

LEGISLATIVE COUNCIL,

Tuesday, 20th December, 1887.

Report of Tariff Commission—Geraldton and Northampton Railway Amendment Bill: first reading—Adjournment.

THE SPEAKER took the Chair at noon.

PRAYERS.

REPORT OF TARIFF COMMISSION.

IN COMMITTEE:

THE COLONIAL SECRETARY (Hon. Sir M. Fraser), in moving the consideration of the recommendations contained in the report of the Tariff Commission, thought it would be hardly necessary on his part to state the reasons for the appointment of the Commission. The House must be aware of them. It was only necessary that he should point out that the tariff now in force had been in operation since August, 1882, and therefore it might fairly be considered to have performed its full term of service. Of the operation of that tariff it was unnecessary for him to speak. The question had arisen, and it had been kept prominently before the minds of the Commission—which consisted of a member of the Government (himself, as chairman), four members of that House, the principal Collector of Customs, and another gentleman, of distinction in the business world (Mr. W. D. Moore)—the question arose whether the existing tariff afforded that encouragement to trade, settlement, and production which would have the effect of promoting these interests, and whether by adopting a tariff that would afford greater protection to local industries a great deal of money now sent out of the colony might not be retained here, to the benefit of the whole community, while, on the other hand, by admitting such raw materials as were required by those engaged in these local industries at a lower duty than at present, this additional encouragement to trade and production might not be obtained without materially affecting the gross amount of revenue now derived from the Customs. The Commission had not lost sight of this latter proposal. The Commission had fully realised the fact that in these stirring

times in the history of the colony it was highly desirable that the revenue should not suffer; and he might say that two members of the Commission had devoted themselves to a calculation—based, it was true, on the revenue derived from the Customs last year, but which nevertheless, for the purposes of such calculation, might be taken as sufficient—as to the probable amount of revenue which the colony would receive under the proposed new tariff, as compared with the existing tariff; and the conclusion they had come to was, that providing the transactions of the year were maintained, there would be no loss to the revenue from the adoption of the revised tariff. This was a very important feature. He might also say that there had been great unanimity on the part of the Commission in arriving at the conclusions which they did. They had had before them the tariffs of all the other Australian colonies, and, where they considered it necessary to do so, they had adopted such of the principles which governed those tariffs as would in their opinion aid the object which they had in view. It would be well, before calling the House to confirm the recommendations of the Commission, that he should draw attention to the particular items in which an alteration of duty was proposed. They were not so numerous as might, at first sight, appear, and he would take them *seriatim*, so that the House might see exactly in what directions it was proposed to change the incidence of taxation. Commencing with live stock, hon. members were aware that horses and horned cattle, sheep, and pigs were now admitted into the colony free of duty; and it had been said that sheep had been imported in considerable quantity for butchering purposes in some of the southern portions of the colony. The Commission, having this fact before them, thought it would be only right that a duty should be placed upon all imported sheep, and they had fixed that duty at 1s. per head, which was so small as not to interfere with the introduction of sheep for stud purposes, but which, at the same time, would operate as a check upon the importation of sheep for purposes of slaughter. A duty of 10s. per head was proposed on horned cattle and horses, and 2s. on pigs; all of which were now admitted duty free. Arrow-

root was placed at 1d. per lb., instead of being liable to an *ad valorem* duty of 12½ per cent. Bacon (smoked or dried, and in pickle or brine), hams, and tongues were the next articles operated upon. The Commission was informed that importers were now in the habit of bringing in salted pork prepared in such a manner that it could be afterwards converted into bacon, and that even the material for smoking it was imported with it, thus evading the higher duty; it was now proposed to check this practice by imposing a duty of 3d. a lb. on bacon, whether smoked, or dried, or in pickle, or brine. This, it was hoped, would have the effect of encouraging local producers, and of preventing the revenue being imposed upon, as they were informed it was at present. Beef and pork, in pickle or brine—which the colony ought to be able to produce in any quantity—were removed from the 10 per cent. list, and a specific duty of 1d. per lb. was proposed. The next item was biscuits. These were at present introduced under the *ad valorem* rate, but it was now proposed to levy a duty of 2d. per lb. on them, the Commission being informed that excellent biscuits could be produced in the colony. Bran and pollard, which were now largely imported, were the next articles considered. The present duty was 10s. per ton, but the Commission thought the duty might be increased to £1, in order to encourage the farmers and millers of the colony. Candles, the next item in which an alteration was proposed, were now liable to a duty of 1d. per lb., but they were informed that an energetic company had been started in the colony producing candles equal to the imported article, and it was suggested that the duty should be raised to 2d. The duty on wheat at present was 4d. a bushel; the Commission proposed to increase it to 6d., so as to put it more on a level with the duty on flour, which would remain as at present. It was also proposed to raise the duty on gram from 4d. to 6d., placing it in the same category as maize. Dates, which were now subjected to an *ad valorem* duty of 12½ per cent., had been placed on the specific list, and a duty of 2d. per lb. imposed, the Commission being of opinion that if the colony is fit for nothing else it ought to be a grand fruit-producing country;

and, as dates were now largely imported, it was proposed to give this encouragement to local growers. Hay and chaff at present were liable to a duty of 12s. 6d. per ton; it was recommended that the duty be increased to £1. Years ago, before we had our railways to the Eastern Districts, it was said it was impossible to get hay and chaff in sufficient quantity for local requirements; but, now, things had changed, and there was no reason why our ports should any longer be inundated with importations of hay and chaff, seeing that both these products can be produced of superior quality in our own agricultural districts. The next item was iron and steel wire for fencing, now subjected to a duty of £1 per ton. In order to encourage improvements on farms and sheep stations, it was proposed to reduce this duty to 10s. Lard, which now appeared in the *ad valorem* list, was now removed to the schedule of specific duties, and a tax of 2d. per lb. imposed, it being considered that a sufficient quantity could and ought to be produced in the colony. On methylated and other spirits, which were largely used in manufacturing industries and trades, it was proposed to place a merely nominal duty of 1s. per gallon. Onions, upon which a duty of 10s. per ton was now placed, grew magnificently in the colony, and, in order to induce their production in larger quantities, it was proposed to raise the present duty to £1; and the same with potatoes. In view of the depressed state of the mining industry, it was proposed to reduce the duty on ore bags from 6d. a dozen to 3d. Candied peel, which ought to be produced here in any quantity, was now liable to 12½ per cent. duty, and it was suggested that the duty be increased to 3d. per lb., which certainly ought to encourage local growers of lemons, citrons, and oranges to go in largely for this article, looking at the low price of sugar. It was proposed to fix the duty on blasting powder at 1d. per lb., being double the present rate. Corn and flour sacks were liable to a duty of 1s. per dozen, it was proposed to reduce them to 6d., which it was felt would be an additional encouragement to farmers. It was recommended that sago, tapioca, and corn flour should be subjected to a uniform duty of 1d. per lb.—tapioca and corn

flour being at present on the *ad valorem* list. The next item in which any change was proposed was solder, which it was proposed to remove from the *ad valorem* schedule, and a duty of 2s. 6d. per cwt. put on it. The Commission had made particular inquiry with reference to this article, and they came to the conclusion that the proposed duty would be a fair one. Soap (not toilet) was now liable to a duty of 2s. 6d. per cwt. The Commission had been informed that a local company had recently been established, and that they produced an excellent article; and, following out the policy of encouraging local industry, it was proposed to increase the duty to 3d. The next item which it was intended to alter was under the head of wines. At present all wine (except sparkling) was liable to a duty of 4s. per gallon; and the Commission, after a comparison of the duties charged in the other Australian colonies, proposed to increase the duty to 5s., which, it was thought, ought to be an encouragement to local producers. In New South Wales the duty was 5s., in Queensland 6s., in South Australia (up to 35 per cent. proof) 6s., in Tasmania 4s. in the wood, and 6s. in bottle; and in Victoria 6s. Some members of the Commission were in favor of putting a higher duty upon this class of wine, imported into this colony, seeing that we ought to be able to produce wine of very good quality ourselves; but, after considerable discussion, the Commission on the whole decided to accept what he might call the lowest average of the other colonies, and fixed the duty at 5s., which was 25 per cent. higher than the present duty. The duty on sparkling wines had not been touched, it remained at 6s. He had now enumerated all the articles under the head of specific duties in regard of which the Commission had proposed any alteration. He now came to the second schedule, and here they had a novelty in the shape of a 20 per cent. duty. It might be said to be a high rate, but it was proposed with an object, that object being the encouragement of production and manufacture, on the one hand, and, on the other hand, compelling the wealthier classes of the community, if they preferred imported articles, to pay for them a higher rate of duty than they did at present. In the first place

they wished to encourage the building of boats, on which at present there was only a 10 per cent. duty, the consequence being that the local boat-building trade was in a very depressed state, a large number of boats being imported from Singapore and elsewhere. It was also proposed to further encourage the local manufacture of carts, carriages, and wagons by increasing the duty on the imported article to 20 per cent.; and the same remark applied to other trades—furniture, harness and saddlery, doors and window sashes, coming under the same category. There were also certain articles of luxury placed on the same list, including musical instruments. It was jestingly said that the market was so well stocked with pianos and musical instruments that the revenue would not be likely to derive much benefit from this source for many years to come; but the Commission thought it would only be fair that those who could afford such luxuries should be made to pay for them. The same observation applied to articles of jewelry, which were now proposed to be placed on the 20 per cent. list, instead of 12½ per cent. In the same category the Commission proposed to place patent medicines. In the interest of the medical profession as well as in the interest of those who passed half their existence in consuming these patent drugs, the Commission considered that a heavy duty should be placed upon such articles. He himself was not at all satisfied with 20 per cent., and would be quite prepared to increase the duty to 100 per cent. on the patent medicines. But as many people in the interior were of necessity compelled to have recourse to these prepared drugs, now imported in large quantities, the Commission were satisfied with the 20 per cent. Another item placed on the same list was mineral waters, which were now largely manufactured in the colony. There were some fastidious people perhaps who could not do without their imported Schweppes, Apollinaris, or other mineral waters; but the Commission thought such people could well afford to pay their 20 per cent. for the imported article. Perfumery also appeared in the same list; including toilet and fancy soaps, which it was said were now locally produced, of excellent quality. Every description of worked timber and tinware

were likewise included in this heavier import, with the view of encouraging local tradesmen. So much for the second schedule. The next schedule consisted mainly of reductions from $12\frac{1}{2}$ or 10 per cent. to 5 per cent., so as to give every encouragement to local manufacture. He would, for the present, pass over the 4th schedule, and come to the 5th, which embraced all goods free of duty. In the first place they proposed to put bells and all musical instruments for places of worship on that list, instead of on the *ad valorem* list. Bone and other manures, including all fertilisers, were also included in the free list, instead of being charged with a duty of $12\frac{1}{2}$ per cent. This, the Commission hoped, would encourage our agriculturists to make more liberal use of these fertilising agencies. Cod oil, in bulk, used largely as a lubricator, and for purposes of manufacture, and which was now liable to a duty of 6d. per gallon, was now admitted into the free list. So also was unworked iron and steel of every description, and metal sheathing for boats and ships, which now had to pay a 5 per cent. duty. It was also proposed that paper used for printing purposes should be removed from the *ad valorem* list and introduced duty free. With the view of encouraging the construction of tramways and railways by private companies—chiefly in view of the necessity for improving the facilities for transport to our goldfields—the Commission also proposed that, in future, rails and fastenings for railways and tramways, be admitted free of duty. He had now particularised the various items in which the Commission proposed to make any alterations, in the schedules already named; he next came to what he might call the cream of the whole report—the 4th schedule, which proposed a reduction in the *ad valorem* rate from $12\frac{1}{2}$ to 10 per cent. on all articles not enumerated in the other schedules. As he had already said, a calculation had been made by some of the most capable men on the Commission, as to the probable effect of this sweeping reduction, in view of the other revisions proposed in the tariff; and the conclusion arrived at was that, providing the import trade of the colony showed no falling off, the revenue would not suffer on the whole from the proposed changes in the incidence of taxation. No doubt, hon.

members, when they came to deal with each item separately, would suggest some further alterations, which, of course, would receive every attention. For the present, he would simply move, "That the recommendations of the Tariff Commission be generally approved."

MR. MARMION thought the committee ought to have some further time to consider the proposed alterations in the tariff. No doubt the Commission had been animated by a desire to promote the best interests of the colony, and, though he agreed to a very great extent with their recommendations, he saw what he conceived to be grave blots in the revised tariff, and he should like a little more time to point out those blots.

MR. VENN thought the principle involved might be discussed at once, leaving the schedules for discussion hereafter. He took it that every member had made up his mind as to the principles of Free Trade or Protection, and, no matter how long they might put off the discussion upon those principles, he did not suppose the opinion of any member would be altered.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) thought they might proceed with the discussion that day. He was sure all members would acquit him of any desire to suppress discussion, if he thought anything was to be gained by an adjournment; but, seeing that the Commission had given a great deal of time and attention to the tariff—more so than hon. members could possibly give to details in that House—he thought they might proceed to discuss their recommendations that afternoon. As to the principle which had guided the Commission, there was nothing that he was aware of to conceal or to be kept back; the principle of course was a protective one. They had abandoned the policy of Free Trade, so far as the revised tariff went, and had come forward in the interests of the community, with a policy of Protection. Whether they had succeeded in carrying out the object they had in view, as regards details, was a question for that House to decide.

MR. A. FORREST quite agreed with the Colonial Secretary; he failed to see what good they would do by delaying the consideration of the report. Why shouldn't they go on with the work?

For his own part he had considered the recommendations of the Commission, and was prepared to go on with them at once.

MR. MARMION said whatever attention the members of the Commission may have given the subject, it was not to the Commission but to that House that the public looked to have their interests protected. A report upon a country's tariff was not to be got through in half an hour. It was not a temporary expedient that was now proposed, but a general revision of the whole tariff, which was a matter requiring very careful consideration, not only as regards its present and immediate effect, but also its future effect upon the revenue and upon the industries of the colony. He had no wish to delay the work, but he was not prepared to accept any responsibility, unless he had time to give the subject his closest consideration.

MR. HENSMAN thought there was nothing unreasonable in what the hon. member for Fremantle asked. It appeared from the remarks which had just fallen from the Colonial Secretary that they had now to decide, not only as to the details of the revised tariff, but also upon an important principle. If the hon. gentleman had not said so, he (Mr. Hensman), judging from his speech, should not have been able to elucidate any principle. But the hon. gentleman now told them that the Government had at last—perhaps one might say for the first time—committed itself to a policy,—the policy of Protection, and abandoned the principle of Free Trade. He was very glad to hear some definite announcement of a policy of some sort on the part of the Government. But as he had not been aware that the House was to be asked to commit itself—so far as they could commit themselves in that expiring Council—to the policy of Protection, as distinct from any other policy in force hitherto, he was not prepared at that moment to discuss the subject. The matter was an important one, as now placed before them. They had not only to deal with the question of adjusting the various articles enumerated in the tariff so as to do the least amount of harm, and to adjust the revenue: the matter was now put before them as a question of principle. He was not at the present moment prepared to discuss, or to pro-

nounce an opinion one way or the other upon the great question of Protection or Free Trade, or any question of the kind; therefore, like the hon. member for Fremantle, if the discussion proceeded, although he should do nothing to retard it, beyond expressing his views, he should hold himself quite free from any principle which that House might at this moment decide to affirm.

MR. VENN said he had listened with a great deal of attention to the Colonial Secretary's speech in introducing the report of the Commission, and to the hon. gentleman's subsequent remark that the tariff now before them was intended as a step in the direction of adopting a policy of Protection. Personally he had been glad to hear so, but he failed to recognise it as such, for, in many instances, to his mind, Protection was lost sight of altogether, and, as a strong Protectionist himself, he should have felt more pleased had the new tariff given indication of more radical changes. As, however, it was the first step towards the adoption of a policy which he hoped hereafter would be the dominant policy of this colony, he was prepared to accept the motion now before them, that the recommendations of the Commission be generally approved. But when the schedules came under discussion, he should take exception to some of the items. He had for many years considered that a protective policy was a policy which it was absolutely necessary for this colony to adopt, in its own interests. It was well known that for a considerable time past a large number of artisans had been leaving the colony, simply because they could not find work, because of the large quantity of manufactured articles that were allowed to come into the colony at prices which defied local competition. He thought this colony could not afford to lose the services and the earnings of these artisans, and that our policy should be to protect such local industries as those for which the colony was adopted. It was a maxim of political economy which could not be controverted—from an agricultural point of view, at any rate—that the market price of any article should be regulated by the cost of its production; the moment it went below the cost of its production, that particular industry must of necessity languish. The

moment that capitalists found that the cost of production was greater than the price of an article in the market, that moment they would withdraw their capital from that industry. As a member of the Agricultural Commission, he had been greatly surprised to find from the evidence of some of the witnesses examined in the Eastern Districts, that, under certain favorable conditions, wheat could be produced here at a very much lower rate than was generally imagined. The price quoted was perhaps under exceptional circumstances and by exceptional means; at the same time he felt sure that given a larger population and a larger consumption it would not be necessary to place a very large import duty on cereals. But, at present, he thought it was absolutely incumbent upon them to protect the agricultural industry. He felt sure that when members had an opportunity of reading the interesting minutes of evidence taken by the Commission on Agriculture, they would see that at present the cost of the production of many articles in Western Australia exceeded the cost of the imported article. He would say nothing further at present, with regard to Free Trade and Protection, further than that he was a strong advocate of the principle of Protection being applied to this colony, and that if he had the revising of the tariff himself he would apply those principles in a much more marked degree than was apparent in the schedules now before the House. It might be said that in using the word Protection they were using an ugly word; he had heard it called by the Colonial Secretary, by a more euphonious name—Fair Trade. All he could say was the sooner we adopted the principles of Fair Trade in this colony the better would it be for the material progress of the colony.

MR. RICHARDSON said he had been very sorry to hear the Colonial Secretary proclaim that the new tariff was intended to be a Protection tariff. If the hon. gentleman had not sounded that note, he believed many of the items in it would have passed unnoticed. But now that the gauntlet had been thrown down, the adherents of Free Trade principles might feel disposed to fight for them. The note of warning having been sounded, that those principles were to be abandoned, the hon. gentleman might

find that the advocates of Free Trade were quite prepared to defend their fiscal policy to the utmost; and, if that House was to become the battleground of the battle of Free Trade *v.* Protection, the hon. gentleman might find that he had let loose a hornet's nest about his ears. If the tariff now before them professed to be a productive tariff all he could say was that, as such, it was a failure, an utter failure, and it would not have that effect which protectionists anticipated. If, on the other hand, it was put forward with a view to an increase of revenue, in that case also it must prove a failure, for he felt sure that the result of its coming into operation, as at present framed, would be a diminution in the revenue, rather than otherwise. But whether it would result in a *loss* to the revenue was not exactly the point; what they wanted, speaking from a financial point of view, was a tariff that would not only protect the revenue from loss, but increase it. But he felt sure that this transmogrification of the present tariff would neither answer the purposes of protection, nor yet result in increasing the revenue. As a free-trader he thought it was open to wholesale condemnation. Looking at it from a revenue point of view, it was obvious that the proposal to reduce the *ad valorem* rate from 12½ to 10 per cent. must result in a serious diminution of revenue, at one stroke. When they came to consider that this schedule included all articles of drapery, it was evident that a reduction of 2½ per cent. in the duty upon this class of goods must make a very large hole in the revenue, and he did not think the colony was in the position to afford it. In order to enable those who could well afford to pay for their drapery to get it a little cheaper, the poor man was to be taxed on every article of daily diet which he required to consume. It was a regular cross-cutting business. One set of the community was to be protected at the expense of another portion. One class was supposed to be encouraged by being able to make a little more profit out of what he produced or manufactured, in consequence of a higher duty being placed on the imported article. The other class, who would be called upon to pay more in order to enable this producer or manufacturer to make a little

extra profit, were to have their scruples satisfied by being told that they would get a corresponding reduction in other articles, or have products of their manufacture protected; and so on, one section of the community being protected at the expense of another section, and that other section being protected at the expense of somebody else. What the net result would be it was difficult to say. Perhaps it might be that every portion of the community would be protected against each other, and that importations might be checked; but, on the other hand, one thing was clear—the standard cost of living would be on the whole raised all round, and the pressure would be felt mostly where people were the least able to bear it. Everything they required to eat, or to drink, or to wear would be made dearer. There might be portions of the community who could afford to pay more for these articles of daily necessity because their own particular interests were specially protected; but the question for the consideration of that House was whether there were not large sections of the community who would be in no way protected, but who would find the cost of living to them increased in every way? There was a large number of people who would not benefit one iota in the general scramble for protection—for it was nothing else but a scramble; and these people would have every reason to denounce the tariff as a very one-sided affair. Being in the unfortunate position of having no particular industry to be protected, they would not be able to participate in any of the blessings that were supposed to be scattered throughout this confused tariff; and their only source of comfort would be, that, although they were made to suffer themselves, they were doing something to improve the position of others. That was rather cold comfort, he thought. For instance, carpenters and joiners were to have a little sop thrown out to them by having the duty on imported doors, window sashes, and frames increased to 20 per cent. No doubt that was all very fine so far as carpenters and joiners were concerned; but what about the other tradesmen, and artisans, and laborers who were employed in the building trade? In order to protect the carpenters and joiners, these other persons must be taxed at a higher

rate than they were at present taxed, otherwise the revenue must suffer. What would the ordinary house carpenter, the stonemason, and the bricklayer and brick-maker, and the plasterer, and the painter, plumber, etc., benefit by this sop that was thrown out to the carpenter and joiner? The same question might be put with regard to every member of the community who did not happen to be concerned in some trade or industry which this tariff took under its protecting wing. The farmers, it was said, required protection above all others; but what about those who were engaged in other industries, such as the timber trade, the pearl-shell industry, the pastoral and wool-growing industry, why should not all those who were dependent on these industries be protected as well as the farmer, or why should the farmer be protected at the expense of these other sections of the community? Why should the farmer himself, in order to have his own particular industry protected, have to pay more for everything else that he required? The same anomalies were apparent in every other direction all through this tariff, which, if it protected people at all, only did so at the expense of others, and, it might be said, at their own expense. With one hand it gave, and with the other hand it took away. What the net result would be, as he had already said, it was difficult to say; but it was evident that, regarded in the light of a protective policy, in the true sense of the term, the proposed tariff was a failure, a complete failure; and he ventured to think that, so far as its effect upon the revenue went, that effect would be injurious rather than beneficial. All classes of the community would be made to suffer in order to bolster up one little fad or another. For instance, how would this tariff affect our road laborers, contractors, teamsters, navvies, farm and station hands, and all those employed in the wool producing industry; how would it affect house servants, domestics, milliners and dressmakers, and officers employed in banking institutions, shop assistants, and people of that class? How would it affect saw mill hands, timber haulers and fellers, and all those engaged in the jarrah and timber industry—an industry that was worthy of

protection perhaps above all others, seeing it formed such an important item in our export trade? Those employed in the butchering trade, how would it affect them? Also splitters, fencers, well-sinkers, dam-makers, blacksmiths, market gardeners, gas-fitters, the ship building trade, lightermen, railway employes, miners—copper, lead, or gold—labor engaged on smelting works, firewood-cutters, or on water supply, all professional men and clerks, printers and compositors, and those engaged in the newspaper business, how would it affect them? How would it affect market gardeners, and those engaged in the prosecution of the fruit industry? If this colony was ever going to be a fruit-producing country, as it ought to be, were we only to look forward to the demands of a local market? Must we not look to an export trade? In that case, the value of a protective duty on the imported article was lost; it would be useless, and all engaged in any exporting industry would suffer from protection. There were scores of other trades that would suffer from this so-called protective tariff, and why? Simply in order to put a few shillings in the pockets of a few persons who were interested in certain trades or manufactures. Victoria was generally held up as an example of how a country flourished under a protective policy? But what was the real source of the prosperity of that colony? It was not its fiscal policy, but its own magnificent natural resources. Victoria flourished in spite of her protective policy, and not by reason of it. Give him a few million acres of Victorian soil and he would make Western Australia flourish. The same remarks applied to America. The secret of the success and prosperity of that great country was not due to Protection, but first to its boundless natural resources, and the indefatigable and restless energy of its people, and to its internal policy of Free Trade between the different States. Then, again, there was the question of Federation. They were all looking forward to the realisation of their hopes that sooner or later all these colonies shall be united in the bonds of federation. Was that union likely to be promoted or hastened by a war of tariffs? Was intercolonial reci-

procity likely to be brought about by the adoption of a tariff like this? Apart from this higher standard, and looking at the question from a merely local point of view, as the representative of a Northern division of the colony, he must protest against anything in the shape of a protective duty. The inhabitants of the North did not want their flour and other articles of daily requirement made dearer, in order to afford protection and to put money into the pockets of a few farmers and others in this part of the colony? Why should the people at the North be taxed higher than they were already, in order to prop up a few languishing industries about Perth? Taking away this little element of protection, a policy such as this was one of the worst policies either for the agricultural or any other industry, for—if as we all expected it would do so, in the immediate future—our agricultural industries progressed, then we must soon be a wheat exporting country, and, when we came to export wheat and cereals, of what benefit would the duties on flour, wheat, corn, and hay be to the farmer then? We should then find our agriculturist depressed instead of encouraged by having to pay a dearer rate for other things he did not produce, and which were to be protected by high import duties. Possibly even some hon. members might be bold enough to say that England had or was suffering from the effects of Free Trade. Let them glance at some of Mulhall's tables of statistics, and see. In the year 1884 the aggregate import and export trade of France was £303,040,000, or £7 18s. per head of population; of Germany, £323,285,000, or £6 17s. 6d. of population; of the United States, £290,138,000, or £5 3s. 3d. of the population; while Great Britain's trade was £685,985,000, or £19 per head of her population. In addition she also possessed more than half the shipping tonnage of the whole world; and all other nations, including her own colonies, were indebted to her from loans to the amount of between £1,500,000,000 and £2,000,000,000, yielding the English people an annual income of 60 to 80 millions. Great Britain sold goods to the United States, in 1884, to the value of £32,510,000, while France sold them only £14,169,000, and Germany, £13,004,000.

While to Germany she sold, in 1884, goods to the value of £25,365,000, France sold to Germany that year £12,194,000, and the United States only £6,261,000. Great Britain's exports in 1888 were valued at £50,000,000, while the average of five years, 1881 to 1885, it had risen to £232,000,000. So much for the bad effects of Free Trade on England's destinies. So much for Free Trade in older countries. But it was rather as a local question that he wished to regard this proposed tariff, and in the interests of the numerous class who would be made to suffer, in order that a few industries might be artificially propped up at the cost of the revenue. They were asked to increase the duty on potatoes, for instance, from 10s. to 20s. per ton. Now the price of potatoes here averaged from £6 to £7 a ton—sometimes as high as £12; yet our local growers called out for protection. With a soil capable of producing magnificent crops, they were unable to compete with the foreign grower, notwithstanding the many drawbacks and losses inseparable from the shipment of such a perishable crop as potatoes. They must have the importer still further handicapped, and the public made to suffer by it. Why should the public be made to suffer? Why should the bulk of the community be made to pay a higher price for their commodities simply in order that a few cultivators should be placed in a position to rule the market? Professedly, the aim and object of a great deal of our legislation was the encouragement of the agricultural industry, and recently a Commission had been appointed to inquire into the question of whether something could not be done to stimulate that industry. That Commission was doing much to gather as much information as it could to show what successful agriculturists had been able to do in this colony, and how they had accomplished it, in order to teach those who had been less successful, or who were not up to their work, how they might follow in their steps. We did everything we could to encourage the farming industry. We held ourselves up as being an agricultural community, and we also considered ourselves a great pastoral community. No doubt these industries, together with the timber and pearling industries, were the main indus-

tries of the colony. But why should those engaged in all these industries, except that of agriculture, be made to suffer, pecuniarily, in order that we may bolster up a few struggling manufactures, which our limited population could not support, nor be expected to support. Such a modicum of protection as was here contemplated—a mere flea-bite—could only have one result, and that result must be, as he had already said, utter and complete failure. He had no hesitation in predicting that of it. It would neither encourage nor stimulate local enterprise, nor would it by any system of jugglery serve to augment our revenues, and he was sure that our finances at the present moment were not in such a position as would justify any risky experiments with the tariff. It would be much better and wiser to let well alone, in this instance, and not to meddle with the tariff at all, unless we were prepared to alter it in such a way as to increase the general revenue. But the tariff now proposed was neither one thing nor the other. It was supposed to be a tariff framed largely in the interests of those engaged in agriculture, yet he noticed that it was proposed to place a duty of 20 per cent. on harness and saddlery—articles largely used in connection with agricultural pursuits—in order that two or three individuals engaged in the trade might be able to pocket the difference.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser): And to keep the money in the colony.

MR. RICHARDSON: Keep it in their pockets. That's what they'll do. Then, again, it was proposed to reduce the duty on agricultural machinery to 5 per cent.—a little sop to the farmer to make up for the higher cost of other articles. If they wanted to protect local industries, they had some excellent local establishments for the manufacture of agricultural implements, whose efforts to develop an important industry had been attended with marked success. That success, however, had not been attained by means of Protection, or any other artificial means, but by the energy and the enterprise of those engaged in the business, who had clearly shown that, given fair play, a fair field and no favor, they could produce articles on the spot that would shut out the im-

ported article. Yet, although professing to help all industries alike, here was an industry which, so far from endeavoring to protect it, we proposed to try to stamp out, by lowering the duties on all imported agricultural implements. It appeared to him there was neither rhyme nor reason about such a tariff as this. He would say no more on the principles, or upon the policy involved; but he would again ask the House to seriously consider this question—were we in a position to assure ourselves, without any possibility of a doubt, that no loss of revenue would accrue from the adoption of this revised tariff? If any hon. member thought we were, all he could say was that such member must be gifted with a large amount of foresight and with a very sanguine temperament. For his own part he strongly deprecated any risky experiment being made, at the present critical position of our finances, by tinkering with the tariff, as now proposed. Having said so much, he did not propose to offer any active opposition to the resolution now before the committee; which he understood was not intended to debar any member from moving amendments in the detailed items, when the schedules came to be considered.

MR. SCOTT said he was very much inclined to agree with the hon. member for the North: he did not see how in the face of the Governor's speech and of the present position of affairs, we could afford to run any risk of lessening our revenue from the Customs, which might now be said to be our only source of revenue, in view of the falling off in the revenue from land. Although he would be glad to see the duties reduced on the necessaries of life, still he did not see his way out of the difficulty of having to meet the fact that we must look forward to an increase of revenue rather than a diminution, in order to enable us to meet an increasing expenditure. If the Government had come forward with a policy of retrenchment, in order to decrease the public expenditure, the House might have had some ground for going in for a reduction in the tariff duties. It was very doubtful to him, looking at the schedules as now proposed, that the revised tariff would bring in as much revenue as the existing tariff, bearing in mind the large number

of articles on the *ad valorem* list, the duty upon which was to be reduced from 12½ to 10 per cent. Unless the Commission could satisfy them that the revenue would at any rate be equal to the present revenue, if they agreed to these proposals, he felt that in spite of his great anxiety to reduce the imposts upon the necessaries of daily life, he should be bound to vote for the tariff remaining as it now stood, for this was certainly not the time for proposing any reduction in the revenue. The Commission, in the report now before the House, said that they desired to save money now lost to the colony, by admitting under a light duty many imports required for the improvement of the settlement of the land. No doubt this was very desirable; but, on the other hand, they must take care that in doing this they did not increase the burden of taxation already borne by the general public. There seemed to be some anomalies in the new tariff, which required explanation. While the duty on flour was to remain as at present, he noticed that it was proposed to increase the duty on wheat. He thought this increased duty on wheat was open to objection, as a great deal of the wheat imported into the colony was wheat required by the farmers themselves for seed. He thought imported flour might bear a very much heavier duty, as the quality of a great deal of it was very inferior indeed; and, if we wanted really to protect our farmers, we must make the duty on the imported article prohibitive, except as regards a really good article. Some of the inferior flour now introduced into the colony was unfit for human consumption, and the present duty acted in no way as a deterrent against importing this "cheap and nasty" article. A heavier duty might have the effect of restricting importation to a superior class of flour, instead of having our markets swamped with an article which, if not absolutely unfit to make bread with, was far away inferior to the flour made in the colony. There were other anomalies in the schedules. Patent medicines were put down at a duty of 20 per cent. He couldn't help thinking that such goods as these patent medicines might very well be made in the colony, by our own chemists—a class of people who got very little profit out of their business, whereas

the storekeepers, who sold these patent medicines, made a considerable profit on other wares, and were therefore in a position to undersell the chemist. The profits of this patent medicine business now went to those who so largely advertised them, and to the general storekeeper, who sold them across his counter with his tea and sugar or other groceries. Our local chemists could manufacture these patent medicines with equal benefit to all concerned; and, as they were told that this was a protective tariff, he thought chemists and druggists were as much entitled to protection as some of the other trades which it was proposed to protect. If the House had before it the report of the Medical Board, hon. members would see that these patent medicines were a very potent cause of infant mortality in particular, and, he had no doubt, of mortality generally. He would not go against them altogether, but he would say this: that our own chemists, without the aid of the medical profession, could manufacture most of these proprietary medicines just as well as those who now compounded them, and who made so much profit out of them. Why should not our own chemists have the benefit of this, and a heavy duty be imposed upon these drugs? Perfumery, again. He thought that a duty of 20 per cent. on perfumery—which was essentially a luxury—was ridiculous; he should say it ought to be at least 100 per cent. All timber (worked) might also be subjected to a higher duty than was proposed. Sparkling wines, too, which were only luxuries that those who used them could well afford to pay, ought to have a higher duty placed on them than at present. Tobacco, also, he maintained, was only a luxury, and it ought to be taxed as such. He would have a high duty on all such things as these, and a corresponding reduction made in the duties on the necessities of life. He would have these taxed as low as possible. It appeared to him unreasonable that the inhabitants of the North and of the towns generally should have to pay an extra duty on articles of daily consumption in order to protect the interests of a few people; and he should be glad to see the duties on some of the items very considerably reduced, provided any deficiency in the revenue be made up by

increasing the duties upon articles of luxury. Among other articles which he should like to see placed on the free list was scientific instruments, used by professional people and others, in the discharge of their duties. He thought it would be in the best interests of humanity that no obstacle should be placed in the way of people importing these instruments. Professional people here, as a rule, did not make the large incomes which they did in other parts of the world, and they could ill afford to pay a heavy tax upon the scientific instruments required for the proper discharge of their professional duties. In other countries, where members of the profession were not placed at the same disadvantage as they were here, these instruments were admitted duty free. Here there was no chance of getting such instruments repaired, and professional men could not afford to buy new ones, with the present duty upon them. The result was that they often did without them, which they otherwise wouldn't. And who was it that suffered through it? The public at large, who had occasion to consult professional men. The revenue also suffered to some extent. He had touched upon these items more for the purpose of illustrating some of the anomalies of the proposed tariff than anything else. He thought unless they could assure themselves that the new tariff would increase the revenue rather than otherwise, it would be better not to interfere with it at all. They must face the fact, however unpleasant it might be, that unless they were prepared to cut down expenditure very materially, they could not risk any experiments which might have the result of diminishing the revenue.

MR. KEANE thought the question before the House, apart from any political principle that might be involved, was a very simple one. To his mind it was not a question of Free Trade or Protection, but a question of increasing the revenue, in order to enable us to pay our way; and it had struck him that the correct thing for this Tariff Commission to have done was to have submitted a comparative return showing how the revenue would be affected by the revised tariff as compared with the tariff now in force, so that members would

have been able to see at a glance what the revenue was likely to suffer, or to gain. The time of that House would have been considerably saved had the Commission done so. If a Ministry under Responsible Government had brought down such a report as this, they would simply have been kicked out of the House. For his own part he certainly should not vote for the proposed changes unless the members of the Commission could show that the alterations would have the effect of increasing the revenue.

MR. A. FORREST said he for one thanked the Commission for the trouble they had taken in this matter. Their task had not been an easy one, and it was impossible for them to have pleased every section of the community, in all parts of the colony. He did not himself feel that he was in a position to vote against the adoption of the report, but there were some items which he objected to. What he particularly objected to was the proposal to reduce the *ad valorem* duty from $12\frac{1}{2}$ to 10 per cent. He noticed that the revenue derived last year from this $12\frac{1}{2}$ per cent. duty amounted to £41,000, and, if they reduced the duty as now proposed by one-fifth, it would mean a loss of over £8,000, which would have to be made up in some other way. This *ad valorem* list was a very comprehensive one. It included all such articles as wearing apparel, drapery, and finery of all description; and he did not think many members would wish to see the duty on these articles reduced, bearing in mind the small reduction it would make in the cost to individual purchasers. The profit would go to the importers and storekeepers, and the proposed reduction would be of little or no benefit to the general public. Therefore, he was strongly opposed to the reduction, and, looking at the position of the colony's finances, this was an item which, if pressed, he would divide the House upon. He thought the proposed duty (a duty of 10s.) on horses was ridiculous. As for horned cattle and sheep, he should like to see the duty increased; he would like to see £2 per head put on horned cattle. There were other items which required to be revised, when they went into committee on the schedules. He didn't see why printing paper, for instance, should come in free, when they all knew that newspaper pro-

prietors, some of them, were making their fortunes. He should like to see machinery for quartz crushing placed on the free list, so as to encourage the gold mining industry. The expense of conveying machinery to the goldfields at Kimberley was something enormous. He should also like to see fencing wire admitted free; and the colonial beer industry protected. There were other items which he would deal with when they came to pass the schedules.

THE COMMISSIONER OF TITLES (Mr. J. C. H. James) said it appeared to him that the business of the committee might be a good deal shortened, if hon. members, instead of discussing general principles, and supporting or denouncing them by reference to this item and that item, gave their attention to the resolution before them. So far, they had been skirmishing with principles partly, and partly with details. Would it not facilitate the work if they postponed criticising the various items contained in the several schedules, until the schedules came to be discussed, *seriatim*. If hon. members were going to expound their opinions with regard to the great principles of Free Trade and Protection, or of Free Trade and Fair Trade, as to which the discussion would be endless, and then picking out certain items to support or to illustrate their position, the debate would be an interminable one. It appeared to him that, sooner or later, they would have to take the schedules into consideration, and discuss them item by item, and vote upon each item, when every hon. member would be able to apply his principles to his vote, and record his vote in support of his principles. Before he sat down he would venture to combat the statement of the hon. member for Geraldton, that the sole question for their consideration was how to increase the revenue. He would draw the attention of the committee to the wording of the Commission itself, which said: "Whereas it is expedient to inquire into the operation of the existing Customs tariff of the colony, with the view of considering whether, without inflicting any serious loss upon the revenue, any alterations may be made therein which would be likely to further promote the trade, settlement, and production of the colony." That

was the preamble of the Commission, which was appointed not for the purpose of increasing the revenue, but for the purpose of promoting settlement and production, without inflicting a loss upon the revenue; and, if hon. members would bear this in mind, they would be fulfilling the object which the Commission had before them.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said that he had prefaced his remarks in introducing the report by stating that he did not consider it necessary to remind hon. members as to the origin of the Commission, as he thought they must be fully cognizant of it, and also of the object of the Commission. But as it appeared that hon. members were a little forgetful, and inclined to stultify their action of last session, it would be as well that he should remind them of what had led to the appointment of this Commission. On the 15th of July, the Governor sent down a Message to the House, as follows: "Referring to 'paragraph 20 of the speech with which 'he opened the session, the Governor has 'the honor to suggest that the honorable 'the Legislative Council should take into 'their consideration, during the present 'session, the question whether it would 'be advisable to make any alterations in 'the existing Customs tariff of the colony, 'either by enlarging the Free list, 'or by some reclassification of goods in 'the several schedules, or otherwise, with 'the object of developing the trade, 'settlement, and production of the 'colony, without inflicting any serious 'loss of revenue." That Message was referred to a select committee of the House, and that committee reported as follows: "Your committee believe that 'it is very desirable that the Customs 'Tariff at present existing should be 'revised and amended, with a view to 'such alterations being made as will 'tend to promote the establishment 'within the colony of new industries, 'and encourage the development of in- 'dustries and manufactures already es- 'tablished, which may generally and 'effectually assist in advancing the var- 'ious interests of the inhabitants of the 'colony; but they are of opinion that 'this is not practicable, during the pre- 'sent session of the Legislative Council, 'for them to give that careful consider-

ation to the subject which its importance demands; therefore your committee recommend that Your Honorable House should, in reply to His Excellency the Governor's message, ask 'that a Commission may be appointed 'during the recess to consider the sub- 'ject, and report to His Excellency before the next session of this Council."

This recommendation of the select committee was adopted by the House, and the Commission was appointed; and he would ask whether that Commission had not done its duty, as that duty was defined by that House. The Commission had been most zealous in their efforts to carry out the object which had been placed before them, and the result was the report now under discussion. It was therefore absurd for any hon. member now to say that the sole question they had to consider was whether the proposed reclassification of the items would increase the revenue. The object they had to consider was clearly defined in the report of the select committee which that House had agreed to last session, and it would be well, he thought, if hon. members would bear that object in mind.

MR. SCOTT said he had not forgotten at all what the object was in appointing the Commission; nor did he object to the Commission, who he believed had worked zealously and well. At the same time, in the face of the speech of the Governor at the opening of the present session, he thought they had a right to ask the Commission whether they were aware of the financial position of the colony when they framed this report?

MR. HENSMAN said he proposed to say a few words on this question. It appeared to him, he must say, that in the course of the debate one hon. member had not only given them a fund of generalities but also brought forward arguments in support of his position. He referred to the hon. member for the North (Mr. Richardson), who had, in a speech all must admit deserving of their attention, put the case very strongly from a Free Trade point of view; on the other hand they had one or two members who were prepared for a policy of Protection, but who probably were reserving their arguments for a future occasion. He was not going to express an opinion on either point at present. In this colony the largest

source of our revenue was the Customs; indeed the very *raison d'être* of our Customs had been that it produced a revenue. Until this session, and until that day, he had not heard any one state in that House whether he was in favor of Free Trade or Protection; but, that afternoon, they had the Government saying, through their mouth-piece, that they were in favor of Protection. It appeared to him unnecessary on this occasion for them to have said so, but, with their usual discretion, they had made the announcement. In this community the tariff had always been regarded as a source of income rather than as something which they could manipulate in favor of A at the expense of B. That being so it seemed to him that the very last time when the Government should have chosen for making an experiment of this kind was a time when we were in need of every penny we could collect; and he thought the remarks of several hon. members on that point were well worthy of attention. As he had said before, it was pleasant, however, to find the present Government standing up for a principle, and if there was one principle more than another which this Government stood in need of it was that of protection. It was a very good theory, he thought, to put forward just now to save the present Government, and it was candid on their part to admit that they stood in need of it. But, to come back to the particular form of protection aimed at in the proposed tariff. Even were it necessary for that House to decide on the general principle, this was not the time to do it, for these reasons: in the first place, the present form of Government was just about to expire, and surely they were not going to give their Customs over to a moribund body; secondly, that House itself, which must necessarily expire in a very short time, must soon go to the country, and members would come back refreshed and strengthened with the views of their constituents upon this great question; and, thirdly, this was a bad time to make experiments upon our income, when they were dealing with their principal source of income. It was true that the House last session had suggested the appointment of a Commission, in order to obtain the benefit of its inquiries for future use; but was it at that time

anticipated that the Government would have told them so soon that their finances were in such a bad way, and that they wanted all the money they could get, in order to meet their liabilities? No one would attempt to deny the conclusions which the Commission had arrived at, that it was desirable to promote new trades and industries, and to encourage settlement and production, and that it was only right and proper that articles of luxury should be called upon to pay a high rate of duty. No one would deny these conclusions. Nor did he think it was necessary to have appointed a Commission to set forth these plain truths. But the Commission concluded their report in these words—referring to the proposed reduction of the *ad valorem* rate—“This will doubtlessly” — by-the-bye, there was no such word in the language as “doubtlessly,” they probably meant “doubtless,” but that was what they said: “This will doubtlessly be accepted as a boon, and it is believed can be effected without any noticeable loss to the revenue.” Was that the way to put it, to commend it to the House, in the present state of our finances—“without any noticeable loss to the revenue?” He thought, unless good cause could be shown that the revenue would suffer no loss from the proposed change, that House would be loth to accept it. They could not expect the Commission to stultify itself by admitting that there would be any loss, but he thought it was incumbent upon them to satisfy that House that not only would there be no noticeable loss, but that the revenue was likely if anything to gain by the proposed revision. If they could show them that this new tariff was likely to improve the revenue, he was sure the members of that House would be only too happy to endorse their recommendations. They had now placed before them an entirely new schedule, imposing an *ad valorem* duty of 20 per cent. on certain articles instead of 12½ per cent., which might appear to be all very well from one point of view; but the question was whether in benefiting one class of men they might not be injuring others, as the hon. member for the North had already pointed out. In any case, 20 per cent. seemed to him to be very much in the nature of a prohibitive tariff. He

had been very much amused to hear the speech of the Colonial Secretary in dealing with that schedule, when the hon. gentleman placed musical instruments in the same category as jewelry, as articles of luxury. He differed from the Colonial Secretary on that point. He differed from him when he stated that musical instruments were articles of luxury. He admitted that they were articles mostly in use by persons of a certain amount of education and refinement, and that the sounds emitted from them did not appeal to all persons. There were those who had no music in their souls. But if there was one thing that tended to elevate a community more than another it was the study of an art which was calculated to raise them from the grovelling dead level of daily life and give them a little rest and recreation. He had already received letters on this subject from various sources. They had been told that there was a sufficient number of pianos already in the colony to last the present generation; he did not know what authority there was for making such a statement, but it certainly was amusing to hear the Government saying that they regarded musical instruments as articles of luxury, quite as much so as jewelry.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser): Will the hon. member confine himself to the report of the Commission.

MR. HENSMAN: I thought the Colonial Secretary had put it forward, as the mouthpiece of the Government.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser): The Colonial Secretary did nothing of the kind. The hon. gentleman is too fond of making misstatements. The Colonial Secretary did not put these recommendations forward as the policy of the Government, the Colonial Secretary was simply dealing with the report of a Commission. Will the hon. member confine himself to facts and leave the Government alone? It would be far more wholesome for one to listen to him if he did so.

MR. HENSMAN: Do I understand, then, that the Government is not supporting this report?

THE CHAIRMAN OF COMMITTEES: The hon. member must be aware that the Colonial Secretary was chairman of the Commission, and it was simply as

chairman of the Commission that he moved that the recommendations of the Commission be generally approved.

MR. HENSMAN said he had really thought that the Government were supporting this report, but it appeared he was mistaken. Well, the chairman of the Commission, then, told them that musical instruments were a luxury, and should be placed in the same category as jewelry. He differed from the chairman of the Commission on that point, and it had struck him as a very curious argument that instruments which were capable of yielding a higher enjoyment and of producing the most refining influences, and which were used not only in private life but also in public and religious services should be classed with articles of jewelry, and subjected to a prohibitive duty. The possession of a musical taste indicated at any rate a certain amount of refinement, whereas the profuse wearing of ornaments and jewelry indicated rather a taste of another kind; and he must say he thought it was a mistake to tax musical instruments in this prohibitive way. He had merely mentioned this particular item as an illustration of the loose way in which it appeared to him this new tariff had been put forward. He would reserve any further comments until the schedules came to be discussed item by item, but he distinctly wished to state that he did not consider himself pledged to any general principle whatever in assenting to the motion now before the committee. His advice with regard to the tariff was to leave it alone,—at the present time.

MR. PARKER said this question of an alteration of the tariff was nothing new. It had been discussed for some time past, not only in the House but also outside, and it had been pointed out, over and over again, that the existing tariff operated most unfairly in many instances. Raw material, for example, was taxed in such a way as to prohibit the local manufacture of many articles that might be otherwise profitably produced in the colony; and in some instances the manufactured articles themselves were introduced at a less duty than the raw material. These were some of the anomalies and hardships of the existing tariff; and, last session, a select committee of that House recommended the ap-

pointment of a Commission to consider the question, and, the Governor having carried out the recommendation of the House, the Commission had now reported upon the subject, and their proposals were now before the committee. The Commission was not appointed for the purpose of formulating any scheme for increasing the revenue derived from Customs, nor did the Commission consider the question from that point of view; what they had considered was how the tariff might be revised and improved without entailing any loss upon the revenue. But he quite agreed with those members who had spoken, that the present was an inadvisable time for adopting any measure which would have the effect of running any risk of reducing the revenue; and, he thought, whilst they might well adopt many of the suggestions of the Commission, it would not be advisable to reduce the present *ad valorem* duty of $12\frac{1}{2}$ per cent. to 10 per cent., so that they might make sure there would be no loss of revenue under that head. He thought it was quite unnecessary at present to discuss the question of Free Trade or Protection. The fact was, we had always had a protective tariff. Our taxation consisted, he might say, almost entirely of such taxes as were levied through the Customs. With the exception perhaps of the stamp duty, we had no other sources of direct taxation. Such being the case we could not for a moment pretend to say that we had been living under a policy of free trade, when almost everything introduced into the colony was taxed. As a matter of fact, our fiscal policy all along had been a policy of protection. It might have been protection for the purposes of revenue rather than of trade and local industries, but none the less it was protection, and we couldn't get over it. It was no new thing that we should tax cereals. Cereals had been taxed all along, and they were taxed for what purpose? Simply for the protection of the farming industry. The same with other articles. It was therefore idle to contend that we were entering upon any new policy. All that we were now doing was endeavoring so to adjust the Customs duties as to further foster certain industries or manufactures, and to confer the greatest good upon the greatest number,

without entailing any loss upon the general revenue. No doubt it would be a vast advantage to the colony—nobody would attempt to gainsay it—if we succeeded in fostering and developing local industries and manufactures, and so added to our general wealth and prosperity, instead of sending our money abroad to pay foreign tradesmen and foreign producers. That was the idea which guided this Commission, and if anyone looked through the schedules attached to their report, with an unprejudiced eye, he would see that this was the object which they had sought to attain. There was the boat-building trade, for instance. The Commission proposed to reduce the duty on certain articles required for the prosecution of this industry, and to increase the duty on imported boats, in order to encourage the local builders, who at present were unable to compete with boats that were brought over from Singapore, made by Chinese, who worked at a low rate of wages. The result was that the industry of boat building, which at one time was a comparatively flourishing industry, was now languishing, and struggling in vain against foreign competition. The question was, were we going to send our money abroad to pay Chinese workmen at Singapore, or did we intend to provide employment for those of our own countrymen whom we introduced here, at a cost to the colony of £20 a head? It was admitted on all hands that the colony wanted population; but, if we introduced people here, we must try and find them employment, and, in order to do that, it was necessary for us to protect those trades and industries which ought to flourish on the spot. He was not wedded to every item as it appeared on these schedules, but he was wedded to the principle he had referred to, and he hoped the House would not lose sight of it in dealing with this report. He saw no reason why they should not attempt this rearrangement of the tariff now; the longer it was delayed the longer would they be doing an injustice to those industries which they agreed required fostering and encouraging.

Mr. MARMION expressed his regret that the Commission in their report had not shown that the revenue would not be injuriously affected by the proposed

alterations in the tariff. A mere assertion that the change would not have this or that effect was not sufficient for him, in view of past experiences. In dealing with such an important subject as this they wanted figures, and, if the Commission had furnished them with figures showing the probable result of the operations of their new tariff, a great deal of the present discussion would have been saved. Some hon. members might perhaps be induced to go into figures, and enlighten them on this subject. The great blot which he saw upon the recommendations of the Commission was the proposal to reduce the present *ad valorem* rate of $12\frac{1}{2}$ per cent. to 10 per cent. It appeared to him that the Commission had jumped too quickly at this conclusion, without considering the effect it would have upon the revenue. He believed that if it had been brought to their attention how this reduction would affect the revenue in the duty upon drapery alone, they would have paused before making the recommendation. And drapery was only one item which would be similarly affected. There was a score of them under the same head. He thought that the duty on some of these articles might fairly have been increased rather than reduced. No doubt the tariff at present in force was what he might call a hybrid one, but the present proposals were equally hybrid and unsatisfactory.

The question—"That the report of the Tariff Commission be generally approved," was then put and passed.

Progress was then reported, leave being given to sit again for the consideration of the schedules.

GERALDTON AND NORTHAMPTON RAILWAY AMENDMENT BILL.

Read a first time.

The House adjourned at a quarter past four o'clock, p.m.

LEGISLATIVE COUNCIL,

Wednesday, 21st December, 1887.

Derby and Wyndham Telegraph Line: Salaries of Messrs. May and Brockman—Return of Survey Party from Kimberley—Steam Service on the Northern Coast—Midland Railway: Transfer of Concession, and delay in prosecution of the work—Insurance of Government buildings—Powder Magazine: Precautions against explosion—Responsible Government: Cablegram to Secretary of State for the Colonies—Land transactions under the new Land Regulations—Address in Reply: Adjourned debate; Point of Order—Geraldton and Northampton Railway Amendment Bill: second reading—Adjournment.

THE SPEAKER took the Chair at seven o'clock, p.m.

PRAYERS.

DERBY AND WYNDHAM TELEGRAPH LINE: SALARIES OF MESSRS. MAY AND BROCKMAN'S PARTY.

MR. A. FORREST, in accordance with notice, asked the Director of Public Works to lay on the table a return showing the cost to the colony for the salaries of Messrs. May and Brockman and their party, including equipment, etc., from dates of appointments; also whether the officers in question and their men were still being paid out of the loan money appropriated for the construction of the Derby and Wyndham telegraph line,—the whole to be shown in detail.

THE DIRECTOR OF PUBLIC WORKS (Hon. J. A. Wright) laid on the table the following return, asked for, and said that the officers and men were now being paid out of loan account:—

£ s. d.

Salaries and allowances to Messrs. May and Brockman from 1st Sept. to 31st Dec....	342	2	2
Salaries of assistants ...	183	15	0
Wages of men from Sept. 1 to Dec. 31 ...	136	16	0
Insurance, freight and wages Expenses in connection with wreck of s.s. Perth ...	160	0	0
Equipment: Instruments ...	43	16	1
General stores ...	88	6	3
Arms and ammunition ...	186	5	6
Saddlery and harness ...	417	4	0
Horses ...	387	10	0
Wagons ...	278	0	0
Tents ...	148	5	4
Camp equipment ...	22	19	6
Total ...	£2550	14	10