

Queensland



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[Hansard]

Legislative Assembly

TUESDAY, 22 NOVEMBER 1870

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LEGISLATIVE ASSEMBLY.

Tuesday, 22 November, 1870.

Wages Bill.—Ways and Means—Financial Statement.

WAGES BILL.

The COLONIAL SECRETARY moved the second reading of the “Bill to facilitate the recovery of Wages in respect of Encumbered Property.” He said it would be in the recollection of honorable members belonging to the last Parliament that a Bill of somewhat similar purport had been introduced by the honorable member for Maranoa. He could not in any way approve of that Bill, because it only referred to one class of property in the colony,—but in opposing it he had stated that he was quite ready to support any measure of a more general character. He had never been able to see why the holder of a

pastoral property should be placed in a different position from a farmer or planter. The Bill before the House was framed so as to protect the laborers, without any distinction as to property. Some such measure was very much needed, and he believed it would meet the views of honorable members. It was not a long Bill. In the 2nd clause, provision was made for the recovery of wages against the mortgagee, in case of failure in recovering from the mortgagor. The 3rd clause limited the liability to six months from the application for wages; and in another clause (No. 5), it was provided that the mortgagee should not be liable to imprisonment. That, he believed, was a very necessary clause, for the Bill which had been previously introduced had created quite a sensation in the country, gentlemen who were interested in pastoral properties having been under the belief that, in accordance with that Bill, if their servants' wages were not paid, they would be liable to imprisonment, which he believed they would have been. He thought the liability to pay six months' wages was only fair and reasonable. Those who lent money upon this description of property would, of course, take the fact into account, and lend so much less money. The 6th clause provided, that a servant having obtained an order for wages against a mortgagor, and failing to obtain it, could proceed against the mortgagee; and the 7th allowed a warrant of distress to be levied on the stock, whether that stock were the property of the mortgagee or mortgagor. He believed this would be found a very fair measure, and one which it would be very desirable to pass into law.

Mr. MILES said that, although he could not see the necessity of extending the provisions of the Bill so as to embrace laborers employed on farms and plantations, he had, nevertheless, no objection to the Bill as it stood. He thought, while the honorable member was about it, he might as well have included the employés of merchants and newspaper proprietors, some of whom were members of Government. He was, however, extremely obliged to the honorable member for bringing it in, as he felt sure it would be of great benefit to the country; and he did not think there would be any objection to it from any quarter.

Mr. FIFE said he had great pleasure in supporting the motion for the second reading of this Bill; but when it went into committee, he should take the opportunity of proposing some modifications in it.

Mr. SCOTT said that, agreeing, as he did heartily, with the principle of the Bill, he should yet like to ask the honorable member who introduced it, whether some provision would not be made to protect storekeepers who received cheques which were frequently dishonored, within the period of six months specified in the Bill.

The SPEAKER suggested that the honorable member should properly address his remarks to the House when in Committee.

The question was then put and passed, and the Bill read a second time.

WAYS AND MEANS—FINANCIAL STATEMENT.

On the motion of the COLONIAL TREASURER, the House went into Committee of Ways and Means.

The COLONIAL TREASURER: I propose to divide the remarks I have to make to the committee under three heads. 1st. I will endeavor to explain, as clearly and as concisely as I can, the financial position of the colony, shewing the amount of the public debt, for what purposes it was contracted, and how it is represented. 2nd. The proposed new Customs tariff. 3rd. The estimated revenue and expenditure for the year 1871. I have followed the example of my predecessors, and prepared tables to make it more easy to follow my statements. 1st. Liability of colony.—If honorable members will refer to table No. 1, they will find that the sum authorised to be raised by loan is £3,021,186. This was by Acts passed in the years 1861, 1863, 1864, and 1866. Of these the two first loans were raised without loss, but on the two last the loss was very heavy, amounting to £209,977, the particulars of which are given in table No. 2. On this subject I have some remarks to make, but it will, perhaps, be better that I should make them when I introduce the Loan Bill, so as not to swell the present statement with any matter not absolutely necessary; besides which, at present I could do nothing more than point out what I believe to be an error; then I hope to be able at the same time to suggest a remedy. This sum of £209,977 has become a liability, because the sum authorised to be raised by loan was also appropriated and spent, and, of course, the deficiency arising from the loss on the realisation must be made good. Besides the sum just named, there has been an expenditure in excess of the Loan Acts amounting to £276,456 2s. 7d. This is explained in table No. 3, and consists mainly of expenditure on railway account. The total expenditure on loan account, including the sum of £209,977 before mentioned, to 30th September, 1870, is £3,506,619 2s. 7d. But besides this sum we are liable on existing contracts for—

	£	s.	d.
Railways	68,358	1	6
Electric telegraph extension	33,707	4	11
There are sundry unexpended balances, as explained in Statement No. 3	38,101	2	7
There is estimated to be required a further sum of	150,000	0	0
(Consisting of £50,000 for immigration; £40,000 for the construction of roads and bridges; and, £10,000 for general post and telegraph offices, which are the only items the present Government have added to the loan estimate), and			
For the cost of the Government steamer	17,500	0	0
In all	£307,666	9	0

This will make the total liability on loan account £3,814,285 11s. 7d., of which sum, as before stated, £3,021,186 has been formally sanctioned by Parliament, and embodied in Loan Acts; £793,100 remains to be so provided. £3,506,619 2s. 7d. has been expended, and £307,666 9s. is available for future expenditure. But, in addition to these amounts, I am sorry to say that there has every year since 1864 been an over expenditure on revenue account which in the five years, ending with 1869, amounted to £386,526 19s. 5d. This, added to the previous amount, gives £4,200,812 11s. as the total debt of the colony, less the sum of £74,026 1s. 9d. at the credit of the sinking fund. It is right this should be deducted, as that sum is so much towards the payment of the loan authorised in 1861. The actual total net liability of the colony being £4,126,786 9s. 3d. in addition to any deficit that may arise on this year's accounts. Now, I have endeavored to lay this statement as clearly before the committee as possible, but still it has occurred to me that there may be one or two difficulties in the way of thoroughly understanding it, and I will endeavor to anticipate them. In the first place, it may very naturally be said that there has been a loss of more than £200,000 on realising the debentures, and that nearly £300,000 has been spent on public works in excess of the amount borrowed, and that the excess of expenditure over revenue for the five years amounted to £386,526 19s. 5d., and it may be asked, where did this enormous sum of money come from? To answer this question table No. 4 has been framed, from which the exact state of the case may be seen.

STATEMENT SHEWING THE OVER-EXPENDITURE ON LOAN AND REVENUE ACCOUNTS, AND FROM WHAT SOURCES FUNDS TO MEET THE SAME HAVE BEEN DERIVED.

Expenditure in excess:	£	s.	d.	£	s.	d.
Loss and charges on sale of debentures, statement 2 ...	209,977	0	0			
Loss and charges on sale of Treasury Bills ...	3,588	0	0			
Expenditure in excess of Loan Acts, statement 3 ...	275,456	0	0			
Over-expenditure, Consolidated Revenue Fund, 30th September, 1870 ...	312,371	0	0			
				801,392	0	0
Funds obtained as follows:						
Debentures issued in excess of Loan Act, 1864 ...	64	0	0			
Treasury Bills sold ...	438,500	0	0			
Treasury Notes in circulation in excess of coin ...	13,909	0	0			
Trust Funds, statement 7 ...	419,918	0	0			
				872,391	0	0

Cash in Bank and in hands of Crown Agents and Agent-General, 30th September, 1870 ... 70,999 0 0

It will be observed that the over-expenditure on revenue account is less than the sum named as the balance on 1st January. This arises from the pastoral rents having been received prior to 30th September. Again, it

may be said—You are asking for a loan. How is it to be disposed of? Table No. 5 puts that question to rest. We want £88,500 to retire the Treasury bills due 31st December next. We want £400,000 to cover Savings Bank deposits and other trust funds, and we want £304,600 to meet authorised and future loan expenditure. The whole is summed up in the following statement:—

	£	s.	d.
Expenditure to date on loan account is ...	3,506,619	0	0
Further loan requirements ...	307,666	0	0
Over-expenditure on revenue account to 1st January, 1870 ...	386,527	0	0
Total ...	4,200,812	0	0
Covered as follows:			
Loans already authorised ...	£3,021,186		
Loan now applied for ...	793,100		
Treasury bills to cover deficit revenue ...	350,000		
	4,164,286	0	0

Approximate deficit on revenue account during 1869, not yet provided for ... 36,526 0 0

In explaining from what sources the funds to meet our over expenditure have been derived, the committee will observe that the large sum of £419,918 was derived from trust funds; these are enumerated in table No. 7, and I will be happy to answer any questions that may be put to me respecting them. I think the only one to which I need now allude is the sinking fund. This fund was established by the Loan Act of 1861, which requires that every year after the year 1862 two per cent. of the general revenue shall be set aside to constitute a fund for the repayment of the loan. It is not our business now to criticise the policy of this provision—we have only to see that it has been carried out. Fortunately, the loan was a small one—£123,800 ls.; and as the balance at the credit of the sinking fund on the 31st December next will probably be £90,000, two years' more contributions will make up the amount required, so that after 1872 the revenue will be relieved from the payments set aside for the liquidation of the loan. These have averaged lately about £15,000 per annum. The balance at the credit of the fund was, on 31st December last, £74,026 1s. 9d.; and we propose, instead of retaining in hand the debentures set aside to secure this fund, to offer to exchange them at once with the holders of those issued under the original loan, in order that these may be cancelled. This exchange we hope to be able to effect—at least to some extent. It will probably be considered as a boon to the holders of the loan, and it will be at once applying the sinking fund to the purpose for which it was originally intended. The position of the Savings Bank I have on a previous occasion, I believe, sufficiently explained to the House; but should there be anything more to say on the subject, the proper time for me to say it will be when I introduce the proposed new Bill, which is prepared, and will be brought in so soon as it may suit the convenience of the House to entertain it. Before leaving

this branch of the subject, it may be as well to state that the total issue of Treasury bills to date has been £788,000, of which £300,000 have been retired, £138,000 fall due 31st December next, and will then be paid off, leaving in circulation £350,000 authorised by the Act of 1869 to cover deficient revenue;—of these £350,000: £100,000 will fall due 31st December, 1871; £100,000 will fall due 31st December, 1872; £150,000 will fall due 31st December, 1873. Clause 4 of the Act provides that such bills shall be paid out of revenue, but there is no probability of this being possible; some other means for their liquidation must therefore be arranged, but it will probably be sufficient to make the necessary provision next year. I will now proceed to lay before the committee the Customs tariff which we propose to-night to recommend for adoption. I need hardly say that this subject has caused us the most anxious consideration. We have devoted a great deal of time to it, and we have also thoroughly considered a tariff left for our information by my predecessor in office, for which I have to express my obligations. As the committee is aware, the Customs Bill of 1866 expired 31st December, 1869, and was renewed for twelve months; but it was not thought advisable, either by the late Government or the present one, to further renew its operation. Before going into the detail of the proposed measure, I will endeavor to explain the principles on which it has been framed. We start from the basis that we must have from this source a certain revenue, and in order to obtain it we must adopt one of two courses,—either we must tax moderately nearly everything of importance that is brought into the colony, even articles which it has hitherto been thought advisable to admit free, or we must tax some few articles very highly. We have not hesitated as to which of these two courses we ought to pursue. All authority is in favor of spreading taxation over as wide a basis as possible. The present Chancellor of the Exchequer is very clear on this point, and in his last budget speech expresses himself in these terms:—

“Do not trust everything to a few great branches of revenue, or trample down particular interests because you may have a sentimental dislike to certain modes of raising money for public service; but consider the worst tax that which is strained to the utmost, and remember that the strain of taxation may be made most tolerable by spreading it over a number of articles. If each tax is moderate in amount the whole aggregate of taxation will be felt as light, whereas if you have likes and dislikes and indulge your theories, you may put an intolerable pressure on one class and give undeserved ease to another.”

These words explain very clearly the principle on which we have endeavored to frame our tariff, and we are not without hopes that if it be adopted as it stands, a larger revenue will be collected under it, and with less oppression

on the public, than at present. So much for the principle on which we propose to impose duties. I will now explain that on which we found our exemptions; for if there is no general rule without its exceptions, neither is there any tariff without its exemptions. It must be understood that though we propose to place a tax on the importation of certain articles which are also produced in the colony, we only include them in a general measure of taxation, and solely for revenue purposes; and if we exempt certain other articles from duty, we do not thereby infringe any free trade principle. Of all the many arguments urged against protection, there was none that went more to the root of the question than this—that you have no right to artificially enhance the cost of an article to the public generally, in order that a particular class may be benefitted; for instance, you have no right to make the tradesman, the mechanic, and the laborer pay more for his loaf, in order that the farmer may obtain a higher price for his wheat. This is an argument which I believe to be quite unanswerable, and fortunately we have no occasion to endeavor to answer it, for by the exemptions we propose making we do nothing of this sort. By removing the duty from certain raw materials, we sacrifice a very small amount of revenue, while we give our manufacturers the chance of competing with those of other countries. For this we have the highest financial authority of the day, that of the late Chancellor of the Exchequer, the present Premier. In one of his celebrated budget speeches, that delivered in February, 1860, Mr. Gladstone says, speaking of the best taxes to remit—

“I do not hesitate to say that it is a mistake to suppose that the best mode of giving benefit to the laboring classes is simply to operate on the articles consumed by them. If you want to do them the maximum of good, you should rather operate on the articles which give them the maximum of employment.”

I believe this to be thoroughly sound, and on this ground I think it right to forego certain duties. We do not propose to remit the duties on the principal articles of consumption, but on the materials used in such trades as are, or as we hope to see introduced into the colony—the particulars of these remissions, and the reasons for them, we will discuss presently. I wish now, with the permission of the committee, to say a few words on the *ad valorem* duties. A great deal has been said about its being the intention of the Government to do away altogether with these duties, but I am quite at a loss to understand how the idea has originated; it has certainly not been from anything I have ever said, and I think that my colleagues have also been tolerably guarded in their remarks on the subject; and it will be easily understood that it is not possible to dispense with the revenue they contribute, which last year amounted to £72,564. But we have done what we could

to bring the different articles which have hitherto paid according to value under fixed rates, and everything, or nearly so, which is imported in packages by itself, or sold by weight or measure, has been so dealt with. I know that the tax is not a popular one; but for my own part I have but one objection to it, and that is that it offers an inducement to people to make false declarations as to the value of their goods: still, this is so serious an objection to the tax, that I would consider it quite a sufficient ground for doing away with it altogether, if it were possible to dispense with the revenue derived from it; but as such is not the case, we must content ourselves with reducing the temptation to fraud which it holds out as much as we can. One means of accomplishing this is by making the Act more stringent. As it at present stands, there is great difficulty in punishing those who are guilty of making false declarations as to the value of their goods, but in the new Customs Act we provide severe penalties for such offences, which we hope will therefore be much less frequent. We must also remember that in every respect, except the one I have named, the tax is an excellent one; it is easily collected, it is very general in its application, it catches all sorts of articles which could hardly have been made to contribute to the revenue under any system of fixed duties, and is paid primarily by a class of men who are not otherwise subject to any such inconvenience as is sustained by the dealers in spirits, tobacco, and other highly taxed commodities, who have a heavy duty to pay before they can sell the articles in which they deal. There is no doubt an outcry against *ad valorem* duties, but I am inclined to consider that to be *prima facie* evidence in their favor. It is quite possible for a tax to have no outcry raised against it—to be productive, and yet to be grossly unjust—because it may only fall on a small and unimportant portion of the community; but if we hear great complaints against a tax, we may be assured that it is tolerably general in its application, and thus possess one at least of the most desirable properties of a tax. I may be told that there are other modes of raising revenue which might have been substituted for the *ad valorem* duties—a package duty for instance, or an income tax, or a land tax; but to all of these the objections appear to me to be very much greater than to the *ad valorem* duties. The package duty I have always considered, since it was first proposed years ago, in the New South Wales legislature, to be an absurdity. It is sacrificing justice to simplicity, it is putting the heaviest tax on the least valuable goods. Nor do I think that the modification proposed lately by the Treasurer of New South Wales, although undoubtedly an improvement on the original scheme, is at all worthy of imitation. I had marked for quotation some of the anomalies which struck me in his tariff, but as the measure has been withdrawn I will

content myself with one instance to shew how difficult he must have felt the task of fixing his measurement rates:—jewellery was to be paid for at the rate of 10s. per cubic foot; hats, 5s. per cubic foot. Did any honorable member ever see a case of hats? If so, and he will compare its bulk and value with that of jewellery, he cannot fail to be struck with the inequality of the charge. Again, curry powder is charged the same rate as perambulators, 3s. per cubic foot; essence of coffee the same as tobacco pipes, 2s. 6d.; but I think that few in this colony would wish to see a tariff of this sort substituted for the *ad valorem* duties. An income tax may be an excellent one for countries to which it is suitable; it has been found to work so well in England that though originally imposed as a temporary measure, it has been continued for many years, and is likely to be continued permanently: but for this colony I believe it to be totally unsuited, for several reasons, one of which is that incomes are much too fluctuating. It would also be very expensive to collect. But, as it is proposed to be tried in New South Wales, we may watch its working there, and if it should turn out well, avail ourselves of their experience; but it must be remembered, that this tax is quite as objectionable on the score of morality as are the *ad valorem* duties; people will be just as much tempted to underestimate their incomes as to undervalue their goods. A land tax I consider to be the worst of the three. I believe it would be both unjust and impolitic—unjust, because it would be breaking faith with those who purchased land, by imposing on them a special tax which was not imposed on other classes; impolitic, because it would be increasing the cost of our productions, weighting ourselves in the race of competition with the rest of the world, and stultifying ourselves by encouraging certain interests in one way, and keeping them back in another. I believe that the very name of such a tax would check land sales, and interfere with immigration. In objecting to a land tax in the way I have done, I wish it to be understood that my objection is confined to its being levied as a contribution to the general revenue, for the reasons I have given, and from the difficulty—I may say impossibility—of levying it with any degree of fairness. But I do not object to a system of local rating for local purposes. Returning to the discussion of the tariff, I will shew, as I proceed, that the duty has declined, and must be expected to decline, on certain articles; so that to keep the revenue up to the present amount, it will be necessary to increase taxation elsewhere. The first article on the list is brandy. On this the duty has hitherto been 10s.; we propose to increase it to 12s. It is chiefly consumed by the wealthier classes, and we believe that the increase of duty will not cause an appreciably diminished consumption. We by so doing assimilate our rate to that of New Zealand, Tasmania, and Western Australia. We hope

from this to derive an increased revenue of £11,000. The duty on gin we propose to leave as it is, except in doing away with the allowance on spirits below proof. In this we have followed the example of Victoria, where the alteration has been introduced with good effect. It will also have the advantage of excluding a very inferior spirit, which, I believe, has been lately introduced to some extent from Germany. We hope to gain £4,000 by this alteration. On other spirits, wines, beer, porter, vinegar, tobacco, and opium, we have made no alteration; but we must expect a great reduction in the duty from imported rum, as the home-manufactured article is being produced in large quantities, and will undoubtedly, before long, entirely monopolise the market. Tobacco, also, is being more largely grown than is generally known, and we must look to a considerable decline, before long, in the revenue derived from this article. Cigars we have raised from 4s. to 5s. per lb., in order to assimilate our rates to those of the Victorian and the proposed New South Wales tariff. We had great difficulty in coming to a determination as to whether we should recommend a reduction in the heavy duty on wine, and should it now be the opinion of the committee that a 4s. duty would be preferable to a 6s. one, we will not oppose the reduction. The amount collected for the years 1864 and 1865, when the duty was 3s., averaged £9,555, while that for the years 1867, 1868, and 1869, when the duty was 6s., averaged £15,792. I observe that the Treasurer of New South Wales proposes to reduce the duty on opium to 10s. per lb.; but we retain the old rate of 20s., because the tariff has not yet passed the Legislature, and because the consumption is principally in that portion of the colony which is the most remote from New South Wales. The duty on the article received for the ten months which have expired of the present year has been £3,036 16s. 1d., of which the whole, except £481, has been collected at ports to the north of Brisbane. On roasted coffee, we propose to increase the rate from 4d. to 6d., leaving raw at its present rate. This is only reasonable, as the bean loses from 15 to 20 per cent. in roasting, and when roasted, is considerably more valuable. Sugar.—We leave the duty on this article unaltered; but the revenue derived from it is rapidly falling off. In 1869, it yielded a sum of £13,000, and in 1871, we are not justified in calculating on a larger amount than £7,000; and we can only suppose that before long the revenue from this source will fail us altogether. Molasses and rice we leave untouched. Salt.—This is the only item on which we propose to reduce the duty. It has hitherto been higher in proportion to prime cost than on any article in the tariff, while it is precisely one of the articles that should not be so taxed, as it is used to a great extent in different trades—principally for preserving articles of colonial production, and a large proportion of it is

exported in a shape on which it is not possible to receive any drawback. We propose to reduce the duty on the article by one-half, and we estimate the loss from this reduction at about £2,000. Oatmeal and maize meal have been removed from the class of *ad valorem* goods, and brought under a fixed duty of 40s. a ton. Butter, cheese, bacon, hams, and candles have also been brought under a fixed duty, which we have put at 2d. a lb., and we hope from this source to receive an increase of revenue of £5,000. On soap, a duty of 5s. per cwt. has been proposed, instead of the *ad valorem* rate; but the quantity likely to be imported is so small that the matter is of little consequence. Potatoes, onions, hay, and chaff were also formerly subjected to *ad valorem* duties, but we now propose instead a fixed duty of 10s. a ton. We at first thought of fixing a somewhat higher rate on hay; but taking into account the uncertainty of our climate, and the number of people in Brisbane and elsewhere—such as cabmen, carters, and others—whose living in a great measure depends on a reasonable and steady price for horse-feed, we have fixed the rate as I have named it. Wheat, barley, maize, oats, and malt we have put at a uniform rate of 6d. a bushel; bran and pollard at 2d. a bushel. On all these articles we expect an increase of revenue. Biscuits, maizena, arrowroot, jams, jellies, and dried fruits—on these we propose a duty of 1d. a lb., and we are in hopes of deriving an increased revenue from them of £900. Cordage and rope we have fixed at 1d. a lb. Flour.—This article has hitherto been imported free, and very properly so; but the time has come when we can hardly dispense with the revenue it would yield; and this seems a peculiarly favorable time for introducing it into the tariff, inasmuch as it will supply the place of the revenue we are losing on another article, which is almost as much a necessary of life as flour—I mean sugar. It is true the price of this article has not yet fallen to the consumer, but it undoubtedly will do so as soon as the production is in excess of the consumption—a point which we are very rapidly approaching. Flour also possesses all the essentials of a good tax, being consumed by everyone, difficult to smuggle, and the duty on it being collected without expense or trouble. The rate of 25s. a ton which we propose to fix on it has been arrived at as being something less than $7\frac{1}{2}$ per cent. on the average value of the article for the last five years; the taxation will, therefore, be rather lighter than that paid on articles subject to the *ad valorem* duties, and I believe the amount, being little more than half a farthing a pound, will not be seriously felt by any individual in the community, while we calculate on receiving a revenue from it of £21,000 per annum. The trade is now a very important one—the quantity imported last year having been nearly 17,000 tons. I confess that I consent to a tax being placed on this

article with very great regret. On coals, we have placed a fixed duty of 1s. 4d. per ton; but the amount received hitherto, or likely to be received hereafter, from this source is trifling. We have also taken bottled fruits, pickles, and mustard from the *ad valorem* list, and brought them under fixed duties of 1s. per dozen for reputed quarts or pounds, and 8d. per dozen for reputed pints and half-pounds. Oil and leather are the only two articles remaining; these have both been removed from the *ad valorem* list, and are proposed to be charged—the former, 6d. a gallon, the latter 1½d. a pound. This completes the list of fixed duties on imports, and from it the Collector of Customs expects to receive the sum of £281,079, which is considerably in excess of the sum raised from this source in 1869; but it must be remembered that we have swelled the list considerably at the expense of the *ad valorem* duties, which will consequently be much reduced. We propose retaining the rate for them at the same as is now paid—7½ per cent., and we expect to realise from them the sum of £58,954, making a total from duties on imports of £340,033. The articles which we propose to exempt from duty are the following;—Anchors and chain cables over three-eighths of an inch in diameter, iron ore, plain sheet iron (not galvanised), pig, bar, rod, scrap, and hoop iron, boiler plates, tin plates, block tin, sheet and pig lead, zinc, sheet copper, muntz metal, unwrought steel, gold, silver, and copper coin, and unmanufactured gold and silver, printed books and newspapers, live animals, manure, green fruit, garden seeds and garden produce, bulbs, trees, and shrubs, antique curiosities, and specimens of natural history, outside packages, in which goods are ordinarily imported, and which are of no commercial value except as covering for goods, passengers' cabin furniture and baggage, and passengers' personal effects, not including vehicles, musical instruments, glassware, china ware, silver and gold plate, and plated goods, and furniture other than cabin furniture which are imported with and by passengers *bona fide* for their own personal use and not imported for the purpose of sale, naval and military stores, stores imported for the service of the Colonial Government, or for the use of Her Majesty's land or sea forces, and wines and spirits for the use of His Excellency the Governor, or for naval and military officers employed on actual naval or military service and on full pay. The duty given up by these exemptions would only have amounted to about £1,500 per annum, a sum quite insignificant as compared with the importance of not throwing any difficulties in the way of the development of the important trades dependent on these articles. We propose no longer to exempt sugar machinery from duty, because the object in doing so was to encourage an industry which is now established, and because it is desirable to put all occupations requiring

machinery on an equal footing. We must either have done this, or exempted farmers who cultivated other articles besides sugar from taxation on the machinery they employ. As an instance, I may mention that some farmers lately applied for a remission of duty on some machinery they were importing, I believe, for harvesting wheat; a request which, of course, I had no power of acceding to. At the same time, I felt that it was impossible to justify on any principle of fairness the remission of duty on machinery for sugar making, and insist on its payment on that required for other agricultural and for pastoral purposes. Passengers' baggage and personal effects will be found to be more clearly defined in these exemptions than in the old tariff, which will save a good deal of inconvenience and annoyance. Provision is made, in conformity with the Constitution Act, for admitting duty free all stores for the use of Her Majesty's land and sea forces. Wines for the use of His Excellency the Governor, and of military and naval officers on full pay, are, in accordance with the Act of the Governor and Council of New South Wales, 7 Vic. No. 28, of 1844, also admitted free. I now come to the estimated revenue and expenditure for 1871; but, as it is necessary that such statement should be commenced with the probable balance from the preceding year, I must glance shortly at the accounts for the current year, and see how the late Treasurer's anticipations have been carried out. He estimated his revenue for the present year at £807,500, and his expenditure (including £45,000 for Supplementary Estimates) at £781,069; which shewed a surplus of £26,431, or, to use his own words, "say £25,000." I regret, however, that this estimate, judging from the nine months which have expired, is not likely to be carried out. I say nine months, because I have thought it better to form all my calculations on the basis of the three quarters to the end of September. The revenue, I fear, will not be less than £60,000 under the expectation of the late Treasurer—a deficiency which would have been still greater but for the large land sales—nearly every item of revenue proper shewing a decline as compared with his estimate. The expenditure, which for the nine months has been more than £11,000 under the corresponding period of last year, will probably not exceed the estimate of the honorable gentleman. The result is, that instead of a surplus of £25,000, I calculate on a deficiency of £29,194. But, as it will be necessary for me to refer again, at the close of my statement, to these figures, I will in the meantime leave them without further comment, and pass on to 1871. The first item of revenue, and the largest, is that of Customs. I have already said that the Collector estimates the revenue likely to be derived from the new tariff, if it should be carried, at £340,033; but I do not think it safe to calculate on so large a sum, and have therefore put it down

in the estimate for 1871 at £325,000, being, in spite of what I hope will be a more productive tariff, and of certain signs of returning commercial prosperity, a reduction on my predecessor's estimate for the present year of £15,000. I also reckon that we will obtain £15,000 from the duty on colonial spirits. This is, however, only a change of name, as the same amount of imported spirits would probably have been consumed at a higher rate of duty if colonial distillation had not superseded importation. My estimate for customs and excise together is therefore £340,000 for 1871, against £350,000 for 1870 by my predecessor. I may point out here that rum is an item on which we must expect to lose revenue. As the cultivation of sugar extends, distillation will be increased; and as the duty on the colonial article is only 6s. 8d., as compared with 10s. on the imported, the loss—even if duty were paid on every gallon—would be very heavy. But I fear that we will also for a time suffer much from smuggling, or rather from illicit distillation, to try to check which it is the intention of the Government to shortly introduce a Bill into the House; indeed the Bill is already prepared, and as the matter is pressing, the Government has made arrangements to take action under it, as soon as it shall have passed, and even in some respects in anticipation of it. The next item on the list, as well as the next most important in amount, is that of land, the revenue from which is divided under several heads. The first is auction and selection purchases, and we have here an instance of how difficult it is for any Minister, let him be ever so painstaking, to estimate certain descriptions of revenue in such a colony as this. We find that the estimate under this head for the present year was, exclusive of land orders, £10,000, while the amount which has been realised for the nine months has been £31,585. This large amount has been partly the consequence of a few sales at which pastoral lessees were forced by the effect of the Crown Lands Alienation Act of 1868, to become large purchasers in self-defence, and we must not calculate on such an amount being again received. I have, therefore, only estimated the cash revenue from this source for 1871 at £14,000, but I think that this sum may be considered as safe. Rents under the Act of 1866.—These yielded in 1869 £32,275, and are estimated by the late Treasurer, for this year, at £22,000. The large amount received in 1869 is due to a number of lessees having paid in December of that year the rents payable on or before the 1st January last. £10,991 only has been received under this head in the current year, but it is probable that a considerable sum will be paid in December next, and I have therefore estimated the revenue for 1871 at £20,000. Rents under the Act of 1868.—The revenue collected under this head may probably be

counted on with as much certainty as any portion of our receipts. Until such time as the first selections shall have been paid up in full, which will not probably be for upwards of seven years yet, this amount must go on regularly increasing; and as the ten years' leases will terminate about the same time, when a fresh impetus to selection may be expected, we may safely calculate on the continuance of this portion of the revenue. In 1869, the cash receipts under this head were £34,807; in the nine months of 1879, £46,909; and I believe that I am quite safe in estimating them for 1871 at £62,000. We know that the payment due in March next on the selections already made will be £50,000; that is supposing that there will be no forfeitures, and we have no reason to expect any of consequence; and if we allow £12,000 for new selections, we have an amount of £62,000 to represent the rental of conditional purchasers under the Act of 1868, exclusive of land orders. It must be remembered that land orders are only received in payment of first selections, and that every year the proportion of first selections to the whole number will become less, besides which there are fewer land orders available than there were last year. The late Treasurer told us in March, 1869, that there were then land orders in existence (exclusive of those pledged to the Government and not likely to be released) to the amount of £60,215, while the amount now in existence under the same conditions is only £42,548. In addition to this, land orders to immigrants have ceased, whilst the cotton bonus certificates for the next season will be only one-half in value what they were last year, and we have no reason to expect that there will be double the crop; so that we may fairly expect that a larger proportion of the payments, even in cases where land orders can be received, will be made in cash than heretofore. It may here be interesting to mention that the whole amount of land orders issued between 1861 and 30th September last, was £899,442 13s. 1d.; that the amount cancelled during the same period was £802,404 8s. 7d.; leaving outstanding on 30th September last, £97,038 4s. 6d.; deposited for advance, and now in the hands of the immigration agent, £54,489 8s. 9d.; total land orders of all kinds in the hands of the public, £42,548 15s. 9d. Of the amount, £54,489 8s. 9d., deposited under advance, it is estimated that £40,000 will not be redeemed. Survey Fees.—The estimated revenue from this source was £10,000, while the amount actually received in the nine months has been £11,980. I have, however, not thought it prudent to estimate the receipt for 1871 at more than £8,000, as there will be no moneys received on account of surveys of runs for subdivision under the Act of 1868. With respect to the rents for pastoral purposes, I have estimated them at the same amount as they were estimated at for the present year—viz., £120,000,

being the same as they yielded in 1869, and about £3,000 in excess of that received or likely to be received, this year. A good deal of country has been given up, principally to the North, and the revenue has consequently suffered to some extent; but I think we can already measure the amount of our loss from this cause, and no doubt if the profit from pastoral investments should be from any cause increased, many of the forfeited runs would be again occupied. A sale of these, which may be expected to produce £1,000 rent, is advertised for January, and if the result be encouraging it will be followed by other sales. I think we are at least safe in calculating that we will receive all the rents in 1871 that we have received in 1870, and in addition there will, without doubt, be some return from a portion of the forfeited country being re-occupied. I cannot, therefore, think that there will be much mistake in estimating the rents at £120,000 for 1871. Survey and transfer fees.—I have only put these at £1,000, as against £865 actually received to the end of September in the present year; but the item of survey is neither in this case nor in the previous one where it occurs of much consequence, as the amount received is in proportion to the work done, and whatever sum may be on one side of the account will be found to be balanced by a nearly corresponding one on the other. I put then the total land revenue for 1871, exclusive of land orders, at £225,000, an amount which I believe we are fully justified in expecting will be realised. The amount of revenue from this source in 1869 was £212,014, or only some £20,000 less than the annual charge for interest on the public debt of the colony. I now come to the consideration of the revenue to be derived from the gold fields, which it is very difficult to estimate, but which I have put down, judging from the best information I have been able to obtain, at less than I trust it will yield. The export on gold amounted in 1869 to £10,762; it was estimated by my predecessor at £12,000 for the present year, an amount which I believe it would have yielded if the early part of the season had not been so wet, but which it is not now likely to reach, as the amount received for the first nine months was only £7,915. Still, the accounts from some of the diggings are so favorable that if the season should turn out good, and we are enabled to improve the roads to some of them, and otherwise develop them in the way we wish to do, I believe we may expect to realise £14,000 in 1871, and as the duty is 1s. 6d. the ounce, this sum represents a yield of 187,000 ounces of gold, equivalent to about £700,000 sterling. Miners' rights, business licenses, escort fees, and other receipts, I take at something less than the amount received in 1869. Total revenue from gold fields, £21,500. In the revenue from duty stamps, I am sorry to say, there has been a heavy falling off, and the reasons for it are not very clear. This tax yielded in

1869, £24,639; it was estimated for 1870 at £27,000, but I have only been able to put it down for 1871 at £21,000, because I find that while the amount realised for the first nine months of 1869 was £19,326, that for the corresponding period of 1870 has only been £15,372. This cannot proceed from any stagnation in business, because there is no proportionate reduction in other departments to indicate any such falling off. I therefore fear that it arises in a great measure from people having learned how to evade the Act, and if such be the case we can hardly hope to remedy the evil, except by making the law more stringent; with this view the subject is now under consideration, and an amended Act will probably be introduced, which, I trust, will have some good effect. From postage, I expect to receive much the same amounts as in former years. From harbor and light dues, I expect a considerable increase, in part from legislation, and in part from the expenses about to be incurred in improving the navigation of the river, which we may hope will bear fruit in an increased revenue. Electric Telegraphs.—The revenue from this source I have estimated at £12,000. The amended scale of charges came into operation on August 1, but it has hardly been in force sufficiently long to judge of its effect. The receipts since then have been heavy, but these may be accounted for in a great measure by the general election, and the great interest taken in the war news. Owing to instructions issued by the present Government there has been a great reduction in official non-paying messages. The line to the Gulf of Carpentaria is now being pushed on rapidly, and if Australia is not soon in telegraphic communication with Europe the fault will not lie with this colony, as our line will shortly reach the northern extremity of the continent. I now come to a very important item in our revenue—that of railways. I wish I could also say that it was a very satisfactory one; but when we want to derive satisfaction from the vast sums spent in this way, we must look, not to the accounts—for there we will meet only with disappointment—but to the indirect advantages the country is supposed to derive from this means of internal communication. The honorable member for South Brisbane estimated the railway general receipts for the present year at the round sum of £100,000; but unfortunately the nine months which have elapsed have only given us £48,130, and though we know that the three last months of the year are by far the busiest, as then the greater part of the pastoral produce comes to market, yet we cannot shut our eyes to the fact that there is no chance of the estimate being nearly carried out. We received in the first nine months of 1869, £56,713, and the total receipt for the year was £80,748, so that about thirty per cent. of the year's income was received in the last three months. If we apply the same calculation to the present year, we will arrive

at an income of about £70,000—a falling off from the estimate of the honorable member of £30,000. This is the more remarkable because he was extremely correct in his estimate for the preceding year; he having put it at £30,000, while it actually realised £80,748. If, therefore—allowing for the opening of the whole length of the Warwick extension—for the increase of traffic we may hope for from the progressive settlement of the country—from the meat companies likely to be established, and other causes, including possibly an increase of rates—I allow an income of £85,000 for the year 1871, I think the amount is as much as I am justified in calculating on. Why such a falling off in our railway receipts as I have indicated should have taken place is a subject which deserves very careful examination. A portion of it is no doubt to be attributed to the reduction in fares and in goods rates which has taken place during this year. But this does not quite account for it, because we find that in spite of the reduced rates the traffic on the line has fallen off. Now, I know it is the fashion to attribute a great deal of this falling off to the fencing in of the runs, which has enabled sheep stations to be carried on with many fewer hands than formerly, and so far reduced the quantity of goods required for their consumption; but I am inclined to believe that the effect of this change has been very much over-estimated, and that, though on most stations a reduction in the number of men has been made, yet that it has not been to nearly the extent supposed, and that if there were set against the carriage of the rations of the shepherds discharged, that of the rations of the men employed in making fences, dams, and reservoirs, and the carriage of the wire and other materials consumed in making the fences, the difference to the railway would not be very great; and, looking to the future, I believe the system will be a decided gain, not only to the proprietors of the stations but to the laborers and to the country, because I believe that by the new system a very much larger quantity of stock will be kept on the same extent of country than heretofore. The other items of revenue—licenses, fees of office, fines and forfeitures, civil service fund, and miscellaneous receipts—I need not occupy the time of the committee by dwelling on, as they present no particular subject for remark. Together, they are expected to yield £49,000. I therefore estimate the total revenue for the year 1871 at £783,800, as against an estimate by my predecessor, for the present year, of £807,500, a probable receipt of £739,050, and a realised revenue for 1869 of £738,219. In reviewing the whole estimate, I cannot charge myself with having put any one item down at more than I have every reason to believe it will yield, unless it may be the railway, on which I certainly have some doubts; indeed I will be much disappointed if the amount is not in

excess of the estimate; but such a fatality seems to hang over Treasurers, that, however cautious they may be, they never can make the two ends meet. I am therefore afraid to be sanguine, and to hope that any exception is to take place in my favor. Still I would like to point out some of the reasons why I expect, not only that we are on the eve of better times, but that such improvement has already commenced. I will take the customs returns as perhaps the best criterion for the purpose at our command; we find there that the decrease on the nine months of 1870, as compared with the corresponding period of 1869, is £16,108. This certainly is very disheartening, but let us look a little below the surface and see what we shall find. If we compare the first quarters of the two years we find the decrease in the present one, £15,060. If we compare the second we find the decrease only £3,756; and if we compare the third we find an increase of £2,708, and this is satisfactory, as it shews our position is gradually mending, and mending in a way which is much more likely to be permanent than if it were more rapid. Again, something is to be learned from examining on what articles the falling off has been greatest, and we find that it has been almost entirely on spirits, wine, beer, and sugar; that £14,596 of the whole reduction of £16,108, or upwards of seven-eighths, has been on these articles. Now, we know that colonial spirits, beer, and sugar, have all of late begun to compete with the imported articles; and it is, therefore, some consolation for the loss of revenue to think that it is not altogether to be attributed to our want of power to indulge in these articles, but partly to the fact that we are beginning to produce them for ourselves. In addition to such signs as these there is the fact to which I have already alluded—that we have good promise from our gold-fields; and as diggers are large consumers of dutiable goods, any material increase in their numbers soon tells upon the customs revenue. Take the port of Townsville, which is the port of entry for some of the most successful of the new diggings. The revenue collected there for the first four months of this year was £5,484, while for the second four it was £9,625. Again, I am in hopes that better times are in store for the producers of what is still by very much our largest export. Times of late have told with great severity on this class. Pleuro-pneumonia amongst the cattle was followed in many districts by a drought which caused great losses amongst all descriptions of stock. This was followed by floods, which were nearly equally disastrous; and lastly came the fall on wool, aggravated by the European war, which was, in many cases, the last straw which broke the camel's back. But we have now, I believe, over the greater part of the colony, a fine season, there is likely to be plenty of fat stock, and meat-preserving companies to make it avail-

able, and not only to keep up the price here, but to furnish a supply to Europe, which will soon, I hope, be appreciated and looked for, and thus establish preserved meats amongst our regular articles of export. I need hardly point out to this House the difference to the community between utilising our fat stock in the colony and simply driving it over the border to Victoria or New South Wales. These preserving and boiling establishments employ numbers of men—butchers, fellmongers, carpenters, tinsmiths—give carriage to our railways, freight to our shipping, business and profits in various ways to our merchants and traders. Certainly no improvement in the wool market can be looked for until the termination of the present war, and so long as wool keeps low, the pastoral interest must suffer, and the whole colony along with it; but it is not likely that a war so prodigal of human life as this has been, will be of long duration, and a return of peace will no doubt be followed by renewed prosperity. This will, perhaps, be a proper place for me to allude to the fact that the Note Issue Act will expire at the end of the year, as the Treasury Bills Act, on which it was based, will expire then. It will be in the recollection of the committee that a select committee appointed to inquire into the subject recommended—and the recommendation was approved by the House—that the Act should not be continued. The matter was then discussed, and in fact settled; so that we have only now to arrange for retiring the notes as they may come in. To do this will take a sum of £15,000. But I believe it is right it should be done, as I quite think we have never derived any advantage from the system commensurate with the risk we have run. I may also mention that as there was some public dissatisfaction caused by the description of silver and copper coin in circulation, Government thought it advisable to take certain steps in the matter, and imported from Sydney £1,200 of the bronze coins which had been received there from England, which have had the effect of driving the old tokens entirely out of circulation. Of the whole amount imported £450 only now remains on hand, and as that will probably soon be purchased by the public, a great convenience has been obtained at a mere nominal cost to the Government, and though some loss may have been caused to private holders of tokens, the amount to any one individual must be trifling. With respect to the silver coin the case is different. The coin in circulation is probably all genuine, but the pieces have become so defaced, either from wear or from fraud, that many of them cannot be recognised. The Governor of New South Wales wrote to the home authorities some time since, asking that new coins might be issued in exchange for the old ones; and the Governor of this colony has since written, asking that any action which is taken with reference to New South Wales might equally apply to Queensland.

I am, therefore, in hopes that before long some remedy will be applied to the inconvenience which at present exists. Perhaps, before entering on the Estimates of expenditure, it may be as well for me to allude to what are termed the Special Receipts. These are not included in Revenue, nor, of course, are the sums paid out of them included in Expenditure. They are stated more as memoranda for the information of honorable members than anything else. Immigration remittances are the sums paid in the colony for the purpose of introducing people from Europe, and are remitted home monthly. Assessment on sheep is the sum paid in conformity with the Diseases in Sheep Amendment Act of 1869, at the rate of 5s. per 1000; the amount named, therefore, supposes that payment will be made on nine millions of sheep. The balance of the fund was, on 30th September last, £6,610 4s. 7d. Pound Sales.—In this case the unclaimed proceeds are held for two years, and then handed over to the hospital of the district. The other items hardly require to be noticed. The Estimates of Expenditure it will not be necessary for me to go through item by item; they will, no doubt, be sufficiently criticised at the proper time; I will therefore content myself at present with speaking to them, with some exceptions, in general terms. The honorable member for South Brisbane said, when making his financial statement in March, last year, that we could keep our expenditure down to the then standard, and as the revenue would increase with the advance of the colony, we would by that means soon establish a surplus. Now, this certainly would have been a very pleasant way of getting out of our difficulty; it would have saved all the disagreeables attending cutting down expenditure and throwing people out of employment, and I sincerely wish it could have been carried out, but I fear it is quite impracticable. The growth of the colony involves an increase of expenditure quite as certainly as an increase of revenue—every additional inch of railway which is opened, every telegraph extension, every new light-house, and every new gold-field is an additional expense; and therefore the idea, admirable as it would be, if practicable, must, I fear, be abandoned, and we must look to some other means of bringing our expenditure and our revenue into equilibrium. The general impression seems to be that this is to be done by cutting down the Civil Service, and an excuse for advocating heavy expenditure in other directions is founded on the supposition that we may retrench enormously under that head. The whole amount of Civil Service salaries, including police and wages of every description, is £203,135. The annual charge for interest on our debt is £240,000, and yet the cry continually is—“Cut down the salaries and increase the debt.” Now, I have always taken exactly the contrary view; economy, of course, is

necessary, and should be strictly practised, but the miserable system which would cut down to starvation point salaries fairly earned, while at the same time the most reckless expenditure is advocated in other directions, is founded, I believe, in very grave error. Our financial position may, without question, be retrieved, but it must be in a very different way from this. We must not increase our debt for works which are not reproductive, and no railway can, in the present condition of the colony, possibly be reproductive if constructed at a cost approaching that which we have paid for our existing lines—indeed I very much doubt whether it is possible for any line of railway which has been made at the expense of the lines in this colony to pay, where all the traffic can be carried on by two small trains a day each way, unless the charges for passengers and goods are very much higher than would be submitted to by the public in this colony. Then we must stop the enormous expense we are being led into by the present Immigration Bill, which will not cost us less than £50,000 per annum if carried on as at present. Certainly in two years' time the undertakings given by the immigrants to repay certain sums will fall due, and honorable members may form their own opinions as to how much is likely to come in from that source. To give an idea of the working of the Act, I may mention that during the June quarter three ships conveyed 793 immigrants, at a cost to the Government of £12,184, or about £15 7s. per head. If we take this as a basis, and say we receive twelve ships a year, with 300 immigrants each, we arrive at a cost of £55,000 per annum. Considering, then, this enormous expense, we must endeavor to obtain our immigrants by other means; we must make the colony attractive to them; we already give them land almost for nothing, in addition we must give them roads to that land, and the means of going on it with as little expense and delay as possible, and we must shew them that their taxation is not likely to be indefinitely increased. We must remember this, that it is not now as it was in former days when no immigrants could be expected from any place nearer than Europe—now we hear in the neighboring colonies of large numbers of farmers who have been unsuccessful, and who will be only too glad to come here with their capital and their experience if they can be satisfied that they have a fair chance of retrieving their fortunes. This, I believe, we can offer them, if in no other way, on our rich sugar lands along the coast. And such men as these will be quite able to appreciate the advantage of producing an article for which a market will exist outside the colony; for they have probably already realised the fact that in growing that which will not bear the cost of transport to a distance, a good crop (inasmuch as it is generally followed by a

very low price) is nearly as disastrous to them as a bad one. We need have no delicacy about endeavoring to attract farmers from the adjoining colonies, so long as we do so in a fair and open way, for it will be a very long time before we can get back from them the number whose passages we have paid from Europe, and who have left us and gone to New South Wales and elsewhere. By the remarks I have made as to the difficulty of retrenching largely and prudently in the Civil Service, I did not wish it to be understood that we were averse to such economy where it might appear to be practicable; on the contrary, it has been the subject of our most serious consideration. I do not attach much weight to the argument that salaries should be cut down, because others could be found to do the work for less; this would apply to every situation and every rate of salary. I will venture to say there is not one appointment, either in the public or private service, but some one could be found to fill at a lower rate. There are many able men in the Civil Service to whom its great recommendation has been its fancied security; do away with that, and you deprive the service of its greatest attraction. Besides this, retiring allowances are based on salary; if you reduce it, you reduce the provision supposed to have been made for old age. We have, therefore, with the view of avoiding any interference with such provision, made a charge of five per cent. on all salaries, instead of a permanent reduction in their amount; this will give an addition the revenue of about £10,000. I have said that I would leave most of the items of expenditure to be discussed at another time, but I must exclude from this the important one of railways. In the following calculation I will not take into account any of the general expenses of the Department for Public Works, though, undoubtedly, these are much increased by railway work, but only the items entirely on account of railways. These are taken from the Estimates-in-Chief and make a total of £69,055 for 1870, and £64,085 for 1871; and if I am correct in estimating the revenue for 1870 at £70,000, and for 1871 at £85,000, we have only a sum of £945 to represent the interest on £2,334,517 for this year, and of £20,915 to represent the interest on the same sum for 1871, or no return at all for the present year, and less than one per cent. for next year. We have here a very discouraging statement of railway accounts, and I cannot see how, in the face of it, and of the state of our affairs generally, we can, with the least prudence, project in the meantime further extensions. I may here say a few words about the dredging operations which are going on. As honorable members are aware, the dredge "Fitzroy" was sold by the late Government to New South Wales for £11,250. This sum has been paid, and we are expending it, as I believe was also the intention of

the late Government, in putting the remaining dredging plant into order with the view of bringing it into active operation. In the Fitzroy River, work has been going on for some time, and a temporary channel has been cleared. The dredge "Lytton," to be used in the Brisbane, the steam tug "Brisbane," and the punts, proved, on examination, to be in a very bad state. The tug has been repaired at a cost of £800; and the dredge and punts are now being put in order at an estimated cost of £1,500. The balance of money available for improvement of harbors and rivers will be about £9,000. A former Treasurer stated, on one occasion, that he did not intend to have any Supplementary Estimates; but I do not say anything of the sort: on the contrary, I know that there will, and that there must, be Supplementary Estimates, but they may be smaller than they have been. For instance, they have been hitherto swelled by the interest on the Savings Bank deposits, no provision for its payment having ever been made on the Estimates-in-Chief; and I do not think any sufficient reason can be adduced for having kept so large a sum in the background. It being now proposed to issue debentures to cover the deposits, the interest will appear in 1871 as a portion of the interest on the debt of the colony. It will be observed that the total Supplementary Estimates for 1870 amount to £80,000, of which no less a sum than £25,000 is for interest and bank charges, which will not be the case after the Loan Bill shall have passed. Returning to the subject of revenue and expenditure, I will now state concisely my anticipations for the current and coming years—

REVENUE AND EXPENDITURE, 1870 (ESTIMATED).

Revenue.	£	s.	d.	£	s.	d.
Between 1st January and 30th September (actual) ...	575,830	0	0			
1st October to 31st December (estimated) ...	164,000	0	0			
				739,830	0	0
<i>Expenditure.</i>						
Between 1st January and 30th September (actual) ...	395,856	0	0			
1st October to 31st December (estimated same as in 1869) ...	139,543	0	0			
	535,399	0	0			
Interest paid 1st January and 1st July ...	219,125	0	0			
Sinking fund, payable 31st December ...	14,500	0	0			
	769,024	0	0			
Estimated deficit on the transactions within the year 1870 ...				29,194	0	0
Deficit 31st December, 1869, as per statement 9 ...				273,964	0	0
Estimated deficit, 31st December, 1870 ...	303,158	0	0			
Interest due 1st January, 1871 ...	108,062	10	0			
Total estimated deficit, 1st January, 1871 ...	411,220	10	0			
Deduct Treasury Bills issued ...	350,000	0	0			
Estimated over-expenditure to be provided for ...	61,220	10	0			

It is probable that this amount may be covered by savings in future years.

ESTIMATED REVENUE AND EXPENDITURE, 1871.

	£	s.	d.
Estimated revenue ...	783,800	0	0
Expenditure, Estimates-in-Chief, as printed ...	759,607	0	0
Difference ...	24,193	0	0
Probable lapsed votes ...	40,000	0	0
Probable available balance ...	64,193	0	0

In addition to which I anticipate £10,000 from public service contributions, making an amount of £74,000 to meet Supplementary Estimates—these being likely, from the reasons I have given, to be smaller than in former years, the provision for making them may be considered ample. I ought to have explained sooner that the figures I have given in connection with revenue are the actual receipt and payments at the Treasury between the 1st January and 31st December, irrespective of when the expenditure was incurred, or for the service of what year the votes were taken. I think this the better and simpler course, and it was the one adopted by my predecessor. Before concluding, I must express a hope that the committee will endeavour, if it be at all possible, to get through the tariff at this sitting. Ministers will be prepared to remain as long as honorable members may choose; at the same time I am well aware of the importance of the subject, and by no means wish that it should be in any way unduly hurried. The course which has been adopted by the Collector is this:—He has sent a sealed copy of the tariff to every Custom House, with instructions to each sub-collector to act on it from to-morrow morning, unless he receives telegraphic instructions to the contrary; so that, unless such instructions are sent, all Custom Houses in the colony will open to-morrow morning at the rates fixed by the proposed tariff. I only propose now to move the resolution having reference to the tariff, leaving that which provides for a deduction from certain salaries till the discussion on the first shall have terminated. I now beg to move,—

That towards raising the supply to be granted to Her Majesty, in lieu of the existing Customs duties, there shall be raised, levied, collected, and paid upon the several articles, goods, wares, and merchandise undermentioned, when imported into the colony, whether by sea or land, the duties following, and such duties shall be payable upon the goods named now in bond:—

Articles.	Quantities.	Rate.
Spirits—		
Brandy of any strength not exceeding the strength of proof by Sykes' hydrometer, and so in proportion for any greater or less strength than the strength of proof ...	per gallon ...	12s.
Spirits or strong waters, excepting brandy of any strength not exceeding the strength of proof by Sykes' hydrometer, and so in proportion for any greater strength than the strength of proof ...	gallon ...	10s.

Articles.	Quantities.	Rate.
Spirits, cordials, or strong waters, sweetened or mixed with any article so that the strength thereof cannot be exactly ascertained by Sykes' hydrometer ...	gallon ...	10s.
Methvlated spirits ...	liquid gallon	5s.
Wine containing more than 25 per cent. of alcohol of a specific gravity of '825 at the temperature of 60 degrees of Fahrenheit's thermometer, for every gallon in proportion to strength	gallon ...	10s.
Wine not containing more than 25 per cent. of alcohol of a specific gravity of '825 at the temperature of 69 degrees of Fahrenheit's thermometer ...	gallon ...	6s.
Ale, beer, porter, and vinegar	gallon ...	6d.
Tobacco and snuff ...	lb. ...	2s. 6d.
Cigars ...	lb. ...	5s.
Opium ...	lb. ...	20s.
Coffee—roasted, and tea ...	lb. ...	6d.
Coffee—raw, chicory, cocoa, and chocolate ...	lb. ...	4d.
Sugar—refined ...	cwt. ...	6s. 8d.
Sugar—raw ...	cwt. ...	5s.
Molasses ...	cwt. ...	3s. 4d.
Rice, oatmeal, and malzemeal ...	ton ...	40s.
Salt ...	ton ...	20s.
Butter, cheese, bacon, hams, and hops ...	lb. ...	2d.
Soap (not including toilet soap) ...	cwt. ...	5s.
Potatoes, onions, hay, and chaff ...	ton ...	10s.
Wheat, barley, maize, oats, and malt	bushel ...	6d.
Bran and pollard ...	bushel ...	2d.
Biscuits, maizena, arrowroot, jams, jellies, dried fruits, and candles	lb. ...	1d.
Bottled fruit and pickles ...	reputed qts., dozen	1s.
Ditto ...	reputed pts., dozen	8d.
Bottled mustard ...	reputed lbs., dozen	1s.
Ditto ...	reputed half lbs.	8d.
Cordage and rope ...	lb. ...	1d.
Flour ...	ton of 2,000 lbs.	25s.
Coals ...	ton ...	1s. 6d.
Oils, mineral and other kinds except perfumed oil, salad oil, and castor oil ...	gallon ...	6d.
Leather, unmanufactured ...	lb. ...	1½d.
Upon all goods imported into the colony not hereinbefore enumerated or hereinafter exempted from duty	} for every £100 in value } £7 10s.	

ARTICLES EXEMPTED FROM DUTY.—Anchors and chain cables over three-eighths of an inch in diameter, iron ore, plain sheet iron (not including galvanized), pig, bar, rod, scrap, and hoop iron, boiler plates, tin plates, block tin, sheet and pig lead, zinc, sheet copper, muntz metal, unwrought steel; gold, silver, and copper coin, and unmanufactured gold and silver; printed books and newspapers; live animals; manure, green fruit, garden seeds and garden produce, bulbs, trees, and shrubs; antique curiosities and specimens of natural history; outside packages in which goods are ordinarily imported, and which are of no commercial value except as covering for goods; passengers' cabin furniture and baggage, and passengers' personal effects (not including vehicles, musical instruments, glassware, chinaware, silver and gold plate, and plated goods, and furniture other than cabin furniture), which are imported with and by passengers *bona fide* for their own personal use and not imported for the purpose of sale; naval and military stores, stores imported for the service of the Colonial Government, or for the use of Her Majesty's land or sea forces, and wines and spirits for the use of His Excellency the Governor, or for naval and military officers employed on actual naval or military service and on full pay.

Mr. STEPHENS said, he had heard with great pleasure the statement which had been made to the House that evening by the Colonial Treasurer, and he thought the House was indebted to the honorable member for his

clear and lucid exposition of the affairs of the country. There were, however, one or two points upon which he thought he might have been a little more explicit. In referring to his speech he would endeavor to follow the same order which the honorable member had pursued. First, then with regard to the Loan Bill:—The honorable member had taken the somewhat unusual course of referring to the loan question in the first part of his financial statement. The honorable member had, however, stated that as the Loan Bill was to be introduced, he would reserve any explanation as to details until after its introduction. The amount of this Loan Bill was to be £793,100: of this sum, about £170,000 would be required for new works which were undoubtedly required; but he noticed the absence of one work which he thought should have appeared in the list, and that was the completion of the railway from Ipswich to Brisbane. He would not, however, at this time proceed to discuss the items of which the Loan Bill, which the honorable member proposed to introduce, was composed, and would only state that he quite concurred in the opinion he had expressed, that the railways of the colony did not pay at the present time. In fact, he did not believe that they would prove at all reproductive, or even that they would ever pay the interest upon the sums expended upon them until this extension was made so as to embrace that part of the country where there was the largest passenger traffic. Having said so much, he would leave the whole question of the loan to be discussed when the Bill was introduced, especially as the Treasurer was anxious that the new tariff should be considered as soon as possible. Before referring to the other divisions of the honorable member's speech, he must observe, that in his opinion, there was no necessity to decide upon the new tariff this evening. It appeared that instructions had been sent to the various Custom House officers to put the new duties in force on the following day. Now he was quite satisfied that members on both sides of the House would give the Government every assistance in order to make their action legal—for it certainly was not legal to enforce new duties until they had been passed by the House—if they persevered in the course they had adopted. It might happen that the Bill would be altered in committee in some of its details, and he could see no particular reason to pass it through the House that evening. In any case it would be only necessary to refund any duties which might have been paid in excess. The new tariff was one which was framed on different principles to any previous one; and as its effects on the commerce and producing interests of the colony would be great, it appeared to him that it would be very unadvisable to decide upon it immediately. Although it was not usual to go into a discussion of detail on occasions like this, the House should certainly have a

day to consider the different duties. And now, with regard to the general revenue and expenditure:—He had understood the honorable Colonial Treasurer to say that there had been a deficit every year since Separation; that the expenditure had been annually in excess, not only of the calculations of the Treasurer for the time being, but also in excess of the amount of revenue received; that was a state of things which could not continue for ever. He believed every Treasurer had endeavored to remedy it, but hitherto, their efforts had been unsuccessful. It remained to be seen whether the course proposed this evening would be more successful; for his part, he hardly expected it would. The revenue, for the last two or three years especially, had fallen considerably below the anticipations of the different Treasurers. He had been disappointed in his own estimate, when he was in office; although, as he was aware, that estimate had been considered by many honorable members to be very moderate: the honorable member would not, therefore, be the only Treasurer whose anticipations were not realised. The estimate of deficiencies on the transactions of the present year, was set down, he observed, at £29,194; now, supposing the estimated revenue for next year to be correct—and he was afraid it would be found considerably in excess of the receipts—it would, according to the honorable member's statement, leave £24,000 over the expenditure, according to the Estimates-in-Chief. The honorable member had then put down as the probable amount of lapsed votes, the sum of £40,000, and this he (Mr. Stephens) also considered too much. However, taking these two amounts, and supposing them to be correct, there would remain a balance of £64,000 for the Supplementary Estimates. Now, taking the statement as it stood, there must inevitably be a deficiency at the end of the next year. He did not think £64,000 would be sufficient to cover the Supplementary Estimates, for he found that the smallest amount required for this purpose, ever since Separation, had been £68,000; and on one occasion, in 1868, when Mr. Mackenzie was Treasurer, the Supplementary Estimates had amounted to £149,000. In fact, since Separation, they had ranged from £68,000 to £149,000 a year, and he saw no reason to believe they would be lower next year than they had been during previous years. Neither did he think the lapsed votes would, by any management, be likely to reach the Treasurer's estimate of £40,000. He was therefore obliged to come to the conclusion that, as the honorable member had prepared the Estimates, he was certain to have a deficit at the end of next year also. Now, this plan of carrying on, with annually recurring difficulties of this sort, was one which he thought the House should attempt to check. That could be done in one of two ways—either by increasing the

revenue, or reducing the expenditure, and the Colonial Treasurer had chosen the former plan. It did not appear to him that any serious attempt at retrenchment had been made in the Estimates laid on the table of the House. They exceeded the Estimates-in-Chief of the late Government by £16,000. On going over the principal items, he found they were very similar to those which he had prepared, except that on these items there was an excess of expenditure. No doubt the question of retrenchment was a very serious one; so much so, that no Treasurer had yet succeeded in reducing the expenditure to any extent. He had himself, on two occasions, succeeded in reducing the expenditure, and bringing it considerably below the rate at which it had been going on. In 1869 he had taken £69,000 off the Estimates of his predecessor, Mr. Mackenzie, and had actually reduced the expenditure in the same proportion; but a falling off in the revenue counteracted that reduction, and there was still a small deficiency at the end of the year. The difficulty of retrenching was no doubt great. Still, he thought, that even admitting the greater cost of governing such a large extent of country, so sparsely populated in comparison with smaller and more central colonies, such as Victoria, for instance, considerable reductions might yet be made. He would, however, adopt the course which had usually been followed, and would reserve his remarks upon questions of detail until the different items were brought forward separately for discussion. He hoped, as indeed he had every reason to believe, that the whole financial question would be approached by honorable members on both sides of the House with an entire absence of party spirit, and that independent members would join the Colonial Treasurer—who would no doubt be glad of their assistance—in reducing the expenditure in such a way as not to injure or disorganise the service. He believed considerable reductions might be made. He would only at present allude to one which he had intended to have moved if he had remained in office. He referred to the most extravagant item in the Estimates—the Parliamentary buildings. He was aware it was a most difficult subject to touch, and that any alteration which it would be advisable to make should also be made in another place. It would not of course be desirable to take any steps which might be likely to bring the two Houses into collision, and he therefore proposed that the Legislative Council should be invited to join in the formation of a Select Committee, to consider the expenditure of both Houses. If that were done, he had no doubt considerable reductions might be made. There were other departments in which reductions might be made, but he would not allude to them at present. The honorable the Colonial Treasurer had objected to the great expense which had attended the present system of immigration. He believed this had been caused by the Agent-General sending out

such a large proportion of immigrants, who were unable to pay their entire passage money. That officer had, as far as he knew, persistently neglected his instructions to lecture in the agricultural districts of England, where immigrants in a position to pay their own passages were to be found. These lectures were a part of the immigration scheme, and were expected to have the effect of introducing a large number of immigrants from England at the lowest possible cost. By that means it was calculated that about £8 per head would have covered the cost of introducing immigrants into the colony, instead of £16. It did not, however, follow that because an officer had neglected to carry out the instructions sent to him, that the system was to be condemned. Why, even if there were no Agent-General at all, it would be easy to fill ships with immigrants, if the colony defrayed the cost of their passages. The House, he thought, should endeavor to correct this abuse of the system, as it was clearly much better to endeavor to obtain immigrants from the United Kingdom, where there was admittedly a large spare population, than to run the risk of causing ill-will by trying to draw them from the neighboring colonies. The home-stead clauses of the Land Act certainly offered inducements to the people of the other colonies, and would, he believed, have the effect of attracting a good many of them without giving rise to any feelings of jealousy or discontent, and those who had already obtained colonial experience were the best colonists. It was, however, desirable that colonies so near to each other should avoid any cause for ill-feeling; and the other colonies were quite as much afraid of losing their tax-payers as Queensland was to obtain them. He felt convinced that the key to the difficulty under which the colony labored in a financial point of view, was to be found in taking measures to increase her population by immigration, and to pass such a tariff as would induce the immigrants to settle in the country, and assist them in producing what they required. If that were done, and the population were increased during the next three or four years some fifty per cent., the burden of taxation would not be felt. They were not, however, so excessively taxed as some people attempted to make out. It was said that the debt of the colony amounted to £7 per head of the whole population. He denied that statement; £3 19s. would be nearer the mark. The population of the colony was 110,000, and the yearly revenue amounted to £780,000. But nearly half of the sums of which that amount was composed could not properly be called taxes—pastoral leases, for instance, and similar items of revenue—because they were, in reality, payments made to the Government for services rendered. Considering the large extent of territory which had to be governed, he did not consider the taxation so excessive, and was not at all inclined to take a desponding

view of the subject. The principal remedy lay in increasing the population, and he might say they had succeeded magnificently in laying the foundation of a prosperous community by the extensive agricultural population they had already settled on the lands. It was from this source that they would have to look for spare labor required in sugar growing and like industries. If they could, by the tariff now before the House, assist in establishing those native industries now struggling into existence, and giving encouragement to those already established, they would in three or four years have a thriving population fifty per cent. larger than at present, the revenue would be proportionately increased, and the difficulty now felt in paying the interest on loans would quickly disappear. While on the general question, there was one other point to which he would allude—and it was singular to observe that the same difficulty appeared to be chronic in the other Australian colonies—the increase in the expenditure. The position of a Colonial Treasurer was not a pleasant one anywhere; for while the general complaint was that the gross expenditure was too large, each person complained that it was not large enough for him individually. He could not call to mind one single instance, since he had had a seat in the House, in which the House had assisted the Ministry of the day in seriously reducing the expenditure, and yet it was one of their most important duties to keep a proper check on the Estimates. One great reason for the difficulties and contradictions connected with the legislation of the colony lay, no doubt, in the system of centralization which prevailed. With the single exception of municipalities, the central government had to bear the whole expense of the colony, and to have everything done in it, from one end to the other. He must say that in the establishment of these municipalities great credit was due to Sir George Bowen, who had never lost an opportunity of promoting the system of local government wherever it was required, and an immense amount of trouble and difficulty had in consequence been done away with. But for the establishment of these municipalities the House might even now be called upon to discuss votes for streets and roads through all the towns in the colony. If some day a division could be made by which each district should defray the cost of its own works from funds raised within that district, and the cost of several other things now paid by the Government, such as police protection, the result would be very beneficial. He would, however, leave the management of the police, to a certain extent, in the hands of the Government. If, instead of crying out to the central government for everything they wanted, they had to put their hands into their own pockets, there would be a very different amount of expenditure in some districts, and the House, instead of being

made the arena for the discussion of local grievances, would be able to devote its time to consider the legislation necessary to the country at large. He did not consider it at all creditable for a Government to be constantly depending upon Loan Bills to make up their annual expenditure. They should avoid borrowing, if possible; but, at any rate, should not go on borrowing for ever. It would be premature for him to discuss the items of estimated revenue until the tariff was debated in detail. There were several items on which he considered the Colonial Treasurer was too sanguine. He would only refer to one, and that was Railways. During 1869 the receipts were some £80,000, and during the first nine months of the present year the amount was only some £50,000. At any rate, the total receipts for the year would fall considerably short of the amount realised from that source last year; and he could see no reason whatever to expect that the receipts for 1871 would be largely in excess of 1869. Looking back on that year, it would be seen that there were large exceptional resources from which revenue was received. In consequence of the long drought of 1868, wool from the back country was detained, and kept arriving all through that year; and there was a large additional receipt from that source. The large quantity of fencing wire conveyed into the country was another exceptional source, as had been acknowledged by the Colonial Treasurer. The receipts from the carriage of tallow formed a third source of this character, the sum received being about £6,000, which was comparatively a large proportion of £80,000. The large quantity of sheep sent from Warrego and the far West, and converted into tallow, must also be taken into consideration. These were sources which could not be looked forward to for next year. Besides this, there was no increase of population on the western side of the Main Range. There was a little on the Downs, but it would not more than compensate for the falling off in the interior which had arisen from extensive fencing. Under all these circumstances, he could not see how the amount expected from railways could be made up. It was clear there were only two ways to make both ends meet. One was to reduce expenditure, and the other to increase the revenue; and the Government had chosen the latter course by the imposition of additional duties. He would have been glad if some information had been given as to the probable proceeds from these duties, as it would enable honorable members to arrive at a more equitable adjustment of the items of the proposed tariff; and he hoped that the Colonial Treasurer would supply as much information as possible on the matter on the following day. If the honorable member could state, alongside of his own proposed duties upon each article, the actual amount of duty received upon that article in 1869, it would greatly assist honorable members in

their calculations. His own impression was that the difference between the re-enactment of the additional custom duties as they now stood, and the adoption of the tariff proposed by the Government, would involve something like £50,000 extra expenditure. He believed the framework of the new tariff was the same as that which he had left on the table in the Treasury, the only alteration being in some of the figures. The principle on which he had prepared his tariff was this. He held the same objection to the *ad valorem* duty as the Colonial Treasurer—that it held out such temptation to fraud; and in order to avoid that, it was considered desirable to take out from the list of articles subject to that duty, as far as possible, every article sold by weight or measure, and to place fixed duties upon them, except in insignificant cases. There were a few other articles he should like to have taken out and placed on the fixed list; and there were others on which he would like to see the duty increased, in order to assist persons in producing them in the colony. Without going into the question at length, he would simply state his conviction that a duty which acted protectively, did not necessarily make an article dearer, except for a short time. For instance, the duty on sugar was protective as soon as the industry was started, and for some time the revenue would suffer; but, as soon as the article became an article of export, competition sprang up amongst the growers, which had the effect of reducing the price considerably, and the public were the gainers. It was the same with respect to other articles which could be produced and manufactured in the colony. The cost would for a time be greater, but the people would ultimately benefit by the reduction which would take place. It was, therefore, quite worth while to encourage the establishment of these industries, because, although until they become successful, the revenue suffered, and the money went into the pockets of the growers, yet, ultimately, the whole community benefitted. Colonial wine and tobacco were two other articles which were instances of this. They had not yet become articles of export, but he was glad to hear that both these industries were making good progress. The honorable member had stated that he did not like the duty on flour, and he (Mr. Stephens) could say that he was not very fond of it, but he had placed it in the tariff left in the Treasury, because no other articles were so universally consumed as flour and sugar, or in such equal proportions; and as the duty on the latter was being lost, and the revenue required some other duty to be substituted, it was therefore considered fair to impose it on flour. He hoped that honorable members would see it to be their duty to assist the honorable the Colonial Treasurer in cutting down the Estimates of Expenditure, with the view of rendering it unnecessary, as far as possible, to impose any additional taxation.

The COLONIAL SECRETARY said that he had no intention to refer at any length to the very fair and impartial speech of the honorable member for South Brisbane. He must say that he had never known a tariff, or financial statement, to be discussed in so liberal a spirit. It would be certainly going too far, for him, or any other member of the Ministry, to assert that the tariff was perfect; but he could assure the House that the Government had given to the subject their closest attention, and the tariff they now submitted to the House was, they considered, the best that, under existing circumstances, they could devise. The Government, however, did not mean to force the House to adopt it without affording due opportunity for considering it; and he must say that it would be too much to expect that the House should pass it without full consideration. The Government were therefore prepared to continue the discussion of the tariff during the present sitting, as far as might be convenient for honorable members, and adjourn it till next day; or to continue it till it might be brought to a close without adjournment. No great harm could occur to the revenue from the adjournment of the debate, as the tariff would be enforced throughout the colony, next day—pending, of course, the ultimate decision of the House. It was, however, desirable that the tariff should be passed as quickly as possible; because, until it was passed in some shape or other, merchants would neither buy nor sell, and so there would be, for a time, an almost complete stoppage of trade. That was the only reason the Government had for asking the House to pass the tariff without delay. While saying so he fully admitted the right of honorable members to be afforded every opportunity to look the matter fully in the face, in order that they might see exactly what they were asked to agree to. The only tax in the tariff with respect to the advisableness of which he had any doubts was the tax on flour. That tax would press very heavily upon him and others engaged in similar pursuits. Were he to consult his own feelings—and, he might say, his own pocket—he would object to the imposition of a tax on flour; but, as the revenue formerly derivable from the importation of sugar and rum had greatly decreased on account of the increased production of those articles in the colony, and as it was absolutely necessary to raise a certain amount of revenue, the Government knew of no better way of making good the deficiency than by imposing a small duty upon imported flour. The tax of twenty-five shillings per ton would not fall heavily upon the community generally, and it had the advantage that it could be collected at very little expense. He might say that the only class of the community who would feel it would be the large consumers—such as those engaged in pastoral pursuits. The amount expected to be raised from the tax on flour was somewhere about £20,000. The first portion of

the speech of the honorable member for South Brisbane to which he considered it necessary to refer was, where he stated that if the population of the colony was increased by fifty per cent. the taxation per head would be so greatly reduced as to be scarcely felt. Now, that would be all very well, if such increase of population could be obtained without expense from New South Wales or elsewhere; but if they had to pay £15 or £16 per head for 50,000 people coming here, he did not see how it would be possible to reduce the amount of taxation. The honorable member for South Brisbane had also alluded to the conduct of the Agent-General for Immigration in England. Now, as the honorable member for South Brisbane was a member of the Government that sent Mr. Douglas home, he might have spoken about him in gentler terms than he had done. He believed that Mr. Douglas had done the best he could to carry out the Immigration Act for the benefit of the colony; but there was no doubt he had made some very great mistakes, and no one could have more strongly told him so than he himself had done. The Act provided that every immigrant, on taking a passage, should pay a deposit of £8, and pay a further sum of £8 after arrival in the colony. But Mr. Douglas had in this matter overridden the provisions of the Act, and also his instructions, by sending out immigrants who had paid deposits of only £4 by the ship "Flying Cloud." Mr. Douglas had overridden the Act very considerably, and he had been told so. However, he had, no doubt, done the best he could for the colony; and it was very likely that, under the further instructions he had received, he would do a great deal better, but in another way. He had written very strongly to Mr. Douglas on the subject, and the deficiency in deposits by passengers by the "Flying Cloud" had been charged against his salary; but he did not very well see how the money was to be recovered, as it was arranged that Mr. Douglas should pay himself at home. He was sure the probable expenses of the head office could not have been duly considered when it was determined to appoint an Agent-General. Honorable members would perhaps be surprised to know that the expenses of the head office amounted to £5,000 per annum; which was greatly in excess of what was anticipated when the Immigration Act was passed. Under the previous system, with a payment of a salary to Mr. Wheeler of only £300, there were as many immigrants sent out to the colony as were wanted. The honorable member for South Brisbane also spoke of the proposed duty on flour as being a protective duty. Now, he could assure honorable members that the Government did not propose any tax on the ground of protection; for they believed that protection was a horse that had run its course, and was not likely to run again—at any rate in any civilised community. The Americans had found out that they had made a great mistake—at any rate

a great many of them had—in maintaining protective duties; and there was a growing tendency in America to substitute a free trade policy. If the Government thought that a tax of twenty-five shillings a ton upon flour would be looked upon as a protective duty they would be the first to wipe it out. The amount was so small that it could only be regarded as a revenue tax, and not as a protective duty. The tariff was now before honorable members, and if they were inclined to pass it that night, the Government would be willing to remain and have the question discussed as fully as might be considered necessary; but if, on the other hand, honorable members wished the debate to be adjourned, the Government would offer no objection, as it was their desire that the House should have every information on the subject, in order that the tariff might be discussed to the fullest extent.

Mr. BELL said he should be sorry to allow a debate on so important a subject to pass without taking part in it. He must say that it afforded him much satisfaction to hear the very clear and lucid statement made by the honorable the Colonial Treasurer; and, that, the more especially so, because the policy the honorable gentleman had enunciated on the part of the Government agreed in a great measure with the policy of honorable members who now sat on the Opposition benches. He had looked forward with much anxiety and interest, as no doubt every other honorable member had, for the financial statement; because a new tariff—and it was well known that a new tariff was to be proposed—if not based on just and equitable principles, might so alter the financial condition of a country, and especially the financial condition of a young colony, as to occasion very great loss both in time and money. He should not have thought it necessary to allude to the tariff as being a protectionist tariff but for some words that fell from the honorable gentleman at the head of the Government. It was well known that it was particularly characteristic of that honorable gentleman to call things by their right names—to call a spade a spade. Now, for his own part, he must say, with reference to the tariff submitted by the Government, that it would be a most beneficial one, and that especially because of its protective character. The honorable member for South Brisbane had expressed his satisfaction with the tariff, as well as he himself did. He must say that he found a great similarity between the tariff that was sketched out by the honorable member for South Brisbane when he was Colonial Treasurer, and the tariff that was now before the House. He would further admit that it was exactly the tariff which he advocated during his candidature for election. He had then with him a copy of the tariff which was left in the office by his honorable friend the member for South Brisbane, on his ceasing to hold the office of Treasurer, and he must say that he found

great similarity and exactness in the details of the two tariffs. While saying so, he must also state that he did not feel the same amount of satisfaction with the tariff as the honorable member for South Brisbane expressed, because he did not see that it would produce that amount of benefit to the revenue which he believed a proper protective duty would produce. He found that by the tariff list it was proposed to put a duty of twenty-five shillings a ton on flour. Now, flour was an article on which he would not himself be indisposed to place a tax. Indeed, if he had to sketch out a tariff, he would be disposed to place a tax of forty shillings per ton on flour; but, taking the whole of the present tariff into consideration, he thought the tax on flour should be left out. There was a certain amount required to be raised, and without wishing in any way to shirk the responsibility of the general question, or the unpopularity of placing a tax upon flour, he would rather omit that tax from the tariff at the present time, and endeavor to raise the required amount of taxation by increasing the *ad valorem* duties to twelve per cent. An *ad valorem* duty of twelve per cent. would increase the revenue by about £25,000 per annum. Now, that was more than the amount the honorable the Treasurer expected to raise from the duty on flour. As he understood, the amount the honorable gentleman expected to obtain from the tax on flour was only £21,000. He would, therefore, for revenue purposes, prefer leaving out the tax on flour for the present, and would rather increase the *ad valorem* duty to twelve per cent. As it was only in some districts of the colony that flour could be readily grown, the tax would not have an equitable application; and as the tax could not be regarded as a protective duty unless the sum were fixed at a very high figure, he would prefer that it was left out altogether, and that a higher tax should be placed upon other articles. He was pleased to hear the views that had been expressed by the honorable member for South Brisbane as to *ad valorem* duties, and the benefits that might be expected to accrue to a young and thinly peopled colony from *ad valorem* duties. For his own part, he had always been in favor of *ad valorem* duties, because he believed that not only were they easy of collection, but also that the principle was a just one. At the same time he admitted that they held out a strong temptation to dishonest persons to make dishonest declarations of the value of the goods they imported. He did not, however, see that there need be much difficulty in making provision to prevent such attempted evasions. There was no reason why, as he had seen it stated in one of the newspapers, the Government should not appoint an officer whose duty it would be to examine the prices current in England and other countries, and also in the neighboring colonies, and make those prices the standard by which the amount of *ad*

valorem duty should be charged. In that way a great deal of what was commonly called the salting of invoices would be done away with, and other dishonest practices in connection with importations put a stop to. No doubt there might still be a great amount of dishonesty practised, by goods of a different kind from those entered in the invoices being placed in the packages. But that again might be checked to a great extent by a number of packages, indiscriminately selected by the customs officer, being opened and examined. Now, by these or some similar means he thought the practice of salting invoices might be got rid of. He would also take the present opportunity of saying he was glad to find that the honorable the Treasurer did not take that gloomy view of the condition of the colony which was so frequently expressed, and that he considered the prospects of the colony were of such a nature as indicated improvement. But he must say that he was unable to reconcile that opinion with the views which had been expressed by the honorable member for Maryborough, the Minister for Works, nor, he might say, with the views expressed by honorable members of the Government generally at the meeting of the House last session. It was not his intention to go into the figures of the financial statement, as he had not—as in the case of the honorable the Treasurer and the honorable member for South Brisbane—had an opportunity of studying them. He should be very glad to accept the proposal of the Government to defer further discussion on the question until the Customs Duties Bill was laid before the House. If the debate as to the policy of the tariff could be finished to-night, the Customs Bill embodying its provisions could be dealt with on the following day, and he for one would be glad to give what assistance he could to accomplish that object.

Mr. KING said that before offering any comments on the tariff submitted to their notice, some items in which he hoped to see amended, he would make a few observations on statements made by the honorable the Colonial Treasurer, and honorable members who had followed him, in their speeches. The honorable member for South Brisbane had made some remarks about immigration and the advisability of increasing the population. With reference to this, he would only say that no doubt the question of immigration would be fully discussed when the vote for that purpose came before the House in committee, and he would therefore say no more about it at present. In his speech that evening, the honorable the Treasurer had anticipated some of the objections which might be urged against his tariff. He had said that some honorable members might have preferred a land tax, and he then proceeded to argue that such a tax could not be proposed without committing a breach of faith towards the purchasers of land. Now, he

(Mr. King) could not allow such an assertion to go uncontradicted. He protested against the idea that land was exempt from any of the charges which, for the necessities of the country, were obliged to be levied on property in general. Crown lands, when sold, became private property, and, like all other property, were liable to taxation. The principle enunciated by the Treasurer was directly contrary to that acted upon in the United Kingdom, where land was more heavily taxed than any other description of property; and the argument used to justify that was, that landed proprietors, being tied to the country, were more interested in preserving the peace and good order of the country than any other class. He protested against its being asserted in that House that the imposition of a land tax would be in any way a breach of the public faith. The honorable Treasurer had also said that a land tax would scare emigrants from coming amongst them. Now, he (Mr. King) did not believe that emigrants would be at all frightened by it; and he was sure that when they had been a very short time in the country, they would see the great benefit they would derive from a tax which would compel holders of land to cultivate or occupy it, instead of holding it waste and leaving it to increase in value from the labor of the surrounding settlers. It appeared to him that the mention of a land tax was very unwelcome to several honorable members on both sides of the House, and he was glad to see the trepidation they evinced whenever that subject was named; for the number of members who hoped to see that tax carried was at present small, and they might despair of ever attaining their end if they did not see the evident panic which the words land tax produced among the large landowners on both sides of that House. Before proceeding to point out those items of the tariff to which he objected, he would ask honorable members to call to mind the peculiar position and circumstances of the colony for which they were about to legislate. The extent of this colony was so vast and the circumstances of its different districts so various, that measures which would be very advantageous at one end of the colony might be most injurious at the other, and he hoped that honorable members would not support a taxation which, though possibly advantageous to the southern districts, would be ruinous and unjust to the North. The items of the tariff to which he objected were those which enumerated potatoes, onions, corn, hay, chaff, and flour amongst the dutiable goods. He particularly objected to those articles being taxed, because the impost would fall only on a small portion of the colonists, and those belonging to a class which should not be specially taxed. He would point out that the tax on the articles he had named would fall almost entirely on the mining population and on the dwellers in towns; for as a matter of

course, the agricultural population would not require to purchase these articles, whilst the squatters might possibly send a bag of maize and one of potatoes up to their stations once in twelve months, but not oftener; and thus the whole taxation under these items would fall on the miners and townspeople. With regard to the tax upon coal, he thought it was perhaps of little importance; and yet it was not advisable to do anything which might increase the cost of their coasting trade, or in any way impede its free development. The small profit which local owners of coal pits might make by the exclusion of New South Wales coal, was not to be compared with the loss to the colony if this tax should hinder the proper extension of the steam coasting trade. The last clause of the section of the tariff to which he was alluding contained the *ad valorem* duties at the present rate on all goods not specially enumerated. Now, he must call the attention of the House to the fact, that for a long time the gold miners in the colony had been laboring under a great grievance. Machinery for making sugar had been admitted duty free, whilst the *ad valorem* duty was charged on quartz crushing machinery. The members of two different governments, who had visited Gympie, had promised that the duty should be taken off quartz crushing machinery, and he hoped that they would now act up to their promises. He saw that sugar machinery was to pay duty under the new tariff, and he did not come to them with the plea that as gold mining machinery had been unfairly taxed for some years, it should now go free, whilst other machinery was taxed, although he might use that argument if he pleased, but he asked them to admit gold mining machinery free of duty, on the ground that they would thereby increase the revenue. The great want and the great difficulty which miners in Northern Queensland had now to contend with, was the want of machinery, and the expenses of its introduction were so enormous, that the addition of the *ad valorem* duty was a very serious addition to the cost. The *ad valorem* duty on a large machine would amount to about £500; but such a machine, when once erected on a gold field, would find work and employment for one thousand men, and would thereby increase the revenue to a very large amount. He would, therefore, offer every encouragement to the erection of those machines, and as a matter of public policy would vote against taxing them. He might state that in opposing this tax he was perfectly disinterested, since he was already a machine proprietor, and the present taxation was to him a protective one. For the reasons he had given, he would oppose those items of the tariff which he had mentioned.

Mr. DE SATGE said he wished to take the opportunity the present discussion afforded him of directing the attention of honorable members to the very unfair way in which the northern districts of the colony were treated in the matter of railways. He found that

there were two millions of money expended in the construction of railways in the southern portion of the colony, while only one-seventh of that amount was expended in the construction of railways in the North. As regarded immigration, the northern districts derived scarcely any benefit whatever. The customs revenue derived from the North amounted to £150,000, or about half of the whole of the revenue derived from the customs. The amount contributed to the revenue by the sale of lands in the North, was not so large as that contributed by the South; but the amount contributed by pastoral tenants in the North, amounted to two-thirds of the whole that was obtained from the leasing of lands for pastoral purposes. He thought, that considering the large amount of money that was paid into the Treasury by the North, and contrasting it with the small amount that was spent in the North in the making of railways, and the very few immigrants that were sent to the northern ports, would tend to increase the discontent that at present existed. He thought that when the House came to deal with the question of financial separation, it would be found that the southern portion of the colony was under a very heavy burden of debt to the northern portion. With regard to the proposed tariff, it seemed to him to be, on the whole, satisfactory; and he might say that he was particularly pleased to see that salt was one of the articles to be exempted from duty; for he believed, and no doubt many honorable members agreed with him in the belief, that the preservation and exportation of meat would shortly become one of the most important interests in the colony.

Mr. THORN said he wished to refer to what had fallen from the honorable member for Wide Bay. If that honorable member had his way he would tax everything, except those articles that were required at the diggings. The House was asked to increase the revenue by an increase of taxation, and to diminish expenditure by reductions. The honorable the Treasurer preferred the former course, and the honorable member for South Brisbane the latter. He, Mr. Thorn, thought that the Treasurer might have used his pruning knife a little more effectively in reducing expenses. He thought five per cent. ought not to be taken off all salaries, but that a sliding scale should be adopted, and that those with high salaries should be reduced ten per cent. A civil servant with £300 or £400 a year, was far better off than a squatter in the Maranoa or Warrego, with his thirty or forty thousand sheep. Besides, the civil servants ought to submit with a good grace to reductions, for the houses they were paying two or three pounds a week for at one time, could now be had for almost as many shillings. With regard to the new tariff, the most objectionable part, he thought, was the proposed tax on flour, and he should be obliged to oppose it; but he would suggest a substitute for the amount

the Treasurer proposed to make up by the tax on flour, namely £21,000. In the first place, he would raise the railway fares fifty per cent. He knew from experience that the reduced fares had not increased the number of passengers, and never would. A certain number of people always travelled by railways, whether the fares were high or low. The farmers, he was sorry to say, did not patronise the railway, and would not, he was sure, though the fares were lower; but he would suggest that there should be a very cheap excursion train for them once a week, to enable them to take their produce to market. The increased fares, as he suggested, would amount to nearly £6,000 a year. Then he would also suggest an *ad valorem* duty of twelve and a-half per cent. on toys, watches, millinery, fancy goods, glasses, saddlery, carriages, &c. That would, with the amount taken from civil servants, and doubling a few of the specific duties, bring up the amount—£21,000. He felt certain the whole colony would cry out against the proposed tax on tea and flour. A land tax had been hinted at, and that he would always oppose, except for the purposes of revenue. However, he did not think the time was far distant when a tax would be imposed for road-board purposes perhaps, after the Minister for Works had wisely expended the amount he proposed to borrow for road-making throughout the colony. A very heavy item of £55,000 was annually spent for immigration. A large portion of that amount might be saved if Mr. Wheeler was appointed Agent-General instead of Mr. Douglas, who, he thought, was not doing his duty. Honorable members never heard of him lecturing or advancing the colony in the same way that Mr. Jordan or Mr. Wheeler did. It seemed that he sat in his office, enjoying the sweets of the office, without doing any work. Mr. Wheeler had sent out immigrants with money, but Mr. Douglas had not done so. Those Mr. Douglas had sent out, had all, or almost all, left for the other colonies, there being no employment for them here, and they had no money to enable them to settle on the land with. The Queensland gold fields had been attractive, and a good gold field he looked upon as the best attraction for immigration so far as the colony was concerned; but the gold fields had cost an enormous amount to keep them up. In 1868, the year when the expenditure exceeded the revenue by nearly £150,000, most of the amount was spent on the gold fields. They must not, therefore, look upon the gold mining interest with the same unalloyed satisfaction that they did respecting settlement on the lands. The raising of products was an industry which required fostering and looking after, and he thought the honorable member for Wide Bay would look well after it. He thought the Treasurer's deficiency for the present year would not be so great as he imagined; and he thought the railway receipts would

amount to at least £10,000 more than he had set them down at. On account of the wet weather, shearing operations had been greatly delayed, and hence the small amount for carriage up to the present time; but from the present time produce was certain to come down faster. He would speak as to the tariff when the Bill was under discussion, and would probably suggest a few alterations. He was glad the Treasurer did not intend to borrow more for railway purposes. No less than thirty-three per cent. of the revenue went to pay interest on loans already contracted for railway purposes.

Mr. HALY said he did not think it would be fair for him to give a silent vote on the new tariff. No doubt, taxation for any purpose was a very difficult subject to deal with, no matter what Government might be in power: when they came to propose taxation, people were generally found opposed to it in some way. The opinions which the House had heard expressed this evening were a proof of it. Taxation was unpleasant, and every one tried to avoid it as far as he could. He had looked over the tariff, and he considered it the fairest that was ever before the House; though he must say his mind was not at rest on the question of taxing flour. There was a good deal to be said, both for and against it. If he could think the duty on flour was meant as a kind of encouragement to the introduction of a new industry into the colony, he should certainly oppose it; but he could not think that. He had heard that the Darling Downs grew beautiful wheat, but he saw nothing of it. If it was the case, there would be thousands and thousands of tons of flour coming down—as soon as the railway to Warwick was made. That was what used to be said. But he did not think we should ever see it realised. He had heard glorious accounts of that wheat country; but he did not see that the people settled there thought so favorably of it as it used to be reported. They had the railway, and he did not see that the people had done anything with it. For his own part, he did not think for one moment that they would produce cereals to supply the people of the colony. But he would not make up his mind which way he should vote until he heard from other honorable members who were better acquainted with the agricultural capabilities of the Downs than he was, and who could, perhaps, inform him whether wheat could be profitably grown there. As regarded what had fallen from the honorable member for Wide Bay about taxing land, he took a very unfavorable and different view of that question. He could assure the House that he had purchased only 320 acres of land on his own station, and he was very sorry he ever purchased that. He did not intend to purchase any more. So far, then, as he was concerned, he could act independently. But if we had millions upon millions of acres of land for sale, and we put

a tax on that land when alienated from the Crown, how could we expect to dispose of it? That was the question which always stared him in the face. If all the Crown land was sold, and then a tax were put upon it for revenue, he could see the sense of it; but until it was sold he did not see how the honorable gentleman could justify a land tax. Let the honorable member tax the squatters who had supported the making of the railway. He (Mr. Haly) always opposed it in every shape and form, and he would do so again. Though by making the Darling Downs pay, which reaped the benefit of it—and he very much doubted himself that it did reap the benefit which people attributed to it—he did not see that it would be a wise step, when there was so much waste land in the market. The taxation of butter, cheese, bacon, and hams, by a fixed duty, might be questioned; but if those things could be produced in the South, well and good; and he did not see why they should not be taxed. If they could be produced in the South, so they could in the North, where, as he had heard—he did not speak from personal experience—there was superior land. He did not see why the House should be afraid of taxing any one; and it was not because certain persons happened to be the mining population that they should not be taxed. He should like, as much as any man, to see the mining population succeed; but, at the same time, it was known that the miners would leave the colony and rush to another part of Australia, if inducement offered, at any moment. Therefore, he did not see why the House should make laws to protect them so much when they were not a settled population. He would give them every fair play, but taxation must be. Three millions of debt had to be provided for, and there must be taxation. Except upon flour he did not see how the House could help it. He was not a mercantile man; but he should very much like to see the tariff carried out.

On the motion of the COLONIAL SECRETARY, the House resumed and the Chairman reported progress. Leave was given to the Committee to sit to-morrow, the debate on Ways and Means to have precedence of all other business.