1s. to 2s., while the really good spirit is slightly higher in value. This shows clearly that the brandy is of much higher value than is whisky, and when we average the prices of spirits imported we find that the figures come out at about 4s. I do hope that the committee will adopt the principle of differentiating the spirit duties, and agree to give special encouragement to the distillation of spirits from grape wine. I have no particular knowledge of this subject, but the information given to me is that the brandy locally distilled from grape wine is a really good article, and one that is wholesome; whereas there may be some question as to the quality of the spirits distilled from some other substances not only in Australia, but in other countries.

Mr. REID.—If the spirits are not wholesome they ought to be suppressed.

Sir GEORGE TURNER.—That is a matter for State legislation, with which we cannot interfere. We are, however, justified in encouraging the manufacture of the better class article, as far as we possibly can, by means of the excise duties. That principle has been followed out in Victoria for many years, and, I believe, with fairly good results. However, it is very difficult to fix the exact rates of duty. We thought we ought to make a difference, and that if we allowed a margin of 3s. and 1s. 6d. respectively we should be acting fairly. However, the honorable and learned member for Bendigo has, I think, suggested a better mode of dealing with the subject. He proposes to levy an excise duty of 11s. on grape-wine spirits, and I agree that this is a class of distillation that we should encourage. Then, with regard to spirits distilled from barley, molasses, and maize, he proposes that we should give a larger margin to those who use these articles than to those who produce a

cheaper spirit from inferior articles. We are prepared to accept the suggestions of the honorable and learned member for Bendigo, and I would ask the committee to affirm the principle that there should be a difference between the rates levied upon the several classes of spirit. After having done this, by voting against the amendment proposed by the leader of the Opposition, we can decide the extent to which we shall go in placing one class of spirits at an advantage over another.

Mr. POYNTON (South Australia).—It must be evident to all those who have given any attention to the subject that the difference between the excise and the import duties must give a considerable advantage to the local producer, and inflict a corresponding loss upon the revenue. Moreover, the consumer does not derive any appreciable benefit from the advantage conferred on the local distiller, because in nine cases out of ten he has to pay the same price for the locally-made spirits, whether it be good or bad, as for the imported article. We should, therefore, be careful not to throw away too much revenue. It is generally admitted that the South Australian brandy is a superior article, and it is on that ground only that I am prepared to differentiate between grape and other spirits. I am not particular whether the duty is fixed at 11s. or 12s. It is not desirable that we should offer too much encouragement to the production of local spirit, because we know that the effects of local spirit are just as baneful as are those attaching to the consumption of imported spirits. In fact, there is perhaps greater risk of immature spirit being placed on the market through a large local production than if we are principally dependent upon imported spirits. I shall vote against the proposal of the leader of the Opposition for an all-round duty.

Mr. ISAACS (Indi).—I think the committee now has an opportunity presented to it of doing good to the public at large, by enabling them to secure better liquor, and of also benefiting a great and promising industry. I hope that honorable members will not fall in with the proposal of the leader of the Opposition to fix an all-round excise duty, because that would disappoint the legitimate expectations of those engaged in a great primary industry.

Mr. REID.—The honorable and learned member must not forget that the wine

industry enjoys high protection, and is subject to no excise duty at all.

Mr. ISAACS.—Wine making is destined to become a very great industry within the Commonwealth, and we ought to do everything to encourage it. If we so fix the excise duties as to differentiate in favour of grape brandy, we shall take a very important step in the direction of benefiting the wine industry.

Mr. GLYNN (South Australia).—I shall support the proposal of the leader of the Opposition, and my only regret is that it is not proposed to fix the excise duty at a higher figure. Personally I think it would be better to make the excise equal to the import duty. If the States wish to encourage local distilleries, they can do so by asking the permission of the Commonwealth to make special grants in aid of those distilleries. They can give a bounty. If we impose a duty of 14s. per gallon, we shall preserve to a State like Tasmania the whole of its revenue. Of course, Tasmania would not give a bounty, and the result of that policy would be that the whole of the excise duty would be reaped in Tasmania. I suppose, however, there is not much chance of fixing the two duties at the same rate, and leaving any protection which is to be afforded to be given by means of bounties. Therefore I support what appears to be the next best course to adopt—namely, the fixing of the excise at 13s. per gallon. I believe that the figures relating to the cost of imported spirits in bond, which were given by the leader of the Opposition, have been questioned. It has been stated that 1s. 6d. per gallon is the price of commercial spirits in London.

Sir GEORGE TURNER.—Is the honorable and learned member talking of whisky or brandy? There is an enormous difference between them.

Mr. GLYNN.—I am dealing with whisky.

Sir GEORGE TURNER.—It is not fair to take the lowest-priced article.

Mr. GLYNN.—It has been stated that the price of whisky in bond here may be taken at 3s. per gallon. I have in my hand an invoice dated 6th November last for five and a half casks of Scotch whisky at 2s. 10½d. per gallon. That represents the price which is paid in bond by the retailer to the wholesale importer.

Sir GEORGE TURNER.—I said that the prices of the better quality ranged from 1s. to 2s. per gallon in bond.

Mr. GLYNN.—The better quality is not the quality which produces the greatest revenue. The fact that Scotch whisky has been sold in bond here for 2s. 10½d. per gallon shows that there is a very considerable protection afforded to the local distiller, even if that protection does not amount to 66 per cent.

Sir GEORGE TURNER.—The item with which we are really dealing is brandy.

Mr. GLYNN.—I am dealing with the general proposition. Under these circumstances I think that the case is clear for the imposition of a 13s. duty.

Mr. CONROY (Werriwa).—I cannot understand how any person with a knowledge of chemistry can assert that there is a difference between the alcohol produced from any one of the articles which have been mentioned. After all it is a chemical matter, and if we get the grape sugar turned into alcohol, all we have to do is to obtain pure spirit. During last century analytical chemistry made great strides, but within the past twenty years synthetical chemistry has so advanced that we have now arrived at a new period in the history of chemical science, and it is somewhat surprising to find honorable members contending that a great distinction exists between the alcohol which is produced from various articles. There is no difference whatever so far as the alcohol itself is concerned. Of course there are different classes of alcohol, but the chemical combinations are always the same.

Sir GEORGE TURNER.—The cost of production is not the same.

Mr. CONROY.—Certainly the cost of production is less in the case of some materials. Probably one of the most expensive ways in which alcohol is obtained is from the crystallized cane sugar.

Mr. KINGSTON.—The spirit obtained from molasses is the cheapest of the lot.

Mr. CONROY.—Of course alcohol can be obtained very cheaply from the uncrystallized form of cane sugar. As a matter of fact, it can be produced from coal tar.

Mr. KENNEDY.—Is coal tar spirit as good as grape spirit?

Mr. CONROY.—Certainly not. Alcohol can be obtained from all substances containing starch. But the point I wish to put is that we are endeavouring to

make a distinction which does not really exist. If honorable members declared that they were going to vote for this proposal because the public think it is right, I could understand it, but I cannot conceive why they are voting for it on the ground that a chemical difference exists between the alcohol derived from one article and that extracted from another if properly distilled. I hope that this committee will at least show that we have some rudimentary knowledge of chemistry, and will decline to place upon record that a difference does exist when, as a matter of fact, it does not. If spirit is improperly distilled that should be a subject for an Adulteration Act. Whatever difference may be fixed between the import duty and the excise, I hope that the latter will be uniform for both grape and other spirit.

Mr. REID (East Sydney).—I do not suppose there is any one who has a stronger belief in the future of the wine industry in Australia than myself, but it seems to me that we are going too far when we talk of this question as if it had no bearing upon the progress of that industry. We give an enormous protection to it, and we exempt it from excise. Can any Parliament be more generous? Surely we go far enough when we do that.

Mr. RONALD (Southern Melbourne).—I do hope that the committee will keep before them the fact that our locally produced article may be quite as good, if not infinitely better than the imported article, and yet it will not be fashionable. We must, however, in order to preserve our consistency, differentiate between grape and malt spirit, and I think the proposal of the honorable and learned member for Bendigo will achieve that end. But I ask the committee to remember, when dealing with our local article, that that prejudice should not be brought into this chamber. I am assured on the very best authority that imported spirits can be purchased at 6d. per gallon cheaper than can the spirits distilled by Joshua Brothers. It matters not what "distilled damnation" is placed upon the market so long as it is imported. A great cry has been raised throughout this debate by honorable members opposite regarding the interests of the primary producers. Yet when there is a large consumption of barley in connexion with our local distilleries, they forget their devotion to the primary producer by failing to encourage this trade,

which is a considerable consumer of barley—so considerable, indeed, that it frequently has the effect of raising the price of barley to the advantage of the farmer. If we can do anything to encourage local production, even though it be distilling, we ought to do it. I am not in favour of any serious sacrifice of revenue, because we have other things to consider, and we hope to give the working people concessions more important than cheap brandy or whisky. But if anything can be done for our local producers without sacrifice of revenue, I hope the Government will calmly consider any proposals submitted with that object. It has been stated that the people engaged in this industry are making enormous fortunes, but I am prepared to demonstrate that they have lost greatly in years past. If we desire to control the manufacture of liquor, help the primary producer, and keep out many of the abominations which are imported, we ought to adopt the proposal of the Government, or the amendment of the honorable member for Bendigo.

Mr. O'MALLEY (Tasmania).—We all agree that however good, pure, or noble a subject may be, different men of honest ideas see it from different stand-points. I want kerosene in free, which means a big loss of revenue, and it is purely from the revenue aspect that I shall vote for an excise of 13s. It matters not what way a man gets drunk, or how often; it is his family in the end who suffer, and the State has to render him assistance in his old age. My idea is that we must try to get the benefit of the revenue for the people of the Commonwealth. Tasmania has no distilleries, and why should I, as the representative of that State, make the people there pay because they have not seen fit to manufacture "booze." Has the Minister for Trade and Customs made any regulation in regard to "shearers' rattle or tiger snake," with which men are poisoned in the back-blocks? Has any regulation been made for the benefit of the miner on the West Coast of Tasmania? The Government want to increase the value of the miners' "booze," but I do not. I am not a stone-waller, but this is one of the most important and vital questions of the age—"booze." The question arises whether a man ought to get drunk on Australian-manufactured whisky or imported whisky. What is the difference? In a mining camp, if one has to sleep with a drunken man, it does not matter what

drink he has been taking. If the Minister for Trade and Customs had a guarantee that grape brandy could be obtained for the sick, the destitute, and the "hard-up," I should not object.

Mr. KINGSTON.—South Australian brandy is used in the South Australian hospitals.

Mr. O'MALLEY.—The Government ought to offer a prize for the best specimen of a drunkard turned out by either the foreign or the local article. There are blue ribbons for prize bulls, rams, and pumpkins, and I do not see why there should not be a red ribbon and a gold medal for the best specimen of a drunkard.

Question.—That the words "grape wine" proposed to be omitted, stand part of the item—put. The committee divided—

Ayes	31
Noes	17

Majority 14

AYES.

Barton, E.	Mauger, S.
Brown, T.	McEacharn, Sir M.
Chapman, A.	McLean, A.
Clarke, F.	Phillips, P.
Cook, J.	Poynton, A.
Cruickshank, G. A.	Quick, Sir J.
Deakin, A.	Ronald, J. B.
Edwards, R.	Sawers, W. B. S. G.
Ewing, T. T.	Skene, T.
Fysh, Sir P. O.	Tudor, F.
Groom, L. E.	Turner, Sir G. G.
Higgins, H. B.	Wilkinson, J.
Isaacs, I. A.	
Kennedy, T.	
Kingston, C. C.	
Lyne, Sir W. J.	
Manifold, J. C.	

Tellers.

Cook, J. Hume
McColl, J. H.

NOES.

Bamford, F. W.	Reid, G. H.
Conroy, A. H.	Solomon, E.
Cooke, S. W.	Thomson, D.
Edwards, G. B.	Watson, J. C.
Glynn, P. McM.	Willis, Henry
Hughes, W. M.	
Kirwan, J. W.	
Mahon, H.	
McLean, F. E.	
O'Malley, K.	

Tellers.

Fuller, G. W.
Wilks, W. H.

PAIRS.

For.	Against.
Harper, R.	Thomas, J.
Solomon, V. L.	Fisher, A.
Forrest, Sir J.	Smith, S.
Piesse, F. W.	Braddon, Sir E.
Batchelor, E. L.	Smith, B.
Watkins, D.	Fowler, J. M.
Salmon, C. C.	Knox, W.
Crouch, R. A.	Paterson, A.
Bonython, Sir J. L.	Cameron, D. N.

Question so resolved in the affirmative.
Amendment negatived.

Mr. WATSON (Bland).—I understand that, as a result of the division just taken, the committee have determined that there should be a difference between the rate of excise upon spirit distilled from grape wine, and the rate of excise upon that distilled from barley, malt, and other materials. I should have liked to see an excise duty of 13s. per gallon upon all spirit, but as a desire has been shown by a majority of the committee to place grape spirit upon a different footing from other spirit, I propose now to move that the duty on grape spirit be 12s. a gallon. That will leave a margin of 2s. between the import duty and the excise duty, and give a protection equal to something like 50 per cent on the value of the spirit.

Sir GEORGE TURNER.—Not upon brandy, because it is so much more expensive than whisky. The value of imported continental brandy varies from 5s. to 15s. a gallon in bulk ; that of British imported brandy from 4s. to 6s. a gallon ; while the value of inferior whisky ranges from 7d. to 1s. per gallon, and of whisky of better quality from 1s. to 2s. per gallon.

Mr. WATSON.—Yes, but the value of spirit depends very much upon the degree of maturity which it has attained. There is a great difference between raw spirit and spirit which is matured to a certain degree. I think that a margin of 2s. per gallon is quite enough. The Government, all through the discussion of the Tariff have persistently urged, when reductions have been moved upon items not connected with their fiscal policy, that it is necessary to obtain revenue, even though the cost of an article to the consumer may be increased. That argument was raised when we were discussing such duties as those upon linen and cotton goods. That being so, I say that the Government are not justified in throwing away the large amount of revenue which they could obtain by increasing the duty upon grape spirit. I move—

That, after the word "wine," line 2, the words "per gallon 11s., and on and after 7th February, 1902, 12s.," be inserted.

Sir WILLIAM McMILLAN (Wentworth).—I take it that the desire of the committee, as expressed in the result of the last division, is that there shall be a difference between the duty charged upon spirit

made from grape wine and that charged upon spirit made from other materials.

Sir GEORGE TURNER.—That is so.

Sir WILLIAM McMILLAN.—I understand, further, that the committee have determined that the lowest duty which should be imposed is 13s. a gallon. I take it that the committee is not in favour of making the difference between the two rates of excise less than 1s. per gallon. But, as some honorable members desire to make the duty on certain spirit 14s. a gallon, I think we should deal with that spirit first, and decide afterwards what the duty on grape wine spirit should be. Honorable members on this side of the Chamber, putting aside the decision that the committee has just arrived at, would like to see the excise duty made equal to the import duty. It would have been much better if the import duty had been 12s. a gallon ; because then, if the excise duty was made equal to it, it would not be excessively high ; but if we increase the excise duty to 14s. a gallon, to make it the same as the import duty, we may be offering a premium to illicit distillation. For that reason I hesitate about making the two duties equal. It is not that I think a preference should be shown to the locally manufactured spirit, but that if we level up the excise duty to the present high rate of the import duty, we shall practically encourage illicit distillation. But a reason why the two duties should be made as nearly as possible the same is this : If you half-fill a bucket with water, and then pour in another half-bucketful, it is impossible to make a distinction between the top half and the bottom half. In the same way, if you make the excise and import duties on spirits the same, a large quantity of home-made spirits will go into consumption as imported spirits. Therefore, the public will practically pay the same price for both. The import duty will govern the price of the locally produced as well as of the imported spirits. In order that we may know what we are doing, it would be perhaps as well for us to decide what duty shall be placed upon spirits other than those made of grape wine, before we deal with the excise duty to be charged upon grape-wine spirits. If, however, that arrangement cannot be carried out, I shall vote for the amendment on general principles. I am dealing with this matter as one of revenue and of honest dealing, as there is great danger of promoting fraud if

the excise duties are fixed at too low a figure.

Mr. THOMSON (North Sydney).—When I spoke at an earlier stage of the discussion, I expressed my intention to propose the adoption of a sliding scale which would provide for an increase of the excise duty until it reached the level of the import duty on spirits. As, however, I gather from the opinions expressed by honorable members that any such proposal would be rejected, I shall not proceed any further in that direction, but shall support the amendment of the leader of the Opposition in favour of an all-round duty of 13s. per gallon.

Sir GEORGE TURNER.—It is somewhat difficult to understand the position which the honorable members of the Opposition are taking in this matter. Their leader, when opening this discussion, was perfectly clear in admitting that there should be some difference between the import and the excise duties, and he contended that a margin of 1s. was sufficient. Other honorable members have desired to increase the excise duty to the same amount as the import duty on spirits.

Sir WILLIAM McMILLAN. — We have abandoned that now.

Sir GEORGE TURNER.—The majority of the committee have decided that there shall be some distinction between the duties on the imported and home-made spirits, and honorable members have also expressed themselves in favour of differentiating between spirits made from grape wine and other substances. The proposal of the honorable member for Bland is that grape wine spirits should be subject to a duty of 12s., and if that were carried the committee would have an opportunity of differentiating between grape and other spirits without bringing the duty on the latter up to the level of the import duty. There might, for instance, be a duty of 12s. on grape spirits and 13s. on other spirits. If, however, we were to fix the duty upon grape wine spirits at 13s., we must increase the duty on other spirits to 14s. and thus practically make the larger proportion of the home-made spirit subject to the same duty as is that imported. The committee have no desire to do that, and the only question to my mind is whether the duty on grape spirit should be 11s. or 12s. We support the suggestion made by the honorable and learned member

for Bendigo, that the duty on grape wine spirit shall be 11s. per gallon, and that the duty on barley-malt, molasses, or maize spirit shall be 12s. per gallon, whilst all other spirit, which would represent a fairly large proportion of the total, shall bear an excise duty of 13s. per gallon. We consider that by adopting these rates we shall not make any excessive difference between the import and excise duty, and we shall at the same time give the grape wine spirit that extra assistance which the committee desire to extend. In view of the duties that have hitherto been in force in the States, I do not think that we shall provide for too wide a margin by adopting the rates suggested. On the other hand we shall afford every reasonable protection to the revenue.

Sir WILLIAM McMILLAN.—I think the best course for us to pursue will be to abandon the idea of proposing a duty of 13s. upon grape wine spirit for the present, and I shall therefore support the proposal of the honorable member for Bland.

Mr. F. E. McLEAN (Lang).—I quite understood that it was the intention of the leader of the Opposition to accept a 13s. duty all round, and that the vote on his amendment was taken as a test of the feeling of the committee as to fixing varying rates of duty for different kinds of spirits. I did not understand the right honorable gentleman to declare that in the event of his amendment being rejected he would adhere to the proposal to fix a uniform duty of 13s. As the committee have decided to differentiate between grape spirit and other spirit, a very important question touching the diminution of the revenue is opened up. It is doubtful whether we can afford to fix the duty on grape spirit at 12s., and that on other spirits at 13s. We have to consider the probable effect upon the revenue of encouraging the local distillation of spirits. The Treasurer looks at the matter firstly as the custodian of the revenue, and secondly as one who has an inclination to protect those who are engaged in the local industry, whereas honorable members on this side of the Chamber are interested solely in the revenue. The proportion of locally manufactured spirit must vastly increase in the near future, and if we fix the excise duties at rates lower than the import duty the result will be a gradually diminishing revenue. None of us would look with complacency or satisfaction upon an increase in

the consumption of spirits per head of the population, and if the same rate of consumption is maintained, the revenue must decrease as the production of locally-made spirit increases. This consideration alone governs me in trying to maintain the excise and customs duties at as nearly as possible the same level. As we have practically decided that there shall be a preference given to grape spirit, I feel disposed to vote for the amendment of the honorable member for Bland, unless a proposal is made to fix the duty upon grape spirit at 13s. per gallon, and another amendment is subsequently submitted to make the rate upon other spirit 14s. per gallon.

Sir WILLIAM McMILLAN (Wentworth).—The leader of the Opposition expressed himself in favour of a difference of 1s. per gallon between the import duty and the excise, and he took 13s. per gallon as the maximum excise duty. Then, I understand, the question arose as to whether there should be a differentiation between wine and other spirit.

Sir GEORGE TURNER.—The suggestion was that there should be three rates.

Sir WILLIAM McMILLAN.—I am disposed to advise honorable members to take a vote upon the question of 12s. per gallon for the wine spirit and 13s. per gallon for the other spirit.

Sir GEORGE TURNER.—Unfortunately my honorable friend was not present before the adjournment for dinner, and, therefore, does not exactly understand how this matter arose. The leader of the Opposition desired to have a difference of 1s. per gallon all round, and nothing more. Then the question was raised as to whether there should not be a differentiation as between spirit distilled wholly from grape wine and that distilled from barley malt, molasses, or maize. Honorable members thought there should be a differentiation in favour of grape wine spirit. We took a vote to ascertain whether there should be any differentiation, and the committee decided that there should be. We desire on the one hand to have a differentiation consisting of three rates; we wish to impose a duty of 11s. upon grape-wine spirit, of 12s. upon barley-malt, molasses, and maize spirit, and of 13s. upon all others. On the other hand honorable members opposite believe that there should be two rates only. First of all, then, we wish to ascertain what the rate shall be upon grape

wine. Shall it be 11s. or 12s. per gallon? If we decide that it shall be 11s., we can afterwards proceed to settle what rate shall be imposed upon the others.

Mr. MCCOLL (Echuca).—In considering what should be the excise rate upon spirits made from various products we ought to keep in mind the cost of those products to the maker. It is well known that the most costly product for making spirits is wine. It takes 5 or 6 gallons of wine to make a gallon of spirit, and there is no doubt that the spirit made from wine is in some respects better than that which is made from any other product. In Victoria we have always done what we could to encourage the wine-grower, and in this connexion we gave him a preferential duty of 4s. per gallon in order to cover the additional cost of the product from which he distilled his spirit. Every year the wine-makers have a large quantity of "off" wine, which would be absolutely valueless unless it were converted into spirit. It seems to me that we should give them every opportunity to get rid of this wine by turning it into spirit. I think that there ought to be a difference of 4s. per gallon between the excise duty upon the wine spirit and the import duty. That is the amendment which I had intended to move, but if the proposal of the honorable and learned member for Bendigo is carried I shall accept that decision as final. I might inform the committee that, to make 1 gallon of proof spirit, it requires 20 lbs. of maize, 25 lbs. of wheat, or 27 lbs. of oats. Oats are never used by themselves, but only in conjunction with some other product. It also needs 25 lbs. of barley, 25 lbs. of malted barley, 5 gallons of wine, 10 gallons of beer, 18 lbs. of molasses, or 14 lbs. of sugar. If we look at these items, we can by a simple calculation, see that those who use the lower class of products for the distillation of spirit can make a higher profit than those who use the higher class. In our differential duties we should be careful to give a large preference to the user of wine spirit. These are the points which I desire to impress upon honorable members.

Mr. BROWN (Canobolas).—The honorable member for Echuca seems to think that the question of differentiating between grape and other spirit did not form an important factor in the last division. I can speak only for myself. I voted with the honorable member, and did so solely for the

purpose of making this distinction, and not for fixing the rate of excise. I am not an authority upon the matter, but I know it is the general opinion that spirit distilled from grapes is superior to that distilled from other materials. But whilst it is proper that we should make a distinction between grape and other spirit, we must also consider the amount of excise to be imposed. Free-traders and protectionists alike admit that we should look to this item for a large amount of our revenue. I am prepared to support the honorable member for Bland in fixing the excise upon this particular line at 12s. a gallon, and upon the other products enumerated at 13s. per gallon, with an import duty of 14s. per gallon. I think that will allow a sufficient margin between the customs duty and the excise, and will at the same time produce the maximum amount of revenue.

Mr. MANIFOLD (Corangamite). — I would point out that under the amendment of the honorable member for Bland it is proposed to raise the excise duty upon wine spirit 2s. per gallon above what it was under the Victorian Tariff. It must also be borne in mind that the customs duty under that Tariff was 2s. per gallon higher than that which we are now imposing, so that we are practically leaving the Victorian vine-growers in the same position as they were previously.

Sir GEORGE TURNER.—The honorable member for Corangamite is entirely wrong. Under the Victorian Tariff grape spirit was charged 8s. per gallon excise, and other spirit 10s. per gallon, whilst the import duty was 12s. My honorable friend says that there was a differentiation of 4s. in favour of the class for which we ask a differentiation of 3s.

Mr. CONROY (Werriwa).—I would point out that in reference to three States of the Commonwealth, the Ministry are departing from the lines which they laid down with regard to the collection of revenue. New South Wales, Western Australia, and Tasmania, upon their own consumption of local spirit, will receive only the amount paid in excise, so that if the local article is used they will lose at least £60,000 in revenue in addition to the amount pointed out by the honorable and learned member for Bendigo. I presume there will be at least that amount in the three States; indeed the honorable

member himself admits a difference of £59,000.

Sir GEORGE TURNER.—The honorable and learned member is wrong in his figures.

Mr. CONROY.—I will halve the amount.

Sir GEORGE TURNER.—That is nearer.

Mr. CONROY.—I hardly see why the committee should be prepared to lose £150,000 in revenue on spirits, and at the same time be prepared to place a duty on tea or kerosene. I trust that the honorable members who vote for this money going into the pockets of two or three or a dozen firms, will also take care that there is no increase in the taxation on the two items I have mentioned. The injustice to the three States is very apparent, and the Minister has entirely neglected to consider this aspect of the question. I hope the committee will see that the largest possible revenue is derived from this source, and will accept the amendment of 12s., which still leaves 2s. more in favour of the manufacturers of spirits from grapes than I would be prepared to give them.

Mr. WATSON.—On their own admission, that is 50 per cent.

Mr. CONROY.—And quite enough, because we surely do not want to encourage the manufacture of spirits more than is necessary.

Mr. POYNTON (South Australia).—I am not prepared to give an advantage of more than 2s. for any colonial production, and I shall vote for 12s on this, and 13s. on other spirits.

Question.—That after the word “wine” the following words be inserted:—“Per gallon 11s., and on and after 7th February, 1902, 12s.”—put.

The committee divided—

Ayes	27
Noes	29

Majority	2
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AYES.

Bamford, F. W.	McDonald, C.
Brown, T.	McLean, F. E.
Conroy, A. H.	McMillan, Sir W.
Cook, J.	O'Malley, K.
Cooke, S. W.	Paterson, A.
Cruikshank, G. A.	Poynton, A.
Edwards, G. B.	Solomon, E.
Fisher, A.	Thomas, J.
Glynn, P. McM.	Thomson, D.
Hughes, W. M.	Watson, J. C.
Kirwan, J. W.	Wilks, W. H.
Knox, W.	Tellers.
Mahon, H.	
Manifold, J. C.	Fuller, G. W.
	Willis, H.

NOES.

Barton, E.	Mauger, S.
Bonython, Sir J. L.	McColl, J. H.
Chapman, A.	McEacharn, Sir M.
Clarke, F.	McLean, A.
Deakin, A.	Phillips, P.
Edwards, R.	Quick, Sir J.
Ewing, T. T.	Ronald, J. B.
Fysh, Sir P. O.	Sawers, W. B. S. C.
Harper, R.	Skene, T.
Higgins, H. B.	Solomon, V. L.
Isaacs, I. A.	Tudor, F.
Kennedy, T.	Turner, Sir G.
Kingston, C. C.	<i>Tellers.</i>
Lyne, Sir W. J.	Cook, J. Hume
Macdonald-Paterson, T.	Groom, L. E.

PAIRS.

For.	Against.
Smith, S.	Forrest, Sir J.
Braddon, Sir E.	Piesse, F. W.
Smith, B.	Batchelor, E. L.
Fowler, J. M.	Watkins, D.
Reid, G. H.	Crouch, R. A.
Spence, W. G.	Wilkinson, J.

Question so resolved in the negative.

Amendment negatived.

Amendment (by Sir JOHN QUICK) agreed to—

That after the word "wine" the words "per gallon 11s." be inserted.

Sir WILLIAM McMILLAN (Wentworth).—I move—

That after the words "11s." the words "and on and after 7th February, 1902, 13s." be inserted.

I have not taken up the time of the committee on this matter, which has been dealt with at length by the leader of the Opposition and other honorable members; but I want to impress on the Treasurer the importance of considering the question of revenue. As we have thrown away such a large amount of revenue in the item just passed, we must have some compensation, and the question arises—Is that compensation to be got now out of these other items, or is it to be got out of the absolute necessities of the people? The proposal of the Government to consider the question of excise out of its turn was acquiesced in, so that when we had passed certain items in the division the Government might know better how to deal with items further on. We all recognise that the possible or probable expenditure of the Commonwealth Government is growing, and revenue must be got under any circumstances. A great deal of the financing of the Commonwealth, no matter what the calculations

so carefully made by the Government and their officers may be, must, during the first few years of the Commonwealth, be largely experimental. If we fix this excise duty at a low rate, we shall not be able later on to raise it, but, on the other hand, if we find that the Commonwealth revenue is such that the taxation may be reduced, it will be easy later on to lower the rate. It may happen, if we agree to a low rate, that the Government will tell us later on, when we are considering other parts of the Tariff, that they cannot accept any reduction because of the likelihood of a shortage in the revenue, which will be largely due to their own acts. The whole question for the committee to consider is: Are we justified in reducing this excise duty in the least below an amount which will afford sufficient protection for the locally made spirit? Our first consideration in this case must be the revenue. I hope, therefore, that the committee will vote for a higher duty. Of course, so far as I can judge, the Government will require every farthing of revenue, that they can obtain.

Sir GEORGE TURNER.—It is absolutely refreshing to hear the acting leader of the Opposition ask the committee to study the Government requirements in the matter of revenue. He tells us that we cannot afford to sacrifice the revenue; but, as a matter of fact, the committee have already increased the rate proposed by the Government. Are honorable gentlemen opposite consistent in asking us to consider the revenue, when, night after night, they have voted almost solidly to have articles placed on the free list, and, when they could not get that, to reduce the proposed duties to 10 per cent., and then when they failed again in that, to 15 per cent.?

Mr. F. E. MCLEAN.—Those were duties on the necessities of life; this is a duty upon a luxury.

Sir GEORGE TURNER.—I think that the proposal now submitted is a fair and reasonable one. The committee have determined that a difference shall be made between the rate of excise on grape spirit and the rate of excise upon spirit distilled from barley malt, molasses, and maize, and the rate of excise upon spirit distilled from other materials. I hope that the proposal of the honorable and learned member for Bendigo will be agreed to.

Mr. WATSON (Bland).—I would point out to the Treasurer that if a lower rate is imposed upon spirit distilled from wheat, oats, and rye, the distillers will make that spirit, in the absence of State Health Acts to prevent its distillation. I think we should be careful about making any further distinction than that between grape wine and other spirit.

Sir WILLIAM McMILLAN (Wentworth).—I do not think I should be acting fairly to my party if I did not reply to the extravagant language of the Treasurer. During the consideration of that part of the Tariff which imposes duties upon narcotics and stimulants, the Opposition gave the Government every assistance to obtain revenue. When we came to the next division, we found that a number of absolutely prohibitive duties had been imposed, and we moved their reduction in order that the Treasurer might obtain revenue.

Sir GEORGE TURNER.—Reductions were moved only after the Opposition had failed to make the articles free.

Sir WILLIAM McMILLAN.—It was when my right honorable friend had refused to consent to reductions, and insisted upon the retention of prohibitive rates upon necessities of life used by the working classes, that the Opposition declared that they must get compensation by putting other articles on the free list. Any inconsistency in our conduct has been forced upon us by the unscientific and bungling character of the Tariff.

Question.—That after the words “11s.” the words “and on and after 7th February, 1902, 13s.” be inserted—put. The committee divided.

Ayes	27
Noes	27

AYES.

Bamford, F. W.	McMillan, Sir W.
Conroy, A. H.	O'Malley, K.
Cook, J.	Paterson, A.
Cooke, S. W.	Poynton, A.
Cruickshank, G. A.	Skene, T.
Edwards, G. B.	Solomon, E.
Fisher, A.	Solomon, V. L.
Glynn, P. McM.	Thomas, J.
Hughes, W. M.	Thomson, D.
Kirwan, J. W.	Watson, J. C.
Knox, W.	Willis, H.
Mahon, H.	Tellers.
McDonald, C.	Fuller, G. W.
McLean, F. E.	Wilks, W. H.

For.	Against.
Smith, S.	Forrest, Sir J.
Braddon, Sir E.	Piesse, F. W.
Smith, E.	Batchelor, E. L.
Fowler, J. M.	Watkins, D.
Reid, G. H.	McEacharn, Sir M. D.
Spence, W. G.	Wilkinson, J.
Brown, T.	Page, J.
Manifold, J. C.	Salmon, C. C.

PAIRS.

For.	Against.
Smith, S.	Forrest, Sir J.
Braddon, Sir E.	Piesse, F. W.
Smith, E.	Batchelor, E. L.
Fowler, J. M.	Watkins, D.
Reid, G. H.	McEacharn, Sir M. D.
Spence, W. G.	Wilkinson, J.
Brown, T.	Page, J.
Manifold, J. C.	Salmon, C. C.

The CHAIRMAN.—I shall follow what has been the practice in the State Legislatures and in the House of Commons, and cast my vote with the noes, in order to permit of further discussion.

Question so resolved in the negative.

Amendment negatived.

Mr. McDONALD (Kennedy).—I desire to call attention to the way in which pairs were fixed up for the last division. Had it not been for the way in which a pair was manipulated—perhaps I ought not to say manipulated; I will say arranged—by the Government whip, the Government would not have won.

Mr. CHAPMAN.—The Opposition whip made the pair.

The CHAIRMAN.—I am sure that the honorable member, with his knowledge of parliamentary practice, will know that I cannot take any notice of pairs. That is not a matter for the committee to deal with.

Mr. McDONALD.—This is such an important matter, and such a large amount of revenue is involved, that I shall have to take another course. We know that this division was lost because of the way in which the pairs were arranged.

Mr. CHAPMAN.—I ask that the honorable member for Kennedy may be required to withdraw the offensive statement that he has made.

Mr. WATSON.—I rise to a point of order. I submit that the remarks of the honorable member for Kennedy relate to something

which is no concern of the committee. Whether members stay in the chamber or leave it has nothing whatever to do with us, and you, Mr. Chairman, have no jurisdiction in the matter.

Mr. CHAPMAN.—The honorable member for Kennedy has made an offensive statement, and I ask that he may be required to withdraw it before he proceeds any further.

The CHAIRMAN.—What was the statement of which the honorable member complains?

Mr. CHAPMAN.—The honorable member stated that the division was won by the manipulation of the pairs by the Government whip.

Mr. JOSEPH COOK.—A statement which he instantly withdrew.

The CHAIRMAN.—Order! If the honorable member for Eden-Monaro considers the statement offensive I must ask the honorable member for Kennedy to withdraw it.

Mr. CHAPMAN.—I take it rather as a compliment.

Mr. McDONALD.—I admitted that I ought not to use the expression, but if the honorable member considers it a compliment I object to withdraw it. As this is a matter affecting the business of the committee, I submit that I am entitled to bring it forward as a question of privilege, and to submit it to Mr. Speaker if I so desire. As I understand, however, that the honorable member for Wentworth intends to move that the duty be fixed at 12s. 9d. per gallon, I do not wish to proceed any further. I am sorry if I offended the honorable member for Eden-Monaro. When I used the word "manipulated" I said, "Perhaps I ought not to say manipulated," and if the honorable member had paid attention to what was being said, instead of thinking over the result of the division, he would probably have heard what I stated. However, if my statement offended the honorable member I shall withdraw it quite cheerfully. The proposal which I understand is to be made by the honorable member for Wentworth will overcome the difficulty.

Mr. CHAPMAN.—I think I might be permitted, as a matter of fair play, to make an explanation. The pair referred to was one between the honorable member for Maranoa and the honorable member for Canobolas, for which I was not responsible. I asked the honorable member for Maranoa

if he would pair with the honorable member for Moreton, who was unwell, and wished to go home. The honorable member for Maranoa said that he did not mind giving me a pair, but that upon these matters he intended to support the Government. In that case I could not pair the honorable member with the honorable member for Moreton. Then the leader of the labour party said he had the right to pair the honorable member for Darling, Mr. Spence, and claimed that it was only fair that I should give him the pair with the honorable member for Moreton. Although I knew the honorable member for Darling was away in New South Wales, I at once agreed to pair him with the honorable member for Moreton. The honorable member for Yarra was responsible for making the pair between the honorable member for Maranoa and the honorable member for Canobolas, and I am getting the credit for doing something which I have not done.

Mr. BROWN.—The honorable member for Eden-Monaro did not speak to me with regard to the pair with the honorable member for Maranoa. I was approached by the honorable member for Yarra, and asked to pair with the honorable member for Maranoa, who was favorable to the Government proposals, but was absent from the committee. Although I was present, I consented to pair with the honorable member, and that explains my absence from the division.

Mr. WATSON.—I should like your ruling, Mr. Chairman, as to whether we are entitled to discuss this matter of pairs.

The CHAIRMAN.—I have allowed the discussion to take place partly because it was apparent that honorable members wished to make explanations. I have no jurisdiction in regard to pairs, which are arranged purely as a matter of convenience for honorable members. The full extent of my functions in connexion with the division is to close the House after the sand has run through the glass, and then appoint tellers from each side to take the division. If honorable members choose to pair, either by personal arrangement or through the agency of the party whips, that is entirely their own affair. I find that in the House of Commons there is no official recognition of pairs. *May* says—

There can be no parliamentary recognition of this practice, although it has never been expressly condemned, and it is therefore conducted

privately by individual members, or arranged by the gentlemen known as the "whips," who are intrusted by the political parties with the office of collecting their respective forces on a division.

Sir WILLIAM McMILLAN (Wentworth).—As it is a matter of fact and not a matter of opinion that if one honorable member had not misunderstood his position in regard to a pair we should certainly have had a majority of one in the last division—

The CHAIRMAN.—Order; the honorable member is not in order in referring to the division. There is at present no question before the Chair.

Sir WILLIAM McMILLAN.—I was only making a preliminary explanation. I intend to move that the duty shall be fixed at 12s. 9d.

Sir GEORGE TURNER.—As the committee is so evenly divided with reference to these duties, and the Chairman may possibly be placed in the position of giving another casting vote, I suggest as a fair compromise that we should fix the duty on spirits made of barley-malt, molasses, and maize at 12s. 6d. I hope that this will obviate any possibility of unpleasantness.

Sir WILLIAM McMILLAN (Wentworth).—I understand that the Treasurer consents to the duties being fixed at 11s., 12s. 6d., and 13s. respectively.

Sir GEORGE TURNER.—I have no objection to that.

Sir WILLIAM McMILLAN.—Then I accept the offer of the Treasurer as a compromise.

Amendments (by Sir WILLIAM McMILLAN) agreed to—

That the words "and on and after 7th February, 1902, 12s. 6d." be inserted after the words "11s."

That the words "and on and after 7th February, 1902, 13s." be inserted after the words "12s. 6d."

Mr. WATSON (Bland).—With regard to methylated spirits I would point out that the import duty is 3s. per gallon, which gives an advantage to the local producer of 2s. 6d. per gallon. The cost of the spirit, which is ordinarily methylated, is about 7d. per gallon at the outside—probably only 6d. per gallon—and that means that protection to the extent of five times the cost of production is given to the local distiller. The effect of this will be that the consumer will probably have to pay about 2s. per gallon for methylated spirits. As the amount of labour involved in producing

methylated spirits is so small, I think the Government might reasonably make the import and excise duties uniform. But in default of that, and assuming that they hold it would not be wise to increase the cost too much, they might reconsider the position so far as the imported article is concerned. A difference of 2s. 6d. per gallon is altogether too great. I should like to know what are the intentions of the Government in regard to this matter, and whether the proposal is merely a mistake. In the New South Wales Tariff a mistake crept into the duty upon methylated spirits, owing to a typographical error, by means of which 1d. per gallon only was imposed, instead of 1s. per gallon. I think there should not be more than 6d. per gallon between the import duty and the excise upon methylated spirits.

Mr. KINGSTON.—It is of great importance to those engaged in arts and manufactures that they should be allowed to obtain their methylated spirits as cheaply as possible. I am not disposed to think that the rate which we have fixed is too low. At the same time, there is something in what the honorable member for Bland suggests, and, if he will not press the matter at this stage, we will look into it. If we see fit to alter the rate, we will bring the matter before the committee, and, if not, will give the honorable member an opportunity of reconsidering it.

Mr. WATSON.—I am quite satisfied.

Item, as amended, agreed to.

Item 135—

Sugar per cwt. of manufactured sugar, 3s. until 1st January, 1907, less from the 1st July, 1902, a rebate to the grower of 4s. per ton on all sugar-cane delivered at a factory for manufacture therein, and in the production of which sugar-cane white labour only has been employed. The rebate is calculated on cane giving 10 per cent. of sugar, and is to be increased or reduced proportionately, according to any variation from this standard.

Mr. FISHER (Wide Bay).—I think that the Government are to be commended for having proposed an excise duty and a rebate for the purpose of assisting white labourers to grow sugar-cane in the tropical parts of Australia, in competition with the kanaka. From the papers which have been laid before this Parliament—Dr. Maxwell's report and other documents—honorable members will see that, even under this proposal, the difference between the cost of white and kanaka labour will still leave a margin

against the white worker in the cane-fields, even admitting that he can work there as successfully as the kanaka. But the contention of a very important political section in Queensland, including the present Government, is that the white labourer will not work in the cane-fields. If these views are approximately correct, it will be impossible for any of this rebate to be earned in the northern State. But I do not subscribe to that belief. I hold that in every portion of Queensland, white labour can, and will, grow cane successfully. But I ask the committee to consider whether it is not desirable to give the whole of the excise in the way of rebate to those who grow cane with white labour absolutely. Of course it may be argued that if we give the whole of the £3 excise by way of rebate the New South Wales growers will benefit.

Mr. POYNTON.—The Government expect to receive £410,000 from the excise duty.

Mr. FISHER.—The honorable member must admit that for some years to come the excise duty paid in Queensland will represent a very large sum, because it will be impossible for the Queensland planters to do away with kanaka labour immediately.

Mr. POYNTON.—Will not those who are employing white labour now receive this rebate?

Mr. FISHER.—Since 31st January last they are entitled to a rebate of 4s. per ton on 10 per cent. sugar-cane—approximately £2 per ton on their sugar. But the excise duty is £3 per ton, and what I desire to know is whether the Government cannot see their way clear to give the whole of that excise as rebate upon sugar grown by white labour. I ask for this increased rebate in order that we may have a true test of the ability of the white labourer in competition with the kanaka to grow cane.

Mr. POYNTON.—If white labour proves successful, this proposal will represent more than the whole cost of federation.

Mr. FISHER.—I think not; but even if that statement were true I would still submit that the price might not be too high to get rid of kanaka labour.

Mr. THOMSON.—We were not told that before.

Mr. POYNTON.—There never was a suggestion that the Government proposal should be exceeded.

Mr. FISHER.—I hope that for the sake of a few pounds the committee will not do anything to damp the ardour of the worthy

white men in Queensland who are determined to grow sugar-cane by white labour only.

An HONORABLE MEMBER.—It would be cheaper to buy out the planters.

Mr. FISHER.—Under such circumstances the compensation asked for would be £6,000,000 or £7,000,000, and the money given in rebate would not amount to the interest on such sums. Then there would be the unspeakable benefit to the northern State which would result if we get rid of kanaka and other undesirable labour. I suggest that instead of the 1st July the date should be 1st June, and that 6s. should be substituted for 4s. Then further on, after the word "employed" the words "after 31st January, 1902" should be inserted, and instead of the word "giving" before "10 per cent." the word "containing" should be inserted.

Mr. A. McLEAN.—Does that mean what the cane will realize? When cane is bought it is analyzed and payment made according to the result; but all the sugar does not crystallize.

Mr. FISHER.—The analysts would determine the amount of sugar in the cane. I believe the majority of the committee are prepared to do as I suggest, and do it cheerfully, being desirous of telling the white men in Queensland, who are ready and willing to show that sugar cane can be successfully grown by them, that the Federal Parliament is willing to afford them an opportunity of testing the matter, notwithstanding the statements of experts and politicians in Queensland.

Mr. G. B. EDWARDS (South Sydney).—All or most of what has been said by the honorable member for Wide Bay should have been said on the second reading of the Kanaka Bill, the consideration of which was postponed from time to time to give Ministers an opportunity of announcing their proposals in regard to the Tariff. These proposals were brought down, and many members who were interested in keeping a low excise duty on sugar, agreed to make a concession or sacrifice in the interests of preserving Australia for white labour, and made no objection to the combined proposals of the Government. It is not fair, after the passing of the Kanaka Bill, that honorable members, who supported heartily and willingly the proposals in that Bill, should have sprung upon them the suggestion of

the honorable member for Wide Bay. The argument of the honorable member about a further concession or rebate in order to give white men an opportunity of growing sugar in Northern Queensland is an argument we heard little of when we were dealing with the Kanaka Bill. The whole of the Commonwealth made a considerable sacrifice when it was agreed to largely increase the sugar duty in the interests of doing away with coloured labour. A tax on sugar is a tax on one of the greatest necessities of life. Of late years medical evidence has pointed to the important part which sugar plays in animal economy, and it has been shown that no better foods can be given to the army than those which contain a large percentage of sugar. In this matter we are taxing every child, man, and woman in the interests of desirable legislation, and we are also hampering many important manufactures. I believe, however, that the people and the manufacturers are willing to submit to this impost if it be left as arranged when the Kanaka Bill and the Tariff proposals in regard to sugar were introduced simultaneously by the Government. It is of no use attempting to re-open this question at the eleventh hour, and I shall oppose very strongly any attempt to give effect to the proposals of the honorable member for Wide Bay. It is too much to expect still further sacrifices, after the great sacrifice which has been made in the interests of Queensland. It cannot be expected that the whole of the people of the States can be asked to do any more for the sake of upholding the Queensland sugar industry. We were told over and over again that white men could do this work, and it is too late now to retract and say that they cannot do it without an extra 20s. per ton rebate.

Mr. KINGSTON.—We should be hardly justified in altering the proposals on which legislation has already proceeded.

Mr. THOMSON.—The two proposals were practically taken as one.

Mr. KINGSTON.—The view I take in this connexion is that when we were legislating in reference to the kanaka trouble, and difficulties were raised about the question, and the necessity for the employment of black labour, the Government said they would make provision for meeting the case. Doubts were expressed as to whether or not the provision made would be sufficient; but we brought down particulars, and it

was not until those particulars were before Parliament that Parliament decided to legislate on the lines desired. Under the circumstances I do not think it would be fair, at this period of the session, to alter the basis on which legislation has already proceeded. It would be much better to try the effect of what we propose, and what I understand was practically assented to by both sides, than at the present time to make any alteration. I am very hopeful that we have made all necessary provision; and I am very sanguine that it will be found that, with the preference which is here given to the production of sugar by white labour, the latter will shortly be able to do everything that is necessary. At least it seems to me that we are bound to give a fair trial to a proposal of the character to which I have referred, before anything in the shape of amendment is suggested; and, as I said, I am hopeful that it will be found everything necessary has been done. For financial reasons we have to propose a duty of £3 a ton on sugar generally, but believing in the future of the Commonwealth, we have made the excise terminable in 1907. During the period of five years which intervenes, we charge only £1 a ton in respect of sugar grown by white labour, so that there is a preference of £2 a ton given to the latter.

Mr. POYNTON.—Does that mean that there will be no excise after 1907?

Mr. KINGSTON.—That is so. We practically provide that after 1907 kanaka labour is to cease.

Sir WILLIAM McMILLAN.—There is no rebate after that year?

Mr. KINGSTON.—There is no excise after 1907. During the whole period that the excise continues the rebate continues, but the excise, as explained before, is only of a temporary character.

Mr. POYNTON.—That will be £6 protection?

Mr. KINGSTON.—Yes.

Mr. GLYNN.—Then we are really paying £700,000 a year to get rid of the kanaka.

Mr. KINGSTON.—We are making a fair allowance for the purpose of getting rid of the kanaka.

Mr. GLYNN.—A very unfair allowance.

Mr. KINGSTON.—I do not think anything of the sort, because any advantage of the kind is well bought, even at a greater price.

Sir WILLIAM McMILLAN.—Why should the excise cease in 1907?

Mr. KINGSTON.—The idea is that the kanaka will be removed by that time and that all the sugar will be produced by white labour. The revenue received from sugar produced by white labour will also disappear; but I do not think that it is unfair in the meantime to ask for a duty of £1 per ton on such sugar. It is difficult to estimate what the amount will really be in the shape of rebate, but if the quantity were 20,000 tons to commence with, the amount would be £40,000, and, of course, there is the possibility of the quantity increasing. I think I have said sufficient to satisfy honorable members that the suggestion that we ought to make the concession in reference to the sugar industry more liberal cannot be supported—that we are dealing with perfect liberality in connexion with this industry.

Mr. WATSON (Bland).—The Government are to be commended for deciding to continue a consistent course in this matter. I quite sympathize with the view of the honorable member for Wide Bay, so far as concerns the object aimed at; but it seems to me that the people of the Commonwealth, as a whole, if they accept the proposal of the Government generally, are making a considerable sacrifice for the benefit of the people of Queensland more particularly, and of a few people in New South Wales.

Mr. KINGSTON.—It is to procure a boon to Australia.

Mr. WATSON.—I admit that we are making this sacrifice in order to soften a blow, which we think it necessary to inflict on some people in the interests of Australia. But I think an arrangement having been arrived at, and the Kanaka Bill having been passed on that basis, it would be improper, so far as the interests of the great majority of the people of the Commonwealth are concerned, to depart from that arrangement. A number of honorable members on the free-trade side of the House are to be commended, and deserve the thanks of those who hold different views, for their willingness to make some sacrifice of opinion in order to solve a difficult problem in the easiest possible way. It would not be fair to those men to attempt now to vary the compact in the direction indicated. Therefore, although I sympathize with the object of the honorable

member for Wide Bay, I trust that the committee will decide to adhere to the arrangement which has been entered into, which, I think, will be found sufficient, roughly speaking, to meet the difficulties with which the people of Queensland are confronted. Those who employ black labour during the next three or four years will have the benefit of the increased price which the import duty of £6 per ton will insure to them, and I think, therefore, that they have every opportunity to adapt themselves to the new conditions with some prospect of success.

Sir WILLIAM McMILLAN (Wentworth).—I should like to point out that, although the Government estimate to receive £68,000 from Queensland in excise duties on sugar, the revenue from New South Wales will be £153,000.

Mr. THOMSON.—The duty is credited to the consuming State.

Sir WILLIAM McMILLAN.—In any case, if we increase the rebate to the growers in Queensland we must also increase the rebate to the growers in New South Wales. I think it would be a serious thing for the revenue to do that. It must be remembered that this can be necessary only in that part of Queensland where black labour is employed.

Sir JOHN QUICK (Bendigo).—The Government do not propose to discriminate, in imposing an excise duty, between sugar of various qualities and standards of purity and strength. I find, however, that under a schedule to the English Tariff Act of April of last year—by which, for the first time, a duty is imposed upon sugar—the rate varies according to the strength and purity of the sugar as determined by what is known as the polarization. Sugar of a polarization exceeding 98 degrees has to pay a duty of 4s. 2d. per cwt., and sugar of a polarization not exceeding 76 degrees has to pay a rate of only 2s. per cwt., while, in between those degrees of purity, there are intermediate duties fixed according to an annexed table. I think that the Government should take into consideration the question of varying the duty here according to the strength and purity of the sugar. Another matter to which I wish to refer is this. It has been suggested that the proposed rebate which is to be given to growers who employ white labour may not go to those growers, but may be intercepted by the Colonial Sugar Refining

Company. That is a powerful company, which has the command of the Australian market so far as sugar is concerned, and although the excise duty upon sugar has been reduced, so that the company can obtain their sugar at 3s. per cwt., while the imported sugar costs 6s., there has been but a very slight reduction in the price charged to storekeepers and consumers generally. I understand that the reduction has been barely 5s. per cwt. What security have we then that this rebate will not go to the company instead of to the growers?

Sir WILLIAM McMILLAN.—What does the honorable and learned member suggest?

Sir JOHN QUICK.—The problem is too serious for me to be able to suggest a solution off-hand, but I think that the administration of this law should be in the hands of officers of pronounced ability and strength of character, and that it should be surrounded with safeguards in which the House will have confidence.

Mr. FISHER (Wide Bay).—The suggestion of the honorable and learned member for Bendigo is a very wise one. The Government should appoint officers who will be above suspicion to look after this matter. The Colonial Sugar Refining Company is, perhaps, the most powerful organization in Australia, and it has to a certain extent sweated the Queensland sugar-growers. It will therefore be necessary to watch it in order to see that it does not get more than it is entitled to. Some honorable members seem to be in doubt as to what is the proposal before the committee. The Government propose an excise of 3s. per cwt. upon manufactured sugar, and a rebate of two-thirds upon sugar grown by white labour. When the matter has been discussed a little more fully, I intend to move a number of minor amendments.

Mr. CONROY (Werriwa).—This is one of the big questions that has come before the committee. The consumption of sugar last year was 150,000 tons, so that the placing of the proposed excise duty upon it would mean a revenue of £450,000. We are asked, however, to give a concession to certain growers, which we are told will be equal to a rebate of £2 per ton, so that the amount of excise which they will have to pay will be only £1 per ton. That will mean that they will have a protection of £5 per ton against imported sugar, a most extraordinary proposition, and one which I trust the committee will reject. We

have been told that a compact has been entered into, and that therefore the item should be passed almost without discussion, but this is the first time I have heard of any such compact. Should I have consented to allow the kanakas to remain until 1907 if I had known that the Colonial Sugar Refining Company was going to appropriate—as they will appropriate, because there are clever business men at the head of the concern—a sum amounting to over £400,000 a year? Assuming, for the sake of argument, that the capital invested in the sugar plantations of Queensland amounts to £6,000,000, interest at the rate of 4 per cent. on that sum would represent only £250,000. Taking this proposal in conjunction with the import duty on sugar already agreed to, we are asked to give up still another £200,000 to the sugar planters. It is practically proposed to give the growers of sugar a bonus of £2 per ton. When I heard an honorable member say that he was in favour of this I naturally asked him if the sugar-planters were engaged in working rich or poor land. He admitted that they were cultivating some of the richest lands in Australia, and the Government proposal amounts to asking us to give to the sugar-planters a bonus which is to be collected from the people who live on the poorer lands of the Commonwealth. It would be better if there were no rich lands within the Commonwealth devoted to such a purpose as sugar-growing, rather than that the whole community should be called upon to pay taxes in order to enable these lands to be worked. Supposing a man who owned 1,000 acres of land at Tower Hill—one of the richest districts of Victoria—were to say to the people who occupy some of the poorer lands of the State—"I want a duty imposed on something I produce, in order that I may collect it from you," what answer would he receive? Those on the poorer lands would say—"No; you are in a much better position than we are, and instead of your collecting a duty from us, you should contribute to our support." Is not this proposal an entire subversion of what has gone before, and will not the committee stultify itself if it accepts it? We should confine our attention to the growing of products in which white men can be profitably employed. Should there be any distinction made between cane and beet sugar?

Mr. FISHER.—We do not object to the beet sugar-growers being placed on the same footing as the sugar planters.

Mr. CONROY.—But where is the justice of it all? If we adopt this proposal the whole of our revenue will go. We are asked to agree that men employed in special occupations should receive a bonus. Why should we not give a bonus to the growers of wheat and oats, or to the growers of a particular quality of grain. Surely these men are as much entitled to consideration as any one else; and if the grower of beet or cane sugar is to receive a certain bonus for cultivating the richest lands of the country, why should not the same consideration be extended to those who are cultivating poorer lands? I was surprised to hear the statement that a compact had been entered into with reference to the imposition of these duties. There was no compact made. I certainly did not understand that when we passed the Pacific Island Labourers Bill we agreed to anything of this kind. I voted against the employment of kanakas because I thought I was opposing the continuance of a modified form of slavery, and I certainly did not undertake to give certain individuals a heavy bonus to compensate them for giving up a form of labour which it was agreed by the representatives of Queensland should be abolished. I think the objection raised by the honorable and learned member for Bendigo is a sound one.

Sir JOHN QUICK.—Will the individual who is intended to be benefited get the bonus?

Mr. CONROY.—Even supposing he does, my point is that we have no right to single out any special class of men, and give them the advantage of a bonus, simply because they are engaged in a certain occupation. We have no right to give the sugar planters compensation in this form because we have deprived them of an undesirable class of labour. If their industry had been wholly destroyed, the Government might, perhaps, have made some special arrangements for compensating them. But it would be far cheaper in such an event to allow them a certain rate of interest upon their capital, or to vote them a lump sum, than to levy duties on the whole community in the way now proposed. In the one case, we should know what we were doing, and should clearly understand the reason for it, but now we are taking a step in the dark. We are forgetting

that sugar is the raw material for a great number of our primary industries. No one doubts that the manufacture of jam is one of the great industries of Australia, and intimately connected with the fruit-growing industry, which is deserving of every encouragement. The proposal now being made is calculated to operate to the prejudice of the jam-making and other important industries in which sugar plays a principal part. I hope the committee will reject the proposal, and that the amount of import duty will be so little in excess of the excise duty that it will allow only for the expense of collection.

Mr. A. McLEAN (Gippsland).—I voted for the abolition of the kanaka labour on the distinct understanding that the sugar-growers should receive some compensation in the shape of the rebate now proposed by the Government. It would be most unjust to them if we were to take away the cheap labour they previously employed, without giving them some compensation. That was generally recognised throughout the length and breadth of the Commonwealth, and I must confess that I was surprised to hear of any serious opposition being raised at this stage. I think the point mentioned by the honorable and learned member for Bendigo is a most important one, because this proposal as it stands is very vague. The basis on which the rebate is to be allowed should be distinctly understood. For instance, the price paid for sugar-cane is, I presume, in accordance with the amount of sugar contained in it, but it must not be thought that the whole of this will be extracted in the form of sugar. A great deal of it becomes a by-product in the form of molasses, and I understand that in Queensland the raw sugar is produced in the first instance and afterwards sold to the Sugar Refining Company.

Sir GEORGE TURNER.—We use the words, “Giving 10 per cent. of sugar.”

Mr. A. McLEAN.—That does not define the quality of the sugar. The raw sugar does not show anything like the same high quality as the refined sugar. In fact, generally there is a difference of 10 per cent. or 11 per cent. I would point out that if the rebate is to be allowed upon the quantity of sugar that the cane upon analysis is shown to contain, it will be necessary to raise it above 10 per cent.

Mr. KINGSTON.—The analysis would be greater than the yield.

Mr. A. MCLEAN.—Very much greater.

Mr. KINGSTON.—Then if we allow the rebate upon the analysis we are dealing liberally with the grower?

Mr. A. MCLEAN.—At Maffra we found by analysis that the average sugar contained in the beet-root was something like 14 per cent., but the amount of refined sugar actually extracted was only 7 per cent. Yet it may have polarized as high as 99·9 degrees of purity. It is certainly necessary to make the rebate proportionate to the degree of purity.

Mr. EWING (Richmond).—I have already expressed my opinion in reference to this matter, and although it is a temptation to endeavour to place our white sugar-growers in even a better position than is proposed by the Government, I shall refuse to support the suggested amendment, having already expressed my approval of the Government proposals. The action of this Parliament upon the lines indicated is both reasonable and generous. There is no need for honorable members to discuss the question of free-trade *versus* protection. This is simply the price which Australia has to pay for the complication which took place in the old days of State Government, when the kanaka was first granted access to our shores. All Australia has to accept the obligation of the States, just as the whole continent participates in the benefits of federation. I desire to limit my remarks absolutely to the two points which have been raised—one by the honorable and learned member for Bendigo, and the other by the honorable member for Wide Bay. In this connexion I would point out that under the New South Wales Tariff, the duties which formerly operated were £5 per ton for raw sugar, and £6 per ton for refined sugar. Recently, however, they have been £3 per ton for raw, and £4 per ton for refined sugar. Therefore, in the mother State the difficulty that is in the minds of honorable members really represents a difference of £1 per ton only. The point raised by the honorable and learned member for Bendigo is that we must deal with sugar of a certain purity differently from sugar of a lower grade. What I wish to point out is that hitherto the States have got on very well with a difference of £1 per ton only.

Mr. A. MCLEAN.—There is a difference of £8 or £9 per ton between raw sugar and refined sugar.

Mr. EWING.—I feel satisfied that the honorable member is in error, but if the

statement is correct, then the State Government was practically working upon a great difference in value on £1 difference in import duty. It is quite true that we do not get as much sugar out of the cane as it analyzes, but I believe that what the Government intend is that if a farmer grows a crop of cane of which 10 tons will produce 1 ton of sugar, he is entitled to the full rebate. Along the northern rivers of New South Wales and in Queensland, the cane is now paid for upon analysis. Of course, that which is grown on the red basaltic soil; it is stated, gives a less amount of saccharine matter than does the cane grown upon the alluvial banks. The Government will find that their chemists will be able to tell them that 10 tons of a particular cane will produce 1 ton of sugar, and, if that be so, we overcome the difficulty in reference to the rebate. The next point is as to whether the farmer will get the rebate. I can see the difficulty which has been raised. We know how unpopular at times great institutions are, and the Colonial Sugar Refining Company, not being a charitable institution, but a money-making one, shares in that unpopularity. I am informed, however, by Mr. Knox, the general manager, that in New South Wales the company did its best to prevent black labour being employed at all. I think that the committee may view the Colonial Sugar Refining Company in this way. The Federal Parliament makes laws to bring about a certain result. It might be fair at this juncture to assume that the Colonial Sugar Refining Company will loyally assist them to administer those laws. I do not desire to make any threat, but we expect every large organization, and every body of men, as good citizens to fall in with the views intended to be expressed in the laws enacted by this Parliament. If we find that the Colonial Sugar Refining Company cuts down the price to the white growers, I think that we are strong enough to arrange things effectively, but no good purpose is served by discussing any scheme now. Above all there is the ulterior power of Parliament, which the Colonial Sugar Refining Company dare not thwart.

Mr. McDONALD.—The honorable member does not know what they dare do.

Mr. EWING.—We know that in every step we take we dare a great deal if there be no penalty attached to it. Honorable members may threaten to fight across the

floor of the House, though, if they were put in a room together, they might die of fright. There is no result; and so I believe that the knowledge that we have the power, and will use it, will tend to fairness, even if there be no fairness in the company.

Mr. McDONALD.—Do not forget that they have a reserve of £1,000,000.

Mr. EWING.—That reserve cannot fight public opinion, which is too strong; there is no need to fear money, when people are resolute. These are the two points on which I think we are unnecessarily troubling ourselves. If we pass this proposal we shall find some method of carrying out in detail the intentions of Parliament.

Mr. POYNTON (South Australia).—I am not at all surprised that the honorable member for Richmond is satisfied with everything in connexion with this proposal, representing as he does a district where sugar is grown with white labour, for which we are about to give a bonus of £2 per ton. It is not difficult to see what is likely to occur, when last week we had the Attorney-General suggesting that kanakas, who were becoming troublesome in certain places in New South Wales, should be sent to work in the northern portions of Queensland. Then we were informed by representatives of Queensland that a great portion of the sugar there is grown by white labour, there being only certain parts where black labour comes into play.

Mr. FISHER.—When was that said?

Mr. POYNTON.—During the debate on the Kanaka Bill.

Mr. FISHER.—Who said it?

Mr. POYNTON.—It was said that south of Cairns sugar was chiefly grown by white labour.

Mr. FISHER.—No Queenslander would say that.

Sir WILLIAM McMILLAN.—There was a line drawn, south of which it was said sugar cane could be grown by means of white labour.

Mr. POYNTON.—I may have misunderstood honorable members in this connexion. We are now told that the whole of the plantations north of Cairns and Mackay are being worked by Chinese labour.

Mr. FISHER.—No rebate will be given for that.

Mr. POYNTON.—But if our proposals are not effective in abolishing the employment of alien labour, we shall have to pay the bonus so long as any other labour is

employed in this industry in any part of Australia.

Mr. MACDONALD-PATERSON.—The operation of the bonus is limited.

Mr. POYNTON.—Does the Government proposal limit the bonus?

Sir WILLIAM McMILLAN.—To 1907.

Mr. POYNTON.—It is only proposed that there shall be no excise after 1907.

Mr. EWING.—That is the year after the kanakas are presumed to be deported.

Mr. POYNTON.—The proposal is that after 1907 there shall be no excise.

Mr. GLYNN.—That means that we continue to pay £700,000 a year for the abolition of the kanaka.

Mr. POYNTON.—The production of sugar is about 150,000 tons a year, and we propose to return a bonus of £2 per ton out of the revenue. That amounts to £300,000, which is equal to the cost of the whole Commonwealth Government. We propose at the end of five years, if only 150,000 tons are then produced, to give £450,000, or £6 per ton. That is the cost of this black curse in Queensland; we are practically paying £1,000,000, which would not have to be paid but for this proposal of the Government. Yet it is now suggested that we should give a rebate of 6s. I reckon that within twelve months two-thirds of the sugar will be produced by white labour.

Mr. FISHER.—No, it cannot be done.

Mr. POYNTON.—In New South Wales nearly all the sugar is produced by white labour now.

Mr. FISHER.—Not much sugar is produced in New South Wales.

Mr. POYNTON.—But are the New South Wales growers not making arrangements to get rid of the kanakas, and take the whole of the bonus?

Mr. PAGE.—Why should they not?

Mr. POYNTON.—I want to understand what this proposal is going to cost us. I regard the Government proposal as liberal in the extreme, and I cannot entertain a proposal for an addition of 2s. to the rebate. But I do not see why beet sugar should be included in the proposal, there being no reason why we should give a bonus of £2 a ton to any beet-sugar company.

Mr. THOMSON.—It is £5 per ton.

Mr. POYNTON.—It is practically £5 a ton.

Mr. EWING.—There was a duty of £5 per ton in South Australia.

Mr. POYNTON.—It was never more than £3 per ton in South Australia, and the moment there was an excise of £3 the Colonial Sugar Refining Company, in which the honorable member for Richmond has such confidence, raised the price to £6 a ton. The question of beet sugar should be considered separately. So long as there are any kanakas in any portion of Queensland we shall have to consider the bonus, and the same arguments may be advanced in its favour in ten years' time as are advanced to-day.

Mr. KINGSTON.—The kanakas have to go.

Mr. POYNTON.—In my eagerness to assist in getting rid of the kanakas, I shall go to the extent of the Government proposal, but I am not in favour of a subsidy for beet sugar.

Mr. KINGSTON.—The honorable member would have an excise on beet sugar with no rebate, though white labour is employed.

Mr. POYNTON.—The Government propose £2 rebate for sugar cane grown by white labour, and if beet sugar is included, I shall have to vote against the proposal.

Mr. KINGSTON.—The honorable member would treat beet sugar grown by white labour no better than he would treat cane sugar grown by black labour.

Sir WILLIAM McMILLAN.—Beet sugar is not grown in the tropics.

Mr. POYNTON.—Is not the duty on beet sugar imposed because that commodity can be sent here more cheaply than any other sugar in the world?

Mr. KINGSTON.—Does the honorable member want a higher excise duty on beet sugar?

Mr. POYNTON.—The Government are encouraging the beet-sugar industry, which, after the kanaka has been abolished, will drive the cane sugar out of the market.

Mr. McDONALD (Kennedy).—I do not think that the proposal of the honorable member for Wide Bay is a fair one under existing circumstances. The committee were led to accept the proposal of the Government on the passing of the Pacific Islanders Bill, and, under the circumstances, that proposal should be now adopted. The remarks of the honorable and learned member for Bendigo, as to the framing of the regulations, ought to have a good deal of weight with the Government. No doubt the Colonial Sugar Refining Company have a big influence on the sugar industry in Queensland. The company have practically

sweated the sugar-growers of Queensland, and if not closely watched will further sweat them. Now that there is a larger field the company may try to sweat the Commonwealth, and if the Government are not careful the money paid in bonuses will be extracted by the company from the sugar planters.

Mr. KINGSTON.—We have given a lot of thought to that point.

Mr. McDONALD.—There is the difficulty that until we see the regulations we cannot form an opinion as to whether they will be successful, but I wish to impress on the Government the absolute necessity of watching the company very closely. The time may yet come when even further steps will have to be taken in regard to this monopoly, which practically controls the price of sugar in Australia.

Mr. THOMSON.—How can we help that, with a protective duty?

Mr. McDONALD.—I agree that the big protective duty causes a difficulty.

Mr. L. E. Groom.—The company controlled the market before there was a protective duty.

Mr. McDONALD.—It is already proposed to place a protective duty of £10 a ton on beet sugar, and if that industry be encouraged with a bonus of £2 per ton, it will certainly kill the cane industry sooner or later. Fifty years ago only about 20 per cent. of the world's sugar was produced from beet, but now the proportion is something like 80 per cent., and if the cane industry be destroyed in the way I have indicated, the result will be to give the Sugar Refining Company a protective duty of £10 instead of £6.

Mr. JOSEPH COOK.—Did anybody ask for this duty to be extended to beet sugar?

Mr. McDONALD.—I do not know, but I understand that the honorable member for Echuca intended to propose it.

Mr. JOSEPH COOK.—It seems to me that we are throwing concessions at people who do not want them.

Mr. McDONALD.—When the Pacific Island Labourers Bill was before us, I think that all that could be said in regard to the Queensland sugar industry, and the probable effects of that measure, was said, so that it is not necessary to go into the matter again now. I rose principally to say that I consider that it would be a breach of faith upon my part if I were to vote against the Government proposal, remembering the

magnificent concession which they, and the people of the Commonwealth, are giving to the sugar-growers of Queensland.

Progress reported.

ADJOURNMENT.

COST OF PARLIAMENTARY PRINTING— PUBLIC SERVICE INCREMENTS—PRICE OF SUGAR.

Motion (by Mr. KINGSTON) proposed—
That the House do now adjourn.

Mr. MAHON (Coolgardie).—Something under six months ago, on an Order of the House, the Government promised a return showing the cost of Parliamentary printing. I referred to the matter about two months ago, and it was promised me a second time, but it has not yet come to hand. The return asked for need not be very elaborate, and it shows a want of regard to the wishes of the House that it has not yet been furnished.

Mr. GLYNN (South Australia).—In the absence of the Minister for Home Affairs, I should like to draw the attention of the Minister for Trade and Customs to a matter upon which, perhaps, I can ask a question to-morrow morning. In December, 1900, certain promotions were made under the South Australian Civil Service Act to the fifth and sixth classes of the service. Some of these promotions were to date from January, 1901, and others from July, 1901, and they carried with them an annual increment of £10. The provisions of the South Australian measure are still in force, because all accrued rights were preserved to transferred officials by the Constitution, but although the increases granted in respect to the promotions which dated from July, 1901, have been paid, those due in respect to the promotions dating from January, 1901, have not been paid.

Sir JOHN QUICK (Bendigo).—I should like the Minister for Trade and Customs to ascertain, for the information of honorable members, whether any reduction has been made in the price of sugar sold by the Colonial Sugar Refining Company since the reduction of the duty? Formerly the duty upon Queensland sugar imported into Victoria was £8 per ton, but now there is only the excise duty of £3 per ton.

Mr. KINGSTON (South Australia—Minister for Trade and Customs).—As regards the matter referred to by the honorable member for Coolgardie, it will be

attended to. No doubt the delay is due to the honorable member's good nature in not bringing the matter under our notice sufficiently often. It will be difficult to get the information asked by the honorable and learned member for South Australia by to-morrow's sitting, but it will be looked into as soon as possible. With regard to the question asked by the honorable and learned member for Bendigo, we shall obtain such information as we can get within the time at our disposal.

Question resolved in the affirmative.

House adjourned at 10.35 p.m.
