

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 25 SEPTEMBER 1867

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LEGISLATIVE ASSEMBLY.

Wednesday, 25 September, 1867.

Ways and Means—The Financial Statement.—Fiscal Duties.

WAYS AND MEANS—THE FINANCIAL STATEMENT.

All preceding business having been postponed;—

On the motion of the COLONIAL TREASURER, the Speaker left the Chair, and the House resolved into a Committee of Ways and Means.

The COLONIAL TREASURER said: Mr. Pugh—The resolution I have to put to the committee is as follows:—

That, towards making good the supply granted to Her Majesty for the service of the year 1868, the sum of £100 be granted out of the consolidated revenue fund of the colony.

It is usual, sir, to precede such a resolution with the financial statement. In making that statement on this occasion, I find myself

in rather a peculiar and difficult position—that of having to follow two previous Treasurers, both of whom, no doubt, before they left office, had prepared financial statements for the succeeding year, and from whom I may, or may not, differ in opinion as to how our finances should be managed. I also see, arrayed against me, no fewer than three honorable members who have preceded me as Treasurer. Therefore, honorable members will excuse me if I should feel or appear rather nervous, on such a trying occasion as this. In making this statement, although the subject matter of it will be rather extended, I shall endeavor to be as brief as circumstances will permit, and, at the same time, to be as clear, and to puzzle honorable members with as few figures, as possible. To facilitate this, I have handed round slips of paper containing all the figures, as nearly as possible, which I shall deal with, so that honorable members will be able to follow me as I proceed with my statement. On this occasion, I shall have to touch on different points:—First, the position of the revenue and expenditure, both for this and the ensuing year; second, to enter into all the loans which have been contracted, and how they have been expended; and, third, to go into our position as regards future loans or future expenditure, and to shew how I intend to deal with them and the present system of taxation of this colony. The practice pursued for the last three or four years in making up our Estimates has been entirely erroneous, damaging to our credit, and altogether illusory. That practice has been to over-estimate the revenue very considerably, and to square our expenditure accordingly. To illustrate this, I have only to turn to the estimates of the late Mr. McLean for the present year. His estimate of the net revenue for this year, as honorable members will see from the paper in their hands, is, exclusive of land orders and telegraph messages forwarded on Government account, and so forth, £818,040. He estimated the excess of revenue over expenditure to amount to £250,000. What is the actual result? A deficit, at the end of the present year, of £75,391; for the actual revenue will, probably, not exceed £600,000. But a very vicious system has sprung up—when the House deals with the Estimates and cuts off certain sums, these sums are put on again in the shape of Supplementary Estimates. This is attributable to the constant changes which have taken place in the Treasury; there having been no fewer than seven Treasurers within the last five years, and the effect has been that the Finance Minister of the day has had very little control over the expenditure. I have stated in this House more than once, when sitting on the other side, that the Treasurer had not sufficient control over the expenditure, and that it would be a very good thing if the Treasurer was Premier, to control the expenditure by his colleagues of the public money. I am

now in that position, and I hope to be able to exercise something like control in the expenditure. Another thing I wish to touch upon is this—the one reason why we did get into our present difficulties, is that nearly all the expenditure on loan account has been in the hands of one Minister. This one Minister could expend what he pleased, only calling upon the Treasurer to find the money the best way he could. This practice has been, I know, carried on to a very great extent. I trust that we have arrived at a period when it is no longer necessary that such should be the case. I shall proceed to shew on what data the last Estimates, for this year, by Mr. McLean, were made, and to compare the results realised upon different items, before I shew how I have estimated the revenue for 1868: of course, I make the comparison upon his estimates for 1867 and the proportional receipts, based upon the actual receipts for a portion of this year. The customs receipts were set down at £416,040—the probable receipts will be about £290,000; postage stamps were estimated at £25,000—the probable receipts will be about £18,000; railway receipts were estimated at £70,000—the amount likely to be received will be about £32,000; fees of office were estimated at £16,000—and the actual receipts will be about £10,000. These are only a few of the items. Honorable members will see that if we went on in this course—I am casting no imputation—no blame at all—on the lamented gentleman who made these estimates, because I think he had not sufficient time to consider them, and probably was not sufficiently aware of the difficult position the country had got into, when he made these estimates;—and they must be quite aware that, if things went on in this way any longer, we should never know our position at all. Therefore, in making my estimate of the revenue, I have endeavored to follow a different course, and to keep within the sum I expect, and actually believe I shall be able, to realise. I shall now proceed to shew the state of the revenue, beginning from 1865:—At the beginning of 1866 the debtor balance from 1865 was £47,514, and the expenditure in 1866 was £680,514; making a total of £656,028. The revenue in 1866, exclusive of land orders, amounted to £490,269. Deducting the revenue from the expenditure, there was left a debtor balance brought forward to this year of £165,759. The expenditure from 1st January to 31st August, this year, was £291,543. The interest due and payable on our loans, January and July, was £187,043; the interest due and payable, July and December, is £105,924; making the total interest payable, this year, £293,567. The probable expenditure from 1st September to 31st December will be £160,000; and the percentage to be placed to the credit of the sinking fund will be £12,000. This makes

the total expenditure of the present year, from 1st January to 31st December, £757,110; but including the debtor balance of £167,759 from last year, the estimated total liability of 1867 is £922,869, against an estimated revenue of £600,000. This makes the estimated deficiency on revenue account, on the 1st January, 1868, £322,869. That will be our position at the end of this year, in respect of constantly increasing deficits that have been taking place. As regards the operations of this year, the deficit at the end of 1866 was £165,759; the interest due on the 1st January, 1867, was £81,719: by adding these amounts together we shall see that our liability on the 1st January, 1867, was £247,478. Our liability on the 1st January, 1868, will be £322,869. The estimated deficiency on the transactions of this year is £75,391, against an estimated surplus of £250,000. I will now proceed to shew honorable members on what data I have given an estimate of the revenue for the ensuing year. In doing so, I may state that I have taken somewhat off the estimate made by the honorable member for South Brisbane, who preceded me in the office of Treasurer—I looked very carefully over his estimates. I thought some of the items were rather over-estimated. I have taken off altogether some £25,000 or £30,000, to be sure that I am quite within the mark. I think I may state to the House that the revenue, as estimated by me, we are certain to receive, unless the country gets into a worse position than it is in at present; which I do not anticipate at all, but the contrary. The first item is the customs, which I estimate at £310,000. The receipts under the head of customs during the first eight months of 1867, viz., to the 31st August last, amounted to £182,569—that, honorable members have not got in the papers I circulated;—and the total for the year will be nearly £300,000—for this year. I see nothing to justify my calculating upon any increase beyond the amount I have set down for 1866, which is only £10,000 in advance of this year's revenue. I now come to the land revenue, exclusive of land orders;—and here I wish to point out what I forgot to mention before—I have gone back to the method of framing my Estimates which I used when formerly Treasurer, and I give only the net revenue. The custom up to this time has been to estimate the whole of the land revenue received. That made the revenue appear to be much greater than it really was; but, to square accounts, the land orders should be taken off on the other side. The object of that was to make the land revenue appear greater than it really was.

Mr. BELL: What it really was! The amount deducted on account of land orders appeared on the other side of the statement.

The COLONIAL TREASURER: But, in England, people only saw the credit side; but never saw the debtor side. I have estimated the land revenue, exclusive of land orders, at

£50,000. The receipts under this head for land sold during the first eight months of this year were £10,954, in cash. The amount received as rents of land was £5,631; and this is, I am happy to say, rapidly increasing. The amount of the rents received in land orders during the same period, was £1,158: making a total of £6,789. In the short period from the 1st to the 24th September, £4,578 cash, was received for rents; and £259 in land orders; making a total of £4,837, which shews a very considerable increase on the previous receipts. Rents and assessments are, of course, calculated upon what we pretty well know we shall receive. I estimate the receipts from this source at £128,000, and survey and transfer fees at £4,000; total £132,000. The proceeds of sales of postage stamps during the first eight months of this year, were £12,903, and the estimated total receipts for 1867 are £19,000;—and I have retained this estimate for the succeeding year, not seeing that I am justified in putting any increase on it at all. Pilotage and harbor dues amounted, during the first eight months of 1867, to £1,650; the sum put down for 1868, is £2,500. The sum received from light dues, from 1st January to 31st August last, was £1,659; and I expect to receive £2,200 in 1868. With respect to the gold revenue, I estimate that the export duty on gold will produce £3,000 in 1868, the same as in 1867. In the first eight months of this year, £2,007 was received. Miners' rights, license fees, &c., produced £1,304, during the first eight months of 1867; and will produce £3,000 in 1868. The electric telegraph receipts were £7,564, in the first eight months of 1867, and are estimated at £12,000 by the end of the year. This same sum is put down for 1868. The railway receipts, during the first eight months of 1867, amounted to £20,401; and are estimated for the succeeding year at £60,000. My honorable friend, the late Treasurer, estimated the railway receipts somewhat higher than this, viz., at £70,000. I took the liberty of reducing the item, for this reason: at the present time, the receipts are £700 a week, which will amount to only £35,000 a year. I think, including the extensions which will be opened next year, I am not justified in expecting that the receipts will be more than double what they are now. If they should prove to be more than double, so much the better. The revenue derived from licenses, in the first eight months of this year, amounted to £18,287. I estimate that it will be £22,000 at the end of the year, and that is the amount I have taken for 1868. Fees of office have produced £6,801 during the eight months, and are estimated to produce £10,000 for the year. This is the sum I expect to receive in 1868, also. Miscellaneous receipts are put down at £13,000, which is rather above the amount expected to be received this year. I will explain, when I

come to the miscellaneous expenditure, why I have put an additional £1,000 on this item. The total estimated revenue for 1868 amounts to £671,000—leaving a deficit of £5,871. I calculated the revenue before I went into the expenditure, and I was not afraid to shew that there was a small deficit: better to do this than to make the Estimates up in such a way as to shew a credit balance which never existed. I may mention, with regard to this deficit, that in estimating the amounts of the revenue and expenditure, an error has crept in; and £2,000 has been charged to the loan sinking fund more than there ought to have been. That takes £2,000 off the deficit. I have no doubt that as the Estimates pass through the House we shall be able to make both ends meet; and I am quite sure that the revenue which I expect to receive will be received. If honorable members look at the debtor side, they will see that the expenditure, including interest, is put down at £676,186, for the year 1868. I may mention that some of the schedules in these Estimates appear very heavy. I had the privilege of looking over the Estimates of my predecessor, the honorable member for South Brisbane, and I must state that some additions have been made to them. But, before explaining how those additions crept in, I may as well read to honorable members a comparative statement of the departmental Estimates for 1865, 1866, 1867, and 1868, including Supplementary Estimates; because the schedules in the Estimates for the years 1866 and 1867 give no clue to the real expenditure in those years without the Supplementary Estimates, which have to be added to them, before the true amount can be ascertained. I hope to do without Supplementary Estimates; and I think I can shew that the schedules in my Estimates for 1868 are not so large as they appear to be, when compared with the amounts given in the Estimates-in-Chief for 1867. In 1865, the estimated expenditure in the Colonial Secretary's department was £174,471 11s. 1d.; in 1866, £185,397—in which year, I think, the expenditure reached its culminating point, for that was the most extravagant year; in 1867, the schedule was reduced to £106,442; in 1868, £157,535. I need not take up the time of honorable members by comparing the Estimates of the whole of the other departments during the same period; but I shall draw attention to one or two. The estimated expenditure in the Secretary for Lands' Department, in 1865, was £65,906; and the amount is reduced to £32,192 for 1868. The expenditure in the department of the Secretary for Works, exclusive of railways, was £84,939, in 1865; and in 1868 it will be £37,013. The very large increase which honorable members see in the schedule of this department is owing to the railway now working, which is included in the department and chargeable to revenue. The railway depart-

ment cost, in 1866, £9,644; in 1867, £42,543; and in 1868, it is estimated at £72,940. The items on which increases have been made over the Estimates of the honorable member for South Brisbane are principally in the police force. In the Estimates of the honorable member, the native police were done away with altogether, and the other police considerably reduced, particularly in the outlying districts. The effect of that would be to leave the outside districts without protection at all. I believe it had been the intention of the late Treasurer to impose an assessment on the outlying districts for the support of police. We thought that was unfair, seeing that the original assessment was imposed for police purposes. I shall not now enter into the merits of the native police question, but will merely state that the force has been greatly reduced, and that, within a very short period of years, it will disappear altogether. Another item which had been reduced by the honorable member for South Brisbane—rather a large one—was that which appeared to be the very large cost of keeping a steamer for the Government service. It was quite necessary that the Government should have one steamer, on account of the establishments in Moreton Bay. It was proposed by the late Government to employ one of the smaller steamers, at a less cost; but the “Kate” was found to be much more convenient for all purposes—and she could, at the same time, be employed to great advantage in towing vessels up to Brisbane—than a smaller steamer. Her earnings during the year, taken out of these Estimates, will reduce the extra expenditure proposed; by which I can now explain why the miscellaneous receipts have been increased by £1,000. Other additions on the Estimates of my predecessor, are the items for the Orphan School and Reformatory School amounting together to £6,000. It will be for the House to deal with these items as they please. It is highly desirable that we should have an orphan school, and also an industrial school. An Act for the establishment of such institutions was passed three or four years ago, but no action has been taken upon it. When these items come under consideration, the Colonial Secretary will be prepared to explain what steps he proposes taking in the matter. Some small sums for the construction and maintenance of roads have been added to the Estimates. They increase the amount required for the department of Public Works very considerably. One very objectionable practice has sprung up, which I am happy to find my predecessor took action upon. The action which the honorable gentleman did take in that matter, as well as in others relating to the public accounts, is to be seen in an Executive minute of his issued some time ago; and with that action I entirely concur. It appears that balances of votes have been swelling up for a number of years—why, it is difficult to understand. This was the

state of affairs about the beginning of the year :—The list of unexpended balances of votes available in 1866, and transferred to 1867, amounted to £74,387 7s. 10d., which sum, unless Executive action was taken, would eventually go to swell the expenditure voted in the Estimates for 1867. Amongst the sums transferred as above were the following :—Unexpended balances of votes for roads generally, southern districts, £27,395 19s. 2d.; for bridges, £6,301 : total, £33,697 16s. 11d. The unexpended balances of votes for northern roads amounted to £6,207 19s. 10d., and for bridges £922 17s. 2d. : total, £7,130 17s. Unexpended balances of votes for public buildings, £10,448 1s. 9d. Now, here is shewn the extraordinary inconsistency in public departments. We find one department spending more than is allowed by this House, and coming up with Supplementary Estimates ; while another and a very important department has not expended the money voted by this House. No wonder honorable members have been complaining of works not having been carried out for which money was voted. The amount unexpended in the southern districts alone was £33,697. Having found that this practice was becoming inconvenient, the honorable member for South Brisbane initiated a system by which those votes would gradually lapse. Some are in course of expenditure now ; but all that are not expended, except one or two votes for very necessary works, will lapse at the end of the year. Herein is the reason why honorable members have put motions on the paper, asking why votes of the House have not been given effect to. The object of the honorable member for South Brisbane was to allow a number of those balances to lapse, and to put a considerable amount on the Supplementary Estimates or Estimates-in-Chief for 1868.

MR. MILES : Have you got the money ?

THE COLONIAL TREASURER : Oh ! the money is there—I believe so : if you do not ask for any more. I may observe that I took the liberty, also, of altering the allowances made by the honorable member for South Brisbane for the construction and maintenance of roads. I found that the district I represent, which I may call an intermediate district, between the north and the south, was very much neglected—in fact, if I were inclined to say all I could say, I should speak in much stronger terms, no doubt : £1,000 had been put down for all the roads in the Wide Bay and Burnett districts. I took the liberty of increasing that item.

MR. DOUGLAS : There is another £1,000 for bridges.

THE COLONIAL TREASURER : Never mind that : I am speaking of roads. Honorable members will not think I am over-estimating the importance of that district when I say I put down another £1,000 for it. Now, before concluding with the Estimates-in-Chief, I

should like to make a few remarks about the Supplementary Estimates. The course the Government intend to pursue is to put in the Estimates-in-Chief everything we can possibly think of ; and, when the Estimates are passed, I intend to make up a small sum—there must be some little Supplementary Estimates—mentioning to the House the items I intend to apply for, and then I will give a pledge that no more money shall be expended without the permission of the House. It appears to me that there are certain departments which have been permitted to expend any amount they liked without any check whatever. If things are to go on in this way, honorable members only lose time in discussing the Estimates. The Estimates, last year, were cut down considerably, and I maintain that it was the duty of every head of a department to keep within his vote. The head of a department might say—“ Oh, well, I cannot do it.” It is his business to do it. He has plenty of time before the beginning of the year to make his arrangements ; and I maintain that if each head of a department does not keep within his estimates, he must be made responsible for it. Honorable members, I presume, understand in what way. I intend to issue instructions to the different heads of departments, to keep within their votes. One item which must strike honorable members is that for police. There has been no limit to the expenditure of that department. In the Supplementary Estimates for 1866, there is an item of nearly £3,000 additional for police : and in the Supplementary Estimates for 1867, there is another for £2,548. Of course, the present Government are in no way responsible for this expenditure, and I will leave honorable members opposite to explain it. It was well known last year, before the House rose, that a great deal of this expenditure would be entered into. There are the items for the penal establishment at St. Helena, for charitable allowances, and for miscellaneous services ; a great many of these must have been perfectly well known. But the principle followed has been the facile one of giving money when asked for, and not keeping a proper check upon the departmental expenditure. That is my opinion. The two Supplementary Estimates together amount to £100,000. If that is the way in which things are to continue, it will be impossible for the Treasurer to know what the expenditure is, or when our deficits will cease. I will now proceed to notice the loans that have been already incurred, and how they have been expended. If honorable members will refer to the figures I have given them, they will see that the loans of 1861, 1863, 1864, and 1866, amounted to £3,021,186. The total expenditure to 31st August last, was £2,733,235 11s. 10d. The deficiency on the 1864 loan, is £64,747 5s. 8d. ; the charges on it, £28,621 17s. 2d. The deficiency on the 1866 loan—all that has been disposed of—is

£15,397 17s.; the charges on it, £26,723 6s. 8d. There will be a further deficit and charge on the part of the loan of 1866 not yet disposed of, estimated at £15,000. The total depreciation on the different loans, is £220,490 6s. 3d. The outstanding credits in London amount to £39,895. The payments not provided for are as follow :—Deficiency, as above, £220,490 6s. 3d.; general hospital, £18,249 3s. 8d. The total of the expenditure, the charges, and payments unprovided for, amount to £2,754,881 8s. 2d. Deducting that sum from the loans authorised, there is left an available balance of £266,304 11s. 10d. I may here state that each of these loans was voted for particular works. I am sorry to say the rule has not been carried out in the expenditure of the money raised. The accounts of the different lines of railway, and of the works for which money has been borrowed, have been mixed up in such a way that it is now quite impossible to divide them in any way—impossible to say how much has been spent on this railway or on that building, or where the loan has been expended. I will state to the House what I propose to do in expending the balance of the loans for the interest of the country :—I find that £18,249 3s. 8d. has been charged to the loan fund for the building of the General Hospital. The sum put in the Loan Act, and voted by the House for this purpose, was only £3,000; but £18,249 has been charged to the loan vote. This is one of the objections I have to the Audit Act, as I stated last night. There is a clause in that Act which allows the Government to make transferences of departmental votes. This was only meant to apply, when contingencies are so much and salaries so much, and one takes a little over and the other a little under the vote, the surplus might be charged against the other to square the account. This has been abused to an immense extent. Minute after minute has been passed by the Executive, and sums have been shovelled from one account to the other, until it is almost impossible to check them. Here is a sum charged to a vote which has no right to be so charged at all. This £18,000 odd spent on the Hospital ought to be available for railway purposes. I may also mention another case of this kind. Honorable members are aware that an Act was passed, called the Parliamentary Buildings Act. The object of that measure was to dispose of the public land and buildings for the purpose of raising a fund for the erection of parliamentary and other buildings—meaning public offices. A Bill was also passed, called the Military Contribution Act, which provided that the colony should pay £40 per man for so many men sent out. If the men did not come out, the money was not available; that is my view of the case. But it appears that some demands were made by the military authorities here and in England, for further

accommodation at the barracks. That I did not object to, considering that we had a *quid pro quo* from the Home Government in the shape of some very valuable land and buildings where the old barracks stood. The cost of the further accommodation was at first taken out of this vote. Doubts, however, arose afterwards whether this was the right vote to take it from; and it was shifted to the Parliamentary Buildings fund. Now, I think it is quite as illegal to take it from that fund as from the other; and what was the consequence? There was a considerable sum of money standing to the credit of the Parliamentary Buildings Fund; and it is very desirable that the Parliamentary Buildings should be completed in the course of next year. But this fund has been thus greatly reduced; and, by way of cutting the gordian knot, I have taken upon myself to shift this item to the general revenue, with the intention of taking a vote for it as soon as possible, so as to leave the Parliamentary Buildings fund intact. The only part of the loan of 1866 left unexpended is £220,000. In referring to the correspondence with the financial agent in London, which has been laid on the table of the House, honorable members will find that the last debentures sold by him were sold on the condition that no more should be placed in the English market for six months. It was the intention, I believe, of my predecessor to have used these debentures in this way—not to send them home in the month of September, but to retain them, and send them home at the end of this year, when the interest for the half-year had disappeared, and to go on with the railway works as slowly as possible in the meantime. Here I think he made rather a mistake; because stockbrokers in England, whether interest is accruing or not, always pay accordingly. In the meantime, the Government passed a minute in reference to these depreciated debentures, amounting to £220,000, and they proposed to deal with them. They were printed, and a portion of them placed to the credit of the sinking fund—sold to the sinking fund, I think the phrase is—and, as far as I can understand, the remainder were to be sold in the colony. Now, I deny the right of the Government to deal with these debentures without the consent of the House; because the sum we are liable for in the English market is the sum voted by this House. Any depreciation there may be, must be accounted for in some other way. I intend to bring it forward as portion of another loan, which we shall be obliged to contract, before we can complete our public works. I have shewn how the late Treasurer proposed to deal with these debentures; but I have adopted a different plan—I may be in error, but it appears to me to be the best plan under the circumstances. Our credit is now getting somewhat better, both at home

and in the colonial market, and I have found on entering office, that there is a great deal of money to be disposed of in the other colonies; and from the present state of things in England, the longer we can keep out of the market the better it will be for us. I think it is desirable that we should not apply for another loan until we can make it a final one—until we can say exactly what we owe, and what is required to make up the deficiency; and if I am in office next year, I shall be able to inform the House what is our real position, and we can then act accordingly. I may state that in placing a portion of these remaining debentures, amounting to £220,000, in the colonial market, I am doing so very gradually, and only as necessity requires, and I may say that I have already, since I have taken office, sold £34,000 worth, at an advance of 8 per cent. net upon the price they obtained in London. I have thought it better to deal with the debentures in that way. There is one objection to this, which is that if any of these debentures find their way into the English market, they might have the effect of doing a little injury; or, if the colonial market should not be sufficiently elastic to take them all up. What I propose to do is this (and I now answer a question asked by an honorable member): to complete the Dalby extension, to go on with the Warwick Railway at the same rate per month, if we can manage it, as it has already proceeded; and, about this time next year, to go into the market for another loan to complete it, if it is to be completed, but that will be a question for future discussion. We are at present in this position: we have a very large debt, and not a single public work finished—unless we are to consider the railway from Ipswich to Toowoomba, and the line from Rockhampton to Westwood as public works *per se*. I do not look upon them in that light, but as portions of lines to be continued. Then, there are our Parliamentary Buildings in an unfinished state. I may say that there is a certain amount of available balances out of the loan votes which will be applied to their proper purposes. The following is a statement of the available balances of loan votes, after allowing for outstanding credits in London:—Southern and Western Railway, £203,279 10s. 10d.; Great Northern, £4,455 9s. 5d.; Immigration, £12,620 18s. 11d.; Harbors and Rivers—lighthouses, £10,670 6s. 10d.; Telegraph, £21,939 2s. 8d.; Offices—Registrar-General, £4,000; advances to municipalities, £2,969 16s. 1d.; Post Office, Brisbane, £2,911 10s; miscellaneous balances, £3,457 17s. 1d.;—total, £266,304 11s. 10d. There is also a sum of £1,400 to the credit of the Parliamentary Buildings fund, which I propose to deal with in this way: an estimate of the cost of completing the Parliamentary Buildings has been furnished to me to-day, and from that it appears that it would take

£7,700 with the interior fittings and the refreshment rooms, but that it would require £5,000 or £6,000 more for the arcades, and to finish the buildings. £40,000 has already been spent upon them, and if another £25,000 is expended, the original estimate will just be doubled. With regard to the harbors and rivers, as honorable members are aware, there is a very large amount of plant in the shape of steamers, two of which were purchased out of the railway loans for the purpose of conveying railway iron from one place to another. In those purchases, I am quite sure the Government of the day put their foot in it; the steamers were not required, and cost them a great deal more than they expected. As far as this plant is concerned, I think it would be very undesirable to dispose of the dredging apparatus, which may be wanted some day or other; but I think that one or two of these steamers should be sold as soon as possible; and the proceeds, if they are sold for a reasonable sum, with the small amount to the credit of Harbors and Rivers, may enable us to do a little in the shape of improvement on the river between Brisbane and Ipswich. I now proceed to notice the manner in which the trust funds have been dealt with. There are certain trust funds, one of which includes the Savings Banks' deposits, amounting to £108,446; the sinking fund, amounting to £32,547; and the parliamentary and other buildings fund to £13,416. The whole of the trust funds amount to £172,533. None of that money is in existence. The first item, the Savings Bank deposits, was a legitimate sum to borrow. It was intended that these deposits should be made use of. But I think, when the Government borrow money, they should put debentures for a corresponding amount to the credit of the fund; and I shall endeavor to get that done. The next, the sinking fund, should not have been touched. The previous Governments used the money, and placed depreciation debentures to the credit of it. It would be much better if we again went into the market to borrow, that the whole of this money, with the exception of the Savings Bank deposits, should be replaced, because the Government have no right to meddle with it. The object of the sinking fund was to enable the Government from time to time to buy their debentures; and if the money had been in existence, I believe the Government might have bought up some of them with a profit. They might have repurchased at par. That, however, is a matter of opinion. Now, sir, it will not be out of place in the financial statement to allude to the position of our financial agent in England. Honorable members are aware that Mr. Herbert was appointed financial agent for this colony in England, and was to receive a certain remuneration. It was a great pity that the honorable member then at the head of the Government, did not, when asked the

question last year, instead of hedging it, boldly state what the intentions of the Government were. No doubt, if the matter had been properly explained, the House would have agreed to vote a salary for that gentleman. It was perfectly understood at the time that the Government intended to send Mr. Herbert a power-of-attorney to act for them; and I contend that the matter ought to have been brought before the House at the proper time. I can hardly make out what Mr. Herbert's position now is. The power-of-attorney limited his authority to dealing with the finances; whether he has dealt with them well or not, I will leave honorable members to judge for themselves, when they have read the correspondence. It appears that the Government of the day were dissatisfied with the manner in which the Union Bank had dealt with the debentures, and Mr. Herbert was ordered to take them out of the hands of the bank. He tried to do so; but the consequence was, that he was obliged to have recourse to them, and the bank, not feeling satisfied with the way in which they had been treated, refused to act without a very heavy per centage—a per centage very much higher than what they charged on previous occasions. The consequence was, that the cost of disposing of the debentures, and getting the money sent out here, together with brokerage and exchange, amounted to somewhere about four per cent. Mr. Herbert, however, was obliged to admit, in his correspondence, that the Union Bank had acted properly in the former transaction. This admission was made after he had looked properly into the matter. A good deal has been said in this colony about the action of the Union Bank. I am not one of those who took up the cudgels against the banks, or believed that they were wrong in taking their own part, when the time came for them to take care of themselves. Very much was due to the Union Bank; in fact I do not know how we should have got on without its assistance, for at one time the advances they made amounted to half a million. But the time came when they should stop and look out for themselves. Seeing that matters were in a great state of confusion here, and that the directors were nervous—as I have been informed from private letters—the bank refused to honor the Government drafts. The directors put some of the debentures into the market to secure themselves. In so doing, they acted with a wise discretion, considering the state of the finances of the colony. Well, this question of the Union Bank was disposed of in this way: They gave the Government notice that they would relinquish the Government accounts. But the Government afterwards heard from Mr. Herbert, that he believed the bank had acted for the best, and for a length of time matters were in abeyance. No action has since been taken by the Government to withdraw their

account from the bank; and the bank has not since signified its intention to follow up the notice it gave to the Government. But to return to the position occupied by Mr. Herbert. I find that although these debentures have been sold, Mr. Herbert still remains financial agent. Honorable members will see by the correspondence that the power-of-attorney sent to Mr. Herbert limited his agency to the finances of the country, and if they look over the principal items they will find that Mr. Herbert was obliged to admit that the Union Bank had acted in good faith towards the Government. The most remarkable feature in this correspondence, and I call honorable members attention to it as illustrative of the wild manner in which our revenue has been estimated—is this: a circular, as we heard, was issued by Mr. Herbert—he was in no way blameable for it, inasmuch as it was based upon statements made by the late Colonial Treasurer, Mr. McLean—by which it appeared that the revenue of this colony for 1867 was £818,000, exclusive of land orders. What will the people on the Stock Exchange think if they know the revenue for 1867 was only £600,000? The honorable member for Eastern Downs has said that these people are sensitive and touchy, and I quite agree with him on that point. I believe that our debentures will never sell until it is known that the application is a final one, and that the revenue of this colony meets its expenditure. That probably may not be the case for another year or two. A telegram was sent by the Union Bank here, in which it was stated that the Government had resolved to advertise £300,000 worth of Treasury Bills, principal and interest to be met by special taxation—that is, it was expected that there would be a large excess of revenue to retire these bills; and it also stated that the public works would immediately be reduced to the same extent. Well, we find ourselves in this position—instead of a surplus there is a deficit, and there is no possibility of the Treasury bills being retired from the revenue. Presuming the revenue improves, and that in future there should be a balance on the right side, there will be many other uses for it than paying off Treasury bills or debentures. We shall have to provide for immigration, for ordinary public works, and a reduction of the present excessive taxation. We find a sum of £600 on the Supplementary Estimates for the payment of the financial agent. Mr. Herbert has still continued to act in London. He acted with regard to the railway plant, and also as Emigration Agent. It appears that there was a letter from the Colonial Secretary's office to him asking him to look after these matters. But he has never been gazetted. The salary put down in the Supplementary Estimates was for six months, but, not knowing the position of the Government with regard to Mr. Herbert, or whether

he will retain his office, I have not put any sum on the Estimates for next year. I have continued to correspond with Mr. Herbert, but I still do not know his real position. It has been stated, and the statement does Mr. Herbert credit, that he has expressed his readiness to do anything in his power for the colony, but does not intend to take any salary. I hope that it is correct; although I wish Mr. Herbert to receive the first mentioned sum of £600. I wish to make an allusion to the railway question. I have been at great pains to give honorable members as close an approximation to the expenditure upon railways as possible. Any documents still deficient will be furnished at the earliest opportunity. At every turn we have been met with a bewildering amount of correspondence. The Engineer-in-Chief appears to have a great talent for letter writing. I have computed that he must have spent many hours every day since his arrival in writing long letters. There is very little in these letters, however; they only bewilder the reader, and complicate the question. Honorable members will remember the estimate furnished by the Engineer-in-Chief. It was upon that estimate that we were induced to undertake the construction of railways, and in some quarters we have been blamed for doing so. The Engineer-in-Chief represented his estimate as a very close one, and stated that he believed that it would be found to be in excess of the actual expenditure. His estimates as to the traffic were altogether illusory, when we came to the facts of the case. Then the Engineer-in-Chief quoted the other colonies, and when he sent in fresh estimates he boldly stated that it was quite customary for railway estimates to be very much exceeded, and that his were nothing in comparison with those of railways constructed in the other colonies. This was not true, except, perhaps, in the case of the old railway from Sydney to Parramatta, which, as honorable members are aware, was badly constructed, and had to be made over again. No doubt the railways in New South Wales and Victoria cost more than those of Queensland; but there can be no comparison between them. Why, it is as two to one. No doubt the great mistake was made in going so soon into railway making, and attempting too much. If we had been satisfied with the line from Ipswich to Toowoomba, and had undertaken no others until it was finished, it would have been much better for us. That line is now complete, and honorable members have the results before them. Look at the report of the present Engineer-in-Chief, and you will see that the line is full of defects. Look, for instance, at that part which affected the bridge over the Bremer—the necessity for the alterations at Mihi Creek—the embankment at the Victoria Tunnel—the bridges on the Main Range—the necessity to lay down steel rails on the Main Range, and you will

see that things are in this position—that, even after the railways are completed, we do not know what the cost of maintenance will be. Look at the Estimates on account of the railway, and you will see that the first year the railway is taken out of the contractor's hands it will cost £9,000 to maintain the permanent way, and £22,000 for the next year, exclusive of alterations. Some comparison has been drawn between our railways and those in England. But just look at the difference in traffic. The traffic on the Queensland railway is mere child's play. It is absurd to say that so large a sum should be required for maintenance, when there are only two trains running a day. The next matter to which I will refer is in connection with the manner in which the late Engineer-in-Chief has performed his work on the line generally. That has been sufficient to shew that Mr. Fitzgibbon is no engineer at all. The mileages taken have been inspected and utterly condemned. In fact, it has become necessary to make costly alterations; the bridges up the Main Range are buckling, and it is probable that the curves will have to be altered and the whole of the rails taken up, because they are unable to stand the wear and tear, and be replaced, some day or other, with steel rails. Besides, the Government have been beset with arbitrations, involving a further expenditure of something like £100,000. Further, the delays which have taken place in the northern extension of the railways have to be considered, and a very large amount of money will be claimed on that account; but I am not prepared at present to state what the additional expenditure entailed in consequence will be. I regret to say that, as far as the Bremer bridge is concerned, the Government will not be able to touch Mr. Fitzgibbon. It appears the agreement was drawn up in such a way that he gets all the money, and we cannot touch him. Then, again, we find that the engineers set to survey the lines have pronounced against them, that they have found shorter routes; all that shews bad engineering in the first place. There is another item of expenditure upon which we have been considerably sold, and that is the indents and railway plant imported from England. I suspect that has been left almost entirely in the hands of Mr. Fitzgibbon himself. I do not blame the Government of the day so much for that, as the Minister must be to a certain extent in the hands of his engineer. The history of the case was this; Mr. Fitzgibbon came out originally as agent for a company to supply plant for cheap railways. He applied to the New South Wales Government, and they refused to deal with him, and he then transferred his offer to the Queensland Government. Sir Charles Fox was at that time the head of the company of which he was agent, and he, of course, sent home

the indents to Sir Charles Fox. The amount of money paid for railway material has been something positively alarming. A great deal more expensive material was sent out than was required, as honorable members will perceive for themselves if they only pay a visit to Ipswich and see the costly engines and plant there. Another mistake was made. Instead of shipping the plant for the Northern Railway to a northern port direct, most of it was sent out to Brisbane. Then the plant itself came out in a most disgraceful state, so much so that we have now actually engineers and a staff employed at Ipswich repairing—almost making over again—engines and carriages sent out here. While in Sydney, a few months ago, I met a gentleman who had been an engineer in India for some time, and in the course of conversation the subject of our railways came up, as it is sure to do—and I must say here, that out of the colony I have never heard a single word in their favor. Well, this gentleman told me that although he had not the necessary papers by him to prove it, I could tell my Government, and leave the onus of disproving it with them, that the branch lines of narrow gauge we were then laying down had proved a failure in India, and had had to be taken up, and that the plant had been sent home again, and was now being sent out here. I said that could not be the case, because ours was sent out spick and span new. But what was my astonishment to find that the plant was coming out in a most awful state. Some of the machinery was jumbled up and covered with rust, and had to be fitted again. A regular engineering staff is employed at Ipswich in almost rebuilding the carriages and trucks. Some notice was taken of the extraordinary way the plant was coming out, and a claim of seven hundred pounds had been made against Sir Charles Fox, who was taken to task; but he rather demurred to pay it, and when I entered office I found that an order had been sent home to pay the contractors a certain amount to clear off the whole estimated cost of the plant, but the contractors demanded £25,000 in addition, and the Union Bank refused to pay the amount. Some angry correspondence passed between the bank and Mr. Herbert on the subject, and the latter wrote out to say he had been compelled to give a sort of guarantee to Sir Charles Fox, that the money would be paid, and until it was paid all the plant remaining in England would be detained as security. I suppose that referred to the rails wanted to complete the Dalby and Warwick lines. So loose was the way in which these matters were managed that I was obliged, on account of these representations, and because Mr. Herbert said the matter must be settled, or the credit of the colony would be injured, to give an extended credit to the Union Bank, that is to say, pay the whole of the demand. In a recent letter, Mr. Herbert refers to

some serious irregularities which he feared would occur, or had occurred, in the accounts relating to the indents for the railway materials, and hoped the Government would take steps to inquire into the matter at the earliest opportunity. What were these serious irregularities? I do not know whether they referred to the Engineer-in-Chief or not. A very important question to be considered is the cost of maintaining the railways. I believe that after a considerable amount has been expended on them for two or three years, they will then be maintained at less cost, and may begin to pay better, but it is useless to expect them to assist to pay, for some time to come, the interest on the money expended in constructing them. That is called a reproductive railway. The construction of the railways was, no doubt, a great misfortune, but, I am happy to say, I am not conscious of having assisted to bring it about, as I have always opposed it. There has been some talk of reducing the charges on the lines, but I do not agree with that suggestion. It is no use trying to drive the teams off the road. The New South Wales railways have not succeeded in doing so for a long time. During three months of the present year, in very bad weather, 3,200 bales of wool and 5,922 tons of goods were conveyed by the teams, and not by the line. I also object to the system of granting free passes, which is becoming so much in vogue. Why should the Government grant them more than Messrs. Cobb and Co., or any other private company? The present Government intend to put a stop to the practice as much as possible. When I first entered office, it was estimated that an additional sum of £120,000 would complete the lines of railway, but it afterwards rose to £180,000; so that I considered I was justified in making it £200,000, which I hope will be enough. The depreciation on existing loans amounts to £220,000; the deficit up to December 31, 1867, was £320,000, which, adding the £200,000 to complete the railways, together with £60,000 for depreciation and casualties, would make the additional amount required £800,000. However, I do not mean that it will be necessary to borrow £800,000, or that the debt of the colony will be increased by that amount. In point of fact, the debt would only be increased by about £400,000. The total debt of the colony, if we go into the market to borrow again to complete the railways, and all unfinished works of every kind, will be £3,821,186. The additional amount of interest that would be incurred would be very small, about £4,200, because by retiring the Treasury bills, by borrowing money at six per cent. instead of ten per cent., a great saving would be effected. There was another mistake in reference to those Treasury bills, and that was to give ten per cent., when the money could have been raised at eight per cent. As I have explained, I propose to regulate the railway works in such a way as

to hold them over until this time next year, when I shall be in a position to state how much will be required to complete the works, and we can then come down and ask for another and final loan. Then there is the question of land orders, about which honorable members have requested information. The amount of outstanding land orders, up to August 31, 1867, was £104,125; total amount deposited with the Government for advance, £63,822; amount redeemed to date, £12,046; amount on hand, £51,776—of which it is estimated that two-thirds will be absolutely forfeited, or about £34,500; this leaves an amount to be redeemed of £17,276; in the hands of the public, £52,349; forfeited, £34,500;—total, £104,125. I wish to make a few observations on the note issue scheme of the Government. That system was established by Mr. McLean in connection with the Treasury bills, under the impression that he would thereby save a considerable sum in the shape of interest. So far, however, the scheme has been, in my opinion, a failure. We have reached the full limit of the note issue, which was about £40,000, on an average. In compliance with the Treasury Notes Act, it was necessary to keep nearly £14,000 in coin in the Treasury, so that the colony was only relieved to the extent of £26,000, which was reduced to nearly £15,000 profit, when the cost of paper, printing, engraving, together with other expenses, were taken into account. The great risk that is incurred in transmitting the notes through the Post Office and otherwise, has also to be considered; and it becomes a question whether the difficulty and trouble that attends the system, together with the risk which it involves, render it desirable to continue it. Some people are of opinion that if the notes were made a convertible legal tender, the issue might be increased to £150,000. It was said that the plan answered very well in Canada, and might, therefore, do well out here. My own opinion is, that an issue of notes to the extent of £150,000 would lead us again into extravagance, from the ready command of money it would give. I believe a proposal was submitted to the Government by a bank, and that it was entertained by my predecessor; but I have not entertained it myself. I am opposed to the system, and would like to see it done away with, as it is very risky and troublesome. I do not see why we should interfere with the banks. Those institutions have been very useful, and were quite right in the time of the panic to look after their own interests. I do not think the Government would get much by interfering with them in their note issue. In Canada, the system was almost forced upon the Government. I do not think that our case now; and I can only say that when the time arrives for withdrawing it, I shall be prepared to do it. I wish to get the opinion of the House on the subject. I made it my business to

obtain information about our proposed issue of inconvertible legal tender notes from persons well up in these matters at home; and the opinion they expressed was, that we had made a great mistake in attempting to introduce them. Now, I believe, it only remains for me to refer to the prospects of the colony. Honorable members have before them a statement of the revenue, and the population of the colony, in the years 1864, 1865, and 1866; and they will see that our position is still somewhat progressive. The exports of cotton shew that we are rapidly advancing towards a good position in that respect. The exports of cotton during the first eight months of 1866 amounted to 197,366 pounds, and during the first eight months of 1867 to 322,192 pounds; increase, 124,826 pounds. The number of acres of land under sugar cultivation in 1865 was 469 acres, and in 1866, 607 acres. The customs revenue shews also signs of recovery, though that is owing more to the additional duties than any actual change. I have not, therefore, estimated the revenue for 1868 as much larger than 1867. The *ad valorem* duties, and the additional duties on wines and spirits, are very oppressive taxes, and the results have not been very favorable; but the present Government are not responsible for that. As, however, we cannot at present do without these duties, and as the position of the country hardly warrants it, I do not intend to deal with them at the present; but next session, should I be in office, and should the colony be in a position to warrant it, I shall be prepared to take action in the matter, to reduce the duties on wines, to re-consider the stamp duties, and to reduce the *ad valorem* duties to five per cent., with a view to their gradual abolition. I am quite aware that the duties are very oppressive, and that they ought to be got rid of as soon as possible; but I think the honorable member for Maryborough, who has some motion on the paper with reference to this subject, ought to be satisfied with the intimation from the Government, that if the revenue should appear sufficiently elastic in 1868, they will take action in the matter; for I do not see that we can do without them now. I wish to point out to honorable members that I have taken great pains to see whether any other duties could be substituted. I have calculated the results to be derived from a property tax, or a tax on wool and tallow—the only two other taxes which could well be imposed. It will be very inadvisable to enforce the latter, if it can possibly be avoided. However, I hope to be in a position to be able to reduce the taxation, and not to add to it. I have calculated the results to be derived from a moderate tax upon both property and wool and tallow; and it is a singular fact, that the amount derivable from these two sources would be very nearly what is received from the *ad valorem* duties. Having been so short a time in office, I do not think it

advisable to meddle with the taxation at present; and I hope honorable members will agree with me that, at the present moment, it should not be interfered with. In a short period the House will meet again, when the whole matter can be considered. The colony has passed through a very severe ordeal, but I believe it has reached its culminating point. If the land question be settled on a fair basis, and encouragement be given to immigrants to settle in this colony, I have no doubt we shall soon begin to recover from our depression. I am told that there is a very large amount of capital in the colonies waiting investment. The moment confidence is restored we shall receive large amounts of money, both from England and the other colonies. The advance of cotton and sugar cultivation must be very gratifying to all of us. Sugar especially is arriving at that point where it is not only a fact but a success. It requires a large amount of capital to cultivate and manufacture it, but if the principle of establishing mills in different parts of the colony for the benefit of the small settlers is carried out, a large number of persons will go in for its cultivation. The settlement of people on the land will improve the revenue, and all reasonable means will be used to effect that object. My own opinion is that all we have to do, without meddling with note issues or any other fancy schemes of finance, is to stick to economy and retrenchment. The Government have put upon the Estimates what they conceived to be necessary; if the House choose to reduce them, they can do so. The Government have left the House to deal with the question of salaries. Before they can meddle with them, however, a Bill must be passed to repeal the Civil Service Act. My opinion is that the rate of living and house rent has been so much reduced of late, that an officer on the salary he enjoyed in 1863 or 1864 is in a better position now than he occupied during those years. The Government have taken the initiative by proposing a reduction in their own salaries, not in a spirit of bravado, but in order to set a good example. I do not mean to say that the salaries of Ministers are too high, and it may appear to the House that they should not be altered. In many instances they have to give up their private occupations, at a sacrifice, in order to devote themselves to their duties. I believe, if we are to make any reductions, we ought to begin at the beginning. In conclusion, I think if honorable members will abstain from bringing forward motions which will necessitate votes being placed on the Supplementary Estimates, that in a very little time the revenue will meet the expenditure, and we shall soon be again a happy and prosperous community. With such a large debt, in proportion to the population of the colony, it is quite clear we cannot proceed further with the public works. We must try and make

the revenue meet the expenditure, and in that way any surplus that may remain will go towards the reduction of the debt, or can be used for the extension of the railway works. I now beg, Mr. Pugh, to move the question standing in my name.

The question having been put,

On the motion of Mr. STEPHENS, the debate was adjourned until Tuesday next.

FISCAL DUTIES.

Mr. WALSH said that the motion he had the honor now to introduce, had been a very long time on the notice paper; and that he believed he would be acquitted unanimously by honorable members of the charge of having intended, at any time, but especially now, to bring forward the motion for the purpose of embarrassing the Government. He had been induced to bring forward the motion, because he believed the subject matter of it was one of vital importance to the welfare of the colony. He believed it was one that had affected, and was likely to affect, both the welfare and the progress of the colony, as much as ever the vaunted Land Bill, or any other land Bills, to the consideration of which it was proposed to give the political precedence of the session. Before advertent further to the motion, he would take that early opportunity of paying his tribute of respect to the honorable the Colonial Treasurer, for the very lucid and consoling statement he had made to the House in the course of the evening. When that statement resounded through the country it would carry hope with it, and would give as much satisfaction outside of the House as it had done within it. He felt that he should not be doing his duty, as he was now addressing the House on subjects of finance, were he to omit paying a high and conscientious tribute of respect to the honorable the Treasurer for his statement. But, at the same time, he must say that, in that portion of his statement in which he referred to this motion, the honorable gentleman was rather illogical. He certainly did think that the argument which the honorable member used in order to prevent him from pressing this motion, was one which he, as a friend of the Government, and of the country, was bound to consider as setting forth the very reason why he should press the motion. The honorable gentleman clearly shewed what, in submitting this motion to the House, it was his own desire and intention to shew—that owing to the high rate of duty exacted on wines, the revenue was falling off. And it was because he attributed the falling off in the revenue to the high duties charged on wines and on certain other articles, as well as because he found that those duties acted as a burden on the people, and were to some extent prohibitory, that he would ask the House to assist him in carrying the motion. The first portion of the resolution was as follows:—

That, in the opinion of this House, much of the present depressed state of trade, and of the

serious condition of the colony, arises from the excessive burdens cast by Parliament upon the people.

He did not think that a single member of the House would attempt to dispute the opinion there laid down. There could not be the shadow of a doubt that the country was now suffering severely from the heavy burdens that were cast upon the people—that trade was impeded by them—that people were made poor by them—and that the ordinary business of life was interfered with by those excessive duties. Though he did not mean to say that they were not necessary at the time they were imposed, or that in the opinion of the House they were not considered to be necessary to meet the financial difficulty that then existed, it was, nevertheless, a truism that they had proved such as the first part of his motion described them, and therefore had been injurious. Owing to the length of time the motion had been on the paper, and to the greater length of time he had given the subject his attention, he had had plenty of opportunities of ascertaining the general impression that existed respecting those duties throughout the parts of the colony he had visited, and particularly in that part of the country where he dwelt; and in those parts of the country he had never, without exception, heard any other opinion expressed but that it was owing to the fiscal burdens imposed on the people that a great deal of the stagnation of trade, and a great deal of the cessation of the flow of capital into the country, arose. Before going farther, he might state this—that there was nothing more injurious to a colony than excessive taxation; and nothing more attractive to people who were thinking of emigrating, than the thought of going to a country where taxation was not excessive, but where taxation was light. He was quite satisfied that those persons who were at the present moment, and who during the last twelve months, had been turning their attention towards emigrating to some other country than that in which they were living—whether in a European country or one of the colonies—he was quite sure that the fact, if it reached them, that in this colony taxation was more severe, *pro rata*, on the individual than in the mother country, or in other countries in Europe—and, he might be allowed to say, than in any of the colonies except Queensland—that very fact must have deterred, and would continue to deter if those excessive duties were continued, the flow of population to this colony. He remembered that when he was thinking of emigrating, one of the charms to him of colonial life was the lightness of taxation; but now he was sorry to say that no reflecting man in the mother country, or in any other country in Europe—no person who chose to acquaint himself with such facts, and who took such a far-seeing look before he leaped, could be attracted to Queensland, on a

review of the present tariff. He had it from the very best authority—far better than his own judgment, certainly—that those excessive burdens he complained of had had a most depressing effect upon the colony. If he visited the shopkeeper, the merchant, the artisan, the farmer, he heard the same complaint from all—they all told him that the present high prices of goods were ruining them—that those high prices prohibited people from purchasing the articles of their respective trades, restricted them in the purchase of many of the necessities of life, and confined them to the purchase of such articles only as they must have, and even to the cheapest descriptions of those. The communications he received from persons out of the colony were of a similar character—and all spoke of Queensland as suffering to such an extent in other places, from the burdens cast upon the people, that neither capitalists nor merchants would come to the colony. So much for the first resolution. The second clause of the motion read as follows:—

That those fiscal Acts of the session of 1866 which embrace the increased duties and fresh taxation, in the opinion of this House, the Government should take early steps to cause a reconsideration of.

It had been admitted by the honorable the Colonial Treasurer, that the *ad valorem* duties had not produced such an increase of the revenue as was expected; and it had also been admitted by him that it was the increased duties that had led to the falling off in the revenue. He therefore thought it would be admitted by every honorable member in the House, as it was admitted by the people generally outside of the House, that it was absolutely necessary there should be an immediate reconsideration of those duties. He did not think that the House, or any considerable portion of it, would agree to the suggestion of the honorable the Colonial Treasurer, that next year would be quite time enough to reconsider the matter. If the House had committed an error, and had cast burdens on the people, which they could not bear; if they had passed such fiscal Acts as actually impeded trade, and were injurious to the people and to the country at large, it could never be too soon to remedy the error, both for the sake of the revenue and for the sake of the colony, as well as in respect to the duty honorable members owed to the people. The third resolution of the series was:—

That the high duties on wines and spirits have proved to be unwise—because, while they have failed in augmenting the revenue to the extent calculated, they are fostering a desire to evade the payment of duties altogether on said articles.

He believed that the assertions in this part of the motion were facts also. As had been stated by the honorable the Colonial Treasurer, there was no doubt that the

revenue had suffered by the exorbitant duties—those imposed upon wines, for instance. He found, by returns which he had obtained, that the consumption of wines fell off in 1865, as compared with 1866, by about 16,000 gallons. The quantity of wine consumed in the colony, in 1865, was 91,000 gallons; and in 1866, the quantity consumed was 75,000 gallons; and it must be remembered that it was during the latter part of 1866, that those excessive duties were put on. The falling off in the latter year was, as he had stated, about 16,000 gallons; but a more startling and a more deplorable contrast was exhibited by a comparison of the returns for the first six months of last year and of this year. The consumption of wines during the first six months of 1866— which was by no means a prosperous period—was 48,000 gallons; but during the corresponding period for 1867 the consumption fell off to 21,000 gallons. That circumstance alone ought to convince honorable members that the raising of the duty on wine to double the former amount had had a most mischievous effect. But not only had it caused the consumption for six months to be reduced by somewhere about 27,000 gallons, but it had also caused a corresponding increase in the drinking of brandy—and that was the sad part of it. He believed the raising of the duty on wine had had a sad effect upon the people in that way. Not only had the increase of those duties driven the people into drinking that which was injurious to them, but had prevented them from drinking that which, when taken in moderate quantities, was acknowledged to be advantageous rather than disadvantageous. Now, that was a sad and mischievous effect. They had not increased the revenue, and had driven the people from drinking what was wholesome to drinking what was injurious; and there was no corresponding benefit. He had another return to refer to. He believed the duty on spirits was not increased last session; but the third part of his motion nevertheless alluded to them. There was an impression abroad that, by the high duties on spirits, a crime was being created and fostered in the colony. He believed that, in consequence of those high duties, some people found it to be worth their while to smuggle. There could be no gainsaying the fact, that when duties were low it did not pay to smuggle; but when they were so high as they were at present, it would be admitted by every one who had considered the subject, that it did pay to smuggle, and, therefore, that high duties produced smuggling. He believed that, though up to the present time the authorities had not been remarkably fortunate in their efforts to prevent the revenue from being injured by the progress of the crime of smuggling, there was a general impression on the part of those who could form an opinion on the subject, and who, from the multifarious nature of their duties,

were able to trace the existence of the crime,—there was a general impression on the part of those persons that there had been a rapid increase of smuggling in the colony since the increase of duties last year—that smuggling had become almost an institution in the colony, and that it was now carried on to an extent that seriously affected the revenue. Well, having proved that the consumption of wine had been much less this year than it was last year, he thought it might be fairly expected that the consumption of spirits had been greater; for he did not think the people in the colony spent less in the consumption of spirits than they did formerly, taking into consideration the increase of population. Balancing the increase of population against the great inability of the people generally at the present moment, as compared with their ability last year, to spend money on those superfluities, it might be expected that the quantity of ardent spirits drunk at the present time was quite as great as it was at the same time last year. But he found that had not been the case. By a return with which he had been favored of the quantity of rum and whisky on which duty was paid during the first six months of the years 1865 and 1867, he found that for the first period there were 53,000 gallons of rum, on which duty was paid to the amount of £18,737, and that for the first six months of 1867, when the duties were raised by fifty per cent. nearly, there were only 36,000 gallons supposed to have been drunk, producing a falling off in the revenue, notwithstanding the increase of the duty, of from £7,000 to £8,000. He thought he might safely say that, unless those figures were proved to be incorrect, it was evidently unwise to continue those excessive duties. The returns as to whiskey bore the same comparison. By the return which he had already mentioned, he found that before the duty on spirits was increased from seven shillings to ten shillings a gallon, the quantity of whiskey on which duty was paid during the first three months of 1865, was 25,000 gallons, yielding £8,928. For the first three months of 1866, after the duty was increased, the quantity on which duty was paid was 24,618 gallons, yielding £12,309; but during the corresponding period of 1867 there were only 18,496 gallons consumed, and only £9,248 received. Now, if the House would not believe his supposition, they were bound to investigate as to the cause, and ascertain if the falling off in the revenue derivable from spirits was not in a great part, if not altogether, attributable to smuggling. If the present high duties on spirits were continued, the effect would be, that not only would the revenue decrease, but the expenditure of the colony must be considerably increased. If it should become evident, not only to the Government, but also to the country, that smuggling was carried on to a great extent, it would be necessary to go to a great expense

to put it down again, for he believed there was no crime that once indulged in, took such a fascinating hold upon the people, and there was no offence against the law so hard to extirpate when once it had taken root. If it was fostered much longer, as it was now fostered by the present excessive rates, the crime of smuggling would take such a hold in the country, that the whole seaboard would very soon contain a race of smugglers, whom it would cost as much to keep in order, and to keep from carrying on their particular trade, as the country would derive in revenue from the articles those smugglers endeavored surreptitiously to introduce. There was another dutiable article that was not mentioned in his motion, but to which he felt he must also allude, and that was the article of opium. The House last year unanimously agreed that the duty upon that article should be doubled. Now, he believed there was nothing that could be more easily smuggled into a country than opium. The principal, and he might almost say the only, consumers of that article in the colony were the Chinese, who now formed a very large portion of the population in the northern ports. He believed that the smuggling of opium into the colony was carried on to a very large extent by that class of the community; and, in fact, that on account of the great increase of duty on opium, it paid the Chinese to send down emissaries to Sydney to buy opium at the cheapest rate, and bring it into the colony surreptitiously. Well, as he had already remarked, the Chinese, owing to the diggings in the northern districts, were increasing very rapidly in numbers in the north; but the revenue derived from opium, although the duty was doubled, being raised from ten shillings to one pound, had not materially increased. The fourth of the resolutions he had the honor to submit to the House was as follows:—

That the *ad valorem* duty is felt to be oppressive, and otherwise is detrimental to those colonists who directly have to meet it.

He had some reluctance in dwelling on those clauses, but he felt he should not be doing his duty were he to refrain from doing so. In the first place, he believed that every one in the colony felt the *ad valorem* duties to be most oppressive. He believed they had been felt to be most oppressive and unjust in their working—indeed, the most oppressive and unjust of all the duties the Parliament had imposed on the people; and that they had proved most injurious to trade could not be questioned. If he could see how it could be done, he would be glad to do all in his power to relieve the country from the troubles which those duties were bringing upon it, and from the crimes they would have the effect of inducting the people into. He believed the House acted very unwisely in sanctioning such a high rate; and he had to admit, but with regret, that he was one

who voted for such a high rate. It was against his will that he did so; and he stated at the time that he felt he was doing wrong; and he stated repeatedly that he and other honorable members were opposed to it. It would be in the recollection of honorable members that the honorable the Colonial Treasurer of the day felt it to be his duty to ask the House to impose an *ad valorem* duty of ten per cent.; and he calculated upon deriving from that source a revenue of about £138,000. Well, it was not pleasant to have to say that experience had shewn that that gentleman was not very correct in the anticipations he had held out to the House; and that, so far from the *ad valorem* duties realising so much as £138,000—that was on the basis of ten per cent., or £102,000 at seven and a half per cent., to which the rate was altered—he believed they would not yield so much as the half of that amount. He had not got the exact amount which the honorable the Colonial Treasurer anticipated he would receive this year from this source, and he did not catch anything in the remarks that were made by the honorable the Colonial Treasurer that led him to believe the honorable gentleman favored the House with the exact amount he expected to receive from this source; and, therefore, he could only state that his own opinion was, that instead of £102,000 being derived from the *ad valorem* duties, they would not yield more than £50,000. But, putting aside the oppressiveness of the tax, he believed that it was unwise, for two or three reasons; and one of those reasons was, that he believed a duty of five per cent. would have yielded as much to the revenue. He was led to believe that such would have been the case, from information and confessions he had received from the trading community. He was told, for instance, that A imported an article from Sydney that cost £5. The price of the article in Queensland was pretty well known, and the importer could not find a purchaser unless he could sell the said article at a certain price—say at £5 10s. Those figures, of course, were only an approximation. Well, in order that he might be able to sell the article at such a price as would induce purchasers, he had to declare at the Custom-house that he paid less than £5 for it, in order that he might escape paying the full amount of *ad valorem* duty. Instead of admitting that he paid £5 for the article, he had to cook an invoice, or make a declaration that he paid only £4 or £4 10s. for the article. The consequence of such proceedings in large transactions was, that the declared values of imports at the Custom-house were fictitious. He believed that a great many of the accounts that came from England, and which were exhibited at the Custom-house, were dummies. He believed there were generally two accounts sent out—one of which was correct, and for trade purposes; and the other incorrect, and for the purpose of passing entries at the

Custom-house. Now, that was the course adopted to evade the *ad valorem* duty, whatever the price of the article might be; and he was told by traders that the higher the rate of *ad valorem* duty, the more necessary it was that such a course should be adopted; and, consequently, the lower it was, the less necessity there was for resorting to that course. He had also been told that if the duty had been five per cent. instead of seven and a half per cent., importers would only have declared the value a little nearer the truth than they did now. In other words, they were prepared to pay proportionately more of a five per cent. duty than they were prepared to pay of a seven and a half per cent. duty—to pay more proportionately of the one than they did of the other. They confessed, in fact, that if the duty were reduced to five per cent., so far as they were concerned, they would contribute as much to the revenue as they did at present. Well, the effect of the high *ad valorem* duty was, not to increase the revenue, but to increase crime. Now, unless it could be shewn by the Government, or those who differed from him, that a lower *ad valorem* duty than seven and a half per cent. would be injurious to the revenue, and not beneficial to the people, he would insist on the present rate being reconsidered. Honorable members must remember that the *ad valorem* duty was a new field of taxation last year, and that in imposing it the Government and the Parliament were, in a sense, only feeling their way in respect to such a duty. It was by an unfortunate occurrence that the rate was fixed at seven and a half per cent. But for the insinuations and threats held out by certain honorable members of the House, who wanted the *ad valorem* duty brought down to five per cent., the rate, in all likelihood, would not have been fixed at seven and a half per cent. Some honorable members desired to have the duty reduced to five per cent., with the view of compelling the Government to impose an export duty on wool and other colonial products. But for that threat, he and others would never have consented to the imposition of a duty of seven and a half per cent. The next of the resolutions was—

That the taxes levied under the Stamp Act were inequitable, and their effects upon the business of the country pernicious.

He believed there were honorable members in the House who were compelled to pay attention to the matters comprised in this clause, and he trusted they would do more justice to the merits or demerits of the subject than he could do. No one could deny that the taxes levied under the Stamp Act were most inequitable, and he believed that they had frightfully retarded the development of the country. He knew that capitalists hesitated to advance money for the carrying on of certain industries in the colony because of the stamp duty; and he had known persons

compelled in consequence to resort to money lenders for the means necessary to enable them to carry on their business operations. The stamp duty was a most cruel tax upon those unfortunate persons who had to resort to the mortgaging of their property in order to carry on their business, and save, if possible, the fruits of their industry for years past. Such a duty was never allowed to be imposed in the colony of New South Wales, because of its injurious operation. The Legislature of that colony considered that those who had been so unfortunate as to be reduced to the necessity of borrowing money should not be impeded by any such tax. Now, it was a most extraordinary thing that the highest of the taxes which it was found necessary to impose, with the view of relieving the colony from its difficulties, should have to be paid by persons who were themselves in such difficulties as to be under the necessity of borrowing from others. The burden of this tax to persons who were in difficulties for money was perfectly frightful; for the operations of the Act were carried to an extent that was never contemplated by the House. The Judges had ruled, in cases that had been brought before them, that the provisions of the Act applied to transactions to which it was never anticipated they would apply—nay, to transactions which the Colonial Treasurer of the day, Mr. McLean, expressly excluded in his speech from coming under the operation of this Act. He now referred to the application of the Act to liens on produce. The Act was hard enough upon those who borrowed money for a term of five or ten years; but how much harder was it upon the man who borrowed money for only twelvemonths, or perhaps for only a few months, under the Lien Act, upon the security of his farm produce or his wool. The farmer or the wool-grower had, in raising money by a lien over his crops, to pay as much duty as those who, by one transaction, could borrow for a period of years. The grower of sugar, cotton, wool, or farm produce, could only get a loan on his produce for twelve months, and yet he had to pay as much *per centum* on the mortgage as the more fortunate individual who could go and borrow a similar amount for seven or ten, or twenty years. Now, the very unfairness of such a state of things, and the fact that it was never contemplated that the Act should extend to transactions under the Lien Act, fully justified him, he maintained, in asking the House to re-consider the matter. But, as he had been reminded, there was still another, and a more obnoxious way, in which this stamp duty operated. Not only had an unfortunate man to suffer under its provisions in contracting a debt, but he had also to submit to half the penalty in order to get out of his indebtedness. It was very hard indeed that a person should have to be taxed twice in respect to the same transaction.

He had only now to move the last of the resolutions, which was—

That a copy of the foregoing resolutions be forwarded by address to His Excellency the Governor.

He hoped he had expressed himself with sufficient clearness to be understood, and he further hoped that he would receive the support of the House, or, at any rate, of a majority of honorable members in carrying the resolutions he had submitted, and which he had submitted with no intention of embarrassing the Government in respect of financial arrangements, but with the sole purpose of endeavoring to relieve the colony from grievous and oppressive taxation.

Mr. RAMSAY said he intended to support the motion, though he did not altogether agree with the wording of it, nor with everything that had fallen from the honorable member for Maryborough in moving it. He thought the increase of the duties last session was a wise act on the part of the Legislature, though it was necessarily to some extent an experimental one. It was impossible at the time for the House to deal with the increase of duties with anything like confidence as to their operation and benefit; but now that the experiment had been brought to an issue, and it was found that the experiment had in some cases been a success, and in others a failure, he thought the House should not put off any time in remedying those cases in which it had been found to be a failure. He believed that the strongest instance of failure was the one which had been adduced by the honorable member for Maryborough, and the honorable the Treasurer—that was the case of wines. Now, it was extremely curious to find that in the case of wines, no sooner was the duty doubled than the consumption fell off almost one-half, and the revenue suffered by a decrease of about eleven per cent. He believed there were other instances of failure, but they were not so strong as that one, and he was not in possession of the facts about them at present. However, the cases of spirits and opium, were cases in point. And he thought those cases ought to be looked into as soon as possible. As to the stamp duties, except those on mortgages, he thought they had been in some respects so successful, that it would hardly be advisable to meddle with them, or with the *ad valorem* duty either. But there was one matter which should be taken into consideration at once, and that was the stamp duties, as affecting mortgages. Those were duties that were especially oppressive on people of small means in certain cases. For example, suppose that two men, the one rich and the other poor, bought properties that were equally valuable. Well, the poor man of course had to give bills in part payment, which were secured by mortgage on the property; and he had to pay the stamp

duty on the mortgage, he had to pay it again on the release, and again on the conveyance, and also upon the bills, that were secured by the mortgage. But the wealthy purchaser had only to pay the duty on the conveyance, because he was in such circumstances as rendered it unnecessary for him to give bills and mortgage security. Now, that was a state of things which he was certain was never intended by the House, and steps should be taken as soon as possible to have the law amended in that respect. The duty also operated very unfairly in the case of liens on crops, as compared with mortgages on freehold property, as had been very forcibly shewn by the honorable mover of the resolutions before the House. For those and other reasons, he would support the motion.

Mr. GROOM said he had listened with a great deal of attention to the speech of the honorable member for Maryborough; and he felt he must congratulate the honorable member on the extremely temperate manner in which he addressed the House on the question from the Government side of the House, as compared with the manner in which he addressed the House on the question last session when he sat on the Opposition side. He could well remember when the House was engaged almost for a whole night in resisting the *ad valorem* duties, that the honorable member for Maryborough was particularly severe on those members who pertinaciously sat where the honorable member was himself now sitting and recorded vote after vote against the imposition of the *ad valorem* duties. He believed those honorable members were charged by the honorable member with factiously opposing the duties with the purpose of embarrassing the Government. Well, he must say for himself, that he was one of those who considered it to be his duty to oppose the *ad valorem* duty, equally as he thought it to be his duty to oppose the Stamp Duties Bill. He could indorse all that had been said by the honorable member with regard to the operation of that Act; and as to the operation of the *ad valorem* duties, there was no doubt a good deal of truth in what had been said by the honorable member as to mock invoices being sent from England; and he could bear out the statements made by the honorable member to that extent, as he had himself seen duplicate invoices,—the one designed for the Collector of Customs, and the other for the merchant to whom the goods were consigned. As to the Stamp Act, however much sympathy some honorable members might have for mortgagors—and he would admit that they suffered great hardship—the House, he thought, could not meddle with it in the way the honorable member seemed to wish they should do. If the House were to begin tampering with the Act, it was impossible to say how they would

finish, and he, for one, wholly deprecated exceptional legislation. Whatever the honorable member might think as to the severity of the Act upon some classes of the community in certain cases, he could assure him that the commercial and trading class felt the severities as much as any other, for they could hardly put their hand to paper without being met by the provisions of the Stamp Act in one shape or another. If he gave a bill or took a bill he was met by the Stamp Act, or if a merchant disposed of goods over the counter and gave a receipt for payment, there again was the Stamp Act; and indeed the merchant could scarcely perform any business transaction whatever without being met by the Stamp Act. He must say that he saw no occasion for exempting from the operation of the Act transactions upon which there were large payments to the revenue in the shape of the duty on a mortgage; for though the honorable member had endeavored to represent the person who borrowed money as one who was in unfortunate circumstances, and though such was sometimes the case, it was also a fact that money was borrowed by wealthy men for the purpose of being invested in reproductive undertakings.

MR. WALSH: But the borrower had to give a mortgage.

MR. GROOM: No doubt, and the fact that a man could give a mortgage shewed that he was possessed of property of considerably more value than the amount he required to borrow; and no doubt a man would not borrow money under a mortgage unless he believed he pretty clearly saw his way out of it. He concurred with the honorable member that it was injudicious putting an extra tax on wines; and he would even go much further, for he would exempt colonial wines from taxation. The Parliament had legislated in a retrogressive spirit in putting an extra tax on wines; and he trusted that the question of exempting colonial wines would secure the serious consideration of the House. On the whole, he agreed with the spirit of the resolutions, and he was glad the honorable member had brought them forward; as they came from him with more weight than they would from any other honorable member, considering the different action taken by him on the same subject last year.

THE COLONIAL TREASURER observed that he thought, in dealing with the resolutions, the general axiom might be admitted, That all additional taxation must be oppressive from whatever quarter it came. He quite agreed with all the honorable mover had said on that head. It would be most convenient, however, to take the resolutions *seriatim*. First, he did not agree to the extent the resolution was meant to convey—

“that much of the present depressed state of trade, and of the serious condition of the colony, arises from the excessive burdens cast by Parliament upon the people.”

They might have something to do with the depression, but not so much as the honorable member wished to make out. With the second resolution he quite agreed. He was not in the House—he kept away purposely—when the *ad valorem* duty was passed; he always had very serious objections to such taxes, considering them the worst kind of taxes. But the House must look a little further. The country had got into such a pass that fresh taxation was necessary, and the House had dealt with the subject in the way best for them at the time. With regard to the third resolution, he was assured that the increased duty on wines had not augmented the revenue. But the House had to consider, as he said when he made his statement, other things in relation to the revenue. The resolutions must be taken *cum grano*; because at the time it was known that the increased duties would be imposed, there was a very large stock in the colony on which duty had been paid; and the circumstances of the country since called for a less amount of consumption of those goods than before. That the *ad valorem* duty was oppressive, he did not mean to deny; but it had been imposed in a necessity, and, he thought ought not to be taken off without sufficient reason being shewn. With regard to the Stamp Act, a similar measure had been in force for a series of years in the neighboring colony. His impression was that it had been framed in accordance with the New South Wales Act; but, not being particularly interested in it, he had taken no trouble about it before he entered office, and he had not had time since to look into the matter as he intended to do. No doubt some provisions of that Act were inequitable, and the Government would be prepared to consider them at the proper time. With regard to the question as a whole, he did not care to be forced into anything he did not like; he did not wish to be made to do things in a hurry. A few months would make no difference; and, if he should be in office, he promised the House—and he should be prepared in a few months—to deal with the whole question in a comprehensive manner. If the country could do without them, the duties should be reduced. There was no doubt that heavy duties led to smuggling and crime; but it must be borne in mind that the same state of things would exist wherever there were facilities for carrying on smuggling. When it was found that even members of Parliament tried to evade them—as he happened to know—perhaps the honorable member for Maryborough knew something about that?—

MR. WALSH: He made a mistake once.

THE COLONIAL TREASURER: That was one reason why he should be prepared to advocate their reduction altogether. The honorable member who moved the resolutions had not made out a good case. The same duties that existed here were enforced in other colonies. In New South Wales they were nearly as high as, and in South Australia they were

considerably higher than, here. All he asked from honorable members was a little time. He had been in office only six weeks; he had not had time to look into these matters, and deal with them as he should like to do. He opposed the motion on those grounds only. He was not prepared to deal with the duties; but, if he had time and opportunity, he would then deal with them in a fair and proper spirit.

Mr. BELL said he had been prepared to hear the head of the Government address himself to this subject, for he felt that the motion was one which, if allowed to pass without opposition on that honorable gentleman's part, would have admitted a direct censure on the budget which the House had had from him at an earlier hour of the evening. He should not have been surprised to have found a motion of that character tabled by an honorable member on the Opposition side of the House; but seeing such a motion deliberately brought forward for consideration by a supporter of the present Government, led the House necessarily to the conclusion that there was no faith at all in the attempts of the honorable the Colonial Treasurer to free this colony from its heavy burdens, and to place the taxation and the fiscal arrangements of the country generally on such a footing as, in the eyes of honorable members on the Ministerial side, would be a satisfactory one. He agreed with the honorable gentleman when he said that the honorable member for Maryborough did not make out a sufficiently strong case why the House should take upon themselves to alter the system of taxation, which, no later than last year, they had so deliberately determined to impose. If the honorable mover had made out a case, that the taxes were impossible to be borne by the country, the House had heard from him no substitute for producing a sufficient revenue to meet the public expenditure. True, it had been said by him that the existence of the taxes had of itself tended to reduce the revenue, instead of increasing it, as had been intended by the lamented gentleman who was Treasurer at the time they were passed; but he (Mr. Bell) failed to see that either in this or previous years the increased taxation of other colonies had realised the amount of revenue that was expected from them. Perhaps this was an exceptional year. But, then, only this evening they had heard from the Premier that the estimate of customs revenue made every year had failed of the realisation. He disagreed with the honorable mover in his premises, when he asserted that the present position of the colony was owing to the *ad valorem* and other increased duties; that position of the colony was realised when those duties were imposed—the colony was in a state of monetary crisis. The second resolution was one, that, if carried, would in his opinion, be a censure on the Colonial Treasurer. Until the House had time to consider the financial statement

the resolutions should not be further considered. He did not agree with the assertion that the increased duties on wines and spirits were unwise, because they had failed to augment the revenue. He thought, on the contrary, that it was not the increased duties that had affected the revenue, but the altered circumstances of the colony, and the fact that the people were not in the position which the late Treasurer had calculated upon. When it was said that those duties had resulted in a system of smuggling, he failed to discern a single instance of moment, or one case of importance discovered, in proof of that statement. He thought the vigilance of the customs department was sufficient to detect anything of that sort; and the fact of the same duties existing in the other colonies, whence nothing was heard of smuggling, must be regarded as going to disprove the assertion that the crime assumed an exceptional development in Queensland. But, to go into generalities, what duty was not more or less oppressive? If a duty was oppressive, was that a sufficient reason why it should be abolished? No; unless the country was in a position to do without it. In respect of the fifth resolution, he agreed with the honorable mover that the stamp duty was one felt peculiarly by the trade of the colony—it was one that the moneyed interest felt to be a burden. The very object of the stamp duty was that it should fall on the affluent classes, those that complained of this tax. It was not intended for the poor man. He could not support that resolution. It would, indeed, be unwise for the House to adopt the resolutions at the present time. Whatever the result of the debate on the budget, which involved all that the House were now considering, he trusted that all that had been promised in regard to the increased taxes would eventually be carried out, and that there would be no necessity for bringing forward such resolutions. But they had heard sufficient this evening from the honorable the Treasurer to shew that the resolutions should not be entertained until that debate was concluded. Therefore, he opposed the resolutions.

Mr. O'SULLIVAN was sorry to have to differ in opinion from his honorable colleague for West Moreton, who had just sat down. In his opinion, the resolutions ought to carry conviction; but if they were short in anything, the able speech of the honorable member who proposed them should carry them. Nothing further that could be said in support of them would add to the favor with which they should be received. If not affirmed by the House, the country would be with the honorable member who had moved them. He could not see how those resolutions, if carried, could be construed into a vote of censure on the financial statement which had just been delivered by the honorable gentleman at the head of the Government. How was it possible that they could

be introduced against a speech that was not delivered for weeks after the resolutions had been put on the paper? Not only that, the honorable the Treasurer was not held responsible for the resolutions, nor did any of the odium consequent on the imposition of the objectionable taxes attach to him. So far from their reflecting on the Government, they rather strengthened the Treasurer's hands. The resolutions did not call on the Government for an immediate repeal of the oppressive taxes. They meant that action ought to be taken by the Government at the earliest date; and the Premier himself said that he would do so before the resolutions were moved. So far, they agreed; so that a vote in favor of the resolutions would strengthen the hands of the Ministry, and therefore have a different effect altogether from what the honorable member who had last spoken supposed. That honorable member, further, had said that the mover of the resolutions had not made out a strong case, but, at the same time, admitted that he had shewn that the increased taxation did not proportionately augment the revenue. He had argued that the revenue officers prevented smuggling. But he must have forgotten the fact that those officers had to be paid for their vigilance, and that the staff had to be increased. The country might as well be saved the tax, as "prevention was better than cure." With regard to the objection of the honorable member at the head of the Government, who said he did not like to be made to do things in a hurry, the passing of the resolutions would not hurry him; their tendency was to impress on the Government that they should be carried into effect at as early a time as was convenient and judicious. One point of the subject of customs rates had not been referred to at all. He (Mr. O'Sullivan) meant the duty on tobacco, which had been increased sixpence a pound. All kinds were taxed alike, unmanufactured and manufactured. That was not fair taxation; for in all the other colonies unmanufactured was charged only half the duty of manufactured tobacco. With reference to the *ad valorem* duty, he never heard a man speak of it without condemning it. The very customs officers who came in contact with the public were insulted in the performance of their duties, and to perform their duties they must insult the public. It had come to his ears about the "cooked invoices." They increased crime. The first tax the Government should take in hand was the *ad valorem* duty. He was with those honorable members who had expressed themselves in favor of abolishing the duty on colonial wines. The increased duty on spirits encouraged illicit distillation; and all the custom-house officers in the country could not keep that down. Let not the House be blind to the fact—illicit distillation was rife in the colony now. He was sorry for the country that there had ever been introduced here the cause for

the reductions should not be further considered. He did not agree with the assertion that the increased duties on wines and spirits speculative undertakings—to pay the interest on the debt incurred to construct railroads. Railroads were vested property, the same as household property, built or bought for the rents it might yield. They were allowed to be "sunk capital." If capital was invested so as not to produce good interest it was sunk altogether. It was impossible that the railways would be reproductive for twenty years to come. The statement made by the honorable member at the head of the Government shewed clearly that the sooner those railroads were stopped the better; and he (Mr. O'Sullivan) would go a little further, though he stood alone, and candidly express his opinion, whatever it might cost him—he believed, with Mr. Haly, that the sooner the railroads were pulled up by the root and thrown into the Brisbane, the sooner the colony would recover itself.

Mr. FITZSIMMONS remarked that no duty of any description was ever acceptable to the public. But he believed that no duty ever imposed was so disagreeable to the public of Queensland as those under the Stamp Act. The thanks of the public were due to the honorable member who had brought the resolutions before the House. Nothing so strongly confirmed him in the opinion that the extra duties ought to be abolished altogether, and quickly, too, as the remark of the honorable the Colonial Treasurer, that the revenue from wines had fallen off since those duties had been enforced. The only act which he had to regret during his career in the House was voting for the Stamp Act. He believed, at the time, that it was not intended to impose a double tax—a tax on the release as well as a tax on the mortgage. The passing of the resolutions would affirm the principle that the existing fiscal policy was unwise, and that the obnoxious duties should be done away with as soon as possible. The House were guilty of criminal folly when they passed them, and the sooner the Acts were repealed the better for the colony.

Mr. CLARK said, if he understood the motion aright, he should oppose it, for many reasons. In the first place he agreed with what had fallen from the honorable member for West Moreton, Mr. Bell, that no equivalent had been proposed to make up for the loss of so much revenue as the withdrawal of the taxes would cause. He was surprised to hear the honorable member for Maryborough compliment the honorable the Treasurer on the flourishing state of the colony—on the very satisfactory state it was in—after the financial statement, this evening.

Mr. WALSH must explain. He did not compliment the Treasurer on the flourishing state of the colony, but on his statement.

Mr. CLARK: He understood the honorable member to say it was a "consoling statement"—that the House ought to feel very

comfortable that such a good account should have been given. For himself, he must say he thought it was a frightful account. He was perfectly astounded to hear such a statement of the administration of the affairs of the colony—such a statement of the past conduct of the finances. He had had no idea that they were conducted in such a way as the House had been told of. He could not, therefore, understand how the honorable member for Maryborough could say the House could afford to do away altogether with the revenue derived from the taxes he proposed to abolish. If the honorable member was merely contending for the assertion of the principle of the resolutions, he should go with him entirely; and if, as the honorable member for West Moreton, Mr. O'Sullivan, had said, it was not intended to give effect to the resolutions at once, he had no objection to their passing. But the honorable member for Maryborough had said he was not prepared to allow Ministers to take the subject into consideration next year—he wanted them to take it into consideration now. He could not expect them to take it into consideration without pointing out how, or shewing the way, to make up the revenue;—they would have a great deal to make up, and they would have a great deal of difficulty to do it. Although the taxes were very hard to bear, and the public would like to see them done away with, honorable members would agree with him that it was their duty not lightly to give them up, before finding out a substitute for them. With reference to the Stamp Act, a great deal more had been said against it than there was any necessity for. He thought business men in general continually felt that this Act was a great burden on them; they found the stamp before them on every sheet of paper they signed. But in the other colonies, it was found also. There was a great deal of grumbling at it; but with the exception, perhaps, of mortgages and liens, it bore on the moneyed men, the class who ought to bear it. He was of opinion that some remedy ought to be applied with regard to mortgages; for, as the honorable member for Western Downs, Mr. Ramsay, had said, when a man effected a mortgage, he paid for getting his money, he paid for the mortgage, and he paid for the release. That fell especially on the poor man; and he should be glad to see that part of the stamp duty removed.

Dr. CHALLINOR said the honorable member for Maryborough had brought out in a very lucid manner the objections which were urged, last year, to the duties referred to in the motion before the House; and that was the more surprising, as his conduct on that occasion was the very reverse of what it was now. Therefore, he was led to conclude that wherever the honorable member got his ideas, for which he gave him great credit, they could not have been eliminated in the political club; because, only yesterday, the honorable member said that no subject that was at all likely

to engage his (Dr. Challinor's) attention, or to come within his views, was likely to be entertained there. The honorable member, it must be confessed, had been as candid to the House as his confidential commercial friend outside—who promised him, if the *ad valorem* duty was reduced, not to cook his invoices—had been to himself; for he had told them distinctly that he had voted in favor of the *ad valorem* duty in direct opposition to his own judgment. Let him not for the future allow feeling instead of judgment to guide his votes, for no honorable member's votes in the House ought to be influenced by such a cause. Taxation of the kind in question might, as had been said, be a new field of legislation in this House, but it was not new as a science or subject of knowledge to many honorable members. There was not a single argument brought forward by the honorable mover which had not been over and over again pressed upon the House last session; and he (Dr. Challinor) was happy to say, that he was one of those members who had kept the House till daylight in the morning in their endeavors to reduce the *ad valorem* duty to seven and a half per cent. However, certain honorable members seemed to feel where the shoe pinched—that was, in the shape of mortgages; and the objection coming from the quarter that it did come from, he felt pretty certain of the kind of mortgages on which the stamp duty pressed. It had been stated that there was triple taxation—taxation on the conveyance of the property, taxation on the mortgage of the property for the loan of money to pay for it, and taxation on the release of the mortgage. The honorable member for Drayton and Toowoomba had stated that the stamp duty on mortgages would not always be considered a tax on poverty—that very frequently it was a tax on speculation; and the statement that it was a triple tax shewed positively that it was a tax on speculation. He (Dr. Challinor) did not mean to say that the mortgage tax was altogether a right or an equitable one. There was a great deal in what had been stated by the same honorable member, that although the transactions of traders were small, they were turned over two or three times in the year, and, in that view, became heavier than at first sight they appeared. With regard to the duty on wines, he knew that one of the late members for West Moreton had particularly pointed out the evil effect that increased taxation would have: it would increase spirit drinking, and would have a bad moral effect, as well as a bad effect on the constitution. He could not agree with the honorable member for Maryborough, that the depressed state of the colony was wholly due to the present fiscal arrangements.

Mr. WALSH: He never said so.

Dr. CHALLINOR: Well, he led the House to infer that, if they had not occasioned it, it had greatly increased it; and the effect upon the colony was so continuous as to

prevent its again rising to prosperity. Very much of the falling off of the customs revenue was not only to be attributed to the nature of the taxes, but to the inability of persons to consume dutiable goods to the same extent as formerly. He (Dr. Challinor) did not know a stronger proof that it was so, than that a trade, at one time—only a very short time ago—very flourishing, was not so now; he alluded to innkeeping. Many houses had been closed, which before had done a good business. His own impression was, that it was not their increased morality, not their increased antipathy to dram-drinking, but their increased poverty not enabling the people to indulge, that lessened the customs revenue, and compelled the public-houses to shut up. It was very probable that illicit distillation was carried on; but, he could scarcely think, very extensively. No doubt the high duties on spirits had a tendency to promote it, for the higher the duty the greater the temptation to illicit distillation. But the circumstances of the colony were not such as would permit of very extensive distillation; for, though the largeness of the country might favor privacy, it also increased the difficulty of getting rid of the produce. In answer to the honorable member for West Moreton, Mr. O'Sullivan, he said it would be much better to allow the railways to remain unemployed against better times, than to go to the expense of unmaking them. No member ought to seek to relieve the late Treasurer from blame as to the operation of the Stamp Duties Act, for he had gloried in the belief that he had taxed everything and everybody except babies and doctors. He (Dr. Challinor) believed in the principle involved in the resolutions; and he concurred with the honorable member for Maryborough that the passing of them would not compel the Treasurer immediately to abolish those taxes. He believed that such a course might be taken as an intimation that the Treasurer should give his earnest consideration to the best way of alleviating the burdens of the people as soon as he found himself in a position to do that—if during the present session, all the better; but he should regard it as a duty imposed on him by the House, during the recess, and feel that, if in office, he was bound to prepare a new scheme for making up the revenue which the abolition of those taxes would do away with. When the *ad valorem* duties were passing, it was stated that the cooking of invoices would be the result; for it was that which had caused their abolition at home. In every possible way people had evaded those duties. He had not been aware that there was such a want of mercantile honesty in this colony as appeared to be the case. But the House were not to be surprised at it, when they knew how far false declarations had been carried on in England. He thought the honorable member should have shewn in what way those duties could be replaced. With regard to the duties

on wines and spirits, the reduction would cure itself, as the increased consumption would more than make up the deficiency. But he did not think the increase would be sufficient to cover the other taxes, particularly the stamp tax. However, considering how he had voted on the last occasion when this question was discussed, and how strongly the imposition of these taxes had been resisted, he should not be true to himself, or to the position he then took up, if he did not support the resolutions before the House. He should therefore vote for them, with the understanding that the Colonial Treasurer would be bound to take some steps during the recess to reduce, if not to abolish, them.

The COLONIAL SECRETARY said he had listened with some attention to honorable members who had addressed the House; and he thought that if those honorable members had paid attention to what had been stated by his honorable colleague the Treasurer, who had said that he proposed to take the whole system of taxation into consideration, if honorable members would afford him a little time, they would have shewn more consideration to a Minister fresh in office, who had a great many matters to occupy his time. He thought the honorable member for Maryborough might have withdrawn his motion. In saying that, he would at the same time admit that there was a great deal in the whole system which he considered bad. For his part, as an Irishman, he confessed that he had a particular objection to taxes; but, under present circumstances, as long as the colony enjoyed the benefits or misfortunes of a responsible Government, if they were to have any protection to life or property, there must be taxation. He wished to call the attention of the House to the fact that, at the very time these taxes were imposed the country was suffering from a crisis; and, in order to meet that crisis, and to prevent the Government cheques from being further dishonored than they were, it was found necessary to issue Treasury bills at a high rate of interest; and it would have been impossible to place those bills in the market, if it had not been shewn that the colonists were ready to submit to taxation. And he thought that, to draw any inferences from the result of taxes which had only been in force for nine months, was to advance a little too fast. It was notorious that at the time when they were authorised, there was a large quantity of goods which would have come under those taxes already in the colony, and, until those goods were disposed of, importers would not send for more to any great extent. And he thought honorable members would agree with him that, since that time, people in this colony had been living from hand to mouth, importing only such goods as were actually necessary for the purposes of trade. One argument in favor of the reduction of the *ad valorem* duties had

been used by the honorable member for Maryborough, which he had been sorry to hear, and that was that he had been assured persons would not make false declarations if the duty were reduced to five per cent. Now he (the Colonial Secretary) felt convinced that a man who was capable of making a false declaration, when the duty was seven and a half per cent., would be equally ready to do so if that duty were reduced to five per cent., two and a half per cent., or any percentage whatever. He did not at all agree with the honorable member for West Moreton, Mr. Bell, that the resolutions before the House, if carried, would amount to a vote of censure on the Government. That honorable member must have heard the statement of the honorable the Treasurer, and the way he proposed to deal with the question. It was not intended to reduce the taxes immediately, and he did not think that was the wish of the House; and, he repeated, it would have been far better if the honorable member had withdrawn his resolutions, which impeded the business of the House, without any proportionate benefit to the country. With regard to the Stamp Act, he held the same opinion which he had expressed when it was passed. If it had been fairly carried, and had not been considerably strained, he still thought it would have been the fairest tax that could be imposed, as it applied to all classes of men. It certainly, as had been observed, met a man at every hour of his life, and upon every document he had to sign, but it was rather a consolatory sort of tax, inasmuch as a person must have money who was called upon to pay it. He thought it pressed rather heavily upon liens of all sorts, and that the tax upon a mortgage which lasted, say for seven years, should be higher than that upon a lien which might only last for a year or two. He hoped, however, that, as the Treasurer had expressed his intention of taking the whole system of taxation into consideration, honorable members would not force upon the Government the necessity of tinkering with the system which the motion before the House would necessitate.

Mr. PRITCHARD indorsed the remarks of the honorable the Colonial Secretary, and thought it would be better for the honorable member for Maryborough to withdraw his resolutions, now that he had elicited the opinions of honorable members. He did not regard the motion as a censure upon the Government, but as intended, rather, to strengthen the hands of the Ministry. But he did not think it desirable to legislate hurriedly, especially as the Government had promised to bring forward, next session, some modification of the taxation, which was acknowledged to be very oppressive. He did not agree with the honorable member for Maryborough in the amount or the description of smuggling which he had said was carried on in the colony; he thought the honorable member had been mis-

informed. A little smuggling was, no doubt, carried on, and it would be very difficult to prevent it. He must, however, bear testimony to the efficiency of the customs department in that respect. In many cases they performed their duty, if anything, too well. With regard to cooking invoices, that was a very common practice, originally, but he believed it was, in some measure, falling off. It was, however, still carried on largely, and he did not see how the practice could well be detected, in view of the expense which would be incurred; for it would be necessary to employ additional officers, and it would be almost impossible to open every suspected case of goods. The revenue might, however, to some extent, be protected. He did not think that if a man made a false declaration when the duty was seven and a half per cent., he would hesitate to do so if it were five per cent.; perhaps if it were only two per cent. he would not trouble to do so, as the inducement would be so small. He looked upon the motion not as calculated to decrease, but rather to increase, the revenue, and he did not agree with the honorable Colonial Secretary, who had stated that nine months was too short a time in which to test the working of those duties. He believed the reduction of the duty would increase the consumption, so as to add considerably to the revenue. That honorable gentleman had also remarked that the population had not diminished; but there he differed with him. He believed it had materially decreased since the operation of those fiscal Acts. The rate of taxation was so high that people had no money to lay out, and there was no employment for a number of persons, a large proportion of whom had to leave the colony to seek it elsewhere. As a matter of principle, therefore, he should wish to support the motion, but not as a censure upon the Government, because he thought it was a resolution intended to strengthen their hands. He hoped, however, some measures would be adopted next session to relieve the colony from the burdens under which it labored. Young countries must expect to put up with taxation to some extent, but he trusted that as soon as the finances of the colony were found to be in a more healthy state some steps would be taken to reduce these duties.

Mr. GARRICK said he must certainly agree with the honorable Colonial Secretary, that the discussion was only a waste of time. He thought it might very well have taken place when the debate on the budget had come on next week. He could not concur in the conclusion to which the honorable mover appeared to have come in the first resolution—

"That, in the opinion of this House, much of the present depressed state of trade, and of the serious condition of the colony, arises from the excessive burdens cast by Parliament upon the people."

Certainly, the two things were found to be concurrent, the depression of trade and the

increased taxation, but it did not at all follow that they were to be coupled together in the relation of cause and effect. It would be just as good an argument to say that the Goodwin Sands had been caused by the monument which stood beside them. He conceived that the depression in the colony had been caused by the withdrawal of the large and extravagant expenditure which had been incurred. The crisis was also attributable to the exhaustion of public and private credit. Large sums, borrowed in foreign markets, had been expended, especially in the north, in the prosecution of private enterprise for which no returns had yet been forthcoming. The crisis which had occurred had brought on the necessity for introducing the measures of which the honorable member of Maryborough so loudly complained, and that, he thought, was a sufficient answer to the first resolution. The second resolution recommended that early steps be taken to cause a reconsideration of the fiscal Acts of last session. He could not see what the honorable member meant by that resolution. He was aware that the honorable member was a free lance, but he must say he considered him a very bad party man. It had been stated that the resolutions were brought forward in opposition to the Government; but it appeared to him that their effect was only to play into the hands of the Government, although the honorable Colonial Treasurer, with his usual modesty, pretended not to see it. But he had another reason for opposing the introduction of the measures desired by the honorable member for Maryborough. That honorable member had not shewn the House how the loss to the revenue which would accrue from the reduction or abolition of these taxes was to be made up; and he would ask the House whether the financial statement of the honorable Treasurer justified them in taking steps to do away with a single item of taxation? He maintained that, to keep up the credit of the colony at home, there was just as much need of taxation now as when those fiscal Acts were passed. The argument advanced by the honorable member, that a reduction of the *ad valorem* duty would be virtually to increase the revenue, did not appear to have been perfectly worked out by the honorable member—for it did not follow that, because a larger revenue was obtained under a lower tax, the revenue was increased by the reduction. That inference could not fairly be induced. It had been pointed out by other honorable members, that at the time these Acts came into operation the stock of dutiable goods on hand was particularly large, that credit had at that time received a very severe shock, and that merchants were unable to apply to their usual sources for supplies, and that people were living from hand to mouth. And surely the public and private poverty which, it was generally

admitted, then existed throughout the community was quite as good a reason for the decreased consumption of wines and other luxuries. It did not appear to him that the honorable member had made out his case. He would pass on to the fifth resolution—

“That the taxes levied under the Stamp-Act are inequitable, and their effects upon the business of the country pernicious.”

Now, he came to the same conclusion as the honorable member for Ipswich, Dr. Challinor, and he believed he saw where the shoe pinched. It had never been his desire to set up two interests in hostility to each other; he had no wish to injure the largely consolidated pastoral interest, or to set up the young and growing agricultural interest against it. But he must say, that in his opinion the *ad valorem* duties affected in a far less degree those engaged in pastoral occupations compared with those who were engaged in agriculture. He thought that could be easily be seen. As an illustration, he would refer to some of the large sugar plantations on the Cabulture, and take the case of a gentleman who not long ago held a seat in that House. What was that gentleman doing now? He was cultivating not more, he believed, than 300 acres of land, the capital he had invested was between £35,000 and £40,000, and he was employing between two and three hundred hands. Honorable members had been told by the Treasurer how much per head was paid for customs duties in the colony, and it could not be doubted that Mr. Raff, the gentleman to whom he referred, must be contributing more towards the revenue than a gentleman who had invested the same money in pastoral pursuits, who did not employ one-fifth—he might fairly say one-twentieth—of the labor. The honorable member for Maryborough had frequently stated that it was the custom of southern members to treat members from the north with something like parliamentary insolence. He could only say that when the colony was divided, an event which was often threatened, if those northern members wished the honorable member to go with them, he should have no objection, for the honorable member was a legacy he did not much care about. For his part, he was prepared to join in a fight in which all should have equal rights, but he thought he had shewn that the *ad valorem* duties pressed more heavily upon those who employed the most labor. However, if they had not the squatters under the *ad valorem* duties, thank goodness, they had them under the Stamp Act. Those gentlemen were the borrowers of some three or four millions of money secured upon their stock, and they could not help paying the stamp duty.

The ATTORNEY-GENERAL said he should not have spoken to the resolutions before the House if the honorable member for West Moreton, Mr. Bell, had not attempted to shew that they amounted to a censure upon

the Government. It might be well for that honorable member's purpose to endeavor to create that impression, but it was his duty to remove it. He believed he was correct in stating that the motion before the House had been tabled some time ago, and, therefore, could not have been intended to be a censure upon the present Government. He could not conceive how that construction could be put upon it. If it had been asserted that it was intended to censure the late Ministry, he could have understood the remark, but as his honorable colleague the Treasurer had expressed his intention of reconsidering the whole question of taxation, it could not apply to the present Ministry. The honorable member for Maryborough had placed the motion on the paper with the object, he presumed, of opening up a discussion on that question, and he could not come to the conclusion that there had been any waste of time in debating it, for he believed the debate would be productive of much benefit. In reference to the first resolution, he was inclined to agree with the last speaker. He did not attribute the depressed state of trade in the colony to the recent taxation. He believed it had been occasioned by the causes detailed by that honorable member. A large amount of borrowed capital had been introduced into the colony and circulated, and when that was gone the depression came, and very speedily. He thought it would be better to deal with the resolutions *seriatim*. With regard to the second—that the Government should reconsider the fiscal Acts of 1866—the honorable member for Maryborough had taken great pains to shew that the taxes they provided were oppressive, and he was not prepared to say they were not. For that reason, he thought the debate would be of great service in assisting the Government to prepare such a Bill as might be deemed necessary. No doubt all duties were oppressive; he hardly fancied they could be otherwise. He did not feel himself in a position to discuss the other four or five resolutions, and would only observe that unless it could be shewn that, since the passing of the fiscal Acts which were found to be necessary in 1866, the expenditure had decreased to a large extent, it would be unwise at once to abolish the taxes. The taxation would have to be gradually decreased, for the hasty withdrawal of these duties upon a theoretical principle would be highly injurious.

MR. PUGH said he did not look upon the resolutions as a censure upon the Government, and he had no doubt that the honorable member who made that allusion made it in a spirit of banter. He had hoped that the honorable member for Maryborough, after giving the House so much valuable information in reference to the working of these duties, would have withdrawn his motion, more especially as the debate on the financial statement would come on next week.

If the honorable member would withdraw all the rest of the resolutions, and simply lay down as an aphorism that all taxation was objectionable, he would vote with him. The fact was, that the depression of trade, and the embarrassments of the Government, necessitated the taxes, the imposition of which the honorable member had himself urged. He (Mr. Pugh) was one of those members who had strenuously resisted the ten per cent. *ad valorem* duties, and insisted upon their reduction to seven and a half per cent., and the honorable member had as pertinaciously resisted that reduction. He still believed that if the Government had consented to a further reduction to five per cent. the revenue would have been larger than it was. With regard to the resolution which stated that the fiscal Acts required alteration, he thought the honorable Treasurer had afforded sufficient evidence to shew that the Government were doing what he desired. The honorable Treasurer had informed the House that it was the intention of the Government to reconsider the whole system of taxation, and to reduce the *ad valorem* duties to five per cent. with a view to abolish them altogether, and gradually to do away with the duties introduced in 1866. The first resolution, he thought, had been sufficiently met by previous speakers, and by the Treasurer's statement, and the third, fourth, and fifth simply embraced the truism that all taxation was disagreeable. He hoped the honorable member for Maryborough would not press them to a division, because it appeared to him that he had gained his object. He thought, however, the thanks of the House were due to the honorable member for the information he had afforded, and it was probable that a great many of the arguments advanced in the course of the debate would be used when the subject came before the House again.

MR. SANDEMAN said he thought the House should feel much indebted to the honorable member for Maryborough, for bringing this subject before them, and if the honorable member pressed his resolutions to a division, he should feel bound to support them, because they affirmed principles which he felt quite sure the majority of members could not ignore, and they did not, as far as he could see, involve any intention of inconveniencing the Government, for they only recommended a subject—admitted by all to be of great importance—for consideration at some future time. Honorable members were called upon to affirm a just principle—a principle which no one had denied, and they were asked to reconsider the reasons upon which the Act of last year was based. Now, as one of those who voted for the imposition of those taxes, he thought it right to state his reasons for supporting the resolutions before the House. It was well known that when that Bill was introduced last year, the colony was laboring

under almost unparalleled difficulties. Not only was the country without money, but without credit, and every one was anxious to aid the Government in getting out of that unfortunate position in the best possible way. The only argument in favor of the excessive taxation of last year was the extremity of the position in which the colony was placed—that was the only ground to justify the step which was then taken. But, looking to the debate which ensued on that occasion, he believed that the House was pledged to reconsider the subject, and he thought it would be wrong to allow the session to pass without an expression of opinion upon so important a question. The high rate of taxation in Queensland, and its inequitable and oppressive application, had rendered our policy a bye-word against us in the other colonies. It was far higher in many respects than the rate which ruled in those colonies—so high, indeed, that it considerably checked the introduction of capital. The honorable member for East Moreton, Mr. Garrick, had propounded a new principle to the House. It was the first time that he (Mr. Sandeman) had heard that the pastoral occupants of the county were non-consumers. He maintained, on the contrary, that they were the largest consumers. That honorable member had referred to a gentleman who not long ago held a seat in that House, now engaged in sugar growing, as a very large employer of labor, but the honorable member should recollect that that gentleman was associated with an industry which was yet in its infancy. He was the employer of—he understood the honorable gentleman to say—two hundred persons. Now, as a pastoral occupant himself, he (Mr. Sandeman) was engaged in pursuits which necessitated the employment of at least as many men as Mr. Raff, and he was only one of a large class. And if he, as an individual, and only one of those engaged in the main producing interest of the colony, employed so much labor, and contributed so largely to the revenue as a wool-grower, what must be the consumption in the aggregate in the same occupation? He thought the honorable member, in advancing an argument of that kind, had spoken without consideration. He would not detain the House by addressing himself at any further length to the question, but, if it were pressed to a division, he should feel bound to vote for the resolutions.

Mr. ROYDS said, when the motion was first brought before the House, he had been rather inclined to support it, for he was undoubtedly in favor of many of the principles it embodied; but, after hearing the statement of the honorable Treasurer, and his promise to consider the whole system of taxation next session, he could not see what would be gained by passing the resolutions, unless the honorable member for Maryborough wanted to have the fiscal Acts of 1866 taken into consideration at once, which, with the many

important matters before the House, could hardly be expected. As to the reduction of the *ad valorem* duties, that of course was merely a question of time. As soon as the colony was in a position to warrant it they would have to be reduced. He did not agree with the honorable member when he argued that a larger revenue would have been obtained during the last few months if those duties had been reduced to five per cent. With regard to the third resolution, he thought the duties on wines and spirits might very well be reduced, especially the lighter descriptions of wines. During the last year, when the Act was being passed, he had done all he could to induce the Colonial Treasurer to introduce some clause to apportion the duties upon wines to the per centage of alcohol they contained, but had not succeeded; he presumed the Treasurer had too much on his hands. The honorable member for East Moreton had given him a lesson in sheep-farming which he must confess, after an experience of fifteen or sixteen years, he had failed to learn. That honorable member had stated that Mr. Raff had expended £35,000 or £40,000 in sugar planting, and employed two hundred men; while a sheep farmer, who might have 60,000 sheep, would not employ one-twentieth of the number. That would be just ten men for the sheep farmer; and if the honorable member would shew him how ten men could take care of 60,000 sheep, he would give him a very handsome premium. The honorable member had also alluded, and apparently most feelingly, to the position of the squatters under the Stamp Act, and had said, "Thank goodness, if we have not got them with the *ad valorem* duties, we have them under the stamp duties on mortgages." But he thought the honorable member must have found out that mortgages and liens were not confined to squatters' stations, but were quite as applicable to other properties; and there was not, therefore, very much to thank goodness for in that argument; for he had not shewn that the squatters paid more duty under that Act than the farmers, in proportion to the capital invested. He (Mr. Royds) could see no advantage to gain in passing the resolutions. If the honorable Treasurer had shewn any desire to burke the question, and had not promised to bring it forward next session, he should have been prepared to force it upon the Government. As it was, he should vote against the motion.

Dr. O'DONERTY said he had felt some difficulty in deciding how he should vote, if the motion were pressed to a division. On the other hand, it was extremely gratifying to find so much unanimity of opinion as to the oppressive nature of the taxation in question. He need only refer to one tax—that upon wines—which, he was convinced, acted in every way most injuriously. So far from increasing the revenue, it had a tendency to prevent the importation of light wines into the colony, which, considering the climate,

ought especially to be encouraged. He thought that, having regard to the public health and morality, any tax which prevented in the slightest degree their full and free importation ought not to be encouraged. It had been found, from the statements that had been made by several honorable members that, viewed in the point of public morality, the taxes on wines had had the effect of occasioning largely illicit distillation, and he had no doubt those taxes had had that effect. In addition to that, they had had the effect of producing a large amount of smuggling. Those were two crimes that had no counterbalancing or beneficial effect whatever. And, besides, he believed it to be perfectly true that the increased duties on wines had had the effect of diminishing the consumption of wine in a very large degree. Whilst agreeing perfectly that such had been the effect of those taxes, he could not avoid thinking that to pass the resolutions now before the House, after the statement that had that day been made by the honorable the Colonial Treasurer, would be to adopt a course that would be equally injurious. Whilst he thought that past experience shewed that honorable members ought to keep a very watchful eye upon the expenditure by the Colonial Treasurer, and on his financial statements, he thought, also, that they could not be too cautious in attempting to force the Colonial Treasurer to do away with a portion of the revenue without pointing out to him at the same time how the deficiency that would be so caused could be repaired. He imagined there was scarcely one honorable member of the House who was not pledged to his constituency to see that effective measures were taken to lessen the expenditure of the colony, and at the very time they were looking to the Government to lessen expenditure of this kind he thought it would be extremely unwise for the House to attempt to force on the honorable the Treasurer measures that would have the effect of considerably lessening the revenue, unless, at the same time, they pointed out to him the means by which the deficiency could be remedied. It was on those grounds that he felt some difficulty as to the course he should adopt if the honorable mover pushed his motion to a division. He hoped that, in consideration of the different opinions expressed by honorable members, the honorable member would see it to be advisable to withdraw the resolutions; but, if they were pushed to a division, he must confess that he should feel it his duty to support them.

Mr. MILES said it appeared to him that a considerable change had come over the dreams of honorable members during the last day or two. For some months past the only thing spoken of as likely to relieve the country from its difficulties was the passing of the Land Bills; but, to-night, the House had been treated to a long speech by the honorable member for Maryborough, in which the

honorable member had sought to make out that an alteration of the duties imposed last year would relieve the country from its difficulties and contribute to the restoration of general prosperity. Well, he must confess that he was one of those who last year voted for increased taxation, and when he did so it was on the distinct understanding that they would only be of temporary duration, and that as soon as the financial state of the colony would permit they would be reduced. It was with that understanding that he voted for the increased duties; and he did not believe there was one member of the House would wish to retain them for a moment longer than was necessary. But he could not help thinking that the present motion, like many other of the motions of the honorable member for Maryborough, had been introduced at an inopportune time; and the honorable member would have saved a good deal of the time of the House if he had withdrawn them after hearing the statement that was made by the honorable the Colonial Treasurer, that the Government would deal with the question at an early period of next session. There was no doubt that taxation was unpleasant in its operation, in whatever form it was imposed. There was, no doubt, a great deal of truth in what had been said by the honorable member for Maryborough—that when duties were high they led to the adoption of means for evading them. Now, that being the case, and as it could not be disputed, he thought it would be well for the House to deal with the question as early as possible. However, he remembered that not many months ago meetings were got up in Brisbane in favor of the imposition of protective duties; and, if he was not mistaken, the honorable member for North Brisbane, Mr. Pugh, acted as chairman at one or two of those meetings. His own opinion was that at that time the colony was too much protected; and he did not see that further protection by means of import duties could be desired. He was now referring merely to the action taken by some of the citizens of Brisbane; and he did not mean to say that, though the honorable member for North Brisbane occupied the chair, he was in favor of protection. But meetings such as he had referred to shewed that the citizens of Brisbane did not seem to find the import duties oppressive, inasmuch as they desired that they should be extended. The honorable member for North Brisbane, Dr. O'Doherty, in the course of his speech, particularly alluded to the duty on wine, and advocated its reduction. Now, he must say that he, for one, would object to a reduction of the duty on wine alone. If the duties were to be dealt with at all, they must be dealt with as a whole. If they reduced the duty on wine, they must reduce the duty on spirits also. He did not himself drink much wine; and he should not consent to a reduction of the duty on wine, unless there was a reduction of the duty on spirits made also.

They must not reduce the duty on the article that was consumed by the rich, and not reduce the duty on spirits. If the honorable member for Maryborough pressed his motion, he should have to vote against it; because he thought the present was not the proper time to pass it. But perhaps it was not the wrong time to introduce it; for the discussion that had taken place upon the motion might strengthen the hands of the Government; and, if they could see their way to submit some other duty, they might deal with the subject of taxation all the sooner.

The COLONIAL TREASURER said that, although somewhat irregular, he wished at the present stage to offer a few remarks by way of explanation. It appeared to him that honorable members were in somewhat of a difficulty in respect of the question. One honorable member had stated that the carrying of the motion would be a direct vote of censure on the Government. The honorable member was perfectly right in saying that, presuming that the motion had come from an honorable member opposed to the Government. In that case, no doubt, it would be taken, and must be taken, as an amendment on the financial statement; but, seeing it came from a supporter of the Government, he felt himself in a difficulty also. Seeing those resolutions had been on the paper for some months past, he took particular pains to meet the resolutions in the course of his financial statement, and stated what were the views of the Government upon them, and how the Government would deal with them. He stated that the Government would agree to some of them, and said that if they were put *seriatim* the Government would vote for some of them. Under those circumstances, he thought honorable members would see that, whether the resolutions were carried or not, it would be absurd for the Government to regard them as an amendment on the financial statement. He would, however, now that he had found the feeling of the House on the resolutions, recommend the honorable member to withdraw them. Suppose that the honorable member did carry them, they would only amount to a recommendation to the Government as to how they should act respecting the duties in question; and the recommendation was just what the Government intended to do. He believed it was not the intention of the honorable member that the Government should deal with the matter hurriedly; and, what was more, it had been decided that any further debate upon the Estimates should be postponed till next Tuesday. But the discussion on the resolutions was virtually a debate upon the financial statement.

Mr. WALSH rose to order. He thought the honorable gentleman was hardly confining himself to an explanation.

The SPEAKER: It was always allowed to a Minister to make such an explanation as he felt to be necessary. He had never seen the

privilege refused to a Minister, either here or in any other Assembly.

The COLONIAL TREASURER said he was only speaking so long as he was permitted by the House in making such an explanation as he conceived to be necessary. He was about to say, when he was interrupted, that it might be somewhat inconvenient as regarded the discussion on the financial statement if the resolutions were carried; and that, besides, judging by the feeling of the House, he did not think the honorable member would be able to carry them. He therefore thought the honorable member should withdraw them.

Mr. DOUGLAS thought that, after the explanation that had been made by the honorable gentleman at the head of the Government, the honorable member for Maryborough should now give way; and he should recommend him to do so for this reason—that he remembered that when he (Mr. Douglas) was in the position of Treasurer, which the honorable gentleman at the head of the Government now occupied, he was confronted at once by those resolutions; and he felt that if they were then to be considered as the policy of those gentlemen who were then in opposition, he must look forward with great dread to their advent to power. He remembered referring at one time to those resolutions in the House, as supposing them to be the policy of the Opposition; but now he was happy to find that they were only the policy of the honorable member for Maryborough, and not the policy of the gentlemen who now formed the Government. On that account his fears as to the Government that appeared, while he was Treasurer, about to come into office, had been disarmed altogether. He found now that they were not prepared to accept the policy he then feared was to be the policy of the incoming Government. The gentlemen who now formed the Government repudiated the resolutions as expressing their policy; and he had some satisfaction in knowing that the financial policy of the past Government was about to be adopted by the present Government. That circumstance was very consolatory to his feelings; and he could assure honorable members that it made ample amends for any little feelings of acerbity that might have arisen in the minds of the gentlemen who formed the late Government, from having had to walk over from one side of the House to the other, to find that the House was coming to its senses, and that honorable members found they must prefer the interests of the country to their own interests. It had not been his intention to speak on the resolutions now before the House, but the debate had taken an interesting turn and had been very profitable, and had elicited a good deal of opinion on the subject involved in the resolutions. He had no doubt the honorable member had made notes of all that had been said, and that he would shape his course accordingly when he had time to do so. His chief objection to the resolutions was that,

ab initio, they contemplated a considerable reduction of taxation; for he took it that the first resolution governed all the others. The honorable member for Maryborough, in his resolutions, set out by stating that the people were suffering under heavy burdens of taxation, and, therefore, as he took it, that the existing taxation must be reduced. The other resolutions went on to mention the taxes that might be reduced. The honorable member, in the course of his speech, maintained that a larger amount of revenue would be obtained from diminished taxation than was obtained from the present rates. So far he felt he might agree with the honorable member; but he could not agree with him that it would be wise to attempt a reduction of taxation at the present time, and if the House accepted the resolutions they must also accept the argument of the honorable member. Now, he was sure that, from what had been stated by the honorable gentleman at the head of the Government, it would be apparent to all honorable members of the House that it would be impossible this session to escape from any portion of the burden of the existing taxation; but it was to be hoped that it would be found possible to escape from further taxation. The honorable gentleman at the head of the Government had shewn that there was likely to be a small deficit this year; but it was possible that that deficit would be still larger; and in the face of such a probability, it would be impossible to reduce the present rates of taxation. There was another matter he would like to refer to, and that was the collection of the *ad valorem* duties. There was no doubt that the intention of all Chancellors of Exchequer, in the imposition or continuation of taxes, was to arrive at that point at which the largest amount of revenue would be derived without injury to the community. But the House could hardly consider that part of the question at present, because it was necessary to raise a certain amount of revenue; and it was a question that might be worthy of consideration whether a larger amount of revenue might not be raised by higher *ad valorem* duties. It was, no doubt, a very objectionable duty, but honorable members had heard of higher *ad valorem* duties. In other places there were higher *ad valorem* duties imposed for the purpose of excluding imports and protecting native industries. Here, however, there were no native industries to be protected, and therefore a tax was imposed such as was considered necessary to meet present purposes. Now, if the *ad valorem* duty were reduced it would be necessary to impose some new tax. But he gathered, from the remarks of some honorable members, that this indirect mode of taxation was preferred by them to direct taxation; and, for his own part, he certainly preferred indirect taxation to direct taxation, for the reason that indirect taxes were more cheaply collected than direct

taxes. No doubt, direct taxes bore more equitably on the people, and in a country possessing the means of collecting direct taxes, by all means adopt such taxes. But of all countries in the world where direct taxes should be levied, this country was, he thought, about the last, in consequence of the great expense that would be incurred in collecting such taxes. Now, he would ask the honorable member for Maryborough what he would think of an export tax upon wool, if the *ad valorem* duties were reduced or done away with? Yet such a tax might be necessary. If the *ad valorem* duties were done away with, it might be considered advisable to impose a direct export tax upon wool, as being a tax that could be collected most easily and at least expense. But would the honorable member agree to the imposition of such a duty? He very much doubted if the honorable member would; and he very much doubted also if the honorable gentlemen occupying the Treasury benches, and several other honorable members of this House, would consent to the substitution of such a tax. There was one observation made by the honorable member for the Leichhardt to which he felt he must take exception. That honorable member had said that Queensland was more heavily taxed than any other colony in Australia. But he would ask the honorable member, if such was his opinion, to compare the tariffs of the different colonies. In the case of wine, it appeared that the duty here was higher, and in that particular the Legislature might have gone too far; but he thought that if the honorable member compared the tariff of this colony with the tariffs of the other colonies, he would find that this was not the most heavily taxed colony. The fact was, that in this colony the people had been very lightly taxed, and in spite of low duties the Government had raised large revenues—the largest, in fact, in proportion to the population, raised in any of the Australian colonies. But now there was a reversion, and as the colony was suffering from a depression, the result was different as regarded the colony itself. But even now the result would compare favorably with the result in the other colonies. With regard to the Stamp Act, he could not agree with the honorable member that it operated inequitably. There might be some particular effects of its operation which it might be desirable to re-adjust, and when the operation of the Act was brought under his attention he felt there were some inequalities which, when they could be redressed, ought to be redressed. But the difficulty he felt, and it was a difficulty that had touched other honorable members, was that if the House were to begin tinkering at the Act where were they to end? It would become necessary to consider the whole question of taxation, if they were to interfere at all with the Act, and he very much doubted if they were in a

position to do so at present. The stamp duties had this charm, that they cost little to collect. They were admirable in that respect, and that was a great charm to a Treasurer. He thought the honorable member for Drayton and Toowoomba made some reference to the unequal operation of the Stamp Act, as between purchaser and buyer. But that amounted to this, that the purchaser had to pay all the burdens imposed by the Stamp Act. Now that, he supposed, was a matter of arrangement between the purchaser and seller.

Mr. GROOM: It was the custom of trade that the purchaser should pay the duty.

Mr. DOUGLAS: Well, if it was the custom of trade, then it was known to the purchaser, and could not, therefore, be any particular hardship, for the purchaser knew beforehand of the charges that devolved upon him under the Stamp Act. It was understood between the buyer and the seller that there was a certain charge, and that the purchaser must submit to it. The honorable gentleman at the head of the Government had said that the Government would take all the matters comprised in the resolutions into consideration, and he thought that, with such a pledge, the honorable member for Maryborough should withdraw the resolutions.

Mr. STEPHENS said the debate that had taken place upon the resolutions before the House, reminded him of debates that he had heard in the House on similar subjects before; and he might, therefore, be permitted to make one or two remarks similar to what he had made on other occasions. In the course of the debate they had heard a great deal about the unpleasantness of having to pay taxes. Now, however they might shift the burden of taxation, and whatever new taxes they might put on in the place of those they took off, whoever had to pay them would feel as much aggrieved as those persons who had now to pay the present taxes. For his own part, he must say that he had no hope of getting out of the difficulty of paying taxes unpleasantly by substituting one tax for another, and, therefore, honorable members must look for some other way than that to afford relief. He should have liked to have heard more upon what was really the subject before the House, and to have seen the resolutions framed in a different way from what they were. The general scope of the resolutions was, that it was advisable to reduce taxation.

Mr. WALSH: No; his motion entirely referred to the fiscal Acts of last session by which taxation was increased.

Mr. STEPHENS: Well, that was just that taxation should be reduced by the amount of the additional taxation that was imposed last year. He had no wish whatever to misrepresent the honorable member, and he thought the honorable member would accept as a correct interpretation of his resolutions, that the additional taxation imposed

last year was excessive. He was willing to join the honorable member in a resolution to the effect that the present rate of taxation was excessive, and should be reduced; but that would have to be followed by another resolution stating that the expenditure should be reduced in the first place. He would strongly hope that honorable members would bear in mind that the Estimates shewed it would not be possible fully to meet the expenditure of next year; and yet every honorable member had expressed a desire for a reduction of the taxation upon which the Estimates were based. He hoped honorable members would bear that in mind. The only way in which he thought it would be possible to reduce taxation was by reducing expenditure in the first place; but if they were to carry the resolutions that were before the House, which were for a reduction of taxation, and if they also carried the Estimates, the revenue would be insufficient for the expenditure. Now, he had always endeavored, as far as he could, to have the expenditure reduced so as to come within the revenue; but it would be beginning at the wrong end if they were to pass the resolutions before the House proposing a reduction of taxation—that was of revenue—before reducing the expenditure. The expenditure must first be reduced, and then the reduction of taxation would follow. If that course was not adopted he must vote against the resolutions.

Mr. WALSH said that, though it was getting late, he felt he would not be doing his duty if he were not to reply to some of the observations that had fallen from honorable members. He could assure honorable members that never was a motion introduced into the House by himself, or by any other honorable member, with less of party purpose than the resolutions now before the House. In introducing the resolutions he had the best of objects in view, which was that the House should re-consider the late fiscal burdens that were cast upon the people, and see if they could not be ameliorated without doing injury to the country. He had no other intention, and he must express his regret that some honorable members had so covertly and others so designedly contorted what were his evident motives, and had endeavored, so far as their powers went, strong or weak as they might be, to make of these resolutions a party question. He very much regretted that the honorable member who was the representative of an agricultural association, or a delegate from an agricultural association—he very much regretted that that honorable member had attacked him in such a coarse manner.

Mr. GARRICK hoped the honorable member, in any allusions he might make to him, would address him as the honorable member for East-Moreton.

Mr. WALSH: He regretted he had to say that the honorable member was the member

for East Moreton, for he believed the constituency of East Moreton was more enlightened than their representative; and that they were more magnanimous, and had more enlarged views than the honorable member had given the House reason to suppose was the case with himself. He regretted that the honorable member, without rhyme or reason—and when there was nothing in the resolutions that could be contorted into a party or personal question,—had come to the House with a prepared speech, made previously, perhaps, elsewhere, before some agricultural association,—made there for his own benefit it might be—a stock speech, perhaps—he regretted that that honorable member should have come to the House and upon the question before the House should have fired off his speech at him—and that apparently as the delegate of some agricultural association. The honorable member had addressed him as the probably sad or bad legacy of the northern districts, to this colony, whenever separation took place. Now, he would promise the honorable member, that if the constituency of East Moreton returned such members as he promised to be, he would always find him a very sad legacy so far as East Moreton was concerned. The honorable member would always find him standing between him and the oppression of his constituents. He would always find him standing up and maintaining the rights of his constituency, and of other constituencies, in that House; and he would never hear him saying that he (Mr. Walsh) came there as the representative of an agricultural or political association. But to come to the subject of the resolutions, he must say that he felt he had something to do with casting those excessive burdens on the people; and he knew they were burdens on the people, and that the people could not stand them. It was as a conscientious man, and not as a delegate, that he did what he considered to be his duty in this matter. During the first week of the meeting of the House, in May last, he made a confession that he had during the previous session done what was wrong, and stated that he should endeavor to remedy that wrong as far as he could do so. His motion had been wilfully misconstrued by some honorable members, by too many honorable members. He never intended that the motion should be a vote of want of confidence on any Government. It could not have been intended as a vote of censure upon the present Government, for it was introduced and placed upon the notice paper before they came into office; and for another reason it could not be regarded as in any way brought forward in opposition to the present Government, for the consideration of it was waived to give precedence to the honorable the Colonial Treasurer to make his statement. If he had intended the motion to be in opposition to the Ministry, and if he had pressed it when it was called in its order on the notice paper, the honorable

the Colonial Treasurer could not have made his statement that afternoon; but as he did not press it then, that fact of itself shewed that he did not wish to trammel the Government by it, or to compel them to alter the course they had chalked out for themselves. He had to thank the honorable member for Toowoomba for the agreeable way in which he had noticed his remarks, and he had to thank him also for suggesting a point which he had himself altogether forgotten, and that was that the intercolonial wine duty should be done away with altogether. He believed that a great evil had been inflicted upon the country by that duty. He believed that the more colonial wine was consumed the less would ardent spirits be consumed, and the more would health and morality abound. Though he did not make the proposition that the duty on colonial wine should be done away with altogether, he would go so far as to approximate the duty to such a rate as would not prohibit, as the present amount of duty did, the consumption of that article altogether. The honorable member for Warwick complained that in the resolutions he had not suggested the taxes that should be imposed in the place of the reductions which it was proposed to make. Now, in saying that, the honorable member did not do him justice, for he had endeavored to shew that it was his belief, and he had information to justify him in that belief—that the alteration in the fiscal rates would not lessen the revenue at all; and he quoted from statistics to shew that by a reduction of duty the revenue must increase, inasmuch as that the high duty had not worked so advantageously in increasing the revenue as was anticipated. He had not introduced the motion with the idea of increasing any other duties, or finding out fresh taxes, or suggesting that fresh taxes should be levied on the people, but that the present taxes should be reduced to a paying state—if he might use a commercial phrase—and that the people should be enabled to partake of those luxuries and necessities that were at present forbidden to them. The honorable member for Warwick had also called upon him to say what new taxes should be proposed in the room of the reduced taxes, and said that, without such information being given to him, he could not vote for the motion. Now, he must inform the honorable member that he did not see any necessity for fresh taxation. He did not mean to say that the honorable member twitted him upon that point, but other honorable members had. Now, he must inform the honorable member that it was not the province of private members to suggest fresh taxation; and if he had done so he would have been overstepping his prerogative as a private member. It was the duty and prerogative of the Government alone to propose fresh taxation; and it would have been an unwarrantable presumption on

his part as a private member, he believed, if he had stated what taxes should be imposed. If the motion should have no other effect than it had had, he should still rejoice that he had brought it forward. The discussion that had taken place must have convinced honorable members that they now had a Colonial Secretary who was remarkably jealous of the privileges of the Government, and who had a sensitive knowledge of his duty to the country. He must say that he felt considerable pleasure in seeing that that ordinarily complaisant and placid gentleman could, by a motion of the kind before the House, or, indeed, by any motion, be induced to fire up and shew that when the time came he was perfectly prepared to convince the House and the country that he was a Minister who was not to be trifled with; and who had language, and action, and spirit, to support him. He decidedly begged to congratulate him on the display he was able to make whenever it might please him to direct his attention to any honorable member. But he felt he was bound to press the motion to a division. As he had already stated, it was not introduced for any party purpose. The longer he was in that House, the more he became convinced that anything that did not emanate from a southern member would not receive the support of a southern member. Now, if it was only for the purpose of exhibiting to the country who were the friends and who were the foes of the people, he would force the motion to a division. He would do that again which he did with effect in the case of the celebrated question of the railway between Brisbane and Ipswich; and he would shew who were the honorable members who told their constituencies one thing but who in the House obeyed the dictation of the Government and did another thing. He would place them before the public again, and shew to the constituencies who were the members who made speeches to them one way, and in the House followed the dictates of such honorable members as the honorable member for West Moreton, Mr. Bell. Had it not been for the so-called liberal Government, of which the honorable member was a member, and for their so-called liberal supporters, that useless piece of worthless extravagance—the Warwick Railway—would have been saved; and with the money that had been spent upon it since last year two-thirds of the railway between Brisbane and Ipswich would have been made. It was by the traitorous conduct of the southern members to their constituents that the railway between Brisbane and Ipswich was lost, and, as he believed, for ever lost. The country could not now afford to make that railway, and he deeply regretted it, for he considered it was, for the welfare of the colony, the railway that they ought to have commenced with. He pointed out to the House, when the Warwick Railway ques-

tion was before the House, that many thousands of pounds would be saved to the colony, and that gigantic political swindle of the Warwick Railway frustrated, by the contract being transferred to the construction of a railway between Brisbane and Ipswich. But the suggestion did not emanate from a southern member, and the so-called liberal members, if not by their votes, by their specious language and suggestions to the House, damned the thing. It was not the opponents of the Brisbane and Ipswich Railway, but those who pretended to support the proposition, that were to blame for the railway not being made. If the railway had been made, as it should have been made, a grand work would have been constructed, and the vilest work that was ever perpetrated, the grossest political job that ever was contrived, would have been prevented. Now, he would pursue the same course in respect to this motion as he pursued in respect to the Warwick Railway; and he would shew to the constituencies that the remnants of the so-called liberal Government now in the House still said one thing and did another. He would shew those people who were represented by the honorable member who had so grossly attacked him, who it was that prevented them from getting a glass of good wine; he would shew them who it was, when they got into misfortune—for it was upon those who were unfortunate that the mortgage tax pressed more heavily than upon any one else—

MR. GARRICK: No, no.

MR. WALSH: The honorable member said "No, no," but he could shew that what he had stated was the truth—that the mortgage tax painfully oppressed those persons who fell into circumstances of misfortune—and of which the honorable member's constituency could furnish abundant examples. Men of small means who came out here, and who did not find their adventures turn out so well as they expected, and who had to mortgage the property they had purchased with the hard-earned savings of their industry, to the profit, perhaps, of some honorable member of the House, found the mortgage duty painfully oppressive. It was not the large squatter who suffered from the duty, as the honorable member, and he thought he might say the honorable and malicious member, had attempted to shew. It was the suffering farmers and merchants who had to go for assistance to the money lenders; it was they who suffered from this duty—those who by misfortune following upon misfortune were driven from one point of adversity to another till they had to take refuge in the insolvent court. The honorable member for the Eastern Downs, Mr. Douglas, had made a very characteristic speech. He was quite satisfied that that honorable member did not mean what he said, and that he did not say what he meant, with one exception. But he would warn the present Government that in the honorable

member for the Eastern Downs they had a wily foe to deal with, and that when they had praise bestowed upon them by the honorable member, or any of his late colleagues, they ought to regard it with great distrust. When the honorable member congratulated the Government on not proposing to increase the burdens of the people by imposing fresh taxation, what was the real English of all that he said? Why, this—that what he had not the courage or tact to do, the present Government were not to do either, and were not to put themselves in a better position than the late Government. He trusted the Government would never relish such bad advice, and would never follow it. There were many honorable members to whom he felt deeply indebted, and who had dealt with the motion exactly in the way they ought to do. Those honorable members had done him justice so far, and he felt considerably indebted to them. On the other hand, he must say he was considerably vexed that a motion that was of a most beneficent nature, that was not intended to drive the Government into a fix, but which only asked that the Government should reconsider the increased taxation imposed last session, should have met with so much hostility from the members of the Government. The resolutions merely contained a proposition that the Government should reconsider certain taxes, which even those who opposed the motion admitted were working badly; and he could not conceive that a more rational motion could be put forth by the so-called liberal representatives of the liberal party. He feared he had detained the House too long, and he would only further say that, for what he believed to be the benefit of the country, he would press the motion to a division.

On the motion of the ATTORNEY-GENERAL, the resolutions were put *seriatim*. The first was negatived by 19 noes to 7 ayes; the second was agreed to without division; the third, on which the division shewed ayes 12, noes 12, was negatived by the casting vote of the SPEAKER, who, in giving his vote, remarked that, having in view the financial statement that had been made by the honorable gentleman at the head of the Government, he believed he would best perform his duty in voting with the noes;—the fourth was negatived by 15 noes to 12 ayes; the fifth by 13 noes to 11 ayes; and the sixth by 16 noes to 11 ayes.