

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 18 SEPTEMBER 1866

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LEGISLATIVE ASSEMBLY.

Tuesday, 18 September, 1866.

Ministerial Statement—Financial Statement.

MINISTERIAL STATEMENT.

The COLONIAL SECRETARY said: I rise, Mr. Speaker, for the purpose of offering a very brief ministerial statement. The very important circumstances which we have met upon the present occasion to consider render it imperative on me not to detain the House by entering into any details with reference to the formation of the present Government. The members of the Ministry are before the House, and honorable members are aware of, and the country has been well-informed as to, the causes which conduced to the formation of the present administration. I propose, rather, and at once, setting forth before this House the course of action which the Government intend to pursue. It is unnecessary for me to observe, upon what almost every one must admit, and what is known to every one, that the financial embarrassments of this colony have been, and still continue, very pressing. I would observe, however, that although surrounded by monetary difficulties, the great wealth which this colony possesses, the elasticity of its varied resources, and the enterprise and energy of its inhabitants,

evinced that at no time did any grounds exist for supposing that the depression of this colony was anything else than a passing cloud, calculated, when gone, to leave matters brighter and fairer than before. On more than one occasion it has been my duty to draw the attention of the House to the fact—and I have not hesitated to express my own conviction—that the time was at hand when taxation must be resorted to. On the occasions to which I refer, I had not the slightest idea of that dark spot that has since increased, and to some extent overshadowed us; but I had in my mind's eye the evidently and constantly annual increasing expenditure of the various departments of the Government. I but anticipate the period and add to the causes, when I say that the time has now arrived at which the Government feel it their duty to submit to this House a proposal for taxation. I am well aware, sir, that to many individuals outside of this House, if not to some within its walls, the proper system of taxation is direct taxation. I candidly confess, sir, that I am not one of those. I believe in that system of taxation which is voluntary—that system which requires no man to pay it who does not choose to do so—that system of taxation, sir, which carries within itself its own safety-valve; I mean that which is imposed principally through the operation of the Custom-house. So soon, therefore, as my honorable colleague, the Colonial Treasurer, has made his financial statement—and which, with the concurrence and consent of honorable members, he intends to do this afternoon—he will submit to this House a set of tariff duties which it is intended to carry into operation to-morrow morning. And I will simply impress upon honorable members that whatever objections may be taken to any of the details of that measure—I would ask them to look upon it as the taxation of emergency, and not intended to be of a permanent or enduring character. Following upon this resolution, sir, there will be introduced, on the part of the Government, a Stamp Bill; and these two measures—the tariff measure and the Stamp Bill—may be regarded as constituting one branch of our financial policy. The measures to which I have so very briefly alluded, although intended for immediate operation, and although conducive in themselves to give relief to the colony, present in their very nature evidence to honorable members that they can only act as an assistance—assistance, no doubt, of a gradual, though a rapidly increasing, character. For this reason, sir, it is the intention of the Government to follow up those measures by the introduction of two other Bills of a somewhat different character. It is the intention of the Government to introduce a Bill by which we ask the authority of Parliament to issue Treasury bills to the extent of £300,000. One-third of this amount we propose to issue, but not to use, except to con-

vert that amount into gold. That third converted into gold, we propose to retain the remaining £200,000 of Treasury bills. That, then, is the extent to which one of the measures of which I am now speaking is intended to go. The second Bill, sir, which we propose to introduce into this House asks for authority, upon the basis of the gold to which I have just referred, and the £200,000 worth of Treasury bills, to issue Government notes to the extent of £300,000. That amount, sir, is, as near as possible, about one-fifth of what it is well known has been the circulation of some of the banking institutions. If these measures are approved of by Parliament, and if the whole of them become law, then I think the Government are justified in expressing a confident hope that the financial difficulties of this colony have passed away, and that public confidence, if it has at any time been withdrawn, ought now to be restored. I may also mention to the House that the Government propose to deal with the Leasing Bill. With reference to this measure, I would express a confident hope that it will realise the expectations which have been formed of it by a large portion of the community, and that it will conduce very much to the introduction of both capital and enterprise. I have no intention of making a single observation with regard to that measure inconsistent with the statement I am now making; and I would, therefore, simply observe that as I am really not wedded beyond conviction to any clause in it, it will afford me much satisfaction if the House will place it in a condition that will render it truly beneficial to the colony. I may observe, that the next measure which the Government propose to invite the attention of the House to, will be the Estimates. The Estimates, sir, now appear before the House in an amended form. These Estimates, I have no doubt, do not come up to the expectations of honorable members; they do not approach nearly to what it was the anxious desire of every member of the Government they should be brought to. We have felt a difficulty in dealing with the salaries, when we regard the terms of the Civil Service Act; and we think it much better that those salaries should be dealt with by this House. But there are certain branches of the public service which the Government have no hesitation in recommending should be abolished. There are certain votes which the necessities of the times have compelled us to withhold from these Estimates, and, therefore, notwithstanding all their deficiencies, it will be found that they now make their appearance in a very modified form. I would, in conclusion, sir, express a hope that honorable members who have motions on the business paper for to-night will be good enough either to postpone or to withdraw them, in order to allow the financial condition of the colony to be inquired into and provided for.

Mr. PUGH desired to ask a question, without notice; and, if the House would allow him, he might say, in explanation, that he thought his honorable colleague, Mr. Raff, who sat opposite, was in rather an anomalous position. His honorable colleague had been gazetted as a member of the Executive Council, and afterwards repudiated at Ipswich by the honorable the Colonial Secretary; yet, still, he occupied a seat immediately behind the Ministry. The question he desired to ask the honorable member at the head of the Government was,—Who are the members of the Executive Council, really?

The COLONIAL SECRETARY: If the honorable member will call for a return of the members of the Executive Council he can have it. Of course, he is quite well aware that the responsible members of the Government are members of the Executive Council; but, beyond that, except from the *Government Gazette*, I really am not aware that there is more than another individual who is a member.

Mr. PUGH: Who is that?

The COLONIAL SECRETARY: Mr. Raff is a member of the Executive Council—not a member of the Government—unless the honorable member wishes to say, that by being a member of the Executive Council the honorable gentleman alluded to is a responsible Minister.

Mr. PUGH explained that he desired only to set his honorable colleague right.

Dr. CHALLINOR said he also wished to ask a question of the honorable member at the head of the Government: it was, that the House might know who were the members of the Government at the present time; because, when Parliament adjourned, there were four members of the Government in the House, and, now, rumor said that there were six. He asked—Who are the members of the Government?

The COLONIAL SECRETARY: I do not think the information of the honorable member stands on rumor at all. I think the *Gazette* shewed clearly who are the members of the Government. In the first place, there is the Colonial Secretary, then the Colonial Treasurer, the Secretary for Lands, the Secretary for Works, and the Attorney-General, all members of this House; and the Postmaster-General is a member of the Legislative Council.

Dr. CHALLINOR, as a point of order, asked whether this was the proper time to make any reply to the ministerial statement, or whether it could be taken into consideration at any other period of the evening's debate; or whether it would be necessary for him to move the adjournment of the House to reply to it.

The COLONIAL SECRETARY suggested that the honorable member would have ample opportunity for going into the ministerial statement, and any other statement, when

the House went into the discussion of the Estimates; and, further, that whatever objections the honorable member might have to the action of the Government, he could best urge them after hearing the financial statement of the Colonial Treasurer. By taking that course, the time of the House would be saved, and the honorable member would assist in carrying on the important business that Parliament had met to transact.

The SPEAKER: As the honorable member, Dr. Challinor, has put it to me, I may say that it is not competent for him to go into the question. No reply can be made to the ministerial statement.

Dr. CHALLINOR wished to know if he could now reply to it by moving the adjournment of the House, or could he do so at a subsequent period of the evening's proceedings.

The SPEAKER: It is not for me to give the honorable member advice as to how he shall act, but to see that he acts in order. It is for the honorable member himself to choose his own course, so long as he keeps within the rules of the House.

Mr. FORBES said he should like to ask the House how, or of what, the Ministry were composed? He recognised but incongruous atoms, that would never adhere on any policy.

The COLONIAL SECRETARY rose to order. He was not aware of any motion before the House.

Mr. FORBES observed that he would submit a motion for the adjournment of the House. The matter having been prominently alluded to, it would be disgraceful to the House, and to the colony, that the ministerial statement should go abroad without being discussed. He, for one, would not be dictated to;—he might be dictated to by the Press and by public meetings, but their sayings fell senseless on his ear. The honorable the Colonial Secretary had said that the Ministry were before the House. Let the House look at their composition, and say if the country could have any confidence in them. There were new members of the Ministry who, before the adjournment, were diametrically opposed to the other members; how could they consult together on anything for the good of the country? How was it possible that on matters which they had abused—in point of fact, blown upon in a way that might almost have amounted to a whirlwind, to lift the acts of the former Ministry out of sight and out of existence—they could now agree? He would, for the information of honorable members, read what an eminent statesman said upon coalitions. There was no act of any member of the present Ministry, from the act of its formation or coalition, that would be regarded with confidence. Each member had deserted the principles that he had formerly held and advocated—each had turned from the course that he had pursued. Could any one tell him (Mr. Forbes) that they had the confidence of the

House or the country? But, he would shew them how Lord Derby had acted, under similar circumstances, when asked to join a coalition Government:—

“The reputation of those who take a part in public affairs is a matter of national importance; and confidence in public men has been more shaken by coalitions, than by all the other acts of personal misconduct taken together. This consideration applies with peculiar force to the offer which you have now made to me. If any beneficial moral effect were produced by my separation from Lord Grey and my former colleagues, and my abandonment of office, for the sake of conscience and principle, that effect would be wholly destroyed by my speedy return to office with their political opponents; the motives of my former conduct would be suspected—whereas they cannot now be impugned; and any reasons which might be urged in vindication of the present junction would be powerless as opposed to the public sentiment, which revolts against all political coalitions, especially when they are made the immediate stepping-stone to power.”

A sentiment like that, coming from one of the ablest statesmen of the world at the present time, should, surely, have some weight with honorable members. If it had not weight with honorable members, it would have weight with the country; and he (Mr. Forbes) had no hesitation in saying that however much Ministers might flatter themselves that by hiding their heads in some small place in Brisbane they would protect themselves from attacks, the voice of the people outside would be raised and would make itself heard; and the people would look at every step now taken. The very policy that the honorable member at the head of the Government had laid before the House was of such a character that it must arouse their indignation—it must excite conflicting feelings in the breast of every individual in the community. If the House took a short retrospective view of this colony, and remembered what it was in 1863—when it was one of the most progressive and prosperous colonies of the British empire—they would see that in three short years it was in a perfect state of insolvency. If the manager of any private company had been guilty of such acts as the Government had committed, he would scarcely know what liberty was for years to come, or for his lifetime. The crimes which might be fairly attributable to the Government since 1863, were of a character that many of the most exalted nobles had lost their heads and lives for. Honorable members might cheer, but he challenged them to deny what he had stated.

Mr. TAYLOR: All right. He would hang them all, if he had his way.

Mr. FORBES: The honorable member for Western Downs would certainly go to far greater extremities than himself. He (Mr. Forbes) could not see that the financial policy laid down by the honorable member at the head of the Government would relieve the colony from its present diffi-

culties;—it was not of a character to inspire confidence; and, he asserted that under it, if carried out, the people of this colony would be the most heavily taxed of all the colonies, and that it would be twenty years before the colony could be relieved from its present state and restored to that of 1863. The honorable gentleman had alluded to the energy of the colonists; their energy was cramped, and would be, for the proposed taxation was only the prelude to greater taxation that would follow. However, let the Government shew that their policy was based on proper principles; let them shew that clearly, and he was prepared to meet them—in spite of the coalition—in spite of all the machinations they could concoct to blind the people of the country—and to give them every fair support in carrying out their measures. The present depression had been alluded to as a “dark spot” in the history of the colony;—it was, he hoped, the darkest that would be known in his lifetime. But it was his opinion that the “passing cloud” would not be so easily driven away by the course proposed, as the honorable member at the head of the Government seemed to think. The taxation alluded to was not of such a simple character as the honorable the Colonial Secretary would have the House think. His (Mr. Forbes’) opinion was that when the people knew its full bearing, they would not bear it mildly. The colony had been on the verge of a revolutionary change, once; and the utter usurpation of the power of the people by the Government—who took all in their own hands—might bring about a revolution. He trusted that, if taxation must be imposed, it would be of that character which would bear equally on all classes of the community; and that it would be to no greater amount than the people could pay. It was a well-known maxim of political economy, that if a people were burdened with too much taxation it depressed their energies; and, under such circumstances, it would be impossible ever to make this colony recover a flourishing position again. He had no doubt that taxation through the Custom-house would be the most easily collected in this colony. In dealing with the question of taxation, it had to be considered how much the colony could actually bear, in view of the mountain of debt which had been already incurred. If the difficulties and present position of the colony were regarded by the Government as a private individual would regard his affairs, they would take a very different course from that they were pursuing: a private individual in the same position as this colony, might well be afraid of his difficulties, to meet which he would not be worth a shilling in the world. But, let the Government adopt what course they could to relieve the colony, he asserted, and he was prepared to prove, that it would take fifteen years, at least—

most likely a quarter of a century—before Queensland could be in as prosperous a condition as in 1863. It was not a few thousands of liability, now, that the Colonial Treasurer could wipe off by a Loan Bill. When would the Government, by their financing and finessing, put the colony in a prosperous position? He did not believe in men who were so utterly devoid of principle, as the members of the present Government—who joined together to do the same thing that had been acted over and over again, since 1863. He could not but look upon a Government so formed with suspicion. He felt keenly on this subject; but if he had spoken too warmly—if he had been led, unwillingly, to speak in stronger terms than were usual—the magnitude of the interests involved must be his excuse. He hoped the Government would fulfil the high duties entrusted to them—that they would do their best to place the colony in the position it occupied at the commencement of the second session of 1863. For this purpose alone, he would bind himself to do all in his power;—when the Government brought forward measures, which he conceived would be for the carrying out of this idea, he would support them. If they shewed him that they were in earnest; if, by their acts, they relieved him and other individuals in the colony at large from suspicion which their conduct justified; then he would support them. He agreed with the principle of the Treasury Notes Bill, which was so much abused, despised, and abominated not long since by honorable members who now were on the Treasury benches, and the discussion of which an honorable member who sat next to Ministers took every opportunity that the forms of the House allowed to burke. It was with sorrow he said this; but when the forms of the House were once infringed, or interference with them in the least detail was allowed—when the smallest step beyond, or the slightest deviation from, them was permitted, without check, things went from bad to worse, step by step, until the present crisis was brought about. The false steps that were taken in the conduct of the business of the House had brought the colony to its present position; sent the unemployed clamoring through the country; brought crime and robbery amongst the community, and misery staring us in the face and stalking at every man’s door. He hoped the House would take these things into serious consideration. He had no private feeling to gratify; the sentiments he expressed were common to every person who loved order. . It must have grieved all such to see the crowds and the disturbances that were in the city, and the misery that stalked through the land. The blame must be attributed to the right cause—to the use that had been made of the powers usurped by certain individuals for special purposes. Those individuals had a great deal to answer for. The

honorable member at the head of the Government had referred to his Leasing Bill. The Land Bill was the first difficulty of the session that set one side of the House against the other, and originated the ill-feeling between honorable members, but for which the late difficulties would not have been known. He trusted there would be no difficulty with the proposed Bill. The amended Estimates had only just been laid on the table. He (Mr. Forbes) had no doubt that, after the honorable the Treasurer had delivered his budget, he should be in a better position to speak upon the financial policy of the Government; and probably his remarks would then be with a view to assist them; for, as he had before said, he was anxious to do the best he could to relieve the colony from its difficulties. But, if he had abstained from speaking on the present occasion, he would have neglected his duty. He concluded by moving—

That the House do now adjourn.

Dr. CHALLINOR, having seconded the motion, said that it was not his intention to delay the business of the House; but, at the same time, he was anxious not to lose the opportunity of replying to the ministerial statement. It had been observed by a recent lexicographer that the word "esquire" gave no positive indication of the social rank of the person to whose name it was affixed, as it had degenerated into a complimentary title of very general and indiscriminate application. So with regard to the appellation of "honorable." However specific and descriptive of character that title might once have been, yet, if all that had been heard lately was true, the House could no longer conclude that all actions were necessarily honorable which were done by persons whose political position entitled them to the designation of "honorable;" and, again, by a parity of reasoning, when a ministry had been formed by a series of acts which were anything but creditable to the parties concerned, the House were justified in assuming that the motives which led to the construction of such a cabinet had very little of genuine unselfish love of country about them, however loudly and persistently some of its component members might tell them that it was patriotism alone which induced them to merge for a time their political differences and personal animosities in one common effort to promote the general weal, and that when they had got the colony out of its present financial difficulties they would cheerfully resign the reins of power into other hands and disrobe themselves of the mantle of official greatness, with all its attendant emoluments and patronage, with as great alacrity and hearty good-will as they had put it on. That this coalition was unnecessary on the score of patriotism must be evident to the shallowest understanding, for a simple and earnest desire to accomplish a definite and common good could work as effec-

tively out of office as in it. To members so impressed, it was as easy to give and take in a committee of the whole House as in a cabinet council; and a compromise so arrived at was certainly less open to suspicion, less liable to be attributed to a longing for place and power, than when the emoluments of office were first parcelled out, and the proposed good was subsequently sought to be achieved. But, after all, something more was required to pass any given measure through the Legislature than an amicable arrangement in the cabinet respecting it, unless, which he hoped would never be the case in this colony, the members had become so recusant of their responsibilities and their self respect as to vote blindfolded for any measure the Government of the day might, in its wisdom or its folly, submit for their adoption. And surely one would imagine, beforehand, that in an independent House, a measure which had been originated by a ministry whose political integrity was above suspicion would meet with less opposition than one fabricated by a coalition in whose *bond fide* no one could confidently rely. For it was almost superfluous for him to say that coalition ministries were nearly always looked upon with distrust, and not unfrequently with contempt, resembling, as they often did, a rope of sand, which, being incapable of tension, was utterly useless when most required. On other occasions they appeared to be a sort of nitro-glycerine arrangement which might explode spontaneously at any moment, leaving ruin and devastation in their train. But, perhaps, a more general simile was to be found in that anomaly so frequently to be met with in travelling menageries—he meant the boxing together of a lion and a tiger in one cage; for, as honorable members all well knew, by judiciously administering castigation and gratifying their respective appetites to satiety, the keeper of those feline but antagonistic congeners could compel them to live peaceably together, though, nevertheless, as he was perfectly aware their natures were unchanged, he had to be constantly on the alert lest they should fall foul of each other or of himself, and fatal results ensue to any of them. If such, then, were the distrust and the resemblances of ordinary coalition ministries, what should be said of one, the Premier of which could cast aside his political opinions as readily as the serpent its skin or the lobster its shell, and, like them, too, retain all his native capabilities for inflicting grievous harm on the body politic whenever he might think it would suit his purpose to do so? Cognizant as the House were, in the present instance, of the proclivities of the various members of the Cabinet, and, especially of the ambidextrous qualities of its chief, it was not too much to say that the colony had little to hope, and much, very much, to fear from this coalition;—and, therefore, that the colony would do well to

watch most sedulously its every movement, lest by its class legislation, it should make over in perpetuity to a few the lion's share of the Crown lands on the easiest possible terms, and should cause the increased burden of taxation to fall the heaviest upon the shoulders of the many who were least able to bear it. If, however, rising superior to self and to class, they propounded measures which would be equitable to all, they would obtain, as they would deserve, the good-will of the community and the hearty co-operation of the members of the House. On the other hand, if they should attempt to legislate only, or chiefly, for themselves and their party, they would be speedily consigned to oblivion—or, if remembered at all, would be remembered only to execrate their memory and denounce their reckless selfishness and their political worthlessness. Which policy they intended to pursue, time alone would manifest. But, judging from his antecedents, it was not unreasonable to suppose that, whatever policy would command a working majority of the House, would be the policy that would find most favor with the honorable member who sat at the head of the Treasury benches, however opposite that policy might be to the one he had lately advocated. But it was useless to speculate upon such a recondite subject as Queensland political probabilities. It would be far safer to rest in the truism contained in the modern wise saw, "We shall see what we shall see;" for that was a maxim that would never fail amid all the tergiversations of a Macalisterian vice-presidency. That he (Dr. Challinor) did not hastily come to that conclusion—that the policy which would secure the majority of the House would be the policy which would receive most favor at the hands of the honorable the Premier—he thought was fully borne out by the statement which the honorable gentleman had made that evening—that he was not wedded to any clause in his Leasing Bill, but that whatever clauses the House would like to adopt, those he would accept.

The COLONIAL SECRETARY rose to order. The honorable member misquoted him. In referring to the Leasing Bill, he (the Colonial Secretary) had expressed a hope that the House, in dealing with that Bill, would do so with a view to "render it truly beneficial to the colony." He was quite aware that the Bill did not agree with the tactics of the honorable member; but that was no reason why the House should not support it.

Dr. CHALLINOR said he had taken down the words of the honorable member; they were to this effect—that he was not wedded to any clause of the Bill; therefore, the honorable the Colonial Secretary was prepared to receive any clauses that the House might like to bring in. Thus, the country had a Ministry without a policy.

Mr. TAYLOR: They always had that.

Dr. CHALLINOR: He knew it; but it was quite time they got rid of such a state of things. Differing as he did, on many matters from the honorable the Colonial Secretary, he certainly did agree with him that the present depression was only "a passing cloud;" it might be for a time an impenetrable cloud; but he had no doubt, as had been said, that with the illimitable resources which the colony possessed, honorable members would live to see brighter and better days. The honorable gentleman had told them, that on previous occasions he had referred to the probable necessity of additional taxation. He (Dr. Challinor) had done so, too; and he would tell honorable members when he had done so;—when the honorable gentleman now at the head of the Government brought forward a measure for repealing the appraisalment clause of the Crown Lands Leasing Act, and for the making the terms under that Act absolute. He then said it was not right to legislate for fourteen years, because the House did not know what might be the exigencies of the State ere that time, and there might be nothing left but to tax the community to meet them. If the honorable gentleman had had prescience, or the will to act on that prescience, he would never have come down to the House with a Bill to reduce the resources of the colony from the Crown lands. There might be a great deal to be said on both sides, with regard to direct and indirect taxation; but he believed the political economists of the present day did not wish to adhere closely to either system, but to act on both. To call the customs duties "voluntary" taxation, was as though a man would consent, upon the will of the Government, to drink water instead of tea or coffee, or to eat his pudding without currants, and enjoy it. Tea, coffee, and sugar, were, indeed, not luxuries, but necessities of life; therefore, no tax on them could be voluntary, on the ground, that a man could take them or leave them alone; for he (Dr. Challinor) thought there were very few honorable members of the House who would be willing to forego them—or, rather, who would not be compelled to drink water if they would forego taxation. With regard to the Treasury bills, it was not unlikely that some measure of the kind indicated would be allowed by the House, on the conditions and for the object contemplated by the Government; but he had heard it distinctly stated, that the Government should not be trusted with a fresh issue of Treasury bills, unless the measure to authorise their issue was part and parcel of a scheme for a national state bank; because, once authorise the issue of £300,000 of Treasury bills and the national state bank might go to the winds. He should be sadly dissatisfied if the House would consent to another issue of Treasury bills, unless on the understanding that they were to form the basis of such a bank. The honorable the Colonial Secretary had truly stated that he (Dr. Chal-

linor) differed from him with reference to certain points in the Leasing Bill;—when it came before the House, he would be able to state his reasons, which he thought were valid reasons, therefor. The honorable member was very fond of making it appear that he was doing one thing, while really he was in effect endeavoring to do another. If the Bill should pass as it was submitted, no better step could be taken by the honorable member to secure the re-enacting of the pre-emptive right. He would reiterate the sentiments expressed by the honorable member for Warrego—that it was enough to make any man's blood boil to see a coalition Ministry formed under the circumstances that brought the present Government into existence. Any honorable member acquainted with the ins and outs of the arrangement must be almost ashamed that he was a Queenslander; or, at least, happy that he was not a member of such a coalition. At the same time, he would also indorse another statement of the honorable member for Warrego—that if the Ministry brought forward measures calculated to benefit the country, he would give to them that energy, that perseverance of effort, and that support, which would be requisite to make them law; because he hoped he should always act as he had endeavored to act in the House, and regard "measures, not men." If the Ministry brought forward measures that would be equitable to all, notwithstanding what they had done to forfeit the confidence of the House and the people, they would do worthy service to the country, and return good for the evil which they had effected.

Mr. R. CRIBB observed that he could not allow all that had been said to pass, as it might be thought that he agreed with what had fallen from the honorable gentleman at the head of the Government. That honorable member had made a very funny allusion—he had told the House, with a very prophetic spirit, that the time would come when the colony was to have taxation. Where had they all been living?—What had they been doing? He thought the people of this colony were the most heavily taxed on the face of the earth, if the expenditure of the Government were taken and compared with the population.

The COLONIAL SECRETARY: The very lowest.

Mr. R. CRIBB: The House had heard some beautiful allusions: at some time or other the colony must be taxed, but up to the present the people had been quite free—in fact, receiving bonuses, instead of paying taxes! That was what was meant, or nothing, by the honorable gentleman. He was astonished at the Colonial Secretary's sentiments; and yet, upon second thoughts, he was not. The honorable gentleman was not in favor of direct taxation; but he (Mr. Cribb) was, and he hoped it would be adopted, so that the country would be awakened to the

burdens it had to bear, and would insist on a reduction of the expenditure. He was in favor of the beautiful machinery that he called "voluntary" taxation. How such taxation as was proposed could be called voluntary was beyond his (Mr. Cribb's) comprehension altogether. He should like to understand what the word "voluntary" meant? The Premier might as well tell honorable members that they breathed the air voluntarily—that they could do without it—as tell them that the customs duties on tea, sugar, and coffee were voluntary taxation. Such talk was moonshine. There was one item in the scheme of indirect taxation that he (Mr. Cribb) had an utter abhorrence of, and he trusted that it would never receive the sanction of the House;—he referred to the stamp duties. The institution of stamp duties here would be a badge of slavery on the people, and nothing less. No commercial man would give his adherence to them for the paltry revenue that they would return. Above all others, he trusted that such a tax would not be submitted to. He knew what it was in England. Amongst all the matters set forth in the Ministerial statement, he had not heard one word about the Act that was passed before the adjournment for the issue of £300,000 of Treasury bills. Yet honorable members who had been loudest against that Bill sat on the Treasury benches. That Bill had been passed in a House that did not properly comprise a quorum. There were three members present who ought not to have sat there at the time. Did the Government mean to bring in a Bill of indemnity for that Act?—an Act fraught with mischief to the whole colony. He denied that it was law, both on account of the circumstance stated, and the manner in which it had been rushed through all its stages in the House, and assented to. He denied that it was law, even if it saved the colony from utter destitution, from riot and ruin. It had saddled the colony with extra taxation to the tune of £30,000 a year; when, at that very time, the whole amount raised could have been got without saddling the colony with a single shilling of new taxation. He was utterly astonished at the conduct of the Government. But he wished the House to bear in mind that there was a limit to taxation. High taxation was a premium to smuggling; and a great deal of smuggling was now carried on across the border. It was an incentive to illicit distillation, and to other nefarious means of all sorts for evading payment of the duties. The Government would defeat their own purposes by high taxation, besides oppressing the fair trader and honest producer. When he was a youngster in England, it was thought a very good plan to impose high duties to prevent certain articles from coming into the country. The people would have those articles; and, if the Government did not choose to admit

them at moderate duties, the people would have them without duties at all. The duties were reduced one-third, and what followed? The revenue increased largely—because it did not pay the smugglers to evade the duties. While upon that point, he would observe that, since the adjournment of the House, a new Minister had been appointed; there was a new salary to consider, and a new department, and that, too, at a time when a rigid economy was required. He could not understand it, and he wished to know what authority had been given for such an appointment. Had the Governor in Council, without the authority of Parliament, the Parliament being in session, power to create as many departments as he chose? If so, the House could, at any rate, refuse to vote the salaries for such departments, and he thought it was their duty to see that the money was not voted. He could not allow the question to pass without making those remarks, and he would only add, in conclusion, that he should watch carefully the measures which the Government might introduce, and support only those which he considered conducive to the interests of the country.

Mr. TAYLOR said that the Estimates, as they had been presented to the House, did not appear to him at all satisfactory. He thought they should have been reduced by at least £100,000. Every increase of last year appeared to be still on the Estimates, while several new appointments appeared. He did not see why the sums for grants to municipalities or schools should be allowed to remain. The votes for those institutions might well stand over for the present. He objected, also, to the sums set down for the roads departments, and also to the £2,000 for the Maryborough waterworks. He had been glad to see a notice of motion placed on the paper by the honorable member for Drayton and Toowoomba, the object of which was to do away with the District Courts. He believed they had only been instituted for the purpose of bestowing patronage upon certain individuals. Not only were the judges to be paid £1,000 a-year, but they were also to have their travelling expenses, although it had been distinctly stated by the honorable member for West Moreton, that £1,000 a year was to include all expenses. He hoped they would be abolished, and he thought that when such a serious step as taxation was resorted to, it would be found that such servitude had been borne long enough. He trusted the House would prove to the Ministry—the coalition Ministry, and a very fine compound they made when mixed up together—that the expenditure of the country must be regulated by the Legislature. He felt disgusted when he turned to the Estimates to find so many sums set down for little ports, such as Port Hinchinbrook, the Pioneer River, and so on; the duties from

which places in seven years, would not pay for the expenses connected with them. In fact, if he had been invited to His Excellency's Council, the first motion that he should have felt it his duty to make, would have been to repeal the Bill which gave His Excellency £4,000 a year. He would have commenced at the beginning, reduced the Governor's salary to £2,500 a year, and that of the Ministers to £650. He would have advocated retrenchment throughout.

The COLONIAL TREASURER said it would perhaps be convenient for him to state, at that time, that His Excellency the Governor had seen the Estimates, and had requested him to withdraw certain sums set down for His Excellency's department.

Mr. TAYLOR continued: He was glad to hear that His Excellency had become aware of the necessity of making reductions in the present expenditure. He (Mr. Taylor) had been surprised to hear the honorable member at the head of the Government endeavor to stop the honorable member for the Warrego from speaking, on the ground that there was no question before the House. He thought the honorable gentleman should have known better, for it was easier to stop the wind than to check that honorable member, when he had once commenced. As far as the prosperity of the colony was concerned, he must confess that he looked upon the dark side of the picture; he did not believe it would so speedily return. Taxation, in his opinion, would cast a damp upon the prosperity of the colony generally. He had been thirty years in Queensland, and had witnessed the colony under various aspects; but he had never known it in such a state of depression. He hoped honorable members would give their attention to the business before them, even until eleven or twelve o'clock at night, so as to legislate with as little delay as possible to relieve the country from its present embarrassment.

Mr. BROOKES urged that the Colonial Treasurer be permitted to make his financial statement to the House, without further delay.

Mr. FORBES, with permission of the House, withdrew his motion.

The COLONIAL TREASURER moved—

That so much of the Standing Orders be suspended as will allow of the passing, through all their stages, certain Bills for augmenting the public revenue.

Dr. CHALLINOR said it was unnecessary to suspend the Standing Orders for that purpose, as it was customary in the House of Commons, and elsewhere, for the Government to act upon measures of this kind, even before they became law. He did not therefore perceive that there was any necessity for the suspension of the Standing Orders.

The COLONIAL TREASURER said he believed it was usual for the Government to act upon such a measure after the resolution had been passed, but not before.

Mr. R. CRIBB said he hoped the resolution would not be passed in its present form. It was quite competent for the Government to propose any new scheme of taxation, but time should be given to the House to consider it. He did not think the Government were right in attempting to rush through all their stages, upon so short a notice, Bills of such an important character.

Mr. B. CRIBB asked if the honorable Colonial Secretary would pledge himself not to proceed further than the first reading of the Bill in question?

The COLONIAL TREASURER declined to do so.

The COLONIAL SECRETARY moved as an amendment—

That so much of the Standing Orders be suspended as will admit of the House resolving itself into a committee of the whole, to consider the desirableness of certain measures for augmenting the public revenue.

The question was put and passed. The Speaker then left the chair, and the House went into Committee of Supply.

FINANCIAL STATEMENT.

The COLONIAL TREASURER: Mr. Coxen—It may be convenient for the committee to hear a statement from me relative to a certain Bill passed when the House met last, called the Treasury Bills Bill. An honorable member referred to the subject a short time ago, and I propose to give an explanation with regard to the way in which the Government have dealt with that Bill during the recess. It will be in the recollection of honorable members that, at the time that Bill was passed, we were very much in want of money. We had received such distressing news from the great heart of commerce, London, as to throw us entirely out of our ordinary resources for carrying on the public works. We have since disposed of the bills which were issued under the Act I have referred to, and I am glad to say, that to day I have received from the Union Bank an account of what these bills realised. We have been enabled to carry on the public works of the colony, both on account of loan and on account of revenue, ever since these bills were issued, entirely from the proceeds of them. We had no other mode of paying the public creditors. It will also be in the recollection of honorable members, and I deem it necessary to remind them, that we had some very large sums, amounting to some £150,000 or £200,000, to meet at the time this emergency Bill, as I may term it, was passed. I shall, by and bye, read the particulars of the proceeds of the £300,000 of Treasury bills which were sold in Melbourne, Sydney, and here. I find that we received about £2,000, or, rather, £1,989 0s. 1d. upon these bills in the shape of premium; and the expenses, including commission, brokerage, telegrams, postage, &c., amounted to £3,307 2s. 5d., leaving the sum of £298,671 17s. 8d.

nett proceeds, credited to the Government from the sale. I may also mention to the committee, that out of the proceeds of these bills I have been enabled to forward to England the amount necessary to meet the interest upon the loans passed by the Parliament in 1861, 1863, 1864, altogether, about £60,000; and I hope we shall have, besides, with the rents arising from the lease of Crown lands, sufficient to carry on the public works, as well as the general expenses of the Government for at least two or three months more, without any aid either from Treasury bills or the permanent loan. I mention this, because I do not wish it to go forth to the country that the Government is in any strait from the want of money just now. But, unless we can organise some system of raising the wind, we shall certainly come to grief again in a very short time. We have our contracts to complete; we have an augmented population, clamorous for high wages, and insisting upon getting them from the Government. It will be for honorable members to see what provision can be made to meet their demands, and to consider how far the Government are bound to comply with them. No honorable members in this House can blame either the Government or themselves, for the straits in which we have been placed during the last few months. There is no country which has not suffered from the great calamity that has befallen all commercial affairs, I may say, in the civilised world. There is no community, at any rate in the British dominions, which has not, to a certain extent, been compromised by the great severity of the commercial panic which burst upon us two or three months ago. If we have been, perhaps, playing with our credit, it is only a mistake which other communities, of far greater experience in legislation, who ought consequently to be far more careful and conservative of their credit, have committed. I must admit that we have not been so careful of our credit as we ought to have been. We are now reaping the effects of our want of caution. However, if we do justice to ourselves, I do not see any difficulty which we cannot surmount if we meet our engagements manfully, and, instead of attempting to shrink from them, take the burden fairly upon ourselves. It is useless to legislate so as to throw the whole burden upon posterity. No doubt, we are working for posterity, and we shall, at any rate, leave them the legacy of a large debt; but a portion of that debt we ought to take upon ourselves. I shall now endeavor to place before the committee, in detail, the real state of the Government, through our operations from the 1st January to the 31st August—eight months of the present year. I am enabled to bring down all the accounts from the Treasury during that period; and I shall shew, from the actual results of the operations of those eight months, the probable revenue of the whole

year, by assuming the results of the four months yet to run to be proportionately equal to those derived during the first eight. I find that, during the eight months from the 1st January to the 31st August, 1866, we have received from the general revenue £258,148; and we estimate 80 per cent. more for the remainder of the year, which will make the probable receipts for the twelve months, including rents and assessments, £501,000. I will put it in another form, and say that the consolidated revenue fund for 1866 will stand in this way on the 31st December next:—Honorable members will recollect that we started with a balance against us on the 1st January last of £47,514; and the expenditure for the eight months from the 1st January to the 31st August, audited and passed, was £320,778. The expenditure not yet audited is estimated at about £20,000; the probable further expenditure during the remaining four months for ordinary services, calculated at £35,000 a month, which is less than the actual amount expended for the past time, is estimated at £140,000. The interest on debentures, paid in London on the 1st July, 1866, is £40,000; interest to be provided for by 1st January, 1867, £60,000; this is the interest I alluded to a short time ago, it has been handed over to the Union Bank to meet our engagements in London; interest on Treasury bills due 1st January, 1867, £15,000; and interest on overdrawn account in London, £10,000; making a total expenditure for 1866 of £605,778, and with the deficit from 1865, with which we started, the total liabilities will be £653,292. Then, on the credit side of the account, the revenue proper received between the 1st January and the 31st August, 1866, amounted to £255,148; and the probable receipts for the remainder of the year, including rents and assessments, are estimated at £245,852, making a total of £501,000, which, deducted from our liabilities, will leave an estimated deficiency on the 1st January, 1867, of £152,292—a very respectable deficit to shew. The actual cash receipts for the first eight months of this year, and the estimated receipts for the whole of the year, are as follows:—Customs, from 1st January to 31st August, £146,590, and the probable receipts under this head of revenue for the twelve months are estimated at £235,000; gold produced during the first eight months, £1,562; estimate for the twelve months, £2,500, which may be very much augmented, if the news we have heard from the Crocodile diggings are confirmed; land sales, cash receipts for the first eight months, £19,925, and I estimate the probable receipts, for the whole year, at £30,000, which is a great falling off from the previous estimate. I may mention that the estimate for 1866, by my honorable predecessor, which he had every reason to expect would be realised, was £60,000; but

in this we have all been disappointed. We have already received, on account of rents and assessments, from the 1st January to the 31st August, £10,357, and I estimate the receipts for the whole year at £115,000. This head of revenue was estimated at £128,000 for the present year, which is £13,000 more; we have derived from postages, up to the 31st August, £13,894, and I estimate the amount for the whole year at £21,500; we have received for licenses, £19,599, and I estimate the receipts for the whole year at £23,000; fees of office receipts to 31st August, £8,238, estimated receipts for the whole year, £13,000; fines and forfeitures received up to 31st August, £1,816, estimated receipts for the whole year, £3,000; harbors and light dues received up to 31st August, £4,576, estimated receipts for the whole year, £7,000; railway receipts up to the 31st August, £15,109, and I estimate the probable receipts for the whole twelve months at £30,000. In the original estimates for last year, the receipts for railways were put down at £29,000; so that there is a further increase on that head of revenue of £1,000. Electric telegraph receipts, up to 31st August, £7,094, estimated receipts for the whole year, £11,500; miscellaneous receipts up to 31st August, £6,388, estimated receipts for the year, £9,500. The gross estimates of last year were £582,000; and the probable estimates, according to our amended estimation, are £501,000, which leaves a deficiency on the last year's estimates of £81,000. This deficiency is easily accounted for. The year 1865 was a very prosperous one; not only had we a great number of immigrants arriving in the colony, but there was a large influx of men with capital, and men of business were settling among us, introducing goods of various descriptions and starting stores in every little port—whether any were started in the port of Hinchinbrook, to which the honorable member for Western Downs alluded, I cannot say—and our receipts from revenue were very large, and no one would have imagined, from the prospects which the colony then presented, that its prosperity would so soon have been checked. I shall now endeavor to shew the state we should be in if we were to continue under our present tariff, and what the result will be at the end of 1867 if we persevere in our present mode of collecting the revenue. Should no measures of increased taxation be adopted, the transactions of the year 1867 will be somewhat as follows:—Anticipated receipts for revenue proper in 1867, as per estimates, including land orders, £681,000; estimated expenditure (schedules and all departments, including railways, roads, and public works), £394,907; interest on loans and sinking fund, £214,012; land revenue, probably paid in land orders, £50,000; land revenue set apart for public purposes, that is to say, for

the new Parliamentary Buildings, a portion of which we expect to be able to sell next year, £5,000; electric telegraph messages, on Government account, not paid for in cash, £4,000. This account is kept separately, something like the land orders, credited in the first place to the general revenue, and then deducted, merely as a check upon the Government messages, making a total expenditure detailed in the Estimates for 1867, £667,919, to which, if we add for probable supplementary estimates £80,000, we shall have a total of £747,919. The estimated deficit on the year 1867 is £66,919, and if the deficit on the 1st January, 1867, be added, there will be a total estimated deficiency on the 1st January, 1868, of £219,211, unless provision is made to meet it by increased taxation. We shall be deficient that amount unless measures are taken to provide against it. Undoubtedly we must all admit that there is an enormous deficiency, but if we have spent more money than we had calculated upon, and have been living upon our credit, we must now look the difficulty in the face, and pass such measures as will tend to give us prompt and effectual relief. If we have incurred a larger expenditure than was warranted by our revenue, we must endeavor henceforward to place our financial affairs upon a firmer and sounder basis, and make proper provision for our general expenses. I have now shewn the position we shall be in in another fifteen months, if we do not make due provision to meet the requirements consequent upon our increased expenditure. The measures we now propose to meet the deficiency are—first, an increase of the present customs duties, estimated to produce in 1867 £41,264; secondly, additional customs duties, estimated to produce £11,276; thirdly, ten per cent. *ad valorem* duties, estimated to produce £138,000,—making a total increase proposed from customs duties of £190,540; and, fourthly, stamp duties, estimated to produce in 1867 £35,000, making the total additional duties proposed, in all £225,540. The increases to customs revenue are based upon the imports of 1865, and are as follows: No. 1—Ale and porter in wood, increased from 3d. to 6d. per gallon, £5,268; wines, increased from 3s. to 6s. per gallon, £13,786; tea, increased from 3d. to 6d. per lb., £11,591; coffee and chicory, increased from 2d. to 4d. per lb., £1,849; opium, increased from 10s. to 20s. per lb., £1,411; tobacco and snuff, increased from 2s. to 2s. 6d. per lb., £6,497; cigars, increased from 3s. to 4s. per lb., £912; total from increased duties, £41,264. No. 2—The details of the additional customs duties are as follows: Spruce beer, cider, and perry, at 6d. per gallon, £152; vinegar at 6d. per gallon, £826; chocolate and cocoa at 4d. per lb., £833; rice at 40s. per ton, £860; salt at 40s. per ton, £5,912; and dried fruits at 1d. per lb., £2,693; in all £11,276. No. 3—*Ad valorem* duties, at ten per cent., are estimated as follows: The total

imports in 1865 were estimated at £2,505,559; deduct goods subject to special tax, and, therefore, exempt from *ad valorem* duty £577,012; duty-free goods, flour, &c., £407,148. We do not desire to place *ad valorem* duties upon goods so necessary for common consumption, and, besides, a duty upon flour would look too much like a protection to farmers. That, however, is an open question for honorable members to consider; if they approve of such a duty, the Government will offer no objection. The amount of duty-free goods, flour, &c., introduced into this country, as I have stated, was £407,148; goods re-exported, £35,000; railway plant, and Government stores, £100,000. These figures are taken from the *Statistical Register* for 1865; and, I may say, that the amount exempted from *ad valorem* duties amount to nearly half of the imports, altogether, £1,119,160; which will leave £1,386,399. This sum, at ten per cent., would have yielded £138,000 in 1865, which is the sum estimated for 1867. For we do not anticipate that the population will increase in the same proportion this year; and I believe that the importation of goods in 1865 was sufficient for double the population of the colony at that time. I now come to No. 4—The stamp duties are estimated to produce £35,000. The principal features of the Stamp Act are to impose the following duties:—2s. per £100, on bills of exchange, promissory notes, &c.; 1s. upon bills of lading, policies of insurance, &c.; 1d. upon all cheques and receipts for 20s. and upwards; 80s. per £100 upon bank note issues. In the colony of New South Wales, the *ad valorem* duties are five per cent., and they have only two per cent. upon the circulation of the banks. Here, as we are imposing a duty of ten per cent. upon the people living in the country, I think it is only fair that the proprietors of the banking institutions, who have enjoyed a long monopoly, should be placed in a similar position. I do not submit this tax from any spirit of opposition to the banks, and I wish emphatically to state that I shall be glad to do every thing in my power to protect their property and preserve their position. At the same time, I think it is but right that they should contribute something to the State. Then there is 10s. per £100 upon the transfer of any lease or license of a run, which will yield a very large sum. This is, in fact, in every shape, nothing more or less than an income tax the owner of property has to pay. There is also a moderate charge upon mortgages, conveyances, and the transfer of any stock, or bank shares; 20s. per £100 upon probate of wills; and 30s. per £100 upon letters of administration. Government cheques and drafts, &c., are to be exempt from duty. It is not proposed to impose duties upon successions to real and personal estate. I may mention that, in New South Wales, they have a very cumbrous process for levying this duty, and the returns are found

to be so small, that it is recommended to do away with this tax altogether. I may explain to the committee that the Government do not intend to impose on the Government officers the necessity of placing stamps on Government cheques or drafts of any kind. They will thus be exempt from those duties. Nor, as I said before, does the Government intend to impose stamps or duties on succession to real or personal property; because it is considered that those are already pretty well taken care of in connection with letters of administration and probate of wills. The Estimates now before the House, as they were delivered over to honorable members this evening, shew a decrease in the anticipated cash receipts, as compared with the Estimates that have been withdrawn, of £71,000; and a decreased expenditure, exclusive of interest on loans, of £42,000. And I may here state that £40,000, interest on Treasury bills, is provided for in the present Estimates that was not included in the Estimates withdrawn. This £40,000 is for interest that we shall have to pay before the 31st of December next. It is now my duty to shew to the committee the position in which we will stand on the 1st of January, 1868, if the proposed duties are accepted by the committee. Should the duties now proposed be carried out, the accounts for the year 1867 are estimated as follows, namely:—The receipts from customs under the present tariff will produce £260,000, according to the actual results of the last eight months. The estimate for 1867, allowing a small addition for increase of population—and these estimates, I would observe, are based on actual results, and not on any large anticipated increase of population or of consumption—the estimate is, that the proposed increase of duties will yield an additional amount of £52,540. We expect to get that much more in 1867 by the increase of duties on articles already subject to customs duties. From *ad valorem* duties we estimate receipts to the amount of £138,000, making a total amount of £450,540 for 1867. I am trying to shew to the committee the actual receipts in cash payments, throwing aside entirely the scientific system of double entry carried out, as is necessary, for the arrangement of the accounts in the Treasury. I reduce the matter down to the actual cash receipts and the actual cash payments, and avoid going into details, or the introduction of all sorts of entries. I wish to shew exactly the cash receipts and the cash payments for 1867, so that it may be clearly apparent to honorable members how we will stand; for that reason, I shall avoid clouding the subject with references to land orders, or charges for Government telegraphic messages, and so forth, and shall go into cash payments and cash receipts solely, and shew the committee the position in which we will be placed on the 31st December, 1867—supposing the

committee to agree to the proposed tariff. I shall now proceed to enumerate, in detail, the various sources of revenue, and the amounts estimated to be received, in 1867. In the first place, the estimated probable receipts from the customs will amount to a total of £450,540; from land sales, cash receipts, we estimate £40,000; and from rents, assessments, and survey fees on runs, £138,000. Now, I wish to call the attention of the committee to a particular circumstance—that it is a rather extraordinary coincidence that the rents, assessments, and survey fees, come to exactly the same as the *ad valorem* duties in 1867.

Mr. PALMER: If you get them.

The COLONIAL TREASURER: Yes; as the honorable member remarks, if we get them. From stamps, a new duty, we estimate we will receive £35,000 for one year; but I am satisfied that if this proposition is agreed to, we may expect to derive from this source, £100,000, without the expenditure of more than £1,000 for the purpose of carrying out the machinery for stamps, and in providing measures for the protection of the revenue. There is no other mode in which we can raise a revenue in a more satisfactory way, or at less expense to the community at large, than by the imposition of a stamp duty. Such a duty is neither more nor less than a property tax, in every shape and form; and no one need come under it unless he purchases property, or has property to sell or give away. We expect to get from the export duty on gold, and from miners' rights, £5,000. That was the estimate made by my honorable predecessor for the present year. I have no desire to reduce it, and I do not see that I have any right to increase it; I, therefore, leave it exactly at the same amount as it was placed at by my honorable predecessor for the present year. I hope we shall receive double the amount from this source. From postage stamps and from money orders we expect £26,000 for next year, which is a little more, about £3,000, than we expect to receive this year. From licenses from publicans, and from all other licenses, except for lands, £26,000; fees of office, £16,000; fines and forfeitures are estimated at £3,000; and harbors and light dues at £8,000. This is the amount estimated to be received from harbor and light dues this year, but it is expected they will fall short by £1,000, which deficiency, however, we hope to recover next year. Railway receipts are estimated to yield £70,000 next year. In the former Estimates presented to the committee, they were set down at £80,000, but I deemed it prudent to knock off £10,000, though I shall be glad to see £30,000 more realised. The electric telegraph is expected to yield £15,000, exclusive of Government messages. On this item, also, I have thought it advisable to make a reduction of £15,000. The amount was put down in the previous

Estimates at £30,000, but I find they will fall short of that amount by £14,000 or £15,000. Miscellaneous receipts are also put down at £15,000; and I may as well point out to the committee that it is almost impossible for any Treasurer to estimate correctly, or safely, the amount of miscellaneous receipts, for they are collected from such a variety of sources that it is impossible to calculate beforehand the amount that may be received. We do not know, for instance, if money will fall in value at home to three or four per cent.—which is the normal rate of interest at home, generally—and if money should fall to that rate of interest, there is nothing to prevent our securities being sold at home, if we take care of our credit, at ten per cent. premium. Now, if that were to be the case, the whole of the premium would fall into the account of the miscellaneous receipts; and if I have the pleasure of meeting you in another session, you will not be able to accuse me of having made a hazardous estimate as to the amount of the miscellaneous receipts. There may be £5,000, one way or another, for we cannot control the miscellaneous receipts. The total estimated cash receipts under this new tariff amounts to £847,540. That is the amount estimated to be received in actual cash, and not by any imaginary mode, or from transferring items from one page to another. I shall now try to detail to the committee the debtor side of the account. In the schedules, Executive and Legislative, as per Estimates, £28,640; Colonial Secretary's Department, £157,454; administration of justice, £13,500; Colonial Treasurer's Department, £34,326; the Secretary for Public Lands' Department, £50,489; the Secretary for Public Works' Department, £53,680—and I may here mention, that the reduction in this department amounts to £42,000 upon the Estimates that were placed before the Parliament a short time ago. There is a reduction in the Public Lands Department, but it is not so large. For the Postmaster-General's Department the estimated expenditure is £54,525; and for the Auditor-General's Department, £2,290. The interest on loans sanctioned in 1861, 1863, 1864, and 1866—this is the permanent loan—the interest, when all the debentures are sold, will amount to £161,012; interest on Treasury bills, £40,000—but this is assuming that we will have another issue, and sell £100,000, and that the interest on the new issue will amount to £10,000. This is anticipating that we will have another issue of £300,000, and that we will dispose of £100,000, which will add another £10,000 to the account for interest on loans.

Mr. GROOM: At what rate of interest?

The COLONIAL TREASURER: With regard to the rate of interest, it will be decided at another time, and it is not my province now to refer to that matter. I will only now state, therefore, that the interest here is

calculated at ten per cent.; and I may say, also, that I think it would be a great mistake to make any alteration in the rate of interest. If we are to have Treasury bills, we should issue them all at a uniform rate of interest; and if the interest is considered worth anything, we will get it in the premiums that will be offered, while we will have the further advantage of having the bills taken up more readily. It is very disadvantageous to have securities of the same kind on the market with various rates of interest; and the Government are of opinion, that if we are to have additional Treasury bills, there should be no deviation in the rate of interest from those that have been issued. It would be highly imprudent and hazardous to make any difference. I may mention, that if the scheme of the Government is agreed to by the Parliament, and if we issue Treasury notes founded on the Treasury bills, instead of paying ten per cent. on transactions to be carried on by means of those two Bills, we will only have to pay three and a third per cent. on the bills. So there will be a considerable saving. The next item of account is the payment to the sinking fund under the Loan Act of 1861, and which amounts to £13,000; and to meet supplementary estimates for 1867, I put down £80,000. Those several items make up the total estimated expenditure in cash payments for 1867. I wish honorable members thoroughly to understand, that this is bringing the accounts down in single entry, shewing the actual cash receipts and the actual cash payments. A short time ago, I stated that the total estimated expenditure amounted to £740,000, or in other words to £59,000 more than the aggregate of the sums I have just now specified; but the difference arises from including land orders, £50,000; Government telegraphic messages £4,000; and other expenditure, £5,000; which have to be entered in the Treasury accounts, though they are not actual cash payments. Honorable members will therefore see there is just £59,000 difference between the estimates as prepared, including those sums, and the estimates as shewing the actual cash payments. The total anticipated expenditure for 1867 in cash payments amounts to £688,919, leaving a credit balance on the year's transactions of £158,621. I shall now endeavor to give honorable members an estimate of the transactions for 1866 and 1867, because we are starting with a debit in 1866 and 1867; and I mean to shew that during two years, with the augmented revenue and increased taxation, I shall be able to overtake our deficit and put the country in the position of shewing that the deficit has been paid off. The estimated deficiency on the first of January, 1867, is set down at £152,292. This is the amount, as shewn already by the table I detailed, we should be short of—that, in the event of there being no increased taxation, we should be on the wrong side of the ledger by

£152,000 at the beginning of 1867. To cover that, I have estimated the receipts from the increased customs duties, for three and a quarter months—allowing that those new duties come into operation now—at £40,000. I shall also have, or, at least, I hope to have, £5,000 from the operation of the Stamp Act, allowing that the Act will only be two months in operation this year. We cannot bring the Act into operation for a month to come, because we will have to send supplies of stamps to Port Denison, and other outlying districts, or the people there could not comply with the requirements of the Act. The estimated saving in 1867 is £158,621. This sum, added to the increase on customs for this year, amounting to £40,000, and the income of £5,000 from stamp duties, gives an accumulated amount of £203,621, which amount will pay off the anticipated deficit of £152,292, and leave a credit balance of £51,529 to begin with on the first January, 1868. The preparation of the tariff has cost the Government a great amount of consideration and time, and a great deal of anxiety, in their desire to distribute fairly the burden of taxation on the community. I think honorable members, in looking over the measures we submit to them, if they fairly criticise the manner in which the taxation is distributed, will, whether they agree with us in every detail or not, at any rate give the Government credit for endeavoring to put upon property the additional taxation required, as far as we could do so without resorting to an inquisitive mode of ascertaining the profits of every man in the community. The stamp tax is decidedly a tax upon property. As to the *ad valorem* duties, it will be seen that almost everything that may be considered as a necessary of life is also exempted from taxation. There is no increase of duty, for example, on sugar, or on flour. There is no duty on fruit, or on potatoes; and, on any of the comforts of life, there is, I may say, no duty whatever. So far as vegetables and cereals are concerned, there is no duty on any article; and we wish to have the tariff as devoid of a protectionist character as possible. What we want is a tariff that will enable us to raise the amount of revenue required, and by which those who are able to contribute more may be made to do so. The only industry that is in any way protected to a certain amount, is that of sugar growing. Now, I think there is no member of the community but would like to see sugar-growing fairly tried, in order to see if there is any likelihood of sugar being produced in this colony at a profit; and as the tariff is only intended to extend over a couple of years, we will be able in that time to see whether the production of sugar, under the amount of protection afforded to that industry, is likely to be so great, that we will be justified in considering at the end of that

time whether it would be desirable to try some mode of making it contribute to the revenue, either by reducing the bounty now extended to sugar-growers, or by placing a duty on sugar produced in the colony. It is certainly a considerable measure of protection to the sugar-grower, to find that there is a duty of between £5 and £6 per ton on imported sugar. There are some tables here, which I wish honorable members to look at, as they will shew them that this is the lightest taxed colony under the British Crown. At any rate, it will be seen by them that, under the present tariff, this is the most lightly taxed of the Australian colonies. Of course, it is well known that we have been going in debt, and that we have been spending more than our revenue amounted to; but that only shews the great necessity there is for increasing our tariff, and endeavoring to live within our income. I think honorable members will admit that, though the tariff the Government are now proposing for the consideration of the committee is a very large one, it is not more so than is necessary; as it is desirable we should do all in our power to keep up the credit of the colony; and I believe we will be able to collect this tariff without its being felt to be very oppressive to the working classes of the community, or to those who consider themselves to be the poorer portion of the community. I believe it would be impossible for us to succeed with any Bill for the purpose of imposing direct taxation—for the purpose of raising a revenue in the form of an income tax. Such a tax would be a most difficult one to collect, and would be most inquisitive in its nature, as it would be necessary to ascertain the income of every person in the community. Besides, such a tax would always be the cause of a great deal of heartburning, and would not give that satisfaction which we consider this tariff will give. I know well that taxation of any description is a most distasteful thing to endure; but we cannot avoid an increase of taxation at the present time, and so we must try to face it the best way we can. No doubt, this tariff will, to a certain extent, bring confidence to the commercial portion of the community; because the banks, on ascertaining there is an *ad valorem* increase of value to the extent of ten per cent. on the general articles of import, will discount a great many bills which they will not look at just now; for they will see that the goods held by the persons giving those bills are increased in value to the extent of twenty per cent. at once. And not only that, but they will also see that the importation of goods, to compete with those already in the market, will be retarded till there is an absolute necessity for them. I may as well state here that the Government had under anxious consideration, the advisableness of imposing direct taxation by putting an export duty on wool; but on inquiry, and after very fully considering the matter, we

found that such a tax would have a very absurd tendency. We could not deny that ever since we had a constitution of our own, we had been in the habit of giving bonuses for the production of cotton and sugar—at any rate, of giving sugar-growers advantages over other people who occupied purchased lands, and we therefore felt it would be a contradiction of our present policy to impose a duty on wool. It would be a manifest contradiction to give a bonus of £10 per bale to a person who produced a certain article, and to impose an export duty on the article produced by his neighbor, who occupied his land in a different way. I think it would tend greatly to decrease the reputation of the country, if we were to impose an export duty on the industry of the country. A tax of that kind is not one that is recommended by any of the great political economists of the present day; nor is it one that is recognised as politic by any civilised community. The only places where there is a tax on native industry is in such countries as Turkey and Egypt; and honorable members will acknowledge, I think, that it is not desirable that the colony of Queensland should seek for examples of legislation from the Turks or the Arabs.

Mr. GROOM: There is an export duty on cotton in America.

The COLONIAL TREASURER: An honorable member states that there is an export duty on cotton in America. I believe that such is the case, but that is only to meet the temporary emergency occasioned by the war, and it has been placed on the principal product of those states that were in rebellion against the Union. But I do not think that that is the way we should deal with our industries in this country. Besides, it should be remembered that the export tax upon cotton in America was imposed upon the Southern States, by the Northern States, who had subdued them. It was imposed, not by the people themselves, but by others; and it is a question that is assuming great importance in America just now, whether one state or a number of states can bind another, in any way. I believe there are many people in America now who maintain that every state is independent of every other. At any rate, this tax upon cotton came into existence since the Southern States were conquered by the Northern States. It only came into existence since the people of the Southern States became a conquered people, and since they ceased to be represented in the Congress of America. Now, I think there are none of us but will admit we all have the same *status* here, and the same rights, and that therefore none of us should be subjected to burdens from which others are exempted; and I do not see why the grower of wool should be subjected to the payment of an export duty on his product any more than the growers of cotton and sugar or bananas on their

products. Let us have a fair field and no favor, and every individual will then apply his land to the production of whatever he finds to be most beneficial to himself. There is no use of us saying to any man, you shall grow this or that, or that you shall grow this and not grow that on your land—you shall grow what it is a hobby of ours to have grown in the colony, and not what you yourself choose to grow; and the Government do not propose to encourage legislation for the purpose of satisfying the prejudices of any section of the community—they will not legislate for the purpose of satisfying any honorable member here, who is receiving money on his produce as a bonus on cotton-growing, and who will nevertheless stand up here and make it a matter of duty and conscience with him to impose a tax on sheepskins and on wool and tallow. As there will be another opportunity for discussing the Tariff Bill in its various forms, I shall not trouble the committee by saying anything more upon it just now; but shall now introduce to the notice of honorable members the Treasury Bills Bill, and the Treasury Notes Bill. I have now therefore to state that it is proposed to ask the authority of Parliament to raise an additional sum of £300,000 by the issue of Treasury bills, and for power to issue Treasury notes, besides, on the produce of those Bills. The honorable the Colonial Secretary explained to honorable members, that it was the intention of the Government to ask the authority of Parliament to issue Treasury bills to the amount of £300,000, and that those bills would be applied in the way he stated. Those bills would be placed in the Treasury department, to be taken charge of; and the Government would have power to make regulations for the due protection of the Treasury bills, and, if necessary, to establish a commission—a non-political commission—to take charge of them. So that they will be entirely out of the reach of any person, by accident, made Treasurer. Those bills, as they might be required, would be sold so as to enable the Government to issue £300,000 in Treasury notes, which will not be legal tender notes at all, but notes payable on demand at the Treasury. The way the Government intend to deal with this question—the way the Bills are framed is, that the Treasury Notes Bill shall be entirely dependent on the Treasury Bills Bill; and we believe that if we held one-third of the amount of £300,000 in gold in the Treasury, so as always to have gold there to pay the notes as they were presented for gold, it would be sufficient. The Bills are framed in such a way that as soon as the gold raised by the first issue is diminished, we will be able to sell a further amount of Treasury bills to replenish the Treasury chest. This scheme is framed in this way, because we find that the trading community in New South Wales

and Victoria are very jealous of our Treasury bills issued here and placed on the market in those colonies, as the banks say they cannot afford them the same amount of accommodation as formerly, in consequence of depositors withdrawing their money in order to invest it in the purchase of our Treasury bills. In order, therefore, to ease off the pressure on the trading community, it will be desirable to ask authority from Parliament to issue those notes if the Government find the pressure for money continues to be felt as strongly as it is now felt in all the colonies. It is not from any particular desire on the part of the Government, or, I should say, it is not from any particular desire, in my own case, to economise interest that I consent to introduce the Treasury Notes Bill to the consideration of the committee. It is more in behalf of the banks that I do so, as I know very well that at the present time all the branch banks in the colony are not in a position to increase their note circulation, for fear of causing a run on them; and I am satisfied that the country is at the present time languishing from the want of having a circulating medium of any description in it. The banks cannot afford to increase their circulation. They tell us, with the greatest candour, that they cannot issue more notes, as there might be a run on them next day if they did so, and if they had not gold to meet them on demand they would have to shut the door. We know, and it is a matter of regret to us all, that one of the banks in this city recently came to grief from the inflation of its note circulation, without keeping a sufficient amount of gold to meet a run upon it; and I think, therefore, that this measure, when honorable members consider it, will be considered rather a conservative measure than anything else. There are provisions in the Bill, under which the Government will be compelled to publish in the *Government Gazette*, monthly, a statement of their operations under the Bill. They must set forth in that statement the amount of their note circulation, and the amount of the Treasury bills sold and in possession; and they must never have less than twenty shillings in Treasury bills and gold in their coffers, to meet every twenty shillings in note circulation. Now, that is another reason why the rate of interest should remain at ten per cent.—so that for the Treasury bills, whenever it is necessary to realise upon them, it should be possible to command a market, whether at ten, or nine, or eight per cent. In my mind, it is of very little consequence, compared with the importance of making those securities we hold for note circulation quite negotiable, what is the rate of interest. I believe, that if we had not issued Treasury bills already, I should recommend that any Treasury bills that might be issued to cover our note circulation should bear a high rate of interest, so as to

command a market at once without any diminution in their value. I admit that this is a novel scheme, and I also admit that I could not find any Bill, in any shape or form, to guide me in preparing this Bill, though I looked through all the Acts of the various colonies for an Act that I might copy. Nor could I find that there is any Bill extant at home to provide us with a guide in framing this Bill. Therefore, you must, if you adopt this Bill, be prepared to find, perhaps, that it is defective. No one will be able to see if it has defects until it is brought into operation; and, therefore, I should not be surprised, though it should be found necessary to repeal it next session, and to supersede it with a more perfect measure. Or, we may find that the whole of our permanent loan at home has been sold, and that we will not require to issue more of the notes than the first instalment. If this should be the case, we will not have to come into competition with the banks at all; and it would let them have the whole of the circulation in their own hands, and the Government would be able to call in all the notes they had issued. At any rate, it is desirable the committee should understand that this Bill is only a temporary measure brought forward by the Government to enable us to carry on the Government works of the colony till we can realise the loan sanctioned by the Act of 1866. The Treasury Bills Bill that will be placed in the hands of honorable members by and by, is an exact copy, as nearly as possible, of the Treasury Bills Bill that was passed in July last. The Treasury Notes Bill will have a clause in it throwing the responsibility of working it on the Treasury, and also imposing the obligation to publish an exact return of the operations, monthly, in the *Government Gazette*. The pith of the scheme is contained in the fifth clause, which, for the information of honorable members, I will now read. It is as follows:—

“The Governor in Council may at any time after the passing of this Act cause to be made issued and circulated any number of notes or bills for one pound sterling or five pounds sterling each or for any greater sum than five pounds sterling each but not for any fractional part of a pound sterling. And may from time to time cause such bills or notes to be re-issued or cancelled when or so often as may be deemed expedient. Provided always that the total amount of such notes or bills so made issued and circulated as aforesaid may extend to but shall not at any one time exceed the amount of the coin or bullion and Treasury bills issued under the authority of the Additional Treasury Bills Act of 1866 which shall for the time being be held in the hands of the Colonial Treasurer. And it is further provided that of the amount of coin or bullion and Treasury bills so held in the hands of the Colonial Treasurer as aforesaid at least one-third part shall be in coin or bullion and the remainder in Treasury bills as aforesaid.”

As I have already said, it will be imperative

on the Government to hold a sovereign in gold for every three notes of the value of twenty shillings which they issue, and the rest in Treasury bills. I think, from what I have now stated, it will be seen that this is strictly a conservative measure; that it will enable us to compare favorably with the banks; and, further, I consider that by these measures we will only be helping the banks in carrying on the trade of the colony, by supplementing the circulating medium in the way we propose. By introducing gold into the country, we will give confidence to the people, as they will then be satisfied there will be gold in the banks at any time, to meet any run upon them. I may now as well give a general idea of the state of the accounts, as kept in the Treasury. The accounts I shall now detail, embrace the whole of the accounts kept by the Treasurer, whether on account of loan or of general revenue—in fact, of everything within the control of the Treasury department. The general account stands as follows:—The cash balances to the credit of the Government on all the accounts included in the Government bank ledgers, amounted on the 31st of August last to £75,540 12s. 7d. The balance to the debit and credit of the various accounts kept in the books of the Treasury on the same day, shews that the consolidated revenue fund is overdrawn by £113,143 17s. 4d. We have overrun the constable to that amount. We are indebted that much to the various trust funds. The immigration account, or land orders outstanding, amounted to £150,124 15s. 3d. There was on the 31st August that amount in circulation in land orders. The most of these, or a good many of them, I believe, are held by shipowners,—by Messrs. Bright Brothers and others; but the certificates for their payment are in the Treasury. I shall explain this point more fully when I come to the immigration account. The sinking fund, to provide for the payment of the loan of 1861, is credited with £22,742 6d; and I may state that this is a portion of the money that has been keeping us going on. We should have had that in the banking account statement, but it comes in the daily balance. The suspense account is an account consisting of sums that are not paid into any specific head of revenue. This is, therefore, an account comprising any money that may be received by the Treasury that cannot at the time be carried to any particular account. Sometimes, for instance, money is sent in without being reported as payable to any particular department, and it has to be kept in a suspense account till it is verified, or till some other department of the Government shews what it has been received for. There is very often money sent from the country, from a long way off, for rates and assessments and the like of that, and if there is not a

return sent in also from the Lands Department, specifying what it is for, the amount has to be placed to the suspense account. The amount we now hold of this description of payments is £1,232 7s. 6d. Next, there is to the credit of the insurance fund under the Real Property Act £2,511 12s. 7d. The Parliamentary and other buildings account, the proceeds of land near Brisbane—those are the green lands on which we had a somewhat lively discussion some time ago.—the proceeds now in hand amount to £27,651 6s. 11d. There is another account that reduces this very much, but this was the balance when the books were made up. The police and immigration fund amounts to £4,211; and the scab and pleuro-pneumonia assessment funds, £2,809 2s. 6d.; those are all the credits. Then there are poundage fees, amounting to £3,072 14s. 9d.; Coolie immigration deposits £251 5s.; and immigration deposits for remittance to England, £1,663—this amount may have been acted upon on the other side, but as we have as yet no account from the other side, it stands to the credit of the remittance fund. The Curator of Intestate Estates' account is only £764 16s. 7d.; and I am sorry to see it is so small. The debenture account shews that there has been a total issue of debentures from the Treasury to the amount of £2,450,300. I now come to the loan account. The total six per cent. loans authorised in 1861, 1862, 1863, 1864, and 1866, amount to £3,021,186. This is the nominal amount authorised by Parliament since Separation. The debenture account, as I stated already, is £2,450,300—the amount of debentures sold out upon the loan account. Therefore, the public works account—balance of loans available—is £1,043,325 8s. 2d. The Treasury bills account, issued from the Treasury, is £300,000; and the Savings Bank account, deposits, is £84,492 1s. 10d. I may as well mention to the committee, with respect to the sinking fund, that I consider it highly desirable that the Government shall deposit, for the security thereof, the same amount of debentures of the loan of this year as has been temporarily advanced from the sinking fund to the loan fund. It is only fair that when we have used the money on account of the loan fund, we should secure the sinking fund; and we propose to do this either by depositing sufficient debentures to cover the amount, or to sell the debentures to the sinking fund outright;—because, whenever any of these funds are used, it is absolutely nothing more nor less than lending—making use of one on another account until we realise our permanent loan. There is no objection to selling the debentures to the fund, because we may not be able to sell them now at par, or make them yield the exact amount we require, and the country will always be liable to make good the depreciation. The assurance fund, Real Property Act, is deposited with the Savings Bank.

The Parliamentary Buildings fund, £27,651 6s. 11d., has been temporarily absorbed in the erection of those buildings; for, although £30,000 was voted in the Loan Estimates for 1864 for that service, the proceeds of these debentures have not yet been received. The remaining trust funds are in the bank, available for the purposes for which they are held in trust. Of the Savings Bank fund, £4,000 is invested in debentures; £14,020 is lent on mortgage; and the Government propose to secure this fund in the same manner as the sinking fund, by the sale or deposit of debentures. Of the sum of £1,043,325 8s. 2d., available for future loan expenditure, a reduction of £170,000 must be made for indents, emigration, and other services. There are always various things, such as indents on account of the railways, and Crown agents' expenses, emigration expenses, which are paid by the Union Bank, in England. Of course we cannot have them carried into the Treasury books until we have the accounts from the other side. This last mentioned amount is, of course, chargeable on the debentures which are not yet sold. The loan account stands as follows:—31st August, credit balance at the bank, Brisbane, £59,152 3s. 1d. This was the amount to the credit of the loan; or, rather, the amount actually to our credit out of the proceeds of the Treasury bills. Debentures and Treasury bills issued to the bank, but not yet advanced upon, £841,833 9s. 8d. Debentures not yet issued, £570,886: these are now in the Treasury, and the rest have gone home to be realised. We have had only £50,000 from the Agra Bank, on the whole. £250,000 of debentures were sent home through the Agra Bank. Immediately it was discovered that that bank had failed, an order went from the Treasury to the Union Bank in London to pay the £50,000 to that corporation, and, also, to get the debentures from them. Accordingly the £250,000 of debentures were handed over to the Union Bank to be sold at home on account of the Government;—and we have not received one shilling advance upon them. With regard to the Treasury bills, I take that amount entirely off the debentures, because it is intended by the Government, if we can find a good sale for our debentures at home at anything like par, that we shall most undoubtedly take up our Treasury bills, bearing ten per cent., as soon as we possibly can. Therefore, after deducting the Treasury bills, £300,000, from the amount of debentures now in the Treasury, there will be an available balance in the hands of the Government for carrying on the public works of £1,171,871 12s. 9d., less an overdrawn loan account at the Union Bank, London, of £128,546 4s. 7d. This last is the amount that the Union Bank had against the colony at the date of the latest accounts we received; and they hold against it some-

thing like £150,000 of debentures. These debentures are merged in the balance which I have just stated to the committee as available in the hands of the Government, but which is reduced, after deducting the amount of the overdrawn account at home on the 20th June, to £1,043,325 8s. 2d.—to be realised. This, as I before shewed, must be taken less the credits in transition, £170,000; thus reducing the nominal amount available in debentures to £873,325 8s. 2d. I may as well mention to the committee that all the available funds on the loan account for immigration—honorable members will recollect that in the last loan estimate we provided £200,000 for immigration, which amount, with all previous loans, will be exhausted by the end of the present year—is within £32,000. I may, also, mention the state of the Savings Bank account. The deposits amounted to £94,168 on the 10th July, that being the day on which we got the unfortunate telegram from England. The balance to the credit of the Savings Bank was higher on that day than it was on any previous occasion, or ever since. The fund of the Savings Bank had been gradually, daily, increasing from the time the bank was instituted, until we had that unfortunate telegram. The news by the mail of the commercial panic caused the gradual withdrawal of deposits until the middle of August, when the balance was £83,000. This will shew the committee that there was £11,168 withdrawn from the Savings Bank. However, I am glad to inform the committee that the fund is now, again, increased to £85,000; and that most of the deposits have been in gold. It is a most extraordinary fact that, lately, almost all the money we received was in coin; so it is evident that the generality of the depositors in the Savings Bank believe in the Government holding their money much better than the ordinary banks. Of the sum of £4,000 of deposits during the last six weeks, £1,690 has been received in gold, which must have been hoarded up for fear of loss by bank failures. You have, here, without any reservation whatever, the exact accounts as they stand in the Treasury just now. But I mean to give you a little more information about immigration. It will be in the recollection of honorable members of the committee, that a short time ago a return of the immigration expenses was asked for by Parliament, and I hold it now in my hand. It shews that on the 15th May, the account stood at £319,657 3s. 10d., which we have spent; and the total amount of immigration loans voted by Parliament up to that time was £427,000. I may repeat the way that these loans were contracted. Under the Loan Act of 1861, £27,000; under the Loan Act of 1863, £100,000; under the Loan Act of 1864, another £100,000; and under the last Loan Act, 1866, there was £200,000 voted—that is, £100,000 for this year and

£100,000 for next year. This return further shews that, from the 15th May to the 31st August, we spent £17,961; we sent home a credit to the Union Bank, London, to meet payments to Mackay, Baines, and Co., on the other side, £25,816; we took up land order certificates by debentures for ships which arrived since May last; and ships that we expect to arrive to 31st December, we estimate that £20,170 more will be required. I may say that £10,000 of this is already paid on five ships; and we estimate that we have to pay for other five, of which, I think, two are already in the harbor, and the remaining three are not far off: so that we have to pay on land order certificates £20,170 by the end of the year. The expenditure in the colony was £13,399 16s. 2d.; and I find in the Treasury books that the "Kate" is carried on under the immigration loan: she is supposed to be in the service of the Immigration Agent here, to bring immigrants from the Bay and do all that is necessary for the comfort of the immigrants—to move them from Brisbane to Ipswich, and various other things like that. The total expenditure up to the 31st December next, we estimate at £394,227. Allowing, or, if we suppose, that our debentures will be sold at par, we shall then have a balance of £32,723. Out of this, however, we have to pay the charges against us for exchange, &c., by the Union Bank. But, as we do not expect to get rid of our debentures at par, honorable members must not expect that we shall have that balance. From what I hear from home, that fund will be exhausted by the end of the year. At the very most, we cannot expect the last loan of £200,000 to produce more than £185,000; that will be a loss of £15,000 on the nominal amount of the loan. From the several returns of all sorts that I have here, I had purposed to give the committee further information; but I think I should be taking up too much time by reading them all. I have already intruded too much upon the attention of the committee in endeavoring to explain the various Government accounts; and, sir, I would not like to impose further on your kindness in tiring you right out: I have one return in my hand of the actual customs receipts, and all others derivable during the eight months of this year; instead of reading all its figures, I prefer to leave it on the table of the House for any honorable member who is curious to peruse it. The return shews, as I have already stated, that the revenue from all sources in the period named, was £255,148 13s. 1d. I may mention to the committee, that I have a return direct from the Union Bank, so far as they could make it out for me, of all the transactions of the Government with that bank, either in keeping the account on this side or on account of any credits to be available on the other side; and I have had the accounts compared with the Treasury books, and I

find that they substantially correspond. The Treasury books correspond with the account current at the bank; and we receive an account current from the bank every month. I may mention, that we are charged eleven per cent. on the other side for all that we have overdrawn, and the amount of overdraft was something like £130,000 on the 30th June. At that time we had £446,350 of old debentures of 1864, to cover indents and all drafts that were not charged to the account. I find that the amount the bank was committed to, altogether, including payments to Sir Charles Fox, Mr. Jordan, Mackay, Baines, and Co., to the Crown Agents, and to various other parties who receive money from us, was, on the 30th June, £425,625 19s. 8d., to cover which, as I said before, they held £446,350 in debentures. Mr. Turner called upon me a day or two ago and informed me that he had had a telegram by way of Galle, stating that the whole of our debentures under the Loan Act of 1864—this £400,000 odd—were sold. They were sold since the mail left; we have no account of them. I may mention that, from the telegram, I believe about half were sold for something over 90, and the other half were open to the public to take at the minimum placed on them of 85. I think we need not be ashamed of our credit when discount is 10 per cent., and we can get 85 per cent. on our debentures—though the bank that sold them seemed to have been under some misapprehension that our credit would rather diminish in consequence of our having authorised another loan. As soon as they found that we had sanctioned another loan of £1,000,000, in May last, they got rid of all our debentures at the minimum. It may have been best for us; they were sold in the most trying time, when ordinary trade could not get ordinary facilities for carrying on; and I think it tells a great deal in our favor that we could get 85 for them. I don't think it necessary for me to detain the committee by detailing these accounts; and I shall now conclude by bringing before the committee the first resolution, which I formally move:—

Resolved—That towards raising the supply granted to Her Majesty, in addition to the duties of customs now payable on the undermentioned goods, there shall be collected and paid to Her Majesty upon such goods, when imported, whether by land or sea, the duties following, and such duties shall be payable upon the goods named now in bond:—

	£	s.	d.
On wines not containing more than 25 per cent. of alcohol of a specific gravity of 8.25 at the temperature of 60 degrees of Fahrenheit's thermometer, the gallon	0	3	0
On ale and porter of all sorts, in wood, the gallon	0	0	3
On tea, the pound	0	0	3
On coffee and chicory, the pound	0	0	2
On opium, per pound	0	10	0
On tobacco and snuff, per pound	0	0	6
On cigars, per pound	0	1	0

There shall be collected and paid to Her Majesty, on the undermentioned goods when imported, whether by land or sea, the following duties—

	£	s.	d.
On spruce, and other beer, cider, perry, the gallon	0	0	6
On vinegar, the gallon	0	0	6
On rice, per ton	2	0	0
On salt, per ton	2	0	0
On chocolate and cocoa, per pound	0	0	4
On dried fruits, per pound	0	0	1

There shall be collected and paid to Her Majesty, upon all goods imported, whether by sea or land, which are not otherwise liable to duty, a duty of ten pounds for every one hundred pounds of the value thereof, with certain exemptions.

The exemptions to this duty I shall particularise, for I think this is the time to do so. They are—agricultural implements, living animals, fresh fruits and garden produce, fresh meat, gold and silver coin, gold dust, and bullion, guano and manures, hides and skins, military and naval stores, passengers' baggage, cabin and other furniture, or personal effects which have been in use and are not imported for sale; plants, trees, and shrubs; printed books and papers; seeds and esculent roots, including bulbs—I fancy that potatoes, &c., will come under this;—specimens of natural history; tallow and wool—I don't suppose we shall lose any thing by exempting these;—wheat and flour, and goods specially exempted by the Governor with the advice of the Executive Council. There are a few things that the people would not like, perhaps, to have a duty imposed upon. We thought it better to introduce this clause rather than specify them. It will be for the committee to find any objection to it, because the Government have no feeling on the matter at all. It is purely for the consideration of the committee whether they will have that exemption or not. I have specified the exemptions, and, of course, they may be fairly considered and criticised by the committee; and, if they require any additions, we can, of course, consider them.

Mr. WALSH proposed putting one or two questions to the Colonial Treasurer, if the honorable gentleman would allow him. He wished to know if the Government had made any estimate of what would be the probable payments required to be made for railways, per month, during the next six months? He included the contractors as well as on account of Government works.

The COLONIAL TREASURER observed, with regard to the railways, that there was a return which shewed that the Government had expended, on account of public works, £50,000 a month. They had been trying to reduce the expenditure to £45,000; but, he thought, with the increased amount they had agreed to pay Messrs. Peto, Brassey, and Co., it would now be about £50,000 per month—unless Parliament should take some

active steps for compelling the Government to reduce the expenditure on the relief camps. He believed this was a matter that should be taken up; they should compel men who said they were hard up, with plenty of money in their pockets, to go and look out for work.

Mr. WALSH asked if he were right in thinking that it was £30,000 the honorable the Colonial Treasurer supposed would be the amount of revenue derived from the railway for the current year.

The COLONIAL TREASURER: The receipts for this year were estimated at £30,000; but, for next year, £70,000.

Mr. WALSH: Did those sums exclude payments debited to the Government, or, rather, moneys supposed to be paid by the Government; or were they actual cash received?

The COLONIAL TREASURER: It was only the cash receipts he took notice of. He did not take notice of any charges for Government at all. There were various people who got free passes by the railway, and a good deal of Government stores went up by the trains; but no notice was taken of them in the accounts, nor of anything but actual cash receipts.

Mr. R. CRIBB said he should like to ask the Colonial Treasurer if, when he mentioned wool in the exemptions, he meant to exclude flannel and cloth made from wool?

Mr. FITZSIMMONS asked if it was the intention of the Government to appoint Commissioners to manage the issue of the Treasury notes; or would the management be conducted by the present officers of the Treasury? Further, if £100,000 in ready cash were kept in the Treasury, would it not involve a loss to the country in interest alone of £10,000 a year? And, again, if commissioners should be appointed to manage the notes, there would be expense; and he could not conceive what benefit the Government would derive from the issue of the Treasury notes.

The COLONIAL TREASURER said he should be happy to answer any honorable member; but the resolution before the committee did not refer to the Treasury Notes Bill in any shape or form, but to the tariff. In answer to the honorable member for Rockhampton, he informed him that there was no provision in the Treasury Notes Bill for the appointment of commissioners, but there was a provision to authorise the Government to make regulations to carry it out. It being rather a novel project, he certainly did not like to undertake to tie the Government down in any way with regard to the mode in which they should operate under the Bill; therefore, it only bound them as to the leading principles, and gave them authority to make regulations to give effect to those principles. He had before stated that he was not thoroughly wedded to the Treasury Notes Bill; the measure was only to save people in the south from being "stumped"

by the banks. There was no doubt the banks made a good deal out of the Treasury Bills Act, and compelled their customers to pay heavily, because, they said, the Queensland Government had taken all the cash out of the sister colony. The measure was to assist the banks—to ease off the severity of the commercial crisis, and to save those traders who were pressed by the banks. There was no expensive or complicated machinery authorised by the Bill; it made the Colonial Treasurer the responsible head of the department for issuing the notes; and the present idea was, that by having a confidential clerk to keep the books, under the Under Secretary, he would be able to carry on the duties appertaining to the department, at an expense certainly under £700 or £800 a year. There might be a little preliminary expense in engraving and printing the notes; but that must be encountered in the event of the notes being issued at all. There was a clause in the Bill making it compulsory on the Government to advertise in the *Gazette*, once a month, the state of the department—the notes issued and the coin in hand, and the amount of Treasury Bills to cover the note circulation. The Government might have, before the Bill passed, further information to guide them. The Bill was now distributed amongst honorable members, so that they would be able to consider the matter fairly.

Mr. FORBES remarked, that during the sitting of the Finance Committee there was some discussion on the tariff; and the honorable gentleman who was then in the position of Colonial Treasurer introduced a tariff which, he thought, would have been much more equitable, much lighter, and more easy in the collection, than the one proposed at the present time. Although he could go a certain length with the honorable the Treasurer in some items of his tariff, he could not go wholly with him. For instance, he should feel bound to object to the first item of three shillings a gallon on wine. It would have an injurious effect, in the first instance, by preventing any but wines of the highest class being drunk in the colony; and a consequence would be, the consumption of stronger drinks would increase, certainly not to the benefit of the community. The amount of revenue expected from this source would not be realised; and he thought that an item of taxation could be discovered that would fall much more equitably. The next three items he could have no objection to. Opium was scarcely worthy of consideration. The honorable the Treasurer must know, that by doubling the duty on that article he would not increase the revenue; indeed, he (Mr. Forbes) believed it would fall off. The House knew that even the small export duty on gold was evaded. It was a general complaint on the diggings that not a quarter of the gold that was raised in the North paid duty: at least two-thirds of it

left the colony without paying duty. Therefore, if there was so much smuggling where the duty was so small as that levied on gold, it would be sure to increase for the evasion of a tax such as was proposed to be levied on opium. Tobacco, snuff, and cigars, he did not feel any objection to; nor had he any objection to a duty on spruce beer or vinegar. But the quantity of rice imported was so very small, and as it was an article more for the sick than otherwise, the duty proposed he regarded as almost prohibitory. Salt might very well pay duty; but when he came to consider the amount imported—his estimate was about 3,000 tons—he thought that about one pound a ton would be enough. There was no possibility of evading the duty on such an article; but it was a necessary of life, and the honorable the Premier should consider the desirability of reducing the duty. He had no objection to duties on chocolate and cocoa, and dried fruits;—they were about the same in New South Wales. But, one item had been omitted that was included in the tariff of the neighboring colony—nuts; they were a luxury and might be placed in the same category as dried fruits. He could not but think that the vast expense of the Post Office—although he should be anything but desirous of putting a tax on knowledge in any form—demanded consideration, and that it was incumbent on persons who lived a long way in the interior to contribute to the expense of conveying their letters to and fro: every one having a station, however isolated, exercised all his influence to secure postal facilities; and there would be no great hardship, in increasing the charges to double the postal revenue. At any rate, it would be easy to secure far beyond the amount at present received. A system of *ad valorem* duties appeared to have worked very well elsewhere; but there were objections to it, and he could quote several political economists against them. But the position of the colony was extreme, and required extreme measures. He remarked, that in New South Wales, where the *ad valorem* duties were only five per cent., there were always attempts to defraud the revenue on the higher duties. He should be glad to find that the Colonial Treasurer was correct in his estimate of the revenue to be realised from the imposition of *ad valorem* duties here; but had not the honorable member omitted from his tariff a package duty? From conversations he (Mr. Forbes) had had with persons in New South Wales, he found that they had no serious objection to a package duty: it was one that would yield a large amount of revenue, and, estimated according to the amount of business, something like £18,000 would be derivable from that source. When the Treasury Notes Bill should come before the House he purposed to make some amendments; for he did not see why, having gone so far, they should not make it perfect. The diggers were quite prepared to accept the

Government notes for their gold; and if the Government could purchase gold with notes of their own issue, he certainly thought they could at once secure the basis of a circulation for their notes, without its being necessary to devote £100,000 of Treasury Bills for that purpose. Having said thus much, he trusted that honorable members would freely express their opinions on the subject, and consider the proposition he had made. He trusted that the items of the tariff would be put *seriatim*, so that each would elicit due discussion.

THE COLONIAL TREASURER observed, with reference to the remarks of the honorable member for Warrego, that the Government had had the increase of postage on letters, and the imposition of postage on newspapers, under consideration; and, after discussing the subject to some extent, they found that the revenue to be derived from even doubling the postage on letters would be very inconsiderable—because people might not write one letter for two written now—and that it would impede communication in the distant districts. They thought if they could collect the *ad valorem* duty, which could be collected without sixpence additional expense—he had the assurance of the Collector of Customs that he could do so without incurring any further cost—it was well calculated for this colony; and that was one of the recommendations of it. Looking at the tariffs of the other colonies, and the amounts derived from the different systems of taxation, he found that the *ad valorem* duties produced greater and more satisfactory results than any other description of duties. In New South Wales, £180,000 was collected in twelve months by an *ad valorem* duty of five per cent., while the package duty yielded only £40,000. It must be observed that a package duty was altogether unequal, as compared with an *ad valorem* duty. Some packages were not worth more than five or ten shillings; others, silks, for instance, were worth £1,000: yet, under a package duty, the latter would pay only sixpence, the same as the former. What was required here was one good “thumping” tax of ten per cent., that could be collected without expense, and if that could be got, the letters and newspapers might be left alone. There was no use in finessing; honorable members must go in and get a good lump at once. He said this with all respect to the committee;—but he hoped they would not go on meddling; it was a dangerous thing to interfere with a finance Minister. There were things he might have exempted—machinery, for instance, though it was not exempted in New South Wales;—but he happened to have in the Bay about £2,000 worth of machinery, and if that were exempted, it might be thrown in his face that he had done it to save himself £200. As it was, he should be one of the first to pay. With reference to the duty on

rice, he found that it was exactly forty shillings in New South Wales. Queensland was quite as much in debt as the neighboring colony, and must try to raise the wind as well as that colony. He should be very glad to tell New South Wales that Queensland could pay more taxation than it. There was an axiom that could not be disputed, that the higher the people were assessed, the more civilised they were—the more they appreciated everything that was good. With regard to opium, he found that the duty in New South Wales was exactly twenty shillings, and he could not see why Chinamen should have the privilege of intoxicating themselves at a cheaper rate in this colony. There were quite enough of them already in Queensland, and it would be just as well to continue the immigration by the Black Ball Line as to give further facilities for the introduction of Chinamen. He admitted that the proposed duty upon wines was a high one; but it was not an article used much by the poorer classes, and he looked upon it as a direct tax upon property, as only those who could afford such luxuries need pay for them, and he did not think the extra duty would prove an obstacle to its consumption. He hoped the committee would not divide upon that question, as he had a particular desire to see the whole tariff carried out as it stood.

MR. BROOKES said that the Colonial Treasurer appeared to be so enamoured of his scheme that he forgot other honorable members might take a different view of it. He would just inform the honorable gentleman, quietly, that if he expected to pass the new tariff *in globo* he would be entirely disappointed. For his part, he entertained some grave objections to it, and he thought other honorable members were of the same opinion. It would not escape the notice of the public outside that it was just such a tariff as might have been expected from the quarter from which it emanated. He found that flour was exempted; he wished to know why that was. The House was supposed to legislate for something more than a provision to meet the financial emergency, although that was the first consideration. They should take a wider view. Now, supposing the Darling Downs to be, as it was termed, the granary of the colony, and the Leasing Clauses Bill to be passed into law, a duty placed upon flour would afford a fine opportunity for the agriculturists who might settle there to develop the resources of the soil. Then it would be seen that bran, hay, maize, and timber were exempted.

THE COLONIAL TREASURER: No.

MR. BROOKES: Then the honorable gentleman had not made the exemptions very clear; no printed list of them had been placed before honorable members, at any rate, as far as he could perceive, with the exception of agricultural implements, wheat and flour, the tariff was precisely the same as that of New South

Wales. All the other articles had been specially exempted by the Governor, with the consent of the Executive Council. He wished to know why such an indefinite term had been employed as "agricultural implements"? What were they? Did the machinery for the extraction of sugar from the cane come under that designation? Was a pump, used for sheepwashing, an agricultural implement? In his opinion, the tariff had been got up in a great hurry. He wished to know, for instance, why timber should be imported free of duty.

The COLONIAL TREASURER: It is not imported free of duty.

Mr. BROOKES: He thought a different principle should have actuated the Government in altering the tariff. They should have considered that Queensland was a young undeveloped country, and that everything in the shape of manufactures was in its infancy, if indeed, any manufactures could be said to exist at all. There were many branches of industry, which had now no existence, that could become very valuable hereafter, and the scheme before the House would have the effect of shutting the door upon them. It had been pointed out to him that a large trade was likely to spring up in machinery for sugar, and instead of imposing a duty of ten per cent upon it, it would be better to offer a bonus to importers. It was not often that Russia could be taken as an example for this colony, yet that country had been for some years in the same position. Capital was required to set things going. The example set by Russia, under similar circumstances, was to allow the introduction of machinery and mill work and even ships with their tackle, duty free; yet in this colony the people were asked to submit to an *ad valorem* duty of ten per cent. upon such articles. The term "agricultural implements," ought to be more clearly defined. If a plough was an agricultural implement, was a steam plough one? Again, there was nothing in any of the resolutions which proposed to levy any contribution on wool, tallow, or hides; which, he thought, ought to pay their share. He thought a halfpenny or a penny upon wool would be a very proper tax, and would be a great help in the present emergency. Honorable members were informed that flour must be imported duty free, because, forsooth, it was one of the necessaries of life, and it would never do to starve the poor people. But the fact was entirely lost sight of, that the imposition of a slight duty upon flour would be so much encouragement to the growers of wheat; as also a duty upon maize, which had been much injured by the quantity imported from the other colonies.

The COLONIAL TREASURER: Maize is not exempted.

Mr. BROOKES: The position of wool in this country was this: the wool-growers, as every one knew, had the whole country in their hands, for nothing; and yet the Government propose a tariff which would press heavily upon every shepherd and every stockman and servant, and not bear the weight of a little finger upon the master. He did not think that was the sort of tariff to submit to the House; nothing, he thought, could be more dangerous, than to rush such a scheme through the House, and he hoped honorable members would not fail to express their opinions upon it.

Mr. TAYLOR said the honorable member had forgotten who were the largest consumers of the articles in question. The tax would not press, as the honorable member had stated, upon every shepherd, stockman, or servant, simply because those persons had their rations found them; it was the wool-growers who would have to pay the tax. He believed the Colonial Treasury had stated that he did not object to a tax upon flour, if the House should desire to impose it. He (Mr. Taylor) had looked over the list, and had come to the conclusion that the proposed tariff was a very fair one. With reference to the agricultural implements and machinery, he could not, however, agree to a tax upon those articles, because he considered them to be the very life and soul of a young country. He had only one other objection to the tariff, and that was the duty upon rock-salt, because it was an absolute necessity in three parts of the colony; but he would tax other descriptions of salt. He had been sorry to hear that one merchant in town had managed to get hold of one of the lists, and had introduced, during the last few days, some 2,000 or 3,000 bags of salt, while another had bought up all the tea. But that could not be helped. He could only say he had never had any such chance.

Mr. WALSH: Sir—I think this evening is a very serious and important occasion, perhaps as serious and important as any evening since we have met in this House. I look upon the necessity, if there be a necessity, for this measure, as a proof that the country is now reaping the punishment which its past wanton acts, its past mis-government, and rash legislation have entailed upon us; and I do trust that, in this serious state of affairs, honorable members will endeavor to bring wisdom, and not jokes, into the consideration of the subject before them. We now stand confessed to be a disappointed and impoverished people, and I fear very much that before this session is over, we shall stand self-condemned to have been the greatest bunglers in the functions of government of any of the Australian colonies. The levity of manner with which we address ourselves to these important subjects, and the backward and forwards steps we take, not only in our legislation, but in all our movements, must shew the extent of our misgovernment.

Here, with a population of only 70,000 or 80,000 people, we are actually obliged to tax ourselves to such an absurd and painful extent, that, if we agree to this scheme, and it goes forth that in the seventh year of our existence we are obliged to tax ourselves at such a high rate, and even then be unable to liquidate our debts of honor, this colony, which has retrogressed during the last twelve months, will continue to retrograde, and we shall stand in the most pitiable position before the world. And it will not be in the power of our immigration agent, or a dozen such agents as our present or late agent, to turn the stream of immigration in this direction. It is really a serious question for this Parliament to take into consideration, at this stage of our existence, before we have in the least degree matured ourselves, or introduced into the country those measures which are necessary to the prosperity of the colony, and can alone ensure its stability. If we stand in such a deplorable position that we cannot meet our engagements, and worse than that, have to tax ourselves to a ruinous extent, what can we do but swallow the bitter pill contained in the scheme submitted for our concurrence by the Colonial Treasurer? For much as I object to this kind of taxation, I fear that the more we look into our position, the more convinced we shall be that we must submit to some such punishment. There are, of course, some items in the list of articles proposed to be taxed which scarcely any honorable member can agree to with any satisfaction; which nothing but the most wretched state—none but the most desperate circumstances—should induce us to assent to. For instance, there is an increased tax upon wines and beer, especially upon wines; and I doubt very much—and it has often been remarked in this Assembly—whether the additional duty will have the effect of increasing the revenue. I think it will rather have the effect of increasing crime in the colony. At any rate, lately, for the first time since we have been a settled people, illicit distillation has been proved to be carried on in this country; and it can be attributed to nothing else but the high duty placed upon wines and spirits. The honorable Colonial Treasurer must have noticed that the increased duty which we placed last session upon spirits did not lead to a corresponding increase in the revenue from those imports. I, myself, have gone into that subject, though not, perhaps, as deeply as that honorable gentleman; and the conclusion which I have arrived at is, that he must have overlooked the fact that had those duties not been levied, the consumption would have been greater, and probably the revenue derived would have been quite as large. I think honorable members are indebted, to some extent, to the Colonial Treasurer, for the very candid, and on the whole, very clear, statement he has made to the House. It is something now-a-days to

hear such a candid statement, and so far my mind is very much relieved; because I now believe that in a very narrow field we, at any rate, know the worst, and that, when there is such a pressure upon us, is a great relief. The exposition made by the Colonial Treasurer has certainly corroborated to a certain extent the vaticinations made, or rather the suspicions which have been expressed, by honorable members for some time past, and they will feel relieved by the knowledge that they have no worse evils to meet than they suspected. Hitherto, I have listened to the statements in reference to the position of this colony with a certain dread—with a feeling that all was not known, and this feeling has naturally influenced honorable members in their deliberations. But this evening, although I have been unable to follow the Colonial Treasurer in all his figures, I still think we have heard nearly the truth; I can now understand what is the actual position of the colony, and what we have to look forward to, to extricate ourselves from our embarrassments. So far, I think the scheme now submitted to us is a step in the right direction, and I am thankful to the honorable member. The Colonial Treasurer has stated, that out of the proceeds of the Treasury bills lately issued, the public works have been proceeded with, and not only those works, but works authorised to be carried on out of the ordinary revenue. Well, sir, this is a very candid, but, at the same time, a very serious statement to make, because, I wish to know whether this committee or this House has any right to allow the Government to expend moneys voted and raised by loan, upon works which should be chargeable to the ordinary revenue of the colony. I look upon it as a misappropriation of the funds voted by this House, either to make use of the loan fund to defray the expense of works which should be defrayed out of the ordinary revenue, or to expend any of the ordinary revenue upon works which ought to be paid for out of the loan fund. But that is the statement of the Colonial Treasurer, and I trust the committee will bear my remarks in mind, and see that no such misappropriation of funds is permitted—that money is not to be taken out of the wrong purse and expended for a purpose for which it has not been voted by this House. Another serious admission made by the Colonial Treasurer was, that the interest due upon our debentures had been paid out of the funds raised by the issue of Treasury bills. Now, that was another most outrageous proceeding—not his fault, I own—to which the administration of the Government of this colony has forced us. It is impossible for the House any longer to allow such a course to be adopted, if we are to pay the interest upon the money we have borrowed.

The COLONIAL TREASURER: The honorable member will perhaps allow me to make a short explanation. When I stated that I

remitted to England, out of the proceeds of the Treasury bills, the interest upon the debentures due in London on the 1st January, I omitted to mention that, in a day or two after that, I should have had about £110,000 from rents and assessments, and I should have paid the interest from that source if I had waited to send the money by the October mail. But I preferred, as I had the money at hand, in order to save a month's interest, to send it at once.

MR. WALSH: The explanation given by the honorable member is satisfactory, as far as it goes; but it is not to his answer that I wish to call the attention of the committee, but to the manner in which we are making provision for the demands upon us. By the Loan Bill, it is provided, I believe, that the interest should be met by the general revenue of the colony. I do not suppose that the Loan Bill would ever have been sanctioned by this House, if that principle had not been clearly laid down. But now we find that we are paying the interest upon our loans with borrowed money. That, I maintain, is a most suicidal course to adopt, which must be taken into serious consideration, if honorable members wish to prevent this country from coming to grief. There must be an end to this system. It has been practised until it has almost become second nature. Next year, there will be £214,000 to pay for interest, and we must see that this interest is not paid off out of borrowed money, or we shall speedily become enormously involved by the compound interest which will accrue. There is another item to which the Colonial Treasurer alluded, that of £113,000 of trust moneys which have been expended by the Government. He certainly gave us some idea of how the money was to be repaid. We now find that it is to be invested in Treasury bills, but I hardly think that will satisfy the owners or representatives of trust moneys in this country, or the people of the colony, and I am satisfied that it is an unsound course of procedure. I believe that the Savings Bank moneys, as in New South Wales, should be taken out of the control of the Government, and should be vested in the hands of trustees, who should have the sole disposal of them, subject, of course, to certain regulations under the authority of an Act of Parliament. I cannot call to mind the amount of money invested in New South Wales, but I know it is well invested, and that it is found a source of benefit to the Government. If the Government of that colony can give a guarantee for the payment of the money—if they can give sufficient security by the deposit of Treasury bills—they frequently are assisted by these institutions to a considerable extent. But in no instance are these moneys lent to the Government for a longer period than three months; and there has been no instance in

which the Government have not been compelled to pay the money within the given time, and to pay it with interest. That is a *sine quâ non*. I would ask whether the Government of this colony is in a position to do so; if not, I affirm that the moneys from this source which have been invested by them have been invested in a very unsafe manner. The Colonial Treasurer, I think, omitted one little piece of information. He told us, for instance, that the ways and means would not realise the promises of his predecessor, and to some extent he accounted for it. But I believe he did not tell us that there is still a great probability—too great a probability—that the customs revenue in particular, will continue to fall off; and that the estimate of the last session for that head of revenue, which has been proved by this time to have been fallacious, will be proved to be still more so, and in still greater proportion, before the year is out. That is a piece of information which I think he ought to have afforded us. I believe, that with the exception of those two promising seaport towns, Maryborough and Rockhampton, the customs revenue is falling off in every way. I believe it is decreasing in Ipswich, and has been so during the last six months; and if so, I can fairly argue that, in the present state of the colony, it must continue to fall off for many months to come. We must take these facts into consideration. With reference to the articles to be taxed, I have no desire to place any difficulties in the way of the Government at this moment. I know that they are not entirely responsible, and that not even the late Government were wholly responsible. There are so many to blame in this matter, that it is useless to refer to the subject. But, notwithstanding my desire to assist the Government, if possible, in an emergency, I do hope they will be induced to reconsider some of the propositions submitted to us for the increase of duties, and that, if sufficient reason be shewn, they will go with those honorable members who take exception to them, and by so doing relieve the country from what may prove to be a very serious burden upon it. I particularly object to the duty upon salt. I do not, with the honorable member for Western Downs, take especial objection to rock salt; the consumption of ordinary salt is a question which affects the whole of the colonies. I believe that salt enters as largely into the question of general consumption, as any article that can be named. In this hot climate it is essentially requisite for the preservation of food among the poorer classes, and especially those who live in the outskirts of the colony and fare on salt meat from year's end to year's end. So injurious would such a tax be that I trust the Government and the House will be prepared to relinquish it. I do not understand how it is that the Government propose an increased duty upon salt and not upon sugar.

The COLONIAL TREASURER: Protection.

MR. WALSH: Well, I can only say I am a protectionist, and if by any words of mine I could assist the protection of that valuable product I should be glad indeed. But I certainly think, if a tax be placed upon salt, it should also be imposed upon sugar. And I do not see that, because we cannot produce tea, it should be taxed. I fear, also, that the placing an extra duty of ten shillings upon opium will lead to the introduction of what may be considered a very injurious class of colonists. I believe it will bring a regular swarm of Chinese from Melbourne and elsewhere, and will cause a number of persons in the other colonies to turn their eyes in this direction, and these people will give our revenue and police officers a great deal of trouble. I have no objection to the duty on spirits or beer, but I object to the duty on rice, which is almost as much an essential as tea or sugar. Thousands of our fellow colonists indeed have no other vegetable, and I believe the imposition of this duty will be found to press very heavily upon them. There is another matter I shall have to touch upon. How long are we to go on without finding out some better scheme to make this a happy, a wealthy, and a prosperous colony? How long are we to go on laboring under the idea that the panacea for all our evils is to be found in taxation? When one honorable member suggests that the one thing needful is a tax upon wool, another a tax upon spirits, or some other article, and some seem to think everything should be taxed, I confess that I can see nothing but a gloomy future before us, unless we legislate in a very different way. With the vast lands of this colony unsold, I do think we betray the greatest want of system in not looking to it as the chief source from which to pay our way, and meet all our wants. I believe that the lands of the colony, properly dealt with, would not only enable the present generation to pay their debts, but would provide for the wants of future generations. I feel quite satisfied of this, though we are blind at present and prejudiced on the subject, that the day will soon come when those who succeed us will take advantage of our ignorance, and act in a very different way. The colony at this time is suffering as much from the want of capital, not that of large capitalists, but of men of enterprise and small capital, as from any other cause; and the chief obstacle to the introduction of that capital to all the colonies is, the great difficulty in the acquisition of land, and the further difficulties which encompass it when acquired. If we set about the matter seriously and endeavor to make the land pay our debts, and pay our way, we may yet make Queensland a prosperous colony. We have undoubtedly the broadest and the richest tracts of country of any of the colonies, and I am at a loss to see why we should not avail ourselves of them to extricate ourselves from the difficulties with

which we are surrounded. It is a prejudice, an antiquated custom, from which we cannot disenthral ourselves; but I hope the operation of the Leasing Clauses Bill will not only have the effect of providing with homes those who are now homeless in this country, but will attract a large population to the colony, who will prove that the land is our great source of wealth, and whose exertions and enterprise, and whose attachment to the colony, will assist in extricating us from our present state of embarrassment. It is a suicidal policy to go on increasing our indebtedness year after year. We shall never come to an end of borrowing, unless we turn our resources to better account. Here, according to the confession of the Colonial Treasurer, our land revenue is falling off; I doubt whether the collections from our land sales will defray the expenses connected with them; and yet we have miles and miles of Crown lands which, if sold and occupied, would bring about an enormous accession of wealth and general prosperity to the country. We get nothing whatever from our naked unsold lands, and we are keeping ten thousand people from joining us and becoming fellow colonists. It seems to me utter madness to go on as we are doing. And here, I may observe, that the Colonial Treasurer, too, omitted to refer to another matter, and that is our vast contract expenditure. It is the construction of our railways which has brought about our embarrassment, and it is the maladministration of our lands which has caused our revenue to fall off, and keeps the colony in an unpeopled state. It is the initiation and carrying on of these railways, I repeat, which has brought the country into its present impoverished state, and the only way to meet the interest upon the loans which have been raised for them which the Government can think of, is to come down to this House and ask for increased taxation. The Colonial Treasurer has told us that he estimates the liabilities for the twelve months at upwards of half a million, and yet there is no talk of checking this enormous expenditure. We know the country cannot afford it, and like good politicians, and honest men, we should confess that we have been imprudent—that our extravagance has brought us into a position which we cannot carry out, and turn our attention to some effectual means of controlling our expenses. I say that we are not justified in carrying out these contracts. The country cannot afford to find the money to do it. The people cannot afford to pay the interest on the amount of money that will be required to complete those railways; and it appears to me atrocious to go on expending money at the rate of £50,000 a month in carrying on those railway contracts, when we are not able to find the money to pay the interest on our debt. It is most unjustifiable to go on spending £50,000 a

month, of money that has to be borrowed, for the pet project of railways, when we have to sell debentures at ten per cent. to pay interest long overdue. I trust honorable members will take this matter also into consideration, and insist on seeing if some check cannot be put on this railway expenditure, which we appear to be committed to. Instead of spending three millions on railways within the next two or three years, we may be able to discover some way of restricting the expenditure on account of railways during that period to one million, and unless we try to do that, we will be highly blameable. With the knowledge we now possess, as to the position and circumstances of the colony, we are not justified in going on in the way we have been going. Let the Government ask the assistance of a committee, to see if they cannot fairly relinquish some of the works to which they are committed,—see if they cannot stave off some of the works to which they are now committed. It is only our duty to do so. What, I ask, would be said of a private individual if, on finding he had entered into contracts he had not the means of meeting, he quietly folded his hands and allowed the contractors to go on with their work? Would he not be denounced as foolish, or criminal, in doing so? And the same may be said of us if we pursue such a course; for the country cannot with impunity act in a way that would convict a private individual of being foolish or criminal. Now, I may say, there have been some rumors about the Warwick railway. The expense of that greatest of blunders may yet, I believe, be saved to the country. I think that, with an outlay of one-half, a better railway might be made—a railway that would be better for the country and more reproductive. Now, I have heard rumors to that effect, and I would like to know if there is any truth in them. I would like to know if overtures have been made to the Government by the present contractor for the line between Toowoomba and Warwick, to the effect that he is willing to shift his operations from that unfortunate field to a more promising one—to the construction of the line between Ipswich and Brisbane. I would like to know if the honorable the Colonial Treasurer has had overtures made to him to that effect, and whether or not he has gone into figures on the subject; and if so, whether he has not found that the Government would save about a quarter of a million of money by making such a change. I have heard rumors to that effect, and if they are true, they are such, I think, as the Government should catch at and see if there is any truth in them; and, if there is any truth in the rumors, the Government ought to seize the offer. Any way by which we could save a quarter of a million ought to be taken advantage of, for such a saving would be a great blessing to the country.

However, I am quite satisfied that nothing can justify us, neither contracts nor anything else, in going on in spending money when we do not possess it, and when we can see no hope of getting it. If the Government are satisfied that they now see a way to pay for all the claims that may be made upon us for the present, I do trust that they will come down to the House before the session is over, and canvass us, and ask the House to assist them in extricating the country from the dilemma in which it is at present placed; for I have no hesitation in saying, that if we pass all the resolutions now submitted to us—though we run them into Bills, and from Bills into Acts, they will fail to supply us with money for all those expensive operations that are now in progress, and before this time next year another financial crisis will happen, and the old story, the old tale, the old system of further taxation, will have to be gone through again. Certainly, I shall not oppose the passing of any of those resolutions, but if other honorable members will assist me in committee, I will endeavor to relieve the country from some of the burdens the Government is endeavoring to cast on us.

Dr. CHALLINOR said he was surprised that the honorable member for Maryborough should have gone so largely into describing the project before the committee as a ruinous system of borrowing money, as the impression was that the object of the measure under consideration was to prevent the necessity for doing so. As to the matter of the Savings Banks deposits, he did not see how the Government could pay five per cent. interest on those deposits unless they were allowed to make use of them, and he was quite sure the depositors would feel satisfied that they had as good a security in the Government for the repayment of their deposits as they could have in any possible security to which they might themselves apply them. If there could be any doubt in the matter, it must have been removed by what was stated a short time ago by the honorable the Colonial Treasurer, that notwithstanding the fact that the Government cheques had been dishonored, and that the whole colony had been on the eve, some said, of a revolution,—notwithstanding all that, the people had so much confidence in the integrity and resources of the Government of Queensland, that they preferred, under all those circumstances, not only to deposit their notes, but also to deposit their gold in the Savings Bank, considering that it was far safer to be used by the Government than to be left to the employment of the local banks. Besides, one was apt to suppose that the late Chancellor of the Exchequer, Mr. Gladstone, was at least equal to any financier in this colony, and he was very desirous indeed to appropriate the savings of the people—to utilise them, as he called it, for the good of the Government. He thought, then, that

instead of its being a movement in the wrong direction for the Government to use the deposits in the Savings Bank, it was, on the contrary, a movement in the right direction, and one that was calculated to encourage the people to deposit their savings with the Government, to be used for the purposes of the Government, and to be refunded as occasion required. But he supposed it was with regard to Savings Bank deposits as it was with deposits in other banks—that, under ordinary circumstances, the amount of money likely to be required could be calculated, as well as the amount that would be required to replace it; and so he did not think that much injury could occur by the Government using it when they might require it. The honorable member had gone into the land question in the same way, and had said that he considered the lands, if rightly administered in this colony, would relieve the people from all taxation—not only the present generation, but, according to the statement of the honorable member, all generations to come. The case of the United States was often quoted, but he was under the impression that taxes existed in the United States not only now, after the civil war, but previously; and it was almost impossible to conceive of any government being carried on without some form of taxation or other. Then, with regard to the railway expenditure, the honorable member seemed to think that it would be more profitable to leave those works unfinished than to complete them at present. Whereas most people would be of opinion that if the works were to be reproductive, the sooner they were completed the better; because, whether completed or not, the interest on the expenditure so far as the work was completed would have to be paid; and that charge would go on increasing, whether there was any return for it or not. The honorable member had also referred to the idea of transferring the contract for the Toowoomba and Warwick line to the construction of a railway between Ipswich and Brisbane, because he considered the money would be better expended in that way, or would be more speedily reproductive. But the honorable member seemed to forget that as the line between Toowoomba and Warwick had been carried out to a certain extent of completion, a large amount of debt had been incurred; and if the contract were transferred, the line from Ipswich to Brisbane would have to pay the interest, not only on its own cost of construction, but also the interest on the money already sunk in the construction of the unproductive line between Toowoomba and Warwick; and that would be an important matter for consideration in coming to a decision as to whether the contract should be transferred. However, when such a proposition came before the House, then would be the proper time to enter into it more minutely. He would now proceed to refer to some remarks made by the honorable

the Colonial Treasurer. That honorable gentleman, as he understood him, said that the idea of imposing taxation on home industries was foreign to the policy of all civilized countries, and that it was a form of taxation that only existed in such countries as Turkey and Egypt. Now, he differed with the honorable member in respect to that point. He thought he was correct in what he was about to say—at any rate he was born in England, and lived many years in England, and he knew that many home industries there were taxed for the support of the Government. He knew that even now, for instance, there was an extensive excise duty on spirits made in Great Britain; there was an extensive excise duty on soap and candles, and print works and paper.

AN HONORABLE MEMBER: No, no; not now.

Dr. CHALLINOR: Well, the paper duty had only just been repealed; but the fact of there being a tax on all the articles he had mentioned, including paper until recently, and upon other articles of home manufacture, shewed that the British Government did not deny the necessity or advisability of taxing home industries for carrying on the necessary expenses of the Government. He did not think the idea of repealing excise duties on home manufactured goods when exported had so much to do with the encouragement of native industry, as it was for the purpose of enabling Great Britain to compete with foreign countries, and, as it were, drive other competitors out of the market; for unless the duties were remitted, it would not be possible for Great Britain to compete in the foreign market with countries that were less heavily taxed. As to the tax upon cotton in America, he did not believe the United States had the slightest intention of punishing its nose for the purpose of revenging itself on its face. He did not believe the Northern States had any intention, since the close of the war, to punish the Southern States; but that it was the intention, by the imposition of the cotton tax, to compel foreign countries to assist in discharging the debt previously incurred by the war; and if it could be shewn that Great Britain could obtain her cotton supplies from other countries, and do without American cotton, the duty on cotton would soon be done away with; because, if it were continued under such circumstances, America would destroy its trade in the raw material. The honorable the Colonial Treasurer had also stated that it was not the intention of the Government to encourage class legislation; but he had given very little proof of that in the measures he had submitted to the House. The honorable gentleman had no objection to put an export duty on gold; and yet that, he thought, might be considered a native product; and the miners, he was sure, paid as much for the right to mine within a very limited area as the wool-grower paid for the right of grazing his sheep over many

miles of Crown lands; and if it was not wrong to tax the miner, he did not see there could be anything wrong in taxing the wool-grower, who derived the wool from the surface of the earth. The honorable gentleman had also said that it would be contrary to the principles that had always been observed in this colony in the granting of bonuses on other articles of production. Well, he would grant that there was a bonus for the growing of cotton; but that was no reason why an export duty should not be imposed on cotton wool—a duty in proportion to its relative value. But, in dealing with such a question, it must also be taken into consideration that the greater part of the cotton grown in the colony was grown upon purchased land, and not upon land obtained at a nominal value for the use of the grower; and, therefore, the cotton-grower, except for the bonus, could not be considered as upon a similar footing with the wool-grower. The honorable gentleman also endeavored to make out that there was no bonus upon wool-growing; but there was, he maintained, a very high bonus upon it. Though the bonus did not exist in name, it existed as a matter of fact. It existed in the low rents and the long leases of the squatters, and the bonus was just the amount of the difference between the low rent and the actual value of the land. There was, therefore, a very large bonus paid for the growing of wool. There was another point also that must not be overlooked in dealing with this part of the question. The honorable the Colonial Treasurer, as he understood him, stated, when speaking with reference to the Stamp Duties Bill, that the stamp duty on bills of lading would only be one shilling on each bill. Well, it was quite possible that one bill of lading might cover the export of seven hundred bales of wool in one lot. It was quite possible, and therefore all the stamp duty that the exporter of that quantity of wool would be called upon to pay would only be one shilling. Of course, the same principle, he admitted, would apply to the export of cotton; but he did not see any more reason for exempting cotton, than for exempting wool, if an export duty was to be imposed at all. He must say that he could not agree with a tax on flour, except for the purpose that had been enunciated that night, and that was that such a duty on imported flour might operate as an encouragement for the growing of wheat in this colony. But he must, in saying so, defend himself from being considered a protectionist; and if he could agree to the imposition of a duty for such a purpose, it would be on the principles laid down by John Stuart Mill—that such a tax for such a purpose should only be temporary, and until the interest was established on a safe footing. On no other principle could he consent to the placing of a duty on wheat, as it was one of the necessaries of life. It had been over and over again stated that the great staple products

of the colony were wool and tallow—in point of fact, that the prosperity of Queensland rested entirely on the growth of wool and tallow. Well, they all knew that such was the case; but yet, when wool and tallow, the great staples of the colony, were called upon to assist in bearing the expense of the State, it was immediately urged that it would be unwise and impolitic to tax wool and tallow. The honorable member for the Western Downs, Mr. Taylor, stated that inasmuch as the squatters and pastoral tenants provided their men with rations, they would be called upon to bear a large portion of the increased taxation. Now, it had been pointed out by an honorable member sitting beside him, that the only increased tax which the squatter would have to pay, because of supplying rations, would be the tax upon tea, which was proposed to be increased by threepence per pound, and the extent to which that would increase the taxation of the squatters it did not require much knowledge to find out. It was said that this tax would fall heavily upon the tenant of the Crown, but it would only fall upon him as an accident of one part of his business—and that was, where he became a storekeeper. The squatter, in point of fact, necessarily became a storekeeper. It would be utterly impossible for the men they employed to ration themselves on the station, and the employer was, of necessity, compelled to do it for them. He supplied the men with the necessaries of life; but his doing so also put him in this position, that he not only obtained the profits properly belonging to squatting, but also the profits properly belonging to the occupation of storekeeping. Now, though at first sight it might appear that it was not the men on the station, but the squatter, who had to pay the tax, yet such was not the case. If the men were in a position that they could buy their own rations, the amount of wages would be regulated by the price of food; because, if all the articles necessary for the support of life rose in price, wages would necessarily follow. There could be no doubt about that. At an earlier period, he proposed what, at first sight, appeared a very foolish amendment. He, however, found out his mistake, and that it was incompetent for an honorable member to make an amendment of the kind he proposed; but he supposed it would not be incompetent for any honorable member, if he felt so disposed, to move that an address be presented to His Excellency, praying that he would be pleased to cause an export tax to be laid upon wool and tallow. He believed it would be quite competent for any member of the House to move such an address; and if the House came to such a decision, he hoped His Excellency would consent to it; and that the Government, on their part, would come down with a measure for imposing a tax on wool, and upon cotton wool, also, if necessary.

AN HONORABLE MEMBER: What about the bonuses.

Dr. CHALLINOR: Bonuses would soon die out; but in a comparatively short time the exports of cotton would figure very largely in the exports of this colony; and he believed would equal the exports of wool and tallow in a comparatively short space of time. He did not know whether the fighting for this resolution would bind the House to carry out all the details of the Bill when it was brought under consideration. He did not, for his own part, think it would bind the House to do so. He supposed, now that the matter had been mooted, it would be necessary to pass the resolution, and rescind or reduce any of the items afterwards. He should like to state that, as he did not approve of all the items proposed to be taxed, he should not feel bound to vote for the scheme of taxation proposed in its present form, when the Bill based on the resolutions came before the House; but to prevent the evil that would occur to the revenue from not passing the resolution that evening, he would as a matter of form support it.

Mr. FITZSIMMONS said he thought the scheme of taxation proposed by the Government required to be very materially altered; but, at the same time, he thought that every change that was proposed to be made ought to come from the Government, and not from private members of the House. Whilst proposing taxation, he thought it might be reasonably expected of the Government to shew that they were prepared to make considerable reductions in the Civil Service; but by the Estimates that had been laid upon the table he found that no such course was intended by the Government. If the increased taxation, to which he had very great objections, could not be avoided, the Government ought to be prepared also to make reductions in the Civil Service. The country had got into difficulties, and perhaps the other honorable members, as well as honorable members of the Government, were to blame for that. The object of the proposed taxation was to relieve the Government from embarrassment, and it would take a series of years of such taxation, accompanied with the strictest economy, to accomplish that. He did not think the increased taxation proposed would be of any material assistance. Other modes of obtaining relief should be resorted to, such as that mentioned by the honorable member for Maryborough—the alienation of Crown lands, and the settlement of population upon them. The encouragement of the capitalists who came into the colony would very materially benefit the country. But instead of such a line of policy being adopted, an increased scale of taxation was proposed on tea and other commodities. Such taxation would fall very heavily on the working population of the colony; many of whom were scarcely earning a living for themselves at the present time.

There was also to be a tax upon salt, one of the principal necessities of life, and the working man would feel the burden of it very severely. He must say that he was not a man who ever did endeavor to get popularity by standing up for the working man, but he did wish to see even-handed justice done to all classes of the community. He was positive, that if the increased tax on tea was carried, it would fall very heavily indeed upon those who had large families to support. But that was not the only item in the tariff to which he had objections. Indeed, he had objections to every item. He thought the tariff ought, as far as possible, to be equalised to that of New South Wales. If that were not done, he was certain that great embarrassment and depression to trade would be the result. However, this was a case of necessity. Money must be got, and it could not be got otherwise than by taxation. He would not therefore oppose taxation, if he found it distributed on fair and equitable principles; but he thought, that to double the tax on tea, and upon wine also, was quite unnecessary. It was a melancholy thing to find that a colony that was only six or seven years old was taxed so heavily. However, it was inevitable, he supposed. If the various articles in the tariff should be put *seriatim*, as he supposed they would be, he should oppose the tax upon tea.

Mr. BROOKES said that if honorable members would consult McCulloch's Commercial Dictionary, and ascertain, from an examination of the various tariffs it contained, the principles that guided other countries in the matter of levying taxation, they would agree with him that the tariff the House was now asked to pass had been devised either in a great hurry or with a remarkable want of a proper knowledge of the circumstances of the case. It might be that money was wanted, but there were other things more valuable than an immediate supply of money; and he did think that there was nothing more calculated to place the colony in an unfavorable position in the eyes of the mother country, and of other colonies, than to assent to a tariff that would shew that everything had been lost sight of in the keen pursuit of immediate pecuniary relief. He perfectly agreed with the remarks that had been made by the honorable member for Ipswich, Dr. Challinor, that when wool and tallow and hides exported were omitted from the list of articles to be subjected to taxation, and those articles of machinery that were absolutely essential to the growth of the colony were not expressly left off the list of imports subject to duty—articles on which, he maintained, a bonus should be given to those having enterprise to import them—he must say that, looking at the thing from beginning to end, the House should be very cautious, and should pause a good deal before assenting to such a tariff as the one submitted to them. The honorable the Colonial Treasurer

had referred to the United States, and the cotton interest, but in doing so he seemed to have forgotten that the American Constitution was founded on the right of the Federal Government to impose any law it liked, provided it was for the good of the whole of the states in the Union. That was the pivot on which the whole of the general legislation of the United States hinged. Before sitting down, he wished especially to guard honorable members against the very plausible, but very deceptive provision—goods especially exempted by the Governor, with the advice of the Executive Council. He thought they ought not to agree to any such general clause, but should insist upon having a precise list of exemptions submitted for their consideration, and that the Governor, even with the advice of the Executive Council, should have no power to interfere with the decision of the House in the matter of taxation.

Mr. R. CRIBB said he thought the committee should agree to the first resolution, in order that the Government might be able to collect the duties on the following day, but they ought not to go further for the present, and even in going that far, it should be with the distinct understanding that the committee should be at liberty to alter anything whatever when the Bill framed upon these resolutions was submitted for their consideration. He quite understood that if there was any alteration made in the Bill, any excess of duty collected in the meantime over the amount that might be finally determined upon, would be returned. He would like, however, to be informed whether, if the resolutions were passed now, the committee would be precluded from putting a tax upon other articles afterwards.

The COLONIAL TREASURER: No; it would not hinder any further taxation whatever.

Mr. R. CRIBB: For instance, if the House took it into its head to put a duty on wool, would this resolution prevent them from doing so?

The CHAIRMAN OF COMMITTEES: No; but the proposition must come from the Government.

The COLONIAL SECRETARY: It was a general and distinct rule, applicable to all money matters, that every proposal for additional taxation must be brought down by a message from the Crown; consequently, no proposition by any honorable member of the House to add any duty to any taxing Bill would have the slightest effect. If the honorable member chose to move that an address be presented to His Excellency, praying that he would recommend the placing of a duty on any particular matter, a message would come down to the House, asking the House to take the proposed duty into consideration. That was the only way an additional tax could be proposed.

Mr. R. CRIBB: To return to the subject before the committee, he must say there

were several items of proposed taxation he did not agree with. Though he was one who did not drink, he believed, half a dozen glasses of wine in twelve months, he considered the duty on wine and spirits was too high. He thought it was against the interests of the colony that it should be so high. It should be remembered that there was a limit to increasing taxation with advantage. If the duty was made too high, the consumption of the article would fall off to such an extent that, instead of the increase of duty producing an increase of revenue, it might have the effect of causing a falling off of the revenue. He disagreed entirely with those honorable members, who maintained that the squatters would feel the proposed taxation very heavily, and that the working men on stations would go tax free. The squatters might have to pay the tax upon tea, but that would affect him only to the extent of perhaps three halfpence a week more than at present. But the working man would have to pay a variety of taxes; for every thing he used was to be subject to additional taxation, and the squatter, in his capacity of storekeeper, would take care that the men employed on his station paid all the taxes. No doubt, it was quite right he should; but that being the case, the squatter should not say that it was he who would have to pay the taxes, and that the working men would go tax free. As to the *ad valorem* duty, the honorable the Treasurer, he thought, would find a very different result from what he anticipated, and that he would be very much disappointed. Though only ten per cent. would be paid at the custom-house, more than ten per cent. would have to be paid by the consumer, because merchants would charge interest upon the duty as well as upon any other outlay, and the consumer might have to pay an *ad valorem* duty amounting to fifteen per cent. There was one thing he was glad to see left out of the list of ways and means for increasing the revenue, and that was any increase of the present postal rates throughout the colony, or any postal charge for the transmission of newspapers. As to the sale of Crown lands, the honorable member for Maryborough had treated the committee to a long condolence diatribe on this subject. The honorable member seemed to drag in the land question on every occasion. With him it was always land, land, sell the land. Well, that was a very good doctrine; but it would not do to give away the land for nothing, or at the merely nominal value the squatters and capitalists wanted to get it at. There was one remark made by the honorable member which, perhaps, he did not intend to make. The honorable member said he thought the land ought to produce more than it did. Now, he quite agreed with the honorable member on that point, and the way it should be made to do so was by increasing the rental of the present occupiers. He thought a very considerable revenue might be derived in that way; and for his own part,

he would be very happy to support any proposition to that effect.

Mr. FORBES said he did not feel disposed to agree to the motion, and he thought the committee should not commit themselves to it. They had not had an opportunity of considering it. Notwithstanding that the hour was late, the present was the time to deal with the question: if it was allowed to pass, the House would be pledged to the tariff of the Government, and could not alter it when the Bill came before the House. He was desirous that some of the items should be reduced, and that something in their place should be adopted that would fall less heavily on the population. He was sorry for the House and the country that such serious matters could be gone into so lightly. No doubt, the honorable the Treasurer had taken great pains in framing his tariff, and he (Mr. Forbes) complimented him on the frank and clear manner in which the honorable gentleman had delivered his statement; but there was no need for undue haste. He now moved, as an amendment, that the first item be reduced by 1s. 6d.: that would make the duty on wine 4s. 6d. a gallon.

The COLONIAL SECRETARY observed that it was not the wish of the Government to prevent free and full discussion on any portion of the resolution before the committee; and the honorable member for Warrego was the last who should have insinuated that the Government had any such desire,—because he had himself addressed the committee three or four times this evening at great length on the resolution. It was only this moment that the honorable member had moved the slightest amendment. In bringing forward the present question, the Government stated that their only object was to meet an emergency which had arisen; and they did not pledge themselves, in future—when the proper time arrived, fixed by the Bill—to support the tariff as it stood in the resolution before the committee. It became a question, therefore, for the House to consider how any deficiency, or reduction, which might be made from the resolution was to be met. The Government were certainly not in a position to recommend other taxes; and the one which the honorable member proposed to substitute in lieu of the duty he wished to reduce, was one to which he (the Colonial Secretary) personally had a very strong objection. He would not object to the duty on wine being increased to double what appeared in the resolution, even if it amounted to a prohibitory tax; but he did, most decidedly, object to any additional taxation on sugar, an article which the working classes were so constantly using.

Mr. GROOM: We propose a tax on wool.

The COLONIAL SECRETARY: That was an amendment which, he understood, the honorable member for Warrego desired to propose;—otherwise, he misunderstood the object of his present amendment. He desired to impress

on the committee that it was shewn by the resolution that the Government did not wish, in the emergency which had arisen, to involve the laboring classes in the new taxation; but, if the amendment just moved was agreed to, they would be compelled to take a step which would lead to something of that kind. He trusted, therefore, that the House would not reduce the tax on wine unless they could find some other substitute than sugar; and he trusted, too, that the honorable member would, on reconsideration, withdraw his amendment, and take the resolution as it stood;—because, after all, he had heard no argument for the reduction of the tax on wine, which was really a luxury. If people chose to drink wine, why should they not pay a tax for it? If his taste led him to drink wine, why should he not put his hand in his pocket and pay for it? Looking at the question in that light, the tax on wine could be no hardship on any individual.

Mr. WALSH: As he was the member who first brought out the suggestion that sugar should be taxed, he might be pardoned for making a few observations to shew why he had done so. He certainly failed to see why the poor man's name had been brought up.

The COLONIAL SECRETARY: I never mentioned the poor man.

An HONORABLE MEMBER: The laboring classes.

Mr. WALSH: Then, why the working man's name should be brought up in reference to this subject, he could not see, any more than in reference to tobacco, coffee, vinegar, or spirits. He trusted that, in the discussion, the committee would display consistency. For his own part, he thought that sugar was a very legitimate article to tax, if they had to tax it. He believed it would yield a very fair revenue, without the tax being felt by the consumer; and, for those reasons, he would earnestly entreat the Government to consider it. He pointed out to the honorable member for Warrego that he was not in a position to introduce such a tax at present; that could only be done by an address to the Governor. There was another matter to be considered in connection with the duty on wine. The honorable the Colonial Secretary said he did not care if it should be prohibitory. His object in bringing forward the resolution to amend the tariff, was to secure revenue. Anything that would lead to the prohibition of an article that now paid duty, would really decrease the revenue. The Government ought to take into consideration whether the additional duties proposed would not decrease the revenue, instead of increasing it.

The COLONIAL SECRETARY remarked that the honorable member for Maryborough had arrived at a conclusion, though he could not say it was a very logical one, that if the duty of three shillings on wine were doubled it would become a prohibition. He was very much inclined to think, that if the duty were

made ten shillings it would not amount to a prohibition. If a man with a desire or an appetite for wine wanted it, he would have it, though the duty amounted to one pound a gallon. If he understood the honorable member's (Mr. Walsh's) argument aright, on the subject of a sugar duty, the honorable member went in for protection. If that was the ground—and he was not giving any opinion of his own, whether protection or free trade was the principle which ought to guide honorable members on this occasion—upon which the question before them was based, the honorable member must go a little further, and include something else in his amendment besides sugar. If the House went in for protection, they must go further, for the Government had omitted from the tariff the very articles which would have brought in a large revenue. If they went in for protection, why not put a tax on flour? Why not give encouragement to the growth of wheat? He confessed, if he had the choice of the two, he would go in for the latter, because he thought it was much more likely to succeed in this colony than the other. The honorable member ought, first, to have the principle affirmed by the House, that they were to have a protective tariff; then, by all means, let them go in, not only for sugar, but for flour. But protection was not the object of the tariff of the Government. If the tariff was for revenue, let them do as little as they possibly could to affect those articles which were objects of necessity; they ought to avoid, at any rate, some of those articles that were of constant use. He thought it would be well for the House to consider the whole of the resolution to-night, as it stood, before going to the vote; because, after the long discussion they had had, it would be a great pity to open up the question to-morrow, when the Bill would be brought forward. He would rather spend a few hours longer to-night, and hear honorable members over and over again, than have a repetition of the debate on the Bill.

Mr. PUGH said he was under the impression that the amendment of the honorable member for Warrego was before the committee, namely, that the first item in the resolution be reduced from 3s. to 1s. 6d. They had gone into a discussion on sugar and molasses, led off by the honorable the Colonial Secretary. For himself, he was inclined to think that it would be best to consider the resolution in all its bearings, so that the Government should not be put in the position of collecting duties next day that they might have to return. He would object to the passing of the resolution *in globo*; because he intended to object to the ten per cent. *ad valorem* duty. The committee might discuss the wine duty without going into the other items, and certainly without referring to sugar, which was not before them. He called the attention of the committee to the fact that there was no foundation, no precedent, for the imposi-

tion of a ten per cent. *ad valorem* duty, as here proposed. True, it was charged on certain goods in the colony of Victoria; and in the convict colony of Western Australia a seven per cent. *ad valorem* duty was imposed. If the Government chose to confine the ten per cent. duty to the items on which that duty was charged in Victoria, he should not be inclined to quarrel with them. He very much objected to the three last words of the resolution, "with certain exemptions"; and he agreed with his honorable colleague, Mr. Brookes, that the committee were perfectly entitled to consider the exemptions; and they were not to be told that they must wait until they saw the details of the Additional Customs Duties Bill before doing so. If honorable members would look at the comparative table of Australian tariffs which had been placed before them, they would see that the only articles on which a ten per cent. *ad valorem* duty was placed, were watches, jewels, jewellery, and manufactures of the most costly character; and that Victoria was the only colony where so high a rate was charged. If the honorable the Treasurer did not make a recommendation for reduction, he (Mr. Pugh) should be inclined to move that five per cent. be substituted in lieu of ten per cent. A point with reference to the duty on wine was, that the Assembly were asked last session to increase the duty on spirits from 7s. to 10s.; now, they were asked to increase the duty on wine one hundred per cent. It might be that the country was in a greater mess now than then, and that the exigencies of the present time were more pressing than ever; but he thought that it was in as bad a state then as now, and the plan of taxation under consideration was only part of that variety of governmental arrangements in which they were all floundering. However, if the honorable the Colonial Secretary was disposed to have the high duty on wine, let him have it. There were additional duties on tea, coffee, tobacco, and so forth; and it would be better to take the items one by one, so as to let honorable members who had amendments to propose bring them forward.

Mr. BROOKES remarked that it was getting very late, and his idea was that what the Government wanted was, for the committee to express an opinion as to the way they were to act to-morrow morning. He fancied that, if the committee adopted the suggestion which had been thrown out, and passed the items *seriatim*, they would thus give the Government legal authority how they should act. But, if they passed the whole of the resolution as the Government desired, then, to-morrow morning all ironmongery goods would be taxed ten per cent., which he considered a most iniquitous thing. He found that in the colony of Victoria, which was the leading colony of all the Australian group, such a tax was not in force; and he did not believe it was necessary here. The whole of the Government, he thought, had

not identified themselves with it;—it was only the Colonial Treasurer who had “a bee in his bonnet.”

Mr. FORBES said he rose once on the motion for adjournment, and he addressed the committee once on the present question this evening. He stated before that he had it in view to propose to raise the duty on sugar. The Colonial Secretary had said that that would be protection. He (Mr. Forbes) would cite the authority of John Stuart Mill, one of the greatest authorities on political economy. [The honorable member quoted from a letter addressed by the writer named to the Melbourne *Argus*, in which was enunciated the doctrine, that a duty on imports was good policy when imposed for the encouragement of local productions adapted to a young country.] The duty was not a protective duty, but one to foster a new industry. When honorable members considered the number of people now out of employment who could promote the production of sugar and cereals, and if they adopted a policy that would afford them employment, it should not be said that they were adopting a protective policy, but one that would be generally advantageous, presently and prospectively. To give bonuses was as much protection as to put a tax on an article that could be produced in the colony; and sugar was an article that was largely consumed, not only in this colony, but in the neighboring colonies. He might state that he was not bound to the proposal he had made; it was made to take the sense of the committee on the proposed tariff, and to learn whether their opinions were progressive.

Mr. SANDEMAN said he should be very glad to vote for the proposition of the honorable member for Warrego, to reduce the duty on wine, because he did not think the duty a sufficiently discriminatory one—it was the same on the most inferior wines as on the superior wines. But, in the exigencies of the country, there was not an item of the tariff that he was prepared to vote for a reduction of, unless this were to be made up by a more equitable tax of another kind. There was one item omitted from the tariff—an increased duty on sugar. With all deference to the honorable the Premier, he could not agree with him in his argument against the increase of the taxation on sugar; because, if it was right to tax tea, on the very same grounds, why should not sugar be taxed? The honorable member objected to it on the ground that the poor man had to pay it; so had he to pay the tax on his tea. It had been said that the tariff was one-sided, that it was for the employer and not for the employed. He should propose a tax on sugar. Who were the greatest consumers of sugar? Why, the squatters—the very men who had been held up as wishing to pass a tariff in their own favor. The allusion was made to the Treasurer, as being

supposed to have a leaning for his fellow squatters. This was not a question of class legislation. Honorable members must look at it in a broad light. The country had been brought into a state of difficulty, and it was their duty to throw aside all class feeling and to do the best they could for the general community. Measures must be adopted to meet the great exigency that had arisen; to pay the enormous amount of interest on borrowed money, for which the colony was liable; and honorable members must be prepared, one and all, to pull together, without reference to whether or not they were representatives of squatting constituencies, but as representatives of the country. If the Government were prepared to propose an additional tax on sugar, he should be quite ready to vote for the reduction proposed by the honorable member for Warrego. Although it was not exactly the point the committee were now considering, he could not help touching on what fell from the honorable member for North Brisbane, Mr. Pugh, who said there was no precedent for a ten per cent. *ad valorem* duty. He would ask that honorable member, was there any precedent for a colony with 90,000 inhabitants having a debt on loan account of £3,000,000? It was a very extreme case, and extreme cases required extreme remedies; and this was, in fact, the only argument that could be brought forward for so large a tax as ten per cent. *ad valorem*;—it was, he thought, a sufficient answer to the honorable member's objections, and he (Mr. Sandeman) submitted it to him. He hoped the discussion would not be prolonged; for he believed that there were very few items in the proposed tariff that were objectionable. There was one to which he decidedly objected; that was a duty on salt. He should oppose it as a tax on exports, for beef could not be exported from the colony without a very large amount of salt being used to preserve it. He hoped that when they came to consider the item, it would be struck out.

The question was put, and the amendment was negatived.

Dr. CHALLINOR said he did not see the necessity for passing the resolution affirming a ten per cent. *ad valorem* duty. He moved, as an amendment, that the duty be reduced to five per cent. The honorable member at the head of the Government said, just now, that it was not the intention of the Government, if it could possibly be avoided, to tax anything which would affect the majority of the people—in other words, the working classes. The *ad valorem* duty would affect all articles of clothing, and he (Dr. Challinor) was not disposed to think that would become “voluntary taxation.” He did not think any inhabitant of the colony, whether rich or poor, would be disposed, in order to avoid the additional taxation, to go without clothing. There was another article which would be affected, and which pressed very heavily on the com-

munity generally, and on those who had large families—he meant children's shoes. So that, in fact, every article included under the *ad valorem* duty would press on the working classes. He saw no reason for that. So small a duty as 1d. a pound on wool would realise a revenue of £50,000 a year. He did not think that would be more than twenty per cent. The peers of the colony, as the squatters were called, were allowed to go scot free of their just proportion of taxation. The honorable member for Western Downs, Mr. Taylor, had often said that the squatters would be willing to pay taxation for the necessities of the country in case they required it. That was said in connection with the railways. The necessities of the country required taxation, and the squatters should pay their share.

Mr. GROOM said he sincerely hoped that the Government would see their way clear to accede to the amendment of the honorable member for Ipswich, Dr. Challinor. He thought anybody who was acquainted or connected with mercantile matters now would know that an *ad valorem* duty of ten per cent. would press very heavily on the country. It would drive half the storekeepers in the colony into the insolvent court. There were now tens of thousands of pounds worth of wines and spirits in bond which could not be taken out, because the storekeepers could not raise the money to pay the duty; and all that had come out lately would have to remain on board ship; or, if placed in bond, would be sold only to pay the duties that would accumulate on them. He was anxious to assist the Government; but he thought they ought to follow the example set by other countries. An export duty on wool had been resorted to in the colony of the Cape of Good Hope; and an export duty on cotton in the United States of America had been adopted, in order to meet the exigencies of the state. He thought the Government would do well to reduce the *ad valorem* duty to five per cent., and come down with a proposal to put an export duty on wool. Honorable members should sink all personal motives, and unite in adopting measures of taxation which would fall equally on all classes of the community.

The question—that the *ad valorem* duty be five per cent.—was put and the committee divided:—

Ayes, 10.	Noes, 13.
Mr. B. Cribb	Mr. Macalister
" Forbes	" Walsh
" Groom	" Watts
" Stephens	" Taylor
Dr. Challinor	" Fitzsimmons
Mr. Pugh	" Palmer
" Reed	" Haly
" Fleming	" Royds
" R. Cribb	" Edmondstone
" Brookes	" Miles
	" Sandeman
	" Bell
	" McLean

The amendment was, therefore, resolved in the negative.

Mr. STEPHENS said it appeared to him that the committee would fall into a great error if they sanctioned a ten per cent. *ad valorem* duty; and, therefore, he should move that six be substituted for ten. He gave, as a reason for the amendment, that, in the scale of duties embodied in the resolution, honorable members seemed to be thinking too much of their own interests. In this colony a large part of the laboring classes was paid by the employers in money and in rations, but all of those classes had to find their own clothes. A tax of ten per cent. was proposed upon what the laborers had to provide for themselves; but, with the exception of tea, no particular tax was put on what the employers paid—rations;—there was no tax on sugar or flour. The Government could not say there was no other way of raising revenue than as proposed; he (Mr. Stephens) believed, if they taxed flour, they would get a large amount. They would get £50,000 or £60,000 by putting an export duty on wool, hides, and tallow.

The question was put, and the amendment was negatived upon a division, as follows:—

Ayes, 10.	Noes 12
Mr. Forbes	Mr. Haly
" Stephens	" Royds
" B. Cribb	" Sandeman
" Reed	" Taylor
" Fleming	" Fitzsimmons
" Groom	" Miles
" Brookes	" McLean
Dr. Challinor	" Macalister
Mr. B. Cribb	" Bell
" Pugh	" Palmer
	" Watts
	" Walsh

Mr. PUGH moved that the duty be reduced to £7.

The question was put and negatived, on division, by a majority of twelve to ten.

Mr. PUGH moved that the duty be reduced to £7 10s., and the committee divided with a similar result. The honorable member then expressed his intention of resisting the imposition of an *ad valorem* tax of ten per cent. by every means which the forms of the House would admit of, and of dividing the committee upon the amount, shilling by shilling. In accordance with this resolution, he moved that the duty be reduced to £7 11s. per hundred pounds. This and five similar amendments were put and negatived in succession, on division, by a majority of twelve to nine, until the sum had reached £7 16s.

Mr. BROOKES then moved that the duty be reduced to £7 16s. 1d., and in the course of the discussion which ensued upon the amendment, the House having sat in committee throughout the night, until thirty-eight minutes past six o'clock a.m. on Wednesday, 19th September, 1866, the House adjourned at that hour, on the motion of the Colonial Secretary, until three o'clock p.m. the same day.