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David Scott Mitchell.

The Fiscal

Superstition

BY

MAX HIRSCH.

*Credulity is the passive cause as
deception is the active cause of
human misery. For Deception alone
can win the consent of a people to
its own spoliation.*



MELBOURNE :

L. W. COLE, BOOK ARCADE, BOURKE STREET.

SYDNEY :

333 GEORGE STREET.

ADELAIDE :

72 RUNDLE STREET.

1895.

D. Mitchell.

THE
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PREFACE.

FOR some time past frequent requests have reached me from all parts of the country, for information on concrete points of the Free-trade doctrine, and for facts exhibiting the influence of the protective system on the condition of the people of Victoria. These demands upon my time have become so numerous, and the response to them has necessarily been so partial, that I resolved to publish a short statement of the case for Free-trade in our colony. As happens not infrequently under similar circumstances, the work grew under my hands, until it expanded into the small volume which I herewith present to my readers.

The facts which it contains have been carefully collected and examined, and are reliable. In a great many instances they have been furnished by representative Protectionists, and by the leading Protectionist journal. They are thus vouched for by unwilling witnesses, and, therefore, bear all the authority which arises from a strong motive to suppress them. In no instance have I based my case upon the evidence of Free-trade partisans.

The statistics are mainly collected from the publications of Mr. H. H. Hayter, the Statistician of Victoria, and from those of Mr. T. A. Coghlan, who fills the same position in New South Wales. When not otherwise distinguished, they are taken from these works, *i.e.*, *Hayter's Victorian Year Book*; *The Statistical Register of*

PREFACE.

Victoria ; The Statistical Register of New South Wales ; The Wealth and Progress of New South Wales ; and The Seven Colonies of Australasia.

Most of the arguments adduced are, of necessity, the commonplaces of economic science. They may, however, derive some new interest from the fact, that I am in the fortunate position to support them by the unwilling and unconscious testimony of leading Protectionists, speakers as well as writers, who, when on their guard, habitually deride them. In the last chapter I venture to exhibit a few of the many startling contradictions in which the advocates of Protection habitually indulge.

Though this book is written primarily for the purpose of supplying facts and arguments to those who may wish to assist in the pending struggle for freedom of trade, I nevertheless venture to hope that it may attract other readers as well ; that it may exercise some influence on their political convictions and actions ; and that it may thus contribute towards the overthrow of the pernicious system of monopoly, which hides itself under the euphonious name of "Protection."

I have to render hearty thanks to numerous friends for information which they kindly supplied to me, and especially to Mr. A. Salaman, late Hon. Secretary of the Free-trade Democratic Association of Victoria, to whose kindness I owe most of the material contained in chapter V.

MAX HIRSCH.

MELBOURNE, *January 1st, 1895.*

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THE FISCAL SUPERSTITION.

CHAPTER I.

PROTECTION AND PRICES.

THE foremost demand of the advocates of the Protective system is, that duties shall be placed on all foreign goods which can be made within the country, so as "to prevent the local market from being flooded with such goods," and in order to protect local makers from being undersold by foreign makers. The exclusion of any kind of goods from our market, it is obvious, must make such goods more scarce than they otherwise would be ; and it is equally obvious that scarcity increases, just as abundance reduces, the price of goods. Hence it follows that Protection aims at producing a scarcity of certain goods, in order to increase their price.

Protection, therefore, is a measure opposed to human progress. For all such progress tends in the opposite direction—in the direction of producing an abundance of all the good things of life. Every invention and every discovery, every advance in the arts and sciences, tends to increase the power of human labour in the production of goods, and therefore, to make goods more abundant. Protection declares all this progress to be a mistake. Not abundance, but scarcity is its object. It is therefore an anti-social and retrogressive system.

Moreover, Protection can only succeed in producing a scarcity of some goods ; by no means can it produce a scarcity of all goods. In Victoria it can succeed in producing a scarcity of manufactured goods, which we import ; but it cannot produce a scarcity of agricultural and pastoral produce, which we export, unless it succeeds in driving the bulk of our agricultural and pastoral producers from their fields. These producers, therefore, are compelled to purchase manufactured goods, made artificially scarce, with produce of which there is an abundance ; consequently, they are compelled to give a larger quantity of their produce for such manufactured goods than they would be obliged to do, if the latter were not made scarce. The price of manufactured goods to them is increased.

Protectionists, however, strenuously maintain that this natural and inevitable result does not flow from their policy.

While asserting that foreign goods are cheaper than similar goods locally made, because they are made "by pauper labour," and that "our manufacturers could not compete against pauper-made goods," they nevertheless contend that protective duties do not increase the price of the goods on which they are levied. This is a manifest contradiction, for if foreign goods continue to be sold at the ordinary price in spite of the duty, then the duty cannot protect, and our manufacturers are exposed to the same competition of "pauper-made goods," as before the duties were imposed. They are driven into this illogical contention by sheer necessity, for if it were once admitted that protective duties on manufactured goods tend to increase their price to our people, and generally do increase it, the entire Free-trade position would be conceded. For if the protective duties do increase the price of manufactured articles, then they must reduce wages, both the purchasing power and the rate of wages ; then they must curtail the opportunities of employment and impoverish the community ; then they must fall with special severity on those industries which cannot be protected, and in which nevertheless, the vast majority of the people are engaged.

This necessary consequence is so clearly apprehended by intelligent Protectionists, that Mr. W. A. Trenwith, M.L.A., the present leader of that party, committed himself to the following declaration.

Speaking in the Legislative Assembly on October 11th, 1892, he said :—

“I am one of those Protectionists who hold that a protective duty is not a tax which the consumer pays at all ; that where the duty does not keep the imported article out, it is paid by the person who desires to dispose of the imported article, and therefore is a tax upon the foreigner who uses our market. It is only because I am a Protectionist of that kind, that I support Protection at all. If I thought Protection was a tax in any case, I would oppose it altogether.”

As it is a bad rule which does not work both ways, it follows, if Mr. Trenwith is right, that protective duties in foreign countries on goods exported from Victoria must be paid by Victorian producers. In that case the American purchasers of wool who compete with the English buyers in the Melbourne auction rooms, would be entitled to deduct the American duty on wool from the price which they offer. The auctioneer would accept a lower price from the American than from the English bidder. Similarly, our farmers would receive a lower price for any wheat shipped to France or Germany, than for wheat shipped to England. To use the Macaulayan phrase, every schoolboy knows that this is not the case, and that this theory therefore, is one of the many protectionist theories which are not based on any authenticated facts, but are evolved from the inner consciousness of their promulgators.

Moreover, with that facility for contradicting themselves to which mere theorists are generally addicted, Mr. Trenwith made another declaration on November 2nd of the same year, less than a month afterwards, in which he laid it down with equal emphasis, that it is not “the person who desires to dispose of the imported article,” but the person who

desires to acquire it, *i.e.*, the consumer, who pays the duty on imported goods (see page 24).

As this question of the influence of protective duties on the prices of manufactured goods is the central point of the fiscal controversy, I have collected ample proofs to show that such duties invariably tend to increase the prices both of imported and home-made goods. Cases may be quoted in which the duty apparently has failed to have this effect. In every such case, however, it will be found that some counteracting element is left out of the calculation. For instance, it is often said that prices of protected goods are lower now than in Free-trade times. This is no doubt largely true; but it is more largely true of goods which never have been protected, and of prices in Free-trade countries, than of protected goods in protective countries. This general fall in prices is due to the greater application of labour-saving appliances in production and transportation which have so largely reduced the cost of producing commodities, that the consequent fall in price generally exceeds the increase in price due to protective duties.

This is fully admitted by the Protectionists, at least occasionally. *The Age*, on June 14th, 1894, wrote:—

“An honest Protectionist is bound to admit that the fall of prices has been universal the globe over, consequent on the disastrous appreciation of gold, and the improvements in machinery.”

And again on October 8th, 1894, *The Age* said:—

“The value of commodities, during the last few years, has fallen all over the world in a remarkable way.”

The Leader, on April 14th, 1894, wrote:—

“There has been a general fall in commodities throughout the world, but that has nothing to do with Protection.”

Nevertheless, these Protectionist papers do not hesitate to credit Protection with this fall in prices, whenever it suits them to do so.

It is also claimed that local competition, fostered by Protection, reduces prices below the level of what imported goods would be sold for, free of duty. If this were true, the

continuance of protective duties would not be insisted upon by manufacturers themselves. As their evidence quoted in the sequel shows, protective duties largely increase the cost of their machinery and materials, and thus place them at a disadvantage as compared with the foreign manufacturer. If, then, local competition did compel them to sell at lower prices than English manufacturers are willing to do in the absence of any duty, they could do so with greater profit to themselves if the protective system were abolished. If it were true, they could beat their English rivals not only in our market, but in all the markets of the world, without the assistance of any protective duties, and the removal of the latter would enable them to beat their English and other rivals still more thoroughly. Hence, this assertion is contradicted by the dwindling away of our export trade in manufactured goods ; by the manufacturers' clamour for the continuance and even increase of protective duties ; and by their own evidence quoted in the sequel that protective duties increase the price of the imported, as well as of the locally-made machinery and material which they have to buy.

In addition it may be pointed out that protective duties are expressly imposed for limiting importation and its price-reducing influence. Its avowed object is to limit competition to the rivalry of local makers. As long as these makers stop short of adding the full equivalent of a duty to their price, the foreign manufacturer, upon whose goods these duties have to be paid, cannot compete with them. By agreement among themselves, the local protected makers can keep up the price of their products to a point just below that at which foreign competition would become possible. In that case the home-made goods are made dearer than similar imported goods by nearly the full extent of the duty. Protected manufacturers are not slow to take advantage of this circumstance. In every protected country they have formed "rings" and "trusts" for the purpose of limiting production—*i.e.*, employment—and increasing prices, and have been uniformly successful in this purpose. In Free-trade countries on the other hand, such combinations have been rarely

attempted, and have never been successful.

In our own colony, the expected competition between protected manufacturers has in many cases been prevented altogether, partly by the formation of such "rings" and "trusts," and partly by the fact that in many industries one factory suffices to supply much more than the small requirements of the local market. Unless, therefore, this one factory were good enough to compete with itself, no such competition could arise in its case. It is naturally difficult to penetrate the secrecy in which arrangements between a few manufacturers are shrouded. I am therefore unable to give more than a limited list of "rings" in Victoria. There can, however, be little doubt that a good many more such arrangements exist.

PROTECTED MANUFACTURERS

Having formed "rings" or other arrangements to prevent competition and a lowering of prices:

CIGARETTE FACTORIES—Combined under the title of "The American Tobacco Company," which is now the sole manufacturer of cigarettes.

SUGAR REFINERIES—Combined under the title of "The Colonial Sugar Company," which is now the sole sugar refinery in the colony.

REAPER AND BINDER TWINE FACTORIES (2)—Have agreed among themselves on the price to be charged for their products.

WIRE NAIL FACTORIES (2)—Quote the same price, and evidently act under agreement. They do, however, compete to some extent with a third factory which has lately been re-opened.

SHOT MANUFACTURERS (2)—Quote the same price, and evidently act under agreement.

PROTECTED TRADES

In which only one Factory exists in the Colony:

Barbed Wire Factory	Lamp Factory
Ammunition and Cartridge Factory	Lens (Glass) Factory Paper Mills

Champagne Factory	Safety Fuse Factory
Die Sinking	Salt Refining Works
Glass Bevelling and Cutting	Varnish Factory
Gas Meter Works	Water Meter Factory
Gunpowder Factory	Wheelbarrow Factory
Dynamite Factory	Candle Works

NOTE.—In addition, it must be noted that many other factories make specialities, which are not made by other factories of the same kind, because the local demand is too small to encourage competition.

There are, however, instances here and there in which the price of goods is but slightly increased even by high protective duties. The only case of this kind which I know to exist in Victoria, is in the boot trade. The lower class of boots is nearly as cheap in Victoria as in New South Wales. The reason for this exception (and it applies to every such case) is, however, obvious. Very little capital is required for making the cheapest class of boots ; hence, when their price is increased through protective duties, or when such a prospect is held out to them, numbers of operatives set up as manufacturers, and take apprentices. Soon the market is overstocked, and prices begin to fall, the competition among the operatives, whose number has grown excessive, enables the small masters to reduce wages and prolong hours, and the inevitable and invariable outcome is a highly developed system of "sweating." When dealing with "wages," I shall furnish proofs of the "sweating" practised in the Victorian boot trade.

Whenever a protective duty fails to largely increase the price of the protected goods manufactured within the country, it will invariably be found that little capital is required in such a trade ; that many more manufacturers have engaged in the industry than the requirements of the market justify ; that therefore they can no longer combine to keep up prices, and instead combine to "sweat" their operatives—and that after all, their goods are not as cheap as if they were not protected, and decent wages were paid. For even in these

cases the increased cost of the protected machinery and material usually exceeds the reduction in wages.

There is, however, still another theory by which Protectionists try to establish the price-lowering influence of protective duties. It is exemplified in a statement made by Mr. Trenwith, at Collingwood, on the 2nd of July, 1892 (*Age* report): "Protection lowers prices by doing away with the middle-men. Without protection, the importer stood between the manufacturer abroad and the consumer at home and demanded his own price."

In order to establish this theory, it would be necessary to show: 1st., that imported goods generally pass through more hands than similar goods locally made; 2nd., that the saving (if any) was allowed to go to the consumers, and was not retained by the manufacturers. No attempt has ever been made to do this, it being much more convenient to assume it. As a matter of fact, the assumption is wrong in most instances. Thus Mr. George Bruce, Chairman of the Denton Hat Mills, in the course of a discussion carried on in the *Argus*, replied as follows to an enquiry whether it was true that the Denton Hat Mills refused to deal with retailers and confined its trade to Flinders Lane Houses:—"The Denton Hat Mills are manufacturers, not distributors, and they properly leave the distribution to the wholesale." (*Argus*, 18/10/1894).

English hat manufacturers, on the contrary, are prepared to supply—and actually do supply—our retailers direct, the orders being transmitted through agents, who receive a small commission.

Such agents are acting on behalf of English manufacturers of woollen cloth, boots, and many other commodities; whereas our own woollen mills and many boot manufacturers deal almost exclusively with importing houses. Even those of our manufacturers who deal with retailers direct, do so on different terms than they are willing to grant to the importing houses who buy large quantities. For instance, the makers of reaper and binder twine, of wire nails, and of barbed wire, give large discounts to importers over and

above what they give to retailers. Hence, this argument, like most others put forward by the advocates of Protection, is a mere creature of the imagination, having no real existence.

The above considerations also dispose of the contention that local manufacturers compete with the importers, an argument which is absolutely ludicrous when it is remembered that large numbers of protected factories are owned by the very importers with whom they are expected to compete.

As a matter of fact, however, Protection gives a monopoly to the wealthy importing houses, as well as to manufacturers, and drives many retailers into the arms of the middlemen, who would otherwise deal with the English and other foreign manufacturers. The reason for this outcome of a policy, which was conceived to achieve the opposite results is this: English and foreign manufacturers are perfectly willing to give credit to importers and retailers of good repute and some capital, for the goods which they purchase. They, however, refuse to pay the duties and give credit for this outlay of cash. Consequently the cash for payment of duty must be furnished by the buyers themselves. The smaller capitalists among importers and shopkeepers can rarely afford to do this, and the capital required for the importation of the same goods is much larger than if there were no duties. Hence, the smaller capitalists are kept out of the importing trade, and the bulk of retailers are compelled to purchase from the importing middlemen. Not only is the trade of the importers increased, but the competition among them is largely reduced. In spite of the fact that our imports are three times as large as in the pre-protection times, the number of importing houses has gradually become less and is still decreasing. The smaller Importers have been, and are still being squeezed out, and the trade is becoming more and more the monopoly of a few wealthy houses, through the direct action of the protective system.

In addition to the evidence produced in support of the above contentions, proofs will also be given that protective duties on farm produce fail to increase the price of any kind

of such produce, as soon as its production exceeds the limited requirements of the local market ; and that the protective system as a whole largely reduces the price which our farmers receive for their productions.

PROTECTIVE DUTIES INCREASE THE PRICE OF MANUFACTURED GOODS.

1 *Manufacturers admit that they want Protection because foreign goods are too cheap, and not because they are too dear.*

MR. E. NOBLE, Juvenile Clothing and Cap Manufacturer, Drummond Street, Carlton, giving evidence at the Chamber of Manufacturers, in 1892, said :—

“Owing to the foreign competition he had to greatly cut down his prices. A duty of 60 or 70 per cent. was needed in order to protect his industry.”

MR. W. H. HICKS, of Messrs. McCulloch, Gray and Co., Stove Manufacturers, Little Collins Street, said, on the same occasion :—

“Recently a stove was produced to run the imported article out of the market. Three were sent home as patterns, and similar stoves were now quoted at 10/- less than the locally-made article, though the duty was 35 per cent. *The imported stove should be made too dear to buy.*”

MR. H. A. CAWKWELL, Tile Manufacturer, Malvern, on the same occasion, said :—

“They could import tiles at the rate of 8/6 per yard, and the local market could not compete at that price. There was a duty of 20 per cent. already, but it was insufficient *owing to the greater difficulty in preparing the Victorian tile.* “If a duty of 30 to 35 per cent. were imposed, they could hold their own.”

MR. WILLIAM HENRY GREGORY, Saw Maker, at the same enquiry, said :—

“He could not manufacture as cheaply as the European producer, therefore he was compelled to import himself.

“If a duty of 25 per cent. was imposed on all kinds of knives and saws, their manufacture could be carried on successfully.”

MR. F. W. NIVEN, Lithographer, Ballarat, on the same occasion, said :—

“He had made labels for Melbourne firms at 11/- per 1000, until American firms brought down the price to 8/6. After he had imported machinery to compete with the latter, a German house stepped in at 30 per cent. less. A duty of from 50 to 70 per cent. was wanted to stop this kind of thing.”

MR. DAVID MITCHELL, Cement Manufacturer, sent a circular letter to the members of the Legislative Assembly, dated August 15, 1892, containing the following statements :

“The nature of the English materials (for the manufacture of cement) permits of the adoption in that country of the cheapest method of manufacture yet devised, viz. : the wet process, whereas the intractability of the raw materials used in the colonies, necessitates the adoption of the more laborious dry process ; or still more elaborate and costly double-kilning process . . . the lime stone itself, because of its hard structure, is necessarily much more costly to obtain than the soft and easily quarried chalk used on the Thames. In addition to this, the colonial maker has to pay a duty of 45 per cent. *ad valorem*, plus freight and other charges, on any special machinery he may have to import for the purposes of his manufacture. Taking the selling price of cement in England at 5/6 per cask, and in Melbourne, with present duty (1/8 per cask) at 11/4½, *an increase of duty to 3/- per cask will raise the price to only 12/8.*”

2. *Protected Manufacturers admit that Protective Duties have increased prices.*

The following extracts are taken from evidence given on oath before the Parliamentary Tariff Board in 1894.

MR. FREDERICK T. Derham, of Messrs. Swallow and Ariell, Biscuit Manufacturers, said :—

“He wished a reduction of duties as regarded raw materials. If the whole of the duties on the materials used by his firm were abolished, the firm would be willing to forego the duties on its manufactured articles. *The high tariff had the effect of penning the firm up in this colony.*”

MR. JOHN WM. CHAPHAM, of the Victoria Carriage Company, Coachbuilders, said :—

“He was deputed to give evidence on behalf of the coach-building trade. The duty on half-patent axles should be reduced from 3/- to 1/- an arm, and the duties on bolts, nuts, and carriage cloth should be abolished. In that case, the trade would agree to a reduction of 50 per cent. in the duties on vehicles.”

MR. JOHN STRICKLAND, Coachbuilder, said :—

“The duties increased the cost of repairs (as well as of vehicles). A mail patent axle costing 13/10 at home, was sold here at 31/-; 1½ in. axles costing 18/- at home, were sold here at 42/6, the duty being 14/-; carriage cloth costing 9/- a yard at Bradford, cost 16/- here. *He would have no objection to the abolition of duties on vehicles if the duties on the material were removed.*”

MR. GEORGE MCLENNAN, of Messrs. Henry Box and Son, Limited, said :—

“If they made a profit of 25 per cent. they could sell for 9/- the axles, for which they had now to charge 22/6, provided the duty on axles was removed. They sold largely colonial made axles.”

MR. F. W. REID, Proprietor Hawthorn Leather Works, in reply to Mr. McKenzie, M.L.A., said :—

“*Of course the duties enabled manufacturers to charge more than if there were none.* It would be a serious loss to the trade if the duties were reduced at present.”

MR. WM. T. GREENWOOD, of Messrs. Beddgood and Company, Boot Manufacturers, said :—

“The tariff interfered with their business by increasing the price of material, plant, and machinery. Their

“machinery, though made locally, cost them more on account of Protection. A reduction in the duty would enable them to reduce the price to the consumer, and would increase the work and wages of the employees. *Colonial boots were cheaper in New South Wales than in Victoria.*”

On the 24th of August, 1892, a deputation of manufacturers of cardboard boxes waited on the Treasurer, asking that the duty on strawboards should be reduced from £4 to £2 per ton, on the ground that the duty increased the price of this, their raw material. (Strawboards are manufactured in the colony).

The clothing and mantle manufacturers issued a circular letter to the members of the Legislative Assembly on the 27th December, 1892, containing the following resolution :

“That we are prepared for a reduction of duty on apparel, provided a corresponding reduction of duty takes place on woollens in the piece. That whatever the duty on woollen goods may be, it is absolutely necessary, for the preservation of our industry, that the duty on clothing be 10 per cent. higher.”

The Tailors' Union passed the following resolution at a special meeting held in the Trades' Hall on July 17th, 1893 :—

“That this society considers the 40 per cent. duty on woollens is excessive, and most oppressive to our trade, and should be reduced to 20 per cent., and that we solicit the co-operation of the master tailors to form a joint deputation to wait upon the Minister of Customs.”

The Age, of the 10th October, 1894, published the following account of an interview between Messrs. Trenwith and Bennett, M's.L.A., and Mr. J. Bell on the one hand, and the Minister of Customs on the other :—

“Mr. Bell, who was accompanied by Messrs. Bennett and Trenwith, M's.L.A., asked that the duty on the machinery for the industry (the manufacture of wax matches) should be remitted. The value of the plant would be about £500,

“on which the duty would come to about £175. It was stated that owing to the competition of Belgium and Italy in match manufacture, the English maker could not work the Australian market with any profit, and Mr. Bell accordingly desires to establish the industry here. There was also a question as to the cardboard boxes, which Mr. Bell wanted to get imported free, as they could not be made in the colony for some years to come *at a price that could be entertained. The material alone would cost more here than the complete boxes in England.*”

On the 17th October, 1894, the *Age* published an account of a deputation of the Amalgamated Society of Engineers, who waited on the Minister of Customs to protest against the importation, free of duty, of the machinery required by Mr. Bell, on the plea that it could be manufactured in the colony. The Minister adopted this view, and refused Mr. Bell's application.

MR. HART, Manager of the Foster Lager Beer Brewing Company, a highly protected industry, waited on the Minister of Customs on the 26th of June, 1894, asking that the bottles in which their beer was exported should be admitted duty free. They could get these bottles manufactured in Sydney at 4/6 a gross, whereas locally they cost 21/- a gross. The difference in these prices would more than make the export trade profitable.

On October 15th, 1894, Mr. Hart renewed his application, this time for a drawback on the bottles used for the export trade to other colonies. He stated “that if a drawback of 1/- per cubic foot (the amount of duty) were not granted, the Company would not be able to do an export trade.” In reply to the Minister, Mr Hart said “that the only result of refusal would be to prevent the export trade being done at all, as the price obtained for the beer would not cover the cost of making the bottles here.” (*Age*, 16/10/1894).

MR. WILSON, Tent and Tarpaulin Manufacturer, is Vice-President of the Protectionist League of Victoria. On the

6th of August, 1894, he signed a letter, together with all the leading sail-makers and tarpaulin manufacturers, addressed to the Treasurer, and protested against a duty of 10 per cent. being placed on sail-cloth, on account of the increase in price of this their raw material, which would result. (Sail-cloth can be manufactured in the colony; the duty, therefore, would have been protective).

3. *Evidence of other Protectionist Authorities that Protective Duties increase prices.*

REPORT OF THE PARLIAMENTARY COMMITTEE ON "SWEATING," composed entirely of Protectionists:—

§ 48.—"Further evidence was received on this subject from the workers' point of view, to the effect that the high duties on certain goods (woollens) were oppressive, and were one of the predominant causes of 'sweating.'"

§ 63.—"We submit these considerations (recommending a reduction in the duties on low quality woollen piece goods) in view of the representations made by experts on behalf of employers, which were supported and endorsed by employees generally. The latter contend that a much greater amount of employment than that now offering would result from the removal of restrictions (*i.e.*, duties) which they allege press heavily on the clothing industry, and that it would, by extending the field of employment, prove a powerful and effective antidote to the 'sweating evil.'"

In July, 1892, Sir Graham Berry procured a preliminary resolution of the Legislative Assembly, granting an increase of many protective duties. Many of these increases were ultimately disallowed, and the importers thereupon claimed a refund of the disallowed duties which had been collected in the meantime. The following remarks were made in reply to this demand:

SIR GRAHAM BERRY (24/10/1892):

"The warehousemen and importers no doubt *increased the*

“prices to the retailers in consequence of the new duties, and the latter in turn charged the consumer more for the article. It was the consumer who paid, and if the Government now refunded the money the importers would be paid twice—once by the consumer through the retailer, and again by the Government.”

The *Age* (3/11/1892) :

“The merchants who paid the duty have charged it to the consumer. The merchant, of course, never pays the duty on any article, be it high or low; the consumer must of necessity do that.”

MR. W. A. TRENWITH, M.L.A. (2/11/1892) :

“Hence, the goods taken out of bond have been taken out to be distributed, and have been distributed, and the increased price has been paid. Then how are the Government to return the money to the persons who have really paid the duty? The merchants have not paid the duty; the merchants never do pay the duty; if they did, they would very soon be out of business. They simply pass the duty on to those who deal with them.”

The *Age* on Coal-duty (29/6/1892) :

“A score of Members of Parliament met yesterday and resolved that a revision of the tariff in the interest of local industries ought to be undertaken. Some of the members, commendably anxious for the development of our coal resources, proposed an import duty on the Newcastle article; but it did not take long to discover that increasing the price of coal at the present juncture would hardly gratify the mass of working people who, in various ways, have to depend upon its consumption for a livelihood.”

The *Age* (1/9/1894) :

“Although New Zealand has extensive coal areas in most parts of it, there is no country in the world in which a more disgraceful monopoly of the coal trade exists. The business has got into the hands of a ‘ring,’ who make, not an occasional, but a continuous corner in

“coal, and people have to pay for the article about
 “twice as much as should be required. Indeed, were it not
 “for the free importation of Newcastle coal, consumers
 “would be altogether at the mercy of the extortionising
 “coal ‘ring.’ They topped all their iniquities the other
 “day by proposing that Parliament should impose an import
 “duty of 5/- a ton upon Newcastle coal, but the House re-
 “sented the idea, and rejected it with little ceremony. *The*
 “*House saw that to impose a duty upon Newcastle coal would be*
 “*the immediate signal for the local ‘ring’ to bleed consumers even*
 “*more than they are now doing.*”

The *Age*, on duty on Agricultural Implements (24/11/93):

“The American makers (of agricultural implements)
 “could underseil the colonial makers were the duty re-
 “moved; and there is little doubt that but for the protective
 “duty the Australian makers must go down.”

The *Age*, on duty on Ropes (9/2/1894):

“There is one thing which they (the Geelong Rope
 “works) have to contend against, and that is the importation
 “of Chinese-made rope. This is brought to the colony and
 “placed in bond. As ships require it, they take it straight
 “out of bond without paying any duty, *getting it of course*
 “*at a cheap rate.*”

THE BEET SUGAR INDUSTRY.

The *Age*, on May 12th, 1894, published the conclusion of
 a series of articles, by Mr. T. Salatnay, on the above subject.

He said: “Supposing now the world’s market-price of
 “raw sugar sinks down to £11 10s. per ton in London, the
 “marketable value of the same kind of sugar produced
 “locally would be here (*subject to the following increase*):—

“ World’s market price	...	...	£ 11	10	0
“ Plus differential freight, etc., say	...	...	0	10	0
“ Import duty (to be refined in bond)			5	0	0

“ Local market value ... £ 17 0 0 *per ton.*

“The manufacturing cost of sugar (locally) will be £14 7s. 10½d. which will give a profit of £2 12s. 1½d. one ton.”

NOTE.—The above calculation endorsed by the *Age* proves :

That beet sugar costs close upon £2 10s. more to produce locally, than it is anticipated that foreign sugar could be bought for.

Unless the protective duty raised the price there would be an actual loss on locally made sugar.

The *Age* expects the duty to raise the price to the full extent of the impost.

The *Age*, on Protection in Germany (31/12/1892) :

“The duties enabled them (the manufacturers) to keep up the home prices, and the extra profit thus made, permitted them to quote rates that would tempt foreign buyers, rates often below the net cost of production. It is the old story, American axes are retailed in Adelaide for less than they are in New York. Victorian butter can be bought cheaper in London than in William Street, and German sugar is one half the price in Guernsey than it is in Berlin. The list is endless. When will a local Consumer’s Protective Association be everywhere formed to counteract the increasing exactions of the various combinations of (protected) producers.”

And again, on the 1st. of November, 1894, the *Age* dealing with the importation of German Iron Manufactures into England said :

“The Germans, being protected in their own markets by a virtually prohibitive tariff, and being thus enabled to obtain remunerative prices at home, find that it serves their purpose to keep their works as far as possible fully employed, and they are willing to take what prices they can get outside for the balance not consumed at home. In this way the Germans have for years had two scales of prices—one for home markets, which are relatively high, and another for foreign markets, which are relatively low. English manufacturers are therefore not always beaten on

“their merits, and this system of what may be called unfair competition has been a sore point for a number of years.”

The *Age*, on “The Farmers and the Tariff,” 29/12/93:—

“The farmers have been, and are still, specially favoured by the tariff and the Protectionist party. To begin with, there is the important list of articles which are exempt from duty because they are the necessaries of his industry. It will be remembered that for many years there was a duty of 1d. per sack on corn sacks, and $\frac{1}{2}$ d. per bag upon bran and gunny bags. After a time, and depending upon the assistance which the duty would afford, two factories were established for the purpose of manufacturing bags and sacks in the country. A few years later a demand was made for the abolition of the duty, on the ground that it imposed a burden of $\frac{1}{4}$ d. per bushel on the grain produced. Notwithstanding that its abolition destroyed the manufacturing industry, the demand was complied with, and bags and sacks were placed on the free list. At the same time, and solely on the ground that the selectors were gradually becoming sheep farmers, the duty on woolpacks was reduced from 6s. to 3s. per dozen. The duty upon agricultural implements has always been lower than the duty upon other imports, and agricultural machinery has for many years past been free. There is another class of commodities used very largely by farmers, which has been either wholly or partially exempt from duty solely on that account. Canvas which the selector requires to line his house; the iron tank which he needs to hold his rain-water for drinking purposes; and wire netting. All these articles have been placed on the free list for the benefit of the farmers.”

NOTE.—This is the fullest admission possible that protective duties increase the price of both imported and locally made goods. It is expressly stated that the duty on bags and sacks was protective, and that it increased the price of these goods, whether imported or locally made. Woolpacks and canvas are made of the same material and by the same machinery as bags and sacks. Agricultural machinery and

implements are made locally ; iron tanks can be made in any country ; and a duty on wire netting has been frequently demanded by the wire nail manufacturers for protective purposes. If the farmer is benefitted by these commodities being on the free list, or by their being admitted at low duties, it follows that they would be dearer if a duty or higher duty were imposed on them. If protective duties could cheapen them, the farmer would be injured by their being placed on the free list. No Free Trader has asserted more freely that Protection increases the prices of manufactured goods than the *Age* has done in this argument for Protection, addressed to the farmers.

The *Age*, 1st February, 1894.

“ All parties in the State are agreed that our tariff needs amendment. Some people hold that new industries can be brought into being *by a judicious re-adjustment of some of the duties which press hardly on the raw material of other trades.*”

NOTE.—All duties on the materials of any industry in Victoria are protective duties.

THE TARIFF BOARD'S REPORT 1894, page 23, referring to the duty on dried fruits, says :

“ We recognise that the price of the article is enhanced “ to the consumers by the duty.”

SOME FACTS SHOWING BY HOW MUCH PROTECTIVE DUTIES INCREASE PRICES.

To exhibit the price increasing influence of duties in £ s. d. is a task of some difficulty, for the reasons :

(a). That most goods are placed on the market in various qualities, and that, therefore, no comparison can be made, until the quality is ascertained. For instance, it would prove nothing to say that a suit of clothes cost 35/- in Sydney and 45/- in Melbourne, until it were proved that the quality was exactly the same ; a task manifestly impossible of accomplishment in an inquiry like this.

(b). That there has been a large reduction in the cost of production all over the world, a reduction which is still pro-

ceeding. This universal reduction in price largely counteracts the local increase in price, consequent on the imposition of duties and in most instances even exceeds it.

In the following instances, however, these difficulties either do not exist, or have been overcome, and the price-increasing tendency of duties, whether protective or otherwise, is clearly shown.

CEMENT.

The Cement duties were imposed in 1892, the first duty of 1s. 8d. per cask in July and the second, doubling this duty, in October of that year. Previous to this time, Cement had been free of duty. Nevertheless several cement manufactories had been established, whereas no new ones have arisen since the imposition of the duty. The Protectionist press and speakers have been loud in their declaration that the duty reduced the price of Cement, though the claim has been abandoned since the exposure of its untruthfulness on every platform where Freetraders appeared.

Cement like all building material, for which the demand fluctuates, is peculiarly exposed to fluctuations of price. It was cheap before the boom period, rose largely during that period like every other class of building material, and it has largely fallen in price with the cessation of building operations. The following table of prices will prove that this falling tendency was in full swing when the first duty was imposed; that the price rose with the duty; that it rose still further when the duty was doubled and that, though it has since fallen again, the fall has stopped far short of the price previously paid. It will also prove that both imported and locally made Cement share in the higher price, and that this higher price prevails in spite of an enormous decline in the cost of landing imported Cement free of duty.

The particulars are partly taken from the published tenders accepted by the Metropolitan Board of Works and the Prahran City Council; partly from sale notes inspected by myself; they represent the lowest prices paid during each of the periods dealt with.

CURRENT PRICES.

Extracts from Public Tenders and from Sale Notes.

DATE.	NO OF CASKS.	PURCHASER.	PRICE PER CSK	DUTY.	SELLER.
Feb., 1886	500	Messrs. Henty and Co.	9/-	none	Messrs. Levy and Co.
Dec., 1886	1000	Melb. City Council	10/9	none	Messrs. Henty and Co.
Dec., 1887	6000	Messrs. Prell and Co.	12/-	none	Messrs. Woods and Co.
Dec., 1888	1000	...	15/9	none	Messrs. Barratt and Co.
Dec., 1889	1500	...	16/-	none	Messrs. Cohen, Nelson and Co.
Dec., 1890	2000	...	13/-	none	Messrs. Cohen, Nelson and Co.
June, 1891	1000	...	11/3	none	Messrs. Cohen, Nelson and Co.
Nov., 1891	50000	Met. Board of Works	10/4 $\frac{1}{2}$	none	Messrs. McLean Bros. & Rigg, Ld.
Feb., 1892	2500	...	9/6	none	Messrs. McLean Bros. & Rigg, Ld.
April, 1892	5000	...	9/-	none	Messrs. McLean Bros. & Rigg, Ld.
June, 1892	2000	...	9/9	none	Messrs. Cohen, Nelson and Co.
July, 1892	10000	Met. Board of Works	11/4 $\frac{1}{2}$	1/8	Messrs. James McEwan & Co., Ld.
Sept., 1892	...	Prahran City Council	11/-	1/8	Australian Cement Co.
Nov., 1892	30000	Met. Board of Works	12/3	3/4	Messrs. McIlwraith and Co.
Jan., 1893	10000	Met. Board of Works	12/5 $\frac{1}{2}$	3/4	Messrs. McLean Bros. & Rigg Ld.
Sept., 1893	...	Prahran City Council	12/-	3/4	Australian Cement Co.
May, 1894	20000	Met. Board of Works	12/8	3/4	Messrs. McIlwraith and Co.
June, 1894	10000	Met. Board of Works	10/11	3/4	Australian Cement Co.
Aug., 1894	25000	Met. Board of Works	11/5 $\frac{1}{4}$	3/4	Australian Cement Co.
Dec., 1894	10000	Met. Board of Works	11/3	3/4	Mr. David Mitchell
Dec., 1894	20000	Met. Board of Works	11/6 $\frac{3}{4}$	3/4	Messrs. McIlwraith and Co.

NOTE 1.—In August 1894 the lowest tender for imported cement was 12s. duty paid, or 8s. 7½d. per cask free of duty, as against the accepted colonial tender of 11s. 5¼d.

NOTE 2.—*Landed Cost of Cement.*

		1889.	1894.
Home Price	...	6/9	5/-
Freight and Charges		6/-	2/9
Landed Cost	} ...	12/9	7/9
without duty			

NOTE 3.—Victorian Cement is delivered in bags instead of casks, affording less efficient protection against damp, therefore entailing increased risk and additional cost of storage. Victorian Cement of equal quality therefore, is somewhat more expensive than imported Cement, even when the nominal price is the same.

BUILDING MATERIALS.

Wholesale Prices :

DATE.	W'R BOARDS. per 100ft. super. No change of duty.	BRICKS. per 1000 at Works. No change of duty.	CORRUGAT'D IRON. per ton. No duty.	CEMENT. per Cask. Duty of 1/8 in June, 1892. Duty of 3/4 in October, 1892.
1888	6/-	40/-	...	15/9
1889	5/6	40/-	21 0 0	16/-
1890	4/-	40/-	23 0 0	13/-
1891	4/1	36/-	...	10/4¼
1892	4/7	29/-	18 10 0	9/- to 9/9 before duty 10/4¼, duty 1/8 11/4½, duty 3/4
1893	4/6	22/-	18 0 0	12/- to 12/6
1894	4/9	14/-	17 0 0	10/11 to 12/8

NOTE.—During the boom period, the price of all building materials was high ; when the boom burst the price of all building materials fell. The price of Cement participated in this fall, till a duty was imposed. Then its price increased,

and increased again when the duty was doubled, whereas the price of all other building materials continued to fall with one exception, that of timber, which increased slightly but still remains much lower than during the boom period.

REAPER AND BINDER TWINE.

Duty of 1d. per lb. imposed on September 25th, 1889.

	1888	1889	1890	1891	1892	1893	1894
Price of Manilla Hemp.	£31 15	£49 0	£35 0	£32 5	£25 10	£23 15	£19 15
Price of Best Manilla Twine.	8d.	9½d.	9d.	8d.	8d.	8d.	5½d.

NOTE 1.—There are two Manufacturers of Twine in Victoria. Instead of competing with each other, they formed a ring for the purpose of charging a uniform price. In 1894 the manufacturers and wholesale dealers fell out, and on the latter declaring their intention to resume the importation of twine, the manufacturers, who had issued a circular fixing the price at 7d. per lb., lowered it first to 6d., and immediately afterwards to 5½d. per lb., the latter being the price at which the importers offered to sell. In consequence of the great fall in the price of Manilla hemp, the importers could sell at 4½d. per lb., and yet, as they assert, make the same profit as on the Victorian twine, provided the duty was removed. The makers have admitted that one of them sold his twine for use in Tasmania at a reduction of 20 per cent. on Victorian wholesale prices. During the season 1893-94, *the retail price of best Manilla twine was 6d. in Tasmania, as compared with 8d. in Victoria. There is no duty on reaper and binder twine in Tasmania.*

NOTE 2.—Loss of average Victorian farmer through duty on reaper and binder twine :

200 acres of crop, require 800 lbs. of twine.

800 lbs. of twine at 8d. in Victoria ...	...	£26 13 4
800 lbs. of twine at 6d. in Tasmania ...	...	20 0 0
		<hr/>
Loss to Victorian farmer per year ...	...	£6 13 4

Not one penny of this tax reaches the Public Treasury. It all goes into the pockets of the manufacturers.

WHOLESALE PRICE OF WIRE NAILS.

Duty raised from 5/- to 7/6 a keg in June, 1892.

Price of standard sizes, 1 to 7.

May, 1892	...	...	...	12/-; duty, 5/-
August, 1892, to }	}	...	...	15/-; duty, 7/6.
August, 1894,				

NOTE.—Landed cost of imported wire nails in May, 1894: In bond, 7/3; duty paid, 14/9.

STAPLES.

A duty of 35 per cent. was imposed in July, 1889.

Comparative prices of staples 1¼ x 8, this being a standard size.

Year.	Price per cwt.	Duty.
1884.	16/-	none.
1888.	14/9	"
1889.	24/-	35 per cent.
1894.	17/-	35 per cent.

NOTE.—No staples are made in the colony. The fall in price in the absence of all local competition is an eloquent commentary on the alleged importers monopoly. If there were no duty, the price would now be about 12/6 per cwt.

PRICE OF BARBED WIRE.

Melbourne, 25th October, 1894.

MR. MAX HIRSCH.

DEAR SIR.—Our present price for 12 g. barb wire, delivered at railway station, Melbourne, duty paid, is £17 per ton.

Our price for the same wire delivered at Melbourne

railway station in bond for despatch to New South Wales, is £14 per ton.

Our price for colonial made barb wire, 12 g., is £17 per ton.

Yours faithfully,

Pro McLean Bros. and Rigg, Ltd.,
E. HONEY.

NOTE.—The duty on barbed wire is £3 per ton.

PRICE OF DYNAMITE, ETC.

The *Age*, on the 16th and 19th October, 1894, published articles under the heading "Trophies won by Protection." The main trophy was found in the fact that one factory manufactured dynamite in the colony under the protection of a duty of 4d. per lb., and that on account of the competition of this one local factory with itself, and which confessedly does not supply "half the local market," the retail price of dynamite has fallen from £9 in 1875, to £4 in 1894. That dynamite has fallen in price is a fact. If the fall is due to the protective duty and the one factory here, dynamite must be dearer in Adelaide, where there is no duty on the article. The following price list, supplied respectively by Messrs. Butterworth and Co., of Adelaide, and Messrs. McLean Bros. and Rigg, will show that the opposite is the case; that dynamite and other explosives are dearer in Melbourne than in Adelaide, by more than the duty.

PRICES PER CASE OF 50 LBS.

	ADELAIDE.	MELBOURNE.
Dynamite ...	£3 10 10	£4 5 0
Gelatine ...	£3 15 0	£4 5 0
Blasting Gelatine	£5 0 0	£6 0 0

KEROSENE.

Kerosene is duty free in Victoria, but pays a protective duty of 6d. per gallon, equal to 4/- per case of 8 gallons, in New South Wales. This duty was imposed by the Jennings' Ministry, in order to protect the manufacture of kerosene from locally found shale, against the competition of the American oil. On April 28th, 1893, advertisements in the

Age offered kerosene 150° test to the Victorian public ; and on the same date Sydney firms offered kerosene of the same test at the following prices, *per 8 gallon case* :—

MELBOURNE.	SYDNEY.
Duty, Free.	Duty, 4/- per case.
American Kerosene, 5/11	11/-
Locally-made Kerosene —	10/3

The duty of 4/- per case increased the price of imported kerosene by 5/1, because the importers and retailers made a profit on the entire cost of the article, including the duty ; it increased the price of the inferior local article by 4/4.

REAPERS AND BINDERS.

Duty of 22 per cent., equal to £15 per machine, was removed on July 30th, 1879. The price of reapers and binders, which had been £90 per machine, fell to £75 the day after the removal of the duty. £15 per machine was returned to all purchasers who had bought for forward delivery. The present price is £60 per machine on terms, and £55 for cash.

The cost of the machines to the importers is stated to be as follows :—

Wholesale cost f.o.b. New York	...	...	£27	0	0
Freight	...	...	3	15	1
Insurance, primage, wharfage, primage duty, cartage, etc.	...	...	1	18	1
Setting up	...	...	0	10	0
Rent of office and store	...	...	1	0	0
Cost of management per machine, <i>i.e.</i> , salaries of manager, book-keeper, foreman, and traveller	...	...	5	4	4
Expenses of traveller per machine	...	...	2	8	0
Show and advertising expenses	...	...	1	10	0
Cost of working and repairing machines when sold, average	...	...	2	10	0
Interest on machines, and duplicates kept in stock	...	...	1	0	0
			Total, £46 15 6		

There appear to be only six makers of reaper and binder machines in the whole world.

PRICE OF DE LAVAL CREAM SEPARATORS.

Duty of 25 per cent., equal to £7, removed on July 21st, 1886.

Price before removal of duty—

60 gallon separator	£50	0	0
Feed regulator	1	10	0
Speed controller	1	10	0
	<hr/>		
Total,	£53	0	0

Price after removal of duty—

90 gallon separator, inclusive of feed regulator and speed controller	£47	10	0
Saving, besides increase in capacity of machines	£5	10	0

Price exclusive of appliances in 1885.

NEW SOUTH WALES.	VICTORIA.	UNITED STATES.
Duty Free.	Dutiable.	Dutiable.
£45.	£50.	£65.

DECLINE IN PRICE

Of a few commodities which are admitted free of duty. Mainly extracted from the price lists published in the *Journal of Commerce*.

COMMODITIES.	1866/72	1889	1893/94
	£ s. d.	£ s. d.	£ s. d.
Shovels (Ames' No 3) ₧ doz.	3 10 0	—	2 6 0
Axes (Sharp's) „	3 5 0	—	2 14 0
*Wire Netting (1½ x 17g.) ₧ mle.	—	23 0 0	17 0 0
†Fencing Wire ₧ ton	13 0 0	9 10 0	8 5 0
Galvanised & Corrug'd Iron } (Gospel Oak) ₧ ton }	33 0 0	—	17 0 0
Kerosene (in bond) ... ₧ gal.	0 3 3	—	0 0 8
Pig Iron ₧ ton	5 15 0	—	3 10 0
Staff'dshire Angle & T Iron „	13 0 0	—	9 2 6
Pig Lead ₧ ton	24 0 0	—	15 0 0
Wool, Victorian Scoured, ₧ lb.	0 2 6	0 2 0	0 1 5
†Seaming Twine „	0 1 3	—	0 0 9½

* A very small trade was done in this article previous to 1888.

§ The price of fencing wire rose to £22 per ton in 1872, part of which rise was due to a duty of 20/- per ton, since removed.

† Contrast the fall in the price of seaming twine, which was continuous, with the constancy of the price for reaper and binder twine.

PROTECTION LOWERS THE PRICE OF FARM PRODUCE.

The reason why protective duties on farm produce fail in the long-run to increase the price of the latter is, that of every kind of such produce our farmers can, and quickly do, produce more than can be consumed within the colony. Wool, wheat, butter, fruit, cattle and horses, are all examples of this fact. The surplus must be exported and sold in competition with the whole world under Free-trade conditions. The farmers, differing in this from manufacturers, cannot organise so as to distinguish between that portion of produce which is going to be exported, and that which is to be consumed within the country. They must sell all the produce of the same quality at the same price, and that price is fixed in London. If, for instance, the London price for wheat is 3/- per bushel, and it costs 1/- to send it to London from the railway station nearest to the farm, the farmer cannot get more than 2/- for all his wheat, regardless of the question whether his particular wheat is going to be exported, or whether it will be consumed in Victoria. This is confirmed by all Protectionists. The *Leader*, dealing with this question, wrote, on the 14th of April, 1894: "Had France "a surplus instead of a deficiency of grain, her protective "duties (on grain) would be as inoperative as our own."

SIR GRAHAM BERRY, speaking at Camperdown, on the 14th of December, 1893 (*Age* report), said:

"If the quantity of wheat grown was only sufficient to

“supply our own wants, the price might be made remunerative by an import duty ; but the production of this cereal in recent years has largely exceeded the home demand, hence it has to face the competition of the world.”

MR. W. A. TRENWITH, speaking at Maryborough, on April 23rd, 1894, in dealing with the effect of the protective duty on oats, maize, and barley which was imposed in 1889, said :

“Maize was $4/10$ (before the duty), but it came down to $4/1$; then it fell to $3/6$, and then to $3/5$. Barley was at $4/2$ (before the duty), but it came down to $3/2$, then to $2/9$, and now it can be bought for $2/-$. It was the same with oats—they fell from one price to another, and now they can be bought for $1/7$.”

The further fact that the system of Protection actually reduces the price which our farmers obtain for their produce arises from other causes.

Protection is intended to reduce, and does largely reduce, the importation of foreign goods. Consequently, less ships are required to bring such goods to Victoria ; therefore, less ships are available for carrying away Victorian produce, and freights for shipping Victorian produce are artificially increased. As long as we borrowed largely in England, this influence of protection was not felt, because loans always reach us in the shape of goods, and not in that of money. Since the comparative cessation of borrowing, however, the protective policy has had its full effect in excluding foreign goods and reducing the amount of shipping available for farm produce.

SHIPPING FROM GREAT BRITAIN TO AUSTRALIA.

James M'Ewan & Co.'s Circular, 30th December, 1893.

		1891.	1892.	1893.
Number of steamers	...	163	132	126
Number of sailing vessels	...	63	50	34
Tons	...	496,466	421,588	378,251

It is a notorious fact that many of these ships had to be sent here in ballast, in order that our exportable produce should be accommodated. As a consequence, freights have increased of late years for the export of wheat and other produce from Victoria, whereas in every other trade they have largely decreased. Information collected from shipping agents and ship brokers shows, that while the lowest steamer freight for wheat in 1889 was 10/- per ton, the lowest steamer freight in 1894 was 19/6 per ton. The average freight for full cargoes of wheat in sailing ships was 21/8 in 1890, and had risen to 25/7½ in 1894. The loss arising to our farmers from this source alone cannot be placed at less than 7/6 per ton, or 2½d. for every bushel of wheat produced, and may be considerably more.

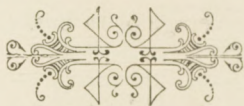
The freight on other farm produce has increased in similar manner, and as the English price, less cost of transport, is the price which our farmers get for the whole of their produce, the loss to Victorian farmers is enormous. Taking a farm of 320 acres, 200 acres of which are under wheat, producing an average of 12 bushels per acre, it stands as follows :

$$2,400 \text{ bushels, at } 2\frac{1}{2}\text{d. per bushel} = \text{£}25.$$

The abolition of the protective system, therefore, would increase the returns of an average farmer from this one source alone by at least £25 a year.

Moreover, in addition to the ocean freight, Protection increases the freight on our railways as well. It is a well-known fact that two engines and two trucks now cost the Department as much as three engines and three trucks would cost under Free-trade conditions, and that other materials used in the construction and working of the lines are increased in price in a similar manner. Consequently, both the interest charge and the working expenses of rail-

ways are largely increased, and therefore railway freights must be higher as well. That railway freights are lower in New South Wales than in Victoria is a notorious fact. Much of the difference is due to this cause. The farmers who have to pay the freight on the goods which they purchase, as well as on the produce which they sell, are thus still further damaged by this indirect result of the protective system.



CHAPTER II.

PROTECTION AND EMPLOYMENT.

THE most powerful of the motives which induced the people of Victoria to accept the protective policy, is expressed in the well-known query, "What shall we do with our boys?" The promise was made and accepted, that Protection would largely increase the opportunities for employment. But experience proves that instead of increasing these opportunities, Protection has actually and largely decreased them. It has failed to establish one single industry of any importance, which did not arise similarly in New South Wales under Free-trade conditions. (See page 66.) The only industries which it has created are "one man and a boy" industries, which are absolutely dependent for their existence upon the public charity of tariff out-door relief. In return, however, Protection has killed outright some important industries—as, for instance, fellmongering and meat preserving (see page 60), has largely decreased employment in those natural industries which form the mainstay of the people, and has not spared the more important of the protected industries themselves.

The development of Protection leads necessarily and inevitably to duties being placed upon the machinery and material of industry. The efficiency of industry depends largely on its subdivision. The finished product of one factory forms the raw material of another. Thus woollen cloth, thread, calico, and many other materials are the raw

material of the clothing trade. Leather is the principal material which the boot factories transform into boots and shoes; the finished products of many metal factories are the raw material of the machine and boiler factories; all factories are dependent on coal, and many use boxes and cases for the packing of their products. Duties placed on these intermediate goods, increase the cost of producing the finished articles, lessen the consumption and therefore employment. Inasmuch, however, as the employment afforded in producing the intermediate goods is necessarily less than that afforded in making the finished articles—seeing that the very reason for their protection is, that they cannot compete with the imported article, and cannot therefore be exported—it follows that the protection given to them affords less employment than it destroys. The evidence of workmen and employers in the clothing trade proves that the duties on woollens have deprived thousands of employment in this industry, whereas the employment in the woollen factories is insignificant. (See page 85). The same is the case in the carriage building industry (see page 20), in the biscuit factories (see page 19), in the boot factories (see page 20), in the engine and boiler factories, and in many other industries.

Protectionists assume, and without that assumption no sane man could be a Protectionist, that people can go on exporting without importing. They call this “Keeping the money in the country.” But it is obvious that Victoria, as a money producing country, is bound to export all its surplus money, the same as it exports its surplus wheat. As money cannot be eaten like wheat, but is only used to facilitate exchanges, our gold mines would have to be closed at once unless we exported all the money which the miners produce, less such small quantities as we ourselves want to meet the requirements of an increasing population. Money forms part of the surplus produce of our labour, and we can only exchange this money, the same as our surplus wheat, for the products of the foreigners’ labour. They cannot give us money for our exports, for, unless they

possess gold mines of their own, they are dependent on Victoria and other similar countries for their supply of money. What can they give in exchange for this money? Nothing but their goods; and it is again their goods—the products of their labour—which they exchange for the other products of our labour.

Great Britain imports annually over £400,000,000 worth of foreign goods, yet the highest estimate of the money in Great Britain places it at only £180,000,000. Manifestly, if England were to pay with money for the goods which she imports from Victoria and other countries, all money would have disappeared from England in less than six months, and with the money would have disappeared the power to import any more goods. But as England, like all other countries, pays for its exports not with money, but with goods which her workers produce, she can go on importing as long as her workers continue to produce and as long as other countries are willing to exchange the produce of their labour for the produce of her labour.

All trade therefore consists of the exchange of labour products with labour products. It is, however, quite true that the countries from which we import do not always take our exports to the same amount. If we import £1000 worth of tea from China, the Chinese need not take £1000 worth of our wheat and butter. England may take them and may send to China £1000 worth of cotton goods. Obviously such a course settles these three transactions without any money passing hands. Our wool or butter paid for the tea, just as much as if it had been sent to China; and England could not have purchased them from us, unless we either took the Chinese tea or the English cottons.

It is therefore obvious that we cannot export, and therefore cannot employ labour in producing goods for export, unless we are prepared to import an equal value of goods or are willing to make a present to the foreigners of our exported goods. Similarly, every obstacle placed in the way of our importing goods, must

inevitably reduce our export of goods as well, and therefore must reduce the employment in making exportable goods.

There is, however, one apparent exception to this rule. During the last ten years Victoria has imported nearly twice as much as she exported, and England habitually imports about £100,000,000 a year more than she exports. In the case of England this excess of imports over exports is due to two causes :—

The first is that the English merchant navy, thanks to Free-trade, has become the carrier of the world, and earns on an average between £60,000,000 and £70,000,000 a year for carrying goods. These earnings reach England in foreign goods. No goods have to be exported from England in exchange for them ; what is exchanged for them is the services which English ships and sailors render to foreign nations.

Secondly, equally thanks to Free-trade, England has become the creditor nation of the world. That is, foreign nations, governments as well as traders, have floated loans in England. These loans also were not given in money and cannot be given in money. They are given in goods, and other goods are sent to England to pay the interest on these loans. That is to say, in former years England exported more than she imported, and the interest on the difference swells her present imports without increasing her present exports.

In Victoria the opposite has taken place. Our imports were larger than our exports, because we borrowed, and these borrowings came here in the shape of goods. Such imports do not give any employment in the importing country at the time when they are made, because no goods are exported to pay for them. The only things which are exported against them are mortgages and bonds, which may give employment to a few lawyers and bankers. The sole imports, therefore, which can injure the working classes and curtail employment, are those which come to the colony in response to borrowing, and it is precisely Protection, which substitutes borrowing for exchanging. The reason for

this outcome of Protection will be found in chapter IV. when dealing with the cost of Protection to farmers. Here I will deal with the facts only.

In the two tables given below I have compared the imports and exports, during the last ten years, of Victoria and New South Wales. In order to be quite correct, I give the net imports, *i.e.*, the imports consumed in each colony, having deducted the value of those imported goods which were re-exported. Similarly I give only the net exports, that is the value of exported goods which were produced within the country, *inclusive of manufactured goods exported*.

NEW SOUTH WALES IN £.

	1883	1884	1885	1886	1887
Net Imports	15,266,558	17,381,036	17,231,146	15,279,434	13,233,782
Net Exports	14,568,774	13,131,341	10,616,057	10,023,823	12,949,296
	1888	1889	1890	1891	1892
Net Imports	13,959,082	17,268,576	17,664,623	21,714,322	16,499,895
Net Exports	13,193,655	17,700,393	17,095,556	22,274,945	17,695,616
TOTAL FROM 1883 TO 1892 INCLUSIVE					} Net Imports .. 165,497,794 } Net Exports ... 149,249,456

VICTORIA IN £.

	1883	1884	1885	1886	1887
Net Imports	14,991,650	14,428,693	12,109,087	14,275,512	14,089,630
Net Exports	11,646,687	11,277,535	9,616,241	7,540,258	6,418,624
	1888	1889	1890	1891	1892
Net Imports	18,108,011	18,629,988	17,154,936	15,501,396	14,187,750
Net Exports	7,989,640	6,961,962	7,467,143	9,796,531	9,227,751
TOTAL FROM 1883 TO 1892 INCLUSIVE					} Net Imports .. 153,476,653 } Net Exports .. 87,942,372

NOTE.—See notes to Table A, on page 48.

These tables prove that Free-trade New South Wales imported only £12,000,000 more than protected Victoria, during the ten years in question, but that she exported over £61,000,000 more than Victoria. Victoria imported £65,500,000 more than she exported, and New South

Wales only imported £16,250,000 more than she exported. In other words, Victoria substituted borrowing for exchanging; Victoria paid for the imported goods with mortgages and bonds to an enormous extent, whereas New South Wales paid for them almost entirely with the goods produced by the labour of its working classes. Consequently an enormously greater amount of employment was given in the Free-trade Colony than in the Protected Colony.

This fundamental truth, that our exports must decline if our imports decline, destructive as it is of the claim that Protection increases the opportunities of employment, is now beginning to be admitted by the Protectionists themselves.

The *Age*, on September 6th, 1893 wrote :

“A people which supplies its own internal wants, has “necessarily less to sell to its neighbours,” which means clearly, that if we import less we must necessarily export less, as well. What then becomes of the claim, that protective duties increase employment. Goods which are exported have surely given employment to labour, and they give as much employment, value for value, as the goods which are consumed in the colony. Consequently every reduction in our exports reduces the employment open to our people. The question which Protectionists have to answer is: Has Protection increased the opportunities of employment in protected factories by more than it has reduced the opportunities of employment in the making of exportable goods. This question can be easily solved through a comparison of the hands employed in the production of exported produce and of the hands employed in factories, in Victoria and New South Wales respectively. The following series of statistics have been arranged for that purpose, and the answer which these and others like them give, is a crushing condemnation of the protective system. They show that instead of increasing employment, Protection is the best foster-mother of the unemployed; that it manufactures them on a large scale, and that the

only answer which it gives to the question "what are we to do with our boys" is: Let them emigrate or starve.

For the purpose of comparison I have assumed that every £250 worth of goods exported from either colony has given employment to one labourer for the space of one year. As the average wages in either colony do not exceed £100 per year, it is manifest that I have rather over-estimated the value of an average man's produce, and therefore, that I have rather under-estimated the number of labourers required in the production of a given value of goods.

A.

EXPORTS.

The Produce of the Colonies (Manufactures Excluded).

	1888	1889	1890	1891	1892	1893
N.S.W.	13,644,030	17,328,767	16,755,192	20,623,551	17,259,766	17,961,223
Victoria	7,051,533	6,130,330	6,672,520	8,939,957	8,251,224	7,056,760
Excess for N.S.W.	6,592,497	11,198,437	10,082,672	11,683,594	9,008,542	10,904,563

B.

HANDS EMPLOYED.

In the production of Exported Produce (Manufactures Excluded), at the rate of £250 per Operative.

	1888	1889	1890	1891	1892	1893
New South Wales	54,576	69,315	67,020	82,496	69,039	71,845
Victoria	..	28,206	24,521	26,690	33,005	28,227
Excess for N.S.W.	26,370	44,794	40,330	46,736	36,034	43,618

C.

HANDS EMPLOYED,

In Manufactories, Works, &c.

	1888	1889	1890	1891	1892	1893
Victoria	..	54,488	57,432	56,369	52,225	43,192
New South Wales	45,564	44,989	46,135	48,632	40,309	44,645
Excess for Victoria	8,924	12,443	10,234	3,593	2883	
Excess for N.S.W.						1139

D.

SURPLUS OF HANDS EMPLOYED IN NEW SOUTH WALES.

	1888	1889	1890	1891	1892	1893
Surplus employed in Exports in New South Wales. } <i>Less</i>	26,370	44,794	40,330	46,736	36,034	43,618
Surplus employed in Factories Victoria. } Total Surplus employed in New South Wales. }	8,924	12,443	10,234	3,593	2,883 + 1,139	
	17,446	32,351	30,096	43,143	33,151	44,757

NOTE TO TABLE A.—The figures relating to Victorian imports of home produce differ from those given in Hayter's Year Books. The latter admittedly include, besides manufactures, a portion of the wool and gold produced in New South Wales and sent through Victoria for shipment to foreign countries. I have corrected this error. Lest it should be said that the excess of exports from New South Wales consists entirely of wool—irrelevant as such a statement would be, seeing that wool can neither be raised, shorn nor transported without the employment of labour—I give below the value of wool contained in the exports of both colonies. The year 1893 is excluded, because the detailed returns from New South Wales are not yet to hand.

EXPORTS OF HOME GROWN WOOL IN £.

	1888	1889	1890	1891	1892.
N. S. Wales	9,089,776	10,620,636	8,991,396	11,036,018	10,211,456
Victoria ...	2,521,989	2,391,404	2,802,726	3,875,420	3,504,089
Excess for New South Wales.	6,568,787	8,229,232	6,188,670	8,160,598	6,707,367

A comparison of the excess exports of wool with the total excess exports from New South Wales, will establish the fact, that since 1888 the latter include every year from £2,000,000 to £4,000,000 of other produce as well. Besides this, it may

be stated, that whereas only 11 per cent. of the people of Victoria are engaged in agricultural and pastoral pursuits, 13 per cent. of the people of New South Wales are similarly employed.

NOTE TO TABLE C.—It is not infrequently asserted by Protectionists that “anything is called a factory in New South Wales whereas in Victoria no establishment employing less than six operatives is so classed.” The following extracts from letters written by the Government Statisticians of each colony “will nail this lie to the counter” and will show that the opposite assertion would be more conformable to the true facts.

MR. H. H. HAYTER, the Victorian Statistician, writes on July 8th, 1894 :

“In Victoria any premises situated in a city, town, or borough *where four persons* (not Chinese) or two Chinese are working in manufacturing articles for trade or sale, is a factory within the meaning of the act, as also—without regard to the number of hands employed—is every place so situated and so used, where operations are carried on by means of steam or other mechanical power.”

MR. T. A. COGHLAN, New South Wales Statistician, writes on October 27th, 1893.

“In the compilations of this Department no establishments have been taken into account, unless on an average *more than five hands* are at work, or unless steam or other mechanical power is employed.”

The foregoing tables prove :

TABLE A.—That while the export trade of New South Wales has largely expanded, ours has remained stationary.

TABLE B.—That during the whole period dealt with, the number of men employed in producing goods for export in New South Wales has largely exceeded the number similarly employed in Victoria. That there has been a fairly continuous and considerable increase in the

employment offered by this branch of trade in New South Wales, while there has been no such increase in Victoria, and that the men so employed are more than twice as numerous in New South Wales than in Victoria.

TABLE C.—That the number of operatives employed in manufacturing has largely declined in Victoria, whereas there has been no similar decline in the factories in New South Wales built up under Free-trade conditions. That whereas under comparatively small duties, in 1888, the number so employed in Victoria exceeded those similarly employed in New South Wales; to-day the New South Wales factories actually afford more employment than ours.

TABLE D.—Exhibits the net gain of employment in New South Wales, for export and home consumption together, over what both these branches of trade afford in Victoria, the population being practically of equal numbers. It shows that the loss of employment in Victoria has been progressive, at a rate which must be alarming even to the most enthusiastic defender of the protective system. It shows that even in the period of our greatest apparent prosperity—1888 and 1889—at the height of the boom, the employment afforded by the Free-trade colony exceeded that given in Victoria by 17,446 and 32,351 hands respectively, and that this difference has increased until last year New South Wales actually gave employment to 44,757 more labourers than our own colony was able to do.

The four tables taken together show that when a colony tries by artificial means to secure the home market to its workers, it sacrifices the employment which the larger market of the world would give, and actually reduces as well, the employment which the home market otherwise would afford; that when a colony avoids all artificial interferences, it secures to its workers not only the market of the world, but actually enables the home market to employ more of them than it could do under a protective system.

The reply which our Protectionists usually make to this and similar demonstrations of the greater prosperity of the Free-trade colony is, that New South Wales is an older colony than Victoria, and that its area is much larger. It is however obvious, that neither greater age nor larger area accounts for greater production. It is men who produce and not area. The area of Western Australia vastly exceeds that of Victoria, yet the people of Western Australia produce less than the Victorian people. If the population of New South Wales were much larger than that of Victoria, the larger amount of produce would be accounted for by that fact. But the excess of population is trivial, and when practically the same number of people produce so much more in New South Wales than in Victoria, the inevitable conclusion is, that more of them are employed and that all of them are more fully employed.

Neither colony can be said to suffer from over-population. Victoria could easily find employment for twenty millions of people. In both colonies the productivity of each man's labour is less than would be the case if the population were greater. But this disadvantage is much more serious in New South Wales where the population is much more scattered than in Victoria. With an area of 310,700 square miles, New South Wales possesses less railways than Victoria with an area of only 87,884 square miles. Moreover, the land fit for agriculture is in many cases far removed from the sea-board and therefore exposed to the disadvantage of higher freights on its produce than in Victoria. Victoria moreover possesses a far more equable climate, free from those alternations of drought and flood which New South Wales frequently experiences, and on the whole, its soil is richer and more fertile than that of the elder colony. For all these reasons labour is more productive here than across the border, and the greater production of the Free-trade colony must therefore be due to the fact, that its fiscal laws do not discourage the employment of its people to the same extent as ours do.

As a colony, New South Wales is no doubt older than Victoria. It will, however, scarcely be disputed that 30 years ago, the comparative difference in age was greater still. Yet at that time, the population and the production of Victoria largely exceeded those of New South Wales. (See page 54). The respective ages of the two colonies, therefore, offer no explanation for the comparative want of employment in the younger one, but the fiscal policy which she unfortunately has adopted, manifestly does explain this phenomenon.

IMPORTS AND EMPLOYMENT IN FACTORIES.

NEW SOUTH WALES.						
	1888	1889	1890	1891	1892	1893
Imports	20,885,557	22,863,057	22,045,937	25,944,120	20,776,526	18,107,035
Hands Employed	45,564	44,989	46,135	48,632	40,309	44,645

VICTORIA.						
	1888	1889	1890	1891	1892	1893
Imports	23,972,134	24,402,760	22,954,015	21,711,608	17,174,545	13,283,814
Hands Employed	54,448	57,432	56,369	52,225	43,192	43,506

The foregoing tables prove, that a greater importation of goods does not reduce the manufacture of goods within the country, as Protectionists allege. In practice it is seen, that the colony which imports most (New South Wales) employs as many men in its factories as that which imports least; just as our factories afforded most employment at the very time when our importation of foreign goods was largest. (See also Table on page 61 *re* Woollens). The reason for this apparent contradiction is, that the quantity of goods consumed in a country is not fixed but changes with the prosperity of its people. New South Wales under Free-trade is so much more prosperous than Victoria under Protection, that its people consume a greater quantity both of imported and home made goods; Victoria under the influence of the borrowing policy, became temporarily so apparently prosperous, that the consumption of both imported and home

made goods increased largely ; now, when borrowing has comparatively speaking ceased, and no longer conceals the influence of Protection, the consumption of both imported and home made goods has largely declined. Hence the assertion that we must necessarily employ more men in our factories if we import less, is one of those "theories" contradicted by facts, upon which Protectionists mostly rely ; quite apart from the other fact, that if we import less, we must also export less, and must, therefore, reduce employment in the natural industries as well.

The comparison of the two colonies reveals another fact worthy of notice. Not only is there less employment in the protected colony, favoured though she is by a more fertile soil, better climate and denser population, but there is also a greater prevalence of female labour than in the sister colony. With a smaller number of operatives of all kinds at work, the number of female bread-winners actually and largely exceeds that of females in a similar situation in New South Wales. Their number in the census year 1891, was found to be 89,502 in New South Wales, and 114,270 in Victoria. Less employment and the substitution of female for male labour, these are the boons which Protection has brought to the workers of Victoria.

The following table shows the number of women employed in purely industrial operations in both colonies, as ascertained by the census of 1891.

INDUSTRIAL EMPLOYMENT OF FEMALES.

	Victoria.	N.S.W.
Workers in Art and Mechanical Products.	1122	621
„ in Dress and Textile Fabrics ..	26,498	16,892
„ in Food and Drinks	429	240
„ in Animal and Vegetable Substances	92	12
„ in Minerals and Metals	65	8
„ in Building Industries	34	4
Undefined Industrial Workers...	284	24
Total ...	28,524	17,801

(See also Table on pages 66, 67, 85 and 98).

MOVEMENT OF POPULATION.

The movements of population are equally instructive with regard to the influence on employment of the disastrous policy adopted by Victoria. It will be admitted by any unprejudiced person, that the colony which attracts the greater population, will be the one where employment is most easily found and where wages are highest. The emigration of men of the best working ages will especially be determined by these considerations. The following table shows that New South Wales has attracted a greater number of people, since the adoption of Protection in Victoria, than the latter colony.

POPULATION.

	1861	1871	1881	1891	1893
Victoria ...	540,322	731,528	862,346	1,140,405	1,174,022
New South Wales	350,860	503,981	751,468	1,132,234	1,223,370

This table shows, that whereas the population of Victoria has just doubled itself in 32 years, that of New South Wales has much more than trebled during the same period. The accepted rate of duplication for a new country is 25 years. Victoria has fallen much below that rate, showing that she offered less than the normal amount of employment during these years. New South Wales has largely exceeded this rate, showing that she offered more than the normal opportunities of employment.

These conclusions are confirmed by the following table.

EXCESS OF IMMIGRATION OVER EMIGRATION.

	VICTORIA.	NEW SOUTH WALES.
1861 to 1893 ...	117,198	347,609

Protectionists not infrequently maintain that the large excess of immigration into New South Wales is due to the latter colony having maintained the system of "assisted immigration" for a longer period than the former. This, however, is a misconception, for the total number of assisted immigrants who came to New South Wales, is but slightly

larger than that of those who were induced to come to Victoria, viz. : 148,701 as against 140,102.

The enormous exodus from Victoria is made manifest by these facts. For as our total net gain from immigration was only 117,198 persons, whereas the assisted immigrants alone numbered 140,102, it follows that we lost by emigration a number equal to 23,000 assisted immigrants in addition to all unassisted immigrants who came to our shores. Between the years 1871 and 1880, and again between 1891 and 1893 the number of departures actually exceeded that of arrivals, by the respective numbers of 12,672 and 21,158.

Attention should also be drawn to the fact, that the greater number of such emigrants naturally are men in the prime of life, whereas the older men, women and children largely stay behind. In this respect Victoria also compares unfavourably with New South Wales, as the following table shows.

MALES IN THE PRIME OF LIFE.

From 25 to 45 years of age, inclusive.

	1871	1881	1891
Victoria	135,413	99,497	166,802
New South Wales ...	83,275	115,991	183,150

During the boom time, a large number of such males was attracted to Melbourne. This accounts for the comparative increase exhibited by the census of 1891 over that of 1881. The emigration from Victoria, which has set in again since the former date, however, must have restored the previously prevailing condition, and at the present time the number of efficient male workers, is probably smaller as compared with those in New South Wales, than was the case in 1881. On the whole, it may be safely asserted, that no British colony has ever suffered from so large a departure of its population over a similarly long period, than has been the case in Victoria from the time when the protective system became fully established.

AGRICULTURE.

Protectionists frequently claim that their policy is the cause of the development of agriculture in Victoria. Their case, as put forward by Sir Graham Berry in a lecture delivered at Camperdown, and published *verbatim* in the *Age* of December 16th, 1893, is as follows :

“From 1853 to 1873 may be regarded as the Free-trade “*regime*. . . whilst from 1873 to 1893 is the Protective “period. . . In 1853 only 34,000 acres were under cultivation. In 1873 the area had increased to 964,000 acres, and “in 1890 it was 2,652,000 acres.”

The facts as stated are true, but they do not prove the case. All they prove is, that agriculture has progressed more rapidly since 1873 than it did before. In order to show that Protection was the cause of the more rapid progress during the last 20 years, it would first of all be necessary to make certain that no other causes operated in this direction.

We know, however, that the exact opposite is the case. During the greater part of what Sir Graham calls the Free-trade period—from 1853 to 1864—the alluvial goldfields attracted the population. As long as people were animated by a reasonable hope of making a rapid fortune on the diggings, they were not likely to engage in the hum-drum occupation of felling the forest and preparing the land for future cultivation.

When the alluvial gave out and thousands were anxious to go on the land, they found that there was none open for them. The Orders-in-Council of 1847 had locked up the land in squatting leases, and the people had not yet prevailed on the local Parliament to restrict this unjust privilege. The attempts made in that direction began in 1862 with the notorious “Duffy Act,” and though various amending acts were passed, the whole of this land legislation merely resulted in giving to the squatters the freehold of land, which they had previously occupied under leases, and thus to prevent still more effectually any considerable progress of cultivation.

The first successful attempt to open the land to *bona fide*

cultivators was made by Mr. Grant's Act, which contained the famous 42nd clause, and this partial success was followed up by the Act of 1869, which came in force on the 1st of February, 1870. Practically speaking, it is this latter date which marks the beginning of an extended system of cultivation in Victoria, not on account of Protection, but on account of legislation which enabled the cultivator to get at the remaining lands of the country.

The fact that the area of land cultivated was largely increased after 1873 is therefore no proof that the protective policy caused that extension. The contrary assertion can only proceed from a wilful disregard of the facts which I have summed up above. Our Protectionists, however, have another string to their bow. They point to New South Wales, where in 1890 the area cultivated was only 1,498,835 acres as against 2,652,768 in Victoria, and claim the difference as due to the protective policy. Here again, however, they rely upon ignorance of the concomitant facts. These are as follows :—

First : The land-legislation in New South Wales since the separation of Victoria, has been even worse than that of the latter colony. Not only is the bulk of the land of the mother colony still locked up against the selector, but even in the Eastern division, where alone free selection has been secured, the conditions imposed have favoured dummyism and other evasions of the legislator's intention, to a much larger extent than in Victoria. As a result, there has been scarcely any increase of farms under 200 acres (such as form the bulk of Victorian farms) since 1871, and the number of farms consisting of from 200 to 1000 acres has increased by less than 50 per cent., while the area of holdings from 1000 to 10,000 acres each, has more than doubled.

Second : It is a notorious fact, that the soil of Victoria is much better adapted to farming than the greater part of that of New South Wales and that our climate is still more favourable. The constant alternations of drought and floods, to which the larger portion of the older colony is exposed, are unknown in the greater portion of our colony.

These two reasons by themselves would account for a much greater excess of cultivation in Victoria over that in New South Wales, than actually is the case. We ought to have three or four times as much land in cultivation than the northern colony, and our rate of progress ought to have exceeded that prevailing there. As a matter of fact, however, our progress has fallen behind theirs, in spite of the advantages enumerated and in spite of the addition to our cultivated land of a new province—the mallee country. The following figures prove this fact conclusively—

PROGRESS OF AGRICULTURE.

(In Acres.)

	Victoria.	New South Wales.
	<hr/>	<hr/>
1880.....	1,997,943	706,498
1890.....	2,652,768	1,498,835
	<hr/>	<hr/>
Increase...	654,825	792,336

The above decennium is the one in which Protection became effective in Victoria. Under its influence the extension of agriculture manifestly received a severe check. We progressed at the rate of $32\frac{3}{4}$ per cent. only, whereas New South Wales progressed at the rate of 112 per cent., and actually added 137,511 more acres to its cultivated area than we did.

That the protective system has been especially inimical to the agricultural industry is still further proved by the following facts :—

From 1881 to 1891 the population of Victoria increased by 270,000 souls. Of this number only 70,000 were added to the rural population (inclusive of country townships); the population of the larger cities and towns became slightly reduced, and over 200,000 were added to the population of Melbourne. Though these figures show an increase of 70,000 persons in rural districts, there was no corresponding increase in the number of the primary producers. Their number—including agriculturists, pastoralists and miners—was 117,712 in 1881 and 119,082 in 1891, showing an increase of only

1370 persons, whereas the total population had increased by 270,000 persons. Nothing could exhibit more clearly the disastrous influence of Protection on the natural industries of the country than the absolute stagnation which these figures exhibit. These conclusions are moreover confirmed by the *Age* newspaper. On April 10th, 1893, it said :

“ All sections of the community are agreed that much of our present industrial depression is due to the steady process of rural depopulation, under which the colony has, from various causes, been languishing during the past decade.” And on the 11th October, 1894, it published an article with the sub-heading “ 50,000 selectors missing,” which is largely devoted to the exhibition of the deplorable fact, that under existing conditions, the cultivator is giving way before the squatter. Nor can this be wondered at, as long as the cultivator is taxed heavily through the Customs House, as well as in other ways, while the squatting industry escapes the Customs House almost scot free.

MINING.

The influence of Protection on the employment afforded by the mining industry is equally conclusive. It is now generally admitted that our gold resources are far from being exhausted. In fact, the *Age* on the 5th of March, 1894, declared : “ Speaking broadly, there is no reason why a population exceeding that of the colony at the present time should not be employed in gold getting.” If that is a fact, then there must be a reason for the large and continuous fall in the number of men employed in gold mining, which the following figures, taken from successive Census Reports, exhibit. Nor can there be much doubt about the reason. Protection, by increasing the cost of machinery, candles, and blasting materials, has made the working of mines more costly than it otherwise would be, and thus prevents the working of many deposits which would pay under Free-trade conditions, and by drawing the attention of labour and capital to the artificially fostered city industries, it has caused them to neglect to a large extent the development of mining. In considering

the figures below it must be remembered, that our rich alluvial diggings had all given out long before the year 1871.

MALES EMPLOYED IN GOLD MINING.

(Victoria.)			
1871	1881	1891	Total
52,425	35,189	23,091	Decline.
Decline	17,236	12,098	29,334.

FELLMONGERING.

The *Age*, 29th of June, 1892 :

“The Stock Tax has been the death of the fellmongering industry. In 1875, when there was no Stock Tax, there were twelve meat-preserving companies in the colony, killing 50,000 to 60,000 sheep per week, and employing 500 skilled and unskilled workmen, and the skins were distributed among the local men. Now, with a Stock Tax, all these places are closed and the industry has removed to New South Wales.”

WOOLLEN MILLS.

The most conclusive evidence of the fallacy that Protection increases employment, even when protected industries alone are considered, is furnished by the history of the Woollen Mills. If any industry is capable of being fostered by Protection, it should surely be that of converting our wool into cloth and other wearing material. This has been considered so self-evident, that the legislature has been particularly solicitous to afford every encouragement to this industry. Not only have the duties, protecting our woollen manufacturers against the competitions of their outside rivals, been raised to 44 per. cent., but a bonus for the manufacture of worsted cloth amounting to £9,000 has also been given. Yet, whereas New Zealand under a duty of 20 per cent. has developed a woollen industry which exports to all the world, and gives employment to 1078 hands, ours cannot compete anywhere, and employs the miserable total of 623 only. Moreover the employment given by the mills has actually

decreased under the "fostering" influence of ever increasing duties, as the following table shows :

HANDS EMPLOYED IN VICTORIAN WOOLLEN MILLS.

	1878	1881	1886	1887	1888
Duty ..	11 %	16½ %	22 %	22 %	22 %
Hands Employed	736	776	780	704	784
Net Imports £			485,114	406,971	537,266
	1889	1890	1891	1892	1893
Duty ...	33 %	33 %	33 %	44 %	45 %
Hands Employed	841	810	791	736	623
Net Imports £	565,142	400,611	438,621	346,824	195,071

NOTE.—During the period 1878 to 1891 the population of the colony increased from 775,272 to 1,140,405.

This same tale of decay, brought on by Protection, is confirmed in the following table, which moreover exhibits the curious fact, of an increasing disproportion between the quantity of wool used, and that of so-called woollen goods produced. The only explanation of this phenomenon is to be found in the increasing use of cotton and shoddy by the Victorian mills.

Year.	No. of Spindles in Use.	Quantity of Wool Used lbs.	Goods Manufactured.		
			Tweed, Cloth, Flannel.	Blankets Pairs.	Shawls
1884	—	1,833,650	830,604	2,531	259
1886	23,698	1,797,947	1,114,241	2,905	180
1893	18,178	1,059,458	985,177	3,117	1,070

This abject failure of the woollen mills to realise the hopes placed in them, is directly traceable to Protection itself. It leads the mills to the attempt of making all classes of goods, instead of only those for which our wools are most

suitable, and converting them thus into "jacks-of-all-trades and masters of none;" it confines them to our heavily protected market, instead of opening to them the markets of the world. It also induces them to stick to old methods and obsolete machinery, because it is much cheaper to ask for an increase of duty, than to substitute new and expensive machinery for that which has become antiquated. This same reliance on duties instead of on a progressive policy, has been observed in the United States. English manufacturers largely sell their obsolete machinery to American manufacturers, and are said to have sold some to Victorian mills.

The *Age*, on the 9th of May, 1894, said :—

"The New Zealand Woollen Mills are more numerous (than ours), "and, as a whole, have proved a success. The "New Zealand woollens have not only won a place in the "local market, where they *command* the trade, but orders for "various classes are constantly being received from England, "and dress goods and coatings find a good outlet in the "adjoining colonies. How is it that New Zealand has made "its woollen industry a complete success? It can hardly be "due to the tariff charges, as these are only 20 per cent. (recently increased to this amount against the wish of the factories) "as against 45 per cent. in Victoria. New Zealand "manufacturers impute it to the fact that our mills are behind "theirs in machinery; much of the machinery in Victorian "mills they regard as obsolete. It is admitted that the "Victorian manufacturer has a far better selection of wool "than his compeer in New Zealand; our climate is as "good, whilst the standard rate of wages in New Zealand mills "is a matter of agreement between the employers and the "union."

EMPLOYMENT IN FACTORIES.

The following table exhibits the decline of employment

in some particular trades. The years between which comparison is made, are selected because they were moderately prosperous periods, free alike from boom influences and from those of the existing depression. It must also be remembered that the protective duties were almost doubled in the interval, and that the population increased 22 per cent.

HANDS EMPLOYED IN VARIOUS FACTORIES IN VICTORIA.

FACTORIES.	HANDS EMPLOYED.		DECREASE.
	1883.	1890.	
Clothing	6155	5068	1087
Hats and Caps	714	482	232
Rope, twine, etc.,	503	288	215
Meat curing	599	279	320
Jam, pickles, etc.	463	406	57
Coffee Preparing, etc.	279	127	152
Soap and candles	472	399	73
Tanneries	1786	1576	210
Tents and tarpaulins	112	95	17
Agricultural Implements	1147	1006	141
Salt	66	60	6
	12,296	9786	2510

or a reduction in employment of over 20 per cent. (See also Table C, page 47.)

The following table exhibits the number of men and women employed in the *protected* factories of Victoria:—

HANDS EMPLOYED IN PROTECTED FACTORIES

1893.

MANUFACTORIES.	Males.	Females.
Acct. Books, St'n'ry, Stamps and Straw B'ds	569	356
*Printing Establishments, and paper bags ...	660	270
Musical Instruments and Carving...	98	4
Electrical Apparatus	8	
Arms and Ammunition	80	11
Machines, Tools and Implements	6909	15
Carriages, Harness, &c., &c.	2480	23
Cement Works, &c.	90	
Venetian Blind Works	55	1
Furniture, Bedding, Safes, &c., &c.	949	106
Chemicals, &c., &c.	433	176
Woollen Mills	217	189
Dress, Boots, Hosiery, Umbrellas and Hats...	3591	4981
Rope, Twine and Mat Factories	155	60
Sail, Tent and Tarpaulins	27	13
Arrowroot, Starch, Biscuits, Confectionery, Sauces, &c....	1028	367
Drinks, Stimulants and Materials thereof ...	2322	233
Animal Matter, Tanneries, Portmanteaux, &c.	2047	82
Baskets, Brooms, Cooperage Corks	1123	12
*Fancy Boxes, Paper, Saw Mills, Joinery, &c.	1464	158
*Potteries, Glass, Marble, &c.	917	9
Goldsmiths, Jewellers, &c.	217	10
Brass, Copper, Shot, Wire Works, &c.	460	2
Dressmaking, &c.	89	3302
Totals ...	25,978	10,581

NOTE.—The trades marked * are those of which the produce is partly protected and partly unprotected. On account of the unprotected portion, the following number of hands has been subtracted :—

MANUFACTORIES.					Males.	Females.	
Printing	...	...	...	...	2648	...
Joinery	...	...	..	...	722	...
Forest Saw Mills	...	...	...	...	1000	...
Monumental Masons	...	...	...	...	326	...
Total					...	4696	...

It will thus be seen that the Protected trades employ less than 26,000 men and boys. The number of males living in the colony, between the ages of 14 and 65 was 384,814 in the year 1891 (Census). The Protected trades, therefore, employ less than 7 per cent. of the male population. Even if it were asserted, as is generally done by Protectionists, that none of them would be thus employed in the absence of protective duties—the mendacity of this assertion is made obvious by the fact that New South Wales employs more operatives in its factories than Victoria—even then it is manifest that if protective duties increase prices, they must throw more men out of employment in the unprotected trades, which employ more than 93 per cent. of the people, than they can employ in those trades in which less than 7 per cent. of the people are engaged. That Protection does increase prices has been amply proved in the first chapter.

The following table gives a comparison of the number of hands employed in the principal manufacturing trades in Victoria and New South Wales.

COMPARISON OF NUMBER OF OPERATIVES

Employed in the more important manufacturing industries of Victoria and New South Wales :—

MANUFACTORIES.			Vict.	N.S.W.
Aerated Water Factories	...	...	827	832
Biscuits and Confectionery	...	...	579	836
Breweries	...	...	1040	745
Boot and Shoe Factories	...	...	3341	2708
Bricks and Potteries	...	...	1346	1706
Clothing Factories	...	...	4330	2756
Coaches, Carriages, &c., &c.,	...	...	1980	1999
Candles and Soap Works	...	...	375	255
Carpenters, Joiners, and Saw Mills	...	...	3069	5451
Dressmaking, Millinery, &c.	...	...	3391	1804
Foundries, Machinery, Iron, Brass, Copper Works, &c.	...	...	6325	6834
Furniture Making	...	...	758	984
Meat Preserving Works	...	...	164	346
Plumbing and Galvanised Iron Works	...	...	541	703
Printing, Stationery, Bookbinding, &c.	...	...	4503	4494
Ship and Boat Building	...	...	54	1014
Saddlery, Whips, &c....	...	...	510	552
Sugar Refining	...	...	385	372
Tabacco Factories	...	...	588	672
Tanneries, Woolwashing and Fellmongering	...	...	1492	1793
Wire Works	...	...	98	269
Totals			35,696	37,125

The above table shows that in nearly all the manufacturing processes which are mainly carried on by men, New South Wales is ahead of Victoria, whereas Victoria is ahead mainly in those manufacturing processes which are principally carried on by women. Even in those trades in which mainly women are employed, Victoria compares badly with New South Wales in this respect, that the latter, the free-trade colony, employs a much greater percentage of men in these trades than does the protected colony. (See next table). This is one more proof to show that the protective policy substitutes women's cheap labour for men's dearer labour.

TRADES EMPLOYING FEMALE LABOUR.

Comparison of number of men and women employed.

MANUFACTORIES.	VICTORIA.		N.S.W.		Percentage of Females.	
	Males.	F'mals	Males	F'mals	Vic.	N.S.W.
Clothing Factories, &c. ..	753	3577	1183	1573	82·6	57·0
Dressmaking and Millinery ..	89	3302	151	1653	97·4	91·6
Boot and Shoe Factories ..	2427	914	2230	478	27·3	17·6
Printing, Stationery, Book-binding, &c. ..	3877	626	4047	447	14·2	9·9
Tobacco Factories ..	413	175	532	140	30·0	21·0

STRIKES.

One of the most conclusive pieces of evidence with regard to the creation of unemployed men by a protective tariff, is contained in the history of strikes in Australia. It will be within the recollection of most readers, that during the shearers' strike in Queensland, the Queensland men were defeated mainly by non-unionists sent from Victoria, and that, during the maritime strike, the vessels were loaded in Adelaide by labour sent from Melbourne. It will be similarly remembered that the bulk of the non-unionists who defeated the Broken Hill strikers came from Victoria. This fact was clearly established in the correspondence which ensued between Sir George Dibbs and Sir John Downer, when the former attempted to send the defeated strikers to South Australia.

It the early part of 1893, a strike of boot operatives took place in Sydney. By the end of January it had become clear to the manufacturers that they must either lose the battle or import non-union labour. A representative of Messrs. Enoch Taylor and Co., therefore, came over to Melbourne, engaged the hands, and the Sydney bootmakers were defeated. No bootmakers have ever been imported from Sydney to defeat the Melbourne bootmakers in a strike.

In the month of September, 1894, the Typographical Society in Sydney went on strike against the reduction of wages to £2 12s. per week, as a minimum. When their

places could not be filled in Sydney, Mr. Chas. Batson, Secretary of the Master Printers' Association, was sent to Melbourne and found no difficulty in obtaining the necessary men there.

These facts prove, that Protection not only destroys the independence of the operatives in the protected colony, but is a menace to the Labour cause all over Australia.

PROHIBITION.

Before closing this chapter, something should be said with regard to the doctrine, "that everything that could be made in the country should be protected to such an extent that it would be impossible to import." When this doctrine is examined it will be seen to amount to the total prohibition of all but an insignificant fraction of imports. For what is there that cannot be made in the colony, if only the price is made high enough to pay for the cost. All food, all clothing, all furniture and ornaments, all machinery can be made here. Even tea can be and is grown, in some gardens in Victoria; and pine-apples as well as spices could easily be raised under glass. The *Age* on October 2nd, 1894, actually advised our farmers to grow pepper and spices, instead of wheat. The only things we cannot produce are a few metals of minor importance, which apparently do not exist here. Consequently this doctrine, preached by the Protectionists, as the central doctrine of their faith, would exclude all imports except these metals. But, as I have already shown, if we refuse to import, we cannot possibly export, unless we make a present to the foreigners of the exported goods. For whatever they give us for these exports, must be imported if we are to benefit by it.

Hence, the immediate and inevitable result of adopting the protective policy in its fullness, would be the cessation of all exports. Half our farmers, therefore, would have to abandon their farms, and nearly all the gold-miners would be thrown out of work. Are they to be employed in factories? That is impossible, for it is these men who were to consume the goods made in factories. At the very time that their

labour would increase the output of our factories, the consumers of that output would have been reduced by more than one-half, and none of it could be exported. Therefore, the only course open to these men would be to emigrate. The adoption of the full doctrine of Protection, therefore, would be disastrous to an extent that can scarcely be imagined, and the modified application of it which exists at present must be disastrous to only a less degree. In support of this contention, I will again quote Protectionist evidence :

Mr. L. L. Smith, in introducing a deputation from the Chamber of Manufacturers to the Premier (Mr. Turner) on October 3rd, 1894, asking for Intercolonial Free-trade, said :

“It was at all events certain that we could not go on manufacturing without an extended market. The competition amongst ourselves must go on until we were reduced to beggary and ruin.”

Mr. Best, Commissioner of Customs, and late President of the Protectionist Association, added :

“He felt satisfied that the limited market enjoyed by our industries not only hampered their extension, but created such an unhealthy competition as to intensify the evils of sweating.”

Yet the foremost aim of the advocates of Protection—the object for which they claim that it justifies the compulsory and inequitable character of their legislation—is to confine all our industries to this limited market. Both Mr. L. L. Smith and Mr. Best are Protectionists, and both confess that this limitation of their market is ruining the industries which are protected. Am I not right in asserting that the advocates of Protection are foremost in proving the disastrous nature of their policy ?

CHAPTER III.

PROTECTION AND WAGES.

GENERAL CONDITION OF THE PEOPLE.

THE claim that Protection increases wages and, therefore, improves the general conditions of life, is put forth in various ways, according to the circumstances of the country in which it is made. In common with all new countries, wages were comparatively high in Victoria before the adoption of the protective system. Hence the claim made in Victoria is, that protective duties are necessary to prevent wages from falling to the level of the older countries from which we import goods. The inference made by the advocates of Protection is first, that the importation of foreign goods in exchange for our own, must cause wages to fall to the level prevailing in the older countries from which we import; second, that protective duties prevent this disastrous result from coming about.

Let us examine this theory by the light of facts. As already shown (on pages 64, 65), less than seven per cent. of the male workers of Victoria are employed in protected factories. The remaining 93 per cent. of male workers cannot be protected, either because as farmers and miners, the value of their produce is, in the long run, settled in the markets of the world; or because, like shop-keepers, clerks, navvies, sailors, carters, railway men, house-builders, butchers, bakers, &c., &c., the work which they perform can only be performed within the country itself. They have a natural monopoly of our market.

No labourer working in foreign countries can compete with them. The theory, therefore is, that by compelling 93 of our workers to pay more for the goods produced by seven other workers, we can raise the wages, first of these seven protected workers, and thereby, subsequently, of the entire hundred workers.

The absurdity of this contention is only too manifest. For, if the wages of the seven workers who are said to be protected, were to rise beyond the level of wages paid in other pursuits requiring equal skill, some of these 93 unprotected workers would quickly invade the better paid trades, or apprentice their sons to them. Soon there would be more of them than could be employed in supplying the requirements of the local market ; competition between these workers would be more severe than in the unprotected trades, and wages would fall below the rates paid for equal skill in the unprotected trades. Instead of raising wages for the whole hundred workers, the protection of the seven would have reduced their own wages below those paid to the remaining 93 workers.

The mere expectation, raised by Protection, that wages in the protected trades would rise, has actually brought about this result. In the United States as well as in Victoria, wages in the protected trades are actually lower than wages in the unprotected trades requiring equal skill. (See pages 104, 105).

Moreover, the rate of wages in the unprotected trades is lowered as well, because the demand for labour in them is reduced by Protection, and a greater competition than the natural one is thus forced on the whole body of the workers. There can be no necessity to enlarge on this point here, as the influence of Protection in reducing employment has been fully dealt with in the preceding chapter.

The following letter received by me from a prominent member of the Boot Operatives Union, exemplifies one of the ways in which protective duties tend to reduce wages, when the competition of the employers does not enable them to recover the whole of the duties in higher prices :

Melbourne, 26th December, 1894.

“DEAR SIR.—“The following is an example of the way in
 “which protective duties rob the boot operatives of their
 “wages. In the factory in which I work, we are making up
 “imported leather into boots. One kind has hitherto been
 “imported as ‘glaced kid,’ free of duty, and we got 1s. 3d.
 “putting up. Lately the Customs House Officers declared it
 “to be ‘Gondola’ and charged duty. Since then our employer
 “has reduced the wage to 1s. 1d., because, he says, as the
 “leather is increased in price, he could not go on making the
 “boots, unless we accepted a reduction in wages. What
 “could we do? We had to accept.

“Yours truly,

“JOHN W. FLEMING.”

There is, however, another point well worthy of attention. In dealing with wages, Protectionists always make the absurd mistake of considering their rate alone, and not at all their purchasing power. Yet it is manifest that the real wages of labour, do not consist in so much gold, silver or bank-notes, but in the amount of food, clothing and furniture, and in the comfort of the house which a certain amount of labour can produce for them. The rate of wages paid in a protected country, therefore, is actually a lower wage than that same rate in a Free-trade country, because it buys less of all these things for the labourer. Nay, a wage of £2 a week in Melbourne is about the same remuneration as 30s. a week, say, in Manchester, where house rent and nearly everything else is much cheaper. Protection therefore reduces the nominal rate of wages as well as the actual wages of labour throughout the country.

This wage reducing influence of Protection is artfully concealed by the appeals addressed to our workers, in which their nominal wages are compared with nominal wages in England, and the lowest wages paid in England with the highest ever paid in Victoria. Disregarding the latter unfair treatment, it is well known that wages were higher in Victoria than in England, before the former country adopted a pro-

tective policy and it must, therefore, be obvious to any thinking man, that the fiscal policy of each country cannot be the only or even the determining cause of the difference in wages which may exist between them. Nay, most Protectionists themselves proclaim that land monopoly is a serious, even the most serious cause of low wages, and admit that land monopoly is more complete in England and other older countries, than it is in Victoria and other new countries. When they nevertheless compare wages in England with wages in Victoria, and attribute any excess in this colony to the influence of the protective policy, they are manifestly acting in a disingenuous manner.

If the object is to discover the influence of Protection upon wages, it is necessary to compare countries, which, while differing in their fiscal policy, are as much as possible alike in other economic conditions affecting wages. A comparison between wages in Free-trade Great Britain and in Protected France and Germany, as also a similar comparison between Victoria and New South Wales, fulfills these conditions most nearly, and therefore gives the most reliable results. I shall give ample proof in the sequel that every such comparison fairly made, reveals the fact that wages are lower and sometimes much lower, in the Protected than in the Free-trade countries. Before entering upon this task I wish, however, to subject the protectionist theories to some further comparison with the world of facts.

At the bottom of the protectionist contention lies the idea that low wage labour makes cheaper goods than high wage labour, and that therefore the importation of such cheap goods must reduce the wages of our own labourers who make similar goods. My first exception to this theory is, that it contradicts the other protectionist theory, that Protection does not increase prices. For it will be manifest, that if low wages make cheap goods, and if Protection does raise wages, then Protection must increase the price of goods; and also, that if wages must fall if cheap goods are imported, then they must equally fall in order that

the home made goods shall be as cheap as the imported goods would be without a duty.

My second exception is, that it is not the importation of goods which regulates wages, but the exportation of goods which does so. The vast bulk of our labour is employed in agriculture, mining and in manufacturing and transporting for the purposes of agriculturists and miners. The importation of cheap manufactured goods increases the wages of all this labour, because it augments the comforts which their wages can buy. If, however, the price of wool, of wheat, of butter, fruit and gold were to fall, other things remaining the same, then the wages of all these men would necessarily become less, just as their wages might rise, if the price of these articles were to rise. These are all goods which we largely export, and it is, therefore, the price of our exports, and not the price of our imports, which primarily regulates the wages of the vast majority of our labourers, and, therefore, through competition, the wages of all our labour.

My third exception is, that there is no evidence that low wage countries produce goods at a cheaper rate than high wage countries. The fact is, that all the evidence is the other way. Wherever wages are highest, there is the greatest export trade in manufactured goods. The competitive power of a country in manufactures seems to be regulated mainly by the rate of wages prevailing in it, in the sense, that the higher the rate of wages the greater the competitive power. Wages are higher in Great Britain than in any other European country, and Great Britain exports more manufactured goods than any two of them. Wages are lower in France and Germany, and their export of manufactured goods, therefore, is found to be less. Wages are still lower in Austria, therefore, Austria has a still smaller export trade in manufactured goods; wages are still lower in Italy and Spain, and lowest in Russia, therefore, the export trade of Italy and Spain in manufactured goods is very small, and that of Russia is practically non-existing.

The reason for this apparent anomaly is, that high wages produce physical and intellectual vigour, and thereby increase

the productivity of labour ; that much labour saving machinery can be used by more intelligent labour, which cannot be safely entrusted to less intelligent labour ; and that much labour saving machinery must be used where wages are high, which does not pay to use where wages are low. Hence it comes, that it is the product of high wage labour which generally undersell the product of low wage labour and not *vice versa*, in nearly all the manufactures of the world.

Moreover, if it were true that badly paid labour produces cheap goods, and that well paid labour produces dear goods, the rate of wages would be a matter of absolute indifference to the working classes. For, in that case, every general increase of wages would be followed by a general increase in the cost of living, *i.e.*, the higher wages would buy no more food, clothing, houseroom, etc., than the lower wages did, and consequently any improvement in the condition of the masses of the people would be absolutely impossible. This is a manifest absurdity, and therefore shows most clearly the absurdity of the "pauper labour" argument.

My fourth objection is, that Protection is not, and never was intended to raise wages. It is intended to raise the price of goods, by excluding the competition of foreign goods. Wage earners do not, as a rule, sell goods. They sell their labour, and protective duties on goods cannot reduce the competition between labourers, for they do not exclude foreign labour. If there were any honest intention to increase the wages of labour by protective duties, the legislature would not have stopped at giving a special privilege to protected manufacturers. It would have saddled this privilege with the condition, that the manufacturers should maintain a high rate of wages. No doubt the manufacturers promised to maintain wages, but they have never been forced to keep this promise and have failed to keep it, whereas everybody else has been forced to pay high prices for their goods. Would the protected manufacturers consent to a law, fixing the wages of labour in protected trades at rates, equal to what they were when Protection was insti-

tuted? I should like to see it tried, and I am certain they would sooner sacrifice Protection than consent to such a course. It is, therefore, obvious, that protective duties were not, and are not intended to maintain or increase wages.

For the purpose of exhibiting the facts in their true light, and in order to show that Protection, in the long run, must always reduce the wages of labour and the well-being of the labouring classes, I shall now endeavour to establish the following propositions:—

(1). That wages have fallen largely in protected Victoria.

(2). That on the whole, wages are higher, and have been higher for a long time in New South Wales than in Victoria.

(3). That wages have fallen largely, and that the prosperity of the people has materially declined, in the highly protected United States since 1842.

(4). That during the same period, the beginning of which coincides with the end of the protective period in England, wages have largely risen, and the condition of the working population has improved marvellously, in Free-trade Great Britain.

(5). That wages are very much lower, and that the condition of the working population is very much worse, in the protected countries of Europe, than in Free-trade Great Britain.

WAGES AND CONDITION OF LABOUR IN PROTECTED VICTORIA.

“The people of this colony have never been in such a “deplorable condition as at present.”—MR. W. A. TRENWITH.—*Age*, May 20th, 1893.

“Even in the country where I came from—the home of “the brave, the free and the half-starved—(England), I have never seen such distress as exists here.”—MR. J. HANCOCK, M.L.A., “Rotunda Meeting,” April 2nd, 1894.

MR. S. MAUGER, Secretary of the Protectionist Association of Victoria, examined before the “Sweating Committee,” said :

“He knew of a case where a mother and daughter, engaged in making shirts, and working from 12 to 14 hours a day, earned 3/6 per day. One woman had been receiving 2/- a dozen for shirt making ; this was the lowest price paid in England for the same work.”—*Age*, June 23rd, 1893.

MR. W. A. TRENWITH, M.L.A., speaking in the Legislative Assembly on October 18th, 1893, (*Hansard*) said :

“He desired to draw the attention of Honorable Members to the very low wages that prevailed in a large number of industries, and, in fact, the difficulty of getting wages at all in some. It would be remembered that this country responded with wonderful unanimity to an appeal from the poor dockers in London who were struggling to obtain 6d. an hour for the work they had to do. . . . It would surprise Honorable Members to hear, though he believed it was a fact, that *there were men working to-day in Melbourne in many branches of industry for less than that sum*” (6d. per hour).

The *Age*, March 11th, 1893 :

“At a meeting of the Trades Hall Council, held on March 10th, 1893, Mr. Bishop asked the President, Mr. T. Graham, whether he was aware that carpenters were working at the Spottiswood pumping station for 2/4 a day ; and laborers were working at the same place digging post holes for 1/1 a day, and finding their own explosives. The questioner volunteered to give the names of the men so employed. The President replied that he believed such to be the case.”

The duty on woollens was raised from 33 to 44 per cent. on July 29th, 1892.

On August 27th, 1893, the employees of the Ballarat Woollen and Worsted Mills met the directors in conference, and agreed, after a short discussion, to accept an all round reduction of wages.

The *Age* reports on July 26th, 1893 :

“That the weavers at the Doveton Woollen Mills,

“Ballarat North, resolved to go out on strike against a reduction of wages ranging from 14 to 35 per cent ; and that the Ballarat Trades and Labour Council had passed a resolution to the effect that the reductions would bring the wages of the men down to starvation prices.”

The wages paid by the woollen mills, *after this increase of duty*, are stated by Mr. A. Bell, Chairman of Directors of the Ballarat Woollen Mills, in a speech delivered by him at the half-yearly meeting of the shareholders, and reported in the *Age* of the 20th of October, 1894, as follows :

“The Directors were perfectly satisfied with their hands, which numbered 240. . . . The wages expended during the half-year just closed, totalled £5641 16s. 7d.”

The wages thus unwittingly disclosed, average 18/1 per week for each pair of hands, inclusive of overtime, which probably forms a not unimportant item, as the mills were very busy and prosperous during the half-year. Mr. Bell also furnished this useful piece of information :

“The Ballarat Woollen and Worsted Company, as far as its trade was concerned, was paying the highest wages in the colony.”

It would be interesting, after this, to know the lowest wages paid to the “protected” woollen operatives.

As an example of the recklessness and disregard of truth with which the protective policy is defended, I place before my readers the following denial of Mr. Bell’s statement, which appeared in the *Age* of December 21st, 1894, headed “Exposure of Hirsch Fallacies” :

“During the course of his remarks, Mr. Hirsch said that the wages paid at the Ballarat Woollen Mills during the last half-year (£5641 16s. 7d.), gave an average per employee of only 18/1 a week. Mr. Alexander Bell to-day took up the cudgels for his industry, and he completely vanquished the Free-trade stump orator. Mr. Bell shows that during the fortnight ended 12th inst. (only an average fortnight) the hands at the mills were paid as follows :

	Total Wages.	Average.
" No. of men, ... 68	£265 16 7	£3 18 2
" No. of women, 30	80 16 2	2 13 10
" No. of boys ... 36	38 7 2	1 1 7
" No. of girls ... 78	77 15 11	1 0 0

" £462 15 10."

In this so-called contradiction it is carefully avoided to admit, that my calculation was based on Mr. Bell's own statement, and in order to prevent the possibility of readers ascertaining for themselves the correctness of my calculation, the number of operatives employed during the half-year in question is suppressed. Moreover, instead of furnishing new figures for this half-year, something quite different is supplied, viz., the wages paid during a single fortnight in another half-year. Even if the wages during this fortnight were 50/- per week, it would be no disproof of the statement that in the previous half-year they averaged 18/1 per week. If, however, any reader will divide the total wages paid during this selected fortnight by the number of hands, he will find the average wages for the fortnight to be £2 3s. 7d., or, per week, £1 1s. 9½d. The wages paid during this selected fortnight only exceed by 3/8½ the average rate stated by Mr. Bell to have been paid during the previous half-year, and consequently confirm and do not contradict the information previously supplied by him.

Evening Standard, June 27th, 1894 :

" At the Richmond Police Court this morning, the
 " evidence given conclusively showed for what a small wage
 " people are willing to work. A recent employee at Causack's
 " boot factory sued Mr. Causack for 15/-, equal to a week's
 " work. Plaintiff was engaged to attend the sand-papering
 " machine at 10/- a week, but being a married man he found
 " this almost impossible to live upon; so he told his
 " employer in fear and trembling lest he should be discharged
 " altogether. His employer, however, raised the wages of his
 " employee—a grown-up, married man—and gave him 15/- a

“ week. But it did not last, and the servant was discharged
“ without notice. A verdict was given for 10/-.”

Mr. B. MITCHELL, President of the Master Tailors’
Association, says :

“ Three years ago the men in our trade were earning
“ from £2 to £3 10s. per week, or an average of from 50/- to
“ 55/-, and the women were earning from 20/- to 25/- per
“ week. Since then wages have fallen to the extent of nearly
“ 50 per cent., the men now earning up to 30/- per week,
“ and the women 10/- to 15/-.”

The *Age*, September 10th, 1892 :

“ At a meeting of the Trades Hall Council on Friday, 9th
“ September, 1892, the President laid before the Council a
“ number of samples of colonial-made tweeds, manufactured
“ by a certain firm, and stated that they were quite as good
“ as any that could be imported, and asked that the support
“ of the Council should be given to any company prepared to
“ supply goods of equal quality.” *Mr. Rea stated that the firm
which produced the samples paid starvation wages to its employees.*

The *Age*, May 27th, 1890 :

“ TRADE AND LABOUR TROUBLES.”

“ *The Tailors and the Sweating System.*”

“ The Committee appointed by the Tailors’ Society to
“ ascertain the extent to which sweating was practised in the
“ trade, presented a long report to the meeting of the Union
“ last evening. The members of the Committee stated that
“ they had been round to visit the places where the out-door
“ tailoring work was carried on, and that they had found that
“ dreadful dens existed, which were *as bad as anything to be
“ found in London.* Women and girls were crowded together
“ in small rooms, working their very lives away for a
“ miserable pittance that would hardly keep body and soul
“ together. In several places visited, they found the people
“ sewing away as late as 9 or 10 o’clock at night, and after

“12 or 14 hours of labour, many of them had not earned more than 1/6 or 2/- for their whole day's work. They met with one poor woman who had been at work since 5 in the morning, and she said that her utmost endeavours were scarcely sufficient to provide for herself and her family. In other cases they had discovered that the average remuneration was about 1½d. per hour.”

The *Age*, December 30th, 1893 :

“A peculiar summons for wages was before the District Court yesterday. A young man named Walter Leggett, about 20 years of age, proceeded against Edward Purcell, shirt manufacturer, for the recovery of wages. The plaintiff stated that the salary agreed upon was 12/6 a week, whereas the defendant said he had engaged the plaintiff at ‘the rate of 12/6 a week, or 2/1 per day.’ The plaintiff among other duties had to sweep out the office, post the ledger, pass the invoices, run messages, attend to the banking business, throw up bales of dry goods, and do ‘all round work.’ He closed the establishment generally from two to three days a week. To settle the case he paid 7/6 into court ; 5/- being expense of summons, and the remainder (2/6) being wages for two days' work due to plaintiff. A young man named W. Kelly, in the employ of defendant, stated that he was employed at the rate of 1/1 a day. The bench gave a verdict for the small amount paid into court.”

The *Age*, in August, 1893, on “Sweating” in Ballarat, says :

“In more than one instance the proprietors of workshops have become wealthy, owing to the great profits they have made on the labour of hands whose poverty compelled them to accept extremely low rates of wages. At one small workshop in the district, the owner, it is alleged, clears a weekly profit of £20, and the best paid hand in his employ does not receive more than 10/- per week. Several employees are working for a weekly wage of 2/6.”

Extract from a letter addressed to “The Editor of the *Argus*,” by Mr. Wm. Marshall, 39 Crockford Street, Port Melbourne, and published on February 14th, 1893 :

“ We have been for the last 20 years making up clothing for some of the principal clothing manufacturers of Melbourne, and when we commenced we were paid at the rate of from 12/- to 14/- per dozen of men’s trousers. Gradually the price has come down till it was almost impossible to make a living, and the prices now are as follows: men’s trousers, from 7/6 to 8/- per doz.; boy’s trousers, 6/6 per doz. We have to find thread and cotton, fuel for pressing, wear and tear of machines (our own), and we pay cost of taking them in and out. I reckon this at 3/- per doz., so you see, Sir, I get 4/6 out of one dozen of trousers, which takes us (competent hands) two days and a half to complete.”

SWEATING IN VICTORIA.

THE CLOTHING TRADE.

That the evil of “ sweating ” should have acquired such a strong hold on the industries of this young country, that among our scanty population there should have arisen the same conditions which prevail in England in those few cities only where a large proportion of the population consists of emigrants from the protected countries of the European continent, is in itself a significant phenomenon. Still more significant is it, that “ the first time sweating came under public notice,” to use the words of the *Age*, was a year or two after the protective policy had been fully and consistently carried out. When Sir (then Mr.) Graham Berry was returned to power in 1877, with an overwhelming majority at his back, he, in 1878 and 1879, made dutiable almost every article which had previously escaped the fiscal net, and greatly increased the weight of the duties as well. We will now quote from the *Age*, of May, 1893 :

“ The first time that sweating came under public notice in Victoria, was when the factories and shops commission of 1880 was prosecuting inquiries amongst the industrial classes. . . . Although the evil was not so acute as it is now, the indignation which was excited, vented itself in

“certain clauses of the bill which was submitted to Parlia-
 “ment in 1884. Public opinion was not strong enough on
 “the sweating question, and the bill was emasculated.
 “Meanwhile, the acknowledged evil was spreading like a
 “cancerous growth. At that very time we were at the
 “height of our boom prosperity, and yet the subject of
 “sweating forced itself under notice. Letters and verbal
 “communications came to the *Age*, and we instituted an
 “enquiry, which resulted in an article published on the 28th
 “May 1890, stating : It is abundantly certain that sweating—
 “mean, frowsy, depraved, and pitiful—is carried on in
 “Melbourne to a degree hardly less horrible than the
 “incidents of its prevalence in London. The article gave
 “particulars about sweaters’ workrooms visited in Carlton
 “and other suburbs. It was a tale of over-work, under-pay
 “and wretchedness. Girls were found working in dens for
 “72 hours a week, and their remuneration was only from 2/-
 “to 12/- a week. . . . The outcome was a mass meeting
 “of citizens, held in the Melbourne Town Hall on 9th June,
 “1890. The then Mayor (Cr. Lang) presided, and the hall
 “was crowded to excess. . . . It was resolved on the
 “motion of the Rev. Dr. Strong, seconded by Mr. Bromley,
 “and supported by Mr. Deakin and Mr. Balfour : ‘That in
 “the opinion of this meeting the sweating system, at
 “present existing in our midst, is a menace to the public
 “health and morality of the colony ; the long hours of
 “forced labour at starvation wages in unhealthy, un-
 “ventilated hovels, where men, women and children are
 “huddled together indiscriminately, being a crying evil
 “productive of hardship, disease and vice.’ . . . A
 “deputation from the meeting waited on Mr. Deakin as
 “Chief Secretary, on the 18th of the same month. Mr.
 “Deakin, in replying, said : ‘The facts showed that in this
 “city prices were paid for the manufacture of clothing, and
 “perhaps of some other articles, wholly insufficient to
 “support a decent workman, working decent hours ; and
 “this community protested against human beings being
 “compelled by their necessities to accept remuneration that

“could not possibly allow them to live as human beings
“should live.’”

So far the *Age*; it fully admits, that the first knowledge of “sweating” came after the firm establishment of Protection; that during our most prosperous period it increased and spread until it became “hardly less horrible than the “incidents of its prevalence in London.” That the system has extended since, that it has invaded many new trades, and that its weight is constantly increasing, is amply proved in the report issued by the Factory Act’s Inquiry Board, 1893, popularly called “The Sweating Board.” The facts are thus beyond dispute; it is equally beyond dispute that the evil has arisen and developed under the protective system. I will now show that it is largely due to that system.

I have already referred to the fact that the sweating evil was unknown previous to the extension of Protection in 1879, and became known immediately afterwards. In 1886 the duty on woollens was raised to 22 per cent., and that of clothing to 33 per cent., to be followed in 1892 by an increase to 44 and 55 per cent. respectively. The consequences of these increased duties on the export trade in made-up clothing was disastrous, as the following table shows:

EXPORT OF VICTORIAN MADE APPAREL.

1881	1883	1885	1887	1889	1892
£226,203	245,998	242,617	117,858	98,367	60,754

This enormous reduction in exports shows that the increased duties destroyed the competing power of our clothing factories, *i.e.*, compelled them to charge higher prices. This increase in price had, however, the further result of decreasing the local consumption as well. In their efforts to maintain their trade, the manufacturers were compelled to use every device for lowering wages, and the scarcity of employment, compared with the number of operatives in the trade, absolutely destroyed the resisting power of the latter. In

1883 the price paid for making a pair of trousers was $1/3\frac{1}{2}$. Evidence given before the "Sweating Board" shows, that it had fallen to 8d. in 1893.

Moreover, the ruin of the clothing industry had a disastrous effect on the tailoring trade as well. As the women fell out of work in the former, they began to compete with the men in the latter. First as trouser hands, then as vest and even coat hands, and slowly but surely the men have been crushed out, and the work undertaken by women at greatly reduced wages (See table 95).

The following table gives a picture of the reduction of employment, and the displacement of male by female labour in the clothing trade, during the last few years.

	1890	1891	1892	1893
Males	1417	1150	987	753
Females	4700	3209	3581	3577
Total	6117	4359	4568	4330

The evidence given before the "Sweating Board," and the recommendations of the Board itself, fully confirm these facts. The general tenor of the evidence given, as regards the influence of the increased duties, may be thus stated: "We don't charge higher prices, because we cannot get them in these bad times. We give a cheaper cloth; we make a little less profit; and we take it out of wages." The Board sums up the evidence as follows:

"One of the expert witnesses states: 'I find that the greater the amount of duty put on the woollens, so the greater the reduction in the price for manufacturing.' . . . The evidence of the warehousemen, who are also manufacturers, went to corroborate the above statement. . . . Further evidence was received on this subject from the workers' point of view, to the effect that the high duties on certain goods were oppressive, and were one of the predominant causes of 'sweating.'"

The following are extracts from the recommendations of the Board, based on the evidence placed before them. As

one and all the members who signed the report are ardent Protectionists, the recommendations are drawn up in very guarded, and even apologetic, language. Yet they fully establish the fact, that the duties on woollens are the cause of the ruin of the clothing trade, and of the "sweating" and starvation wages prevailing in this industry. They are as follows :

"Special examination of the Tariff on Textile Materials recommended."

"The question so constantly raised by witnesses, and the information supplied by those whose long experience clearly qualifies them as experts, dealing with the subject of the alleged necessary high duties at present indiscriminately imposed on all classes of textile materials, as affecting one of our most important industries, involving the employment of thousands of workers, are well worth serious consideration, and we should fail in our duty did we not bring the matter prominently under notice. . . . We feel impressed by the weight of evidence as to the loss that has ensued upon the great shrinkage in the intercolonial trade. It is manifest that, if the low price cloths under consideration are imported at other Australian Ports at lower duties, Victorian competition in intercolonial markets must be seriously hampered. . . . We submit these considerations in view of the representations made by experts on behalf of employers, which are supported and endorsed by employees generally. The latter contend that a much greater amount of employment than that now offering would result from the removal of restrictions which they allege press heavily on the clothing industry, and that an alteration in the direction indicated would, by extending the field of labour, prove a powerful and effective antidote to the 'sweating evil.'"

No Free-trader has drawn up a more telling condemnation of so-called "protective" duties than that presented to Parliament by this body of confessed Protectionists, nor can the wage-reducing influence of Protection be admitted more fully than they have done.

PROTECTION AND THE BOOT OPERATIVES.

The duty on boots was raised to 5/- a pair on July 29th, 1892. In August of the same year, less than one month later, a conference took place between employers and employed, for the purpose of arranging a new "statement" of wages to be paid for piece-work. As a result, the employees accepted a reduction of $12\frac{1}{2}$ per cent. all round. The wages thus arranged have, however, been disregarded by the majority of employers, who have since then reduced wages still further.

The condition of things in the boot trade is thus described in the *Age*, of August 16th, 1894 :

"Wages in the boot trade, as in every other industry, have seen an enormous decline during the past few years ; but the most serious menace to the unity of the trade has been the large number of shops in which non-union labour was employed, and in which the prices paid for work were considerably below the trade 'statement.' If those working at trade rates can barely earn 25/- a week, and if the Society's rates are lowered, there will be a corresponding reduction in the miserable pittance which the unorganised sections of the trade at present receive. . . . The men employed by Mr. H. Thompson have received notice of a reduction said to be equal to 20 per cent., and those engaged in another large establishment are threatened with similar action. . . . According to the report of a meeting supplied by the Secretary of the Bootmakers' Union, the speeches indicated a shocking state of affairs in connection with the non-union shops, allegations being made that the worst forms of 'sweating' were practised in the attempt to get wages down to the lowest possible limit. . . . The men affirm that they cannot be much worse off, even with no work, than they are at the present starvation rate of wages."

MR. H. H. CHAMPION, a Protectionist, in the course of an article published in the *Australian Herald*, of November, 1894, gives an explanation of the reasons which have led to

“sweating” in the boot trade. Protectionist as he is, he cannot conceal that the increase in the duty was one of the reasons. He says :

“An increase in the duty on imported boots also seems to have had the effect of attracting to the trade a number of capitalists insufficiently equipped with money, credit, and experience. At any rate, the result in August was that the half-dozen or so employers who are still paying the (reduced) standard rate of wages, found it impossible to carry on any longer in the face of the competition of their rivals who were paying 20 and 30, and on some lines as much as 60 per cent. less for the labour employed. It must be remembered that in this trade there is practically no foreign competition. The import duty on boots is so high as to exclude from the Victorian market boots of the kind made in Victoria.”

So far Mr. Champion, who admits, that in spite of prohibitive protection, the same system of “sweating” has invaded the boot trade as that which for a long time has prevailed in the sister trade, equally protected,—the clothing industry. On behalf of the workmen, it is thus admitted that in the most protected trades wages are lowest and “sweating” most prevalent.

Let me now turn to the manufacturers. They held a meeting on October 1, 1894 (*Argus* report, 2/10/94), in the course of which these allegations were fully admitted by them also. Mr. G. Thomas stated that all the men could earn, who made rivetted boots, was from 18/- to 20/- a week. Mr. R. James said some manufacturers were paying fifty per cent. less wages than others. Mr. Delves pointed out that a section of the boot trade had made an agreement to pay the same rate of wages, and bound themselves by a £50 guarantee. Yet before a week was out first one, and then the other, dropped out.

These statements are confirmatory of those made on behalf of the men, and are further illustrated by the following action of the latter.

On the 31st of October, 1894, a meeting of the Operative

Bootmakers Union took place at the old Trades Hall, at which the following resolution was proposed :

“That, whereas the wages of the operative bootmakers have fallen in spite of the duties imposed on imported boots, which duties were granted to manufacturers on the understanding that the wages of the operatives should be maintained, this meeting resolves to call upon the labour members in Parliament to use their best efforts to induce the Government to give the workers a share in the benefit of the protective policy by enforcing the payment of minimum piece wages by boot manufacturers and in other protected and otherwise privileged industries.”

After an animated discussion the debate was adjourned to the 20th inst., when it was carried in a meeting of about 600 members, only three voting against it.

While the operative bootmakers of Victoria are thus in the direst distress, the condition of their Sydney colleagues appears to be rather prosperous, as is proved by the facts mentioned in the following letter, written in April, 1894 :—

“To the Editor of the *Beacon*.”

“You are aware that a strike, or lock-out, took place some few weeks ago at Marshall’s factory, Port Melbourne. The Operatives Union being low in funds, decided to appoint two Delegates to collect some.

“Mr. Barkerway, the Delegate who went to New South Wales, gave in his report the other evening at a meeting of the Melbourne Boot Operatives’ Union, as follows :—

“In Sydney there were 1300 operatives fully employed, and every factory is working full time, while the operatives are in much superior condition to those here. The Sydney operatives were inclined to look somewhat unkindly on their Melbourne comrades, owing to circumstances connected with a dispute which took place at a factory in Sydney (Enoch Taylor and Co.) The victory was won so far as Sydney was concerned, but Mr. Taylor sent to Melbourne and obtained a number of black-legs ; by this means he succeeded in defeating the Sydney Union.

“There was a similar report from Adelaide, where duties on boots are only half of ours, clearly demonstrating that Protection is a superstition that has, cob-web like, woven itself on the innocent and not over thoughtful mind of the average Victorian.

“The lock-out continues, and fortunately black-legs are not to be obtained from the other colonies where all hands are employed.

“JOHN W. FLEMING,

“Member of the Operatives’ Union.

“28 Eastern Arcade, Bourke Street, Melbourne.”

COMPARISON OF WAGES IN VICTORIA AND NEW SOUTH WALES.

MR. TRENWITH, *Hansard*, September 29th, 1892.

“In New South Wales wages are the same or very little less than in Victoria.”

As an admission from the leader of the Protectionists, the above declaration is of value, though it fails to state the whole truth. As a matter of fact, wages are either the same or higher in New South Wales than in Victoria, and in most cases higher. I am not aware of a single trade in which the wages are lower in the neighbouring colony, nor has it ever been attempted to show that they are, whereas in a great many instances wages are higher, and in some of the factories materially higher, than in the protected colony, as the following facts prove.

The *Age*, on May 17th, 1894, published the following comparative cost of harbour work in Sydney and Melbourne. This statement is remarkable for the fact that while all fixed charges are lower in Sydney than in Melbourne, the charges for actual work done are much higher in the former port, showing that the wages paid largely exceed those paid for similar work in Melbourne. I omit the former as of no importance here.

PORT CHARGES.

	MELBOURNE.	SYDNEY.
Wool Dumping per bale ...	0 1 8	0 1 9
Wool Stowing per bale ...	0 1 3	0 2 0
Tallow, Hides, &c. per ton ...	0 1 6	0 3 6
Discharging cargo ...	0 0 11	0 1 3
For Discharging say 1800 tons	90 0 0	112 10 0
Stowing Ore for ballast, say 500 tons ...	37 10 0	87 10 0
Stowing 4748 bales of Wool ...	296 15 0	474 16 0
Dumping 4748 bales of Wool ...	395 13 4	415 9 0

In a letter signed by Mr. J. Hancock, M.L.A., as Secretary of the Melbourne Typographical Society, and dated November 3rd, 1894, the wages of compositors are stated as follows :—

WEEKLY WAGES OF COMPOSITORS.

Previous to July 1889.	From July 1889 to June 1892.	Since June 1892
Melbourne 2 12 0	3 0 0	2 12 0
Sydney ... 2 12 0	3 0 0	3 0 0

At the time of writing the Master Printer's Association in Sydney is endeavoring to reduce the wages of compositors to the Melbourne level, on the sole plea that it is unreasonable for their compositors to demand higher wages than those in Melbourne are willing to accept. The strike is still on, in spite of the importation of non-union compositors from Melbourne.

The cheapest line constructed in New South Wales in 1894 is that from Narrabri to Morree. The official estimate shows the wages of navvies to be 7s. 6d. per day. In the same year the official estimate of cheap lines in Victoria states the wages of navvies to be 5s. per day.

Mr. Frank Cotton, M.L.A., Labour Member for Newtown, made the following statement in the Legislative Assembly of New South Wales on January 13th, 1892 :

“ Is it not true that the current of labour has been setting
 “ in steadily for years past from the southern colonies to this
 “ colony? Taking the value of labour as labour, taking the
 “ work of our navvies, taking our pick and shovel men, taking
 “ our men far away in the back country who have been
 “ reclaiming the waste, who have been sinking dams, who
 “ have been making roads, who have been bearing the heat
 “ and burden of the development of this great colony in our
 “ mining industry ;—is it not true that in our gold
 “ mining industries, in the whole employment of skilled
 “ labour, we have been steadily suffering from Victorian
 “ competition. I could quote case after case where the price
 “ per foot for sinking and driving in mines, the price per mile
 “ for fencing, the price per yard for tank sinking, the price
 “ for work in the Cobar Copper Mines, the price for smelting,
 “ the price for wood carting, the price for every class of
 “ labour, has been steadily lowered by Victorian competition.”

The following comparison shows that on the whole the wages and salaries in the Railway Service of New South Wales exceed those paid in that of Victoria, notwithstanding the fact, that, while the latter has been extravagantly managed, the former has earned praise everywhere for the economy practised in its working.

RATES OF PAY.

In the Railway Service of Victoria and New South Wales,
 1894 :—

OCCUPATION.	AVERAGE.					
	Victoria.			N.S.W.		
	£	s.	D.	£	s.	D.
Locomotive enginedrivers ...	0	13	4½	0	14	0
Locomotive firemen ...	0	9	7½	0	10	0
Locomotive cleaners ...	0	5	11¾	0	7	0
Fitters ...	0	10	11½	0	10	6½
Turners ...	0	10	8½	0	10	6
Mechanics ...	0	8	3½	0	8	10
Boilermakers ...	0	10	8½	0	10	4
Boilermakers assistants...	0	7	10	0	7	4
Moulders ...	0	10	10	0	10	3¾
Blacksmiths ...	0	11	4½	0	11	0
Strikers ...	0	7	0	0	7	4½
Tinsmiths and coppersmiths ...	0	10	6	0	10	3½
Patternmakers ...	0	13	6	0	11	3¾
Gasfitters and plumbers ...	0	10	3	0	9	8½
Carriage and waggon makers ...	0	9	11½	0	10	2
Carpenters ...	0	9	6	0	10	2
Painters ...	0	9	6½	0	9	3¼
Stationary enginedrivers ...	0	9	0	0	8	8
Fuelmen ...	0	7	7½	0	7	4½
Oilers ...	0	7	5	0	7	1
Pumpers ...	0	8	9	0	8	5¾
Guards ...	0	8	10	0	10	2¾
Porters and porters in charge ...	0	6	7½	0	7	3
Signalmen ...	0	7	6	0	9	2¾
Shunters and yardsmen ...	0	7	5	0	7	11½
Gangers ...	0	8	10	0	8	11½
Fettlers and labourers ...	0	6	7¾	0	7	4¼

SALARIED LIST.

Stationmasters ...	161	10	7	214	1	0
Clerks ...	121	12	6	188	11	6
Operators (telegraph) ...	113	6	0	113	11	0

NOTE.—The wages of the railway employees of New South Wales are taken from the annual report of the Commissioners for 1894; those of the Victorian Service from the Victorian Railways and Public Service Journal of August 31st, 1894. It must be noted that the Victorian wages and salaries are stated without any deduction, whereas all those exceeding £100 a year, are subject to a percentage reduction of from £5 to £15 per cent. If the employees were fully employed they would all be subject to this deduction, with the exception of porters, fettlers and labourers. In reality, therefore, a deduction averaging $7\frac{1}{2}$ per cent should be made from the wages of Victorian employees as stated in this table, in order to fairly compare them with the rate of wages paid to the New South Wales employees, and it must equally be remembered, that whereas the latter are fully employed, the wage-earning staff of the Victorian Service has, in numerous cases, been placed on three quarter time, *i.e.*, work only $4\frac{1}{2}$ days a week, thus reducing their wages by 25 per cent.

Equally conclusive is the following table which gives the wages paid in various private employments. The particular trades dealt with have been selected, because they enjoy the highest protection in Victoria, and should therefore exhibit to the fullest extent the power of Protection to increase wages. Yet so far from wages in these highly protected trades being higher than the wages paid in the same trades in New South Wales, they are actually and considerably lower :—

COMPARISON OF WAGES PER WEEK PAID.

In Melbourne and Sydney.

OCCUPATION.	Actual Rates.		Average Earnings	
	Melbourne.	Sydney.	Melb.	S'dney.
Furniture Trade (Chinese Excluded ...				
Cabinet Makers ...	25/- to 60/-	32/6 to 66/-	32/-	53/1
Upholsterers ...	25/- to 60/-	20/- to 66/-	36/-	49/2
Polishers ...	20/- to 50/-	30/- to 70/-	32/6	51/-
Packers ...	25/- to 40/-	47/6	32/-	47/6
Boot and Shoe Factories ...				
Clickers ...	27/6 to 50/-	27/6 to 75/6	33/-	38/7
Putters-up ...	25/- to 30/-	27/6 to 60/-	26/-	42/-
Finishers ...	25/- to 35/-	25/- to 60/-	37/-	42/11
Machinists (girls) ...	12/- to 22/6	10/- to 45/-	18/-	22/9
Clothing Trade ...				
Cutters ...	40/- to 100/-	30/4 to 170/-	75/-	90/-
General Coat Hands ...	20/- to 45/-	25/- to 60/-	32/6	48/6
Trimmers ...	25/- to 50/-	45/- to 65/-	37/-	56/6
Pressers ...	30/- to 40/-	30/- to 65/-	34/9	56/3
*Trousers hands (female)	15/- to 25/-	10/- to 36/-	19/6	15/-
*Vest Hands (female)...	15/- to 25/-	10/- to 30/-	19/6	17/6
Button-hole Workers	17/6 to 22/6	26/-	20/6	26/-
Tailoresses ...	15/- to 22/6	13/9 to 40/-	20/-	28/11
Dressmaking and Millinery				
Forewoman Dress M'k'r	30/- to 50/-	20/- to 82/6	40/-	47/-
„ Millinery	20/- to 45/-	20/- to 45/-	30/-	32/6
Milliners ...	12/6 to 35/-	15/- to 60/-	26/-	31/2
Skirt Hands	10/- to 22/-	12/- to 20/-	15/9	16/8
Bodice Hands	10/- to 18/-	10/6 to 38/-	17/-	21/6
Machinists ...	12/6 to 25/-	12/6 to 20/-	17/6	16/5

NOTE 1.—The wages paid in New South Wales are copied from the Statistical Register of New South Wales for 1893, and are the result of careful inspection of numerous wage-books. The Victorian wages have been ascertained by careful personal enquiry among large employers of labour and their workmen.

NOTE 2.—The higher rate of wages for female trousers and vest hands in Victoria arises from the fact, that whereas in New South Wales only the commonest work is entrusted to women, they are employed in Melbourne on better work, which in Sydney is done by male workers.

Nothing can be more conclusive evidence of the relative well-being of the people of two adjoining British Colonies, than their consumption of simple luxuries. The following table shows, that even at a period when Victoria was considered to be specially prosperous, its people could not afford to consume as much of these things as the people of New South Wales.

CONSUMPTION OF LUXURIES, 1884-5.

From Wise's *Industrial Freedom*.

	Tea.	Coffee.	Sugar.	Currants and Raisins.	Spirits.	Beer.	Tobacco.
	oz.	oz.	lbs.	oz.	gals.	gals.	oz.
Victoria..	110	16	92½	98¼	18⅓	16	35½
N.S. Wales	127	11	112	111	20⅔	16½	46

The above comparison, therefore, proves incontestably, that even at the time of our greatest prosperity, the working classes and farmers, the general body of the people, were more prosperous in the Free-trade colony than in the protected colony.

WAGES AND THE CONDITION OF LABOUR IN THE UNITED STATES.

The Life of Charles Dickens, by John Forster, contains a letter dated from Boston, January 29, 1842, in which Dickens describes the condition of the American people. The following is an extract :

“ There is no man in this town or in this State of New England who has not a blazing fire and a meat dinner every day of his life. A flaming sword in the air would not attract so much attention as a beggar in the streets.”

The following pages will prove the enormous decline in the prosperity of the working population of the United

States, in strong and remarkable contrast with the simultaneous elevation of that of the working population of Great Britain. Under Protection, the well-being of the people of the United States has been displaced by degradation; the degradation of the people of Great Britain during the protective period has been displaced under Free-trade by a comparatively high degree of well-being.

Hansard, August 4th, 1892 :

MR. TRENWITH : "In the United States the railways are "worked by slaves."

MR. W. T. CARTER : "If the honourable member for "Richmond (Mr. Trenwith) does not mind, the workmen of "Victoria will be worked like slaves also."

MR. CAROL WRIGHT, Chief of the United States Bureau of Labour, reports :

"The cost of living for a mechanic, with wife and children, is £151 in Massachusetts as against £100 in England. "The workmen say that increases in wages bear no reasonable "relation to advances in the price of commodities. They "do not care about a *nominally* high rate of wages. Their "thought is what will these wages purchase. *The condition "of a family in which all are workers is only just above want ; "what must be the condition of families where the children are too "young to work and the workers cannot find work."*

The Commissioner of the Labour Bureau of the State of New York, reports :

"Without the wages earned by children, parents would "be unable to support their families."

The President of the Amalgamated Society of Iron and Steel Workers of the United States, in his annual address, 1887, stated :

"The condition of the coal miners in Pennsylvania is "pitiable and miserable. A loader gets 62 cents (2s. 7d.) "per day, meat once a week; chief diet—bread and "molasses."

The Commissioner of the Labour Bureau of Ohio, stated in his annual report, 1887 :

"When men must die that trade may thrive, we have

“marked the danger-line to the Republic, and the transition
“should be sudden, and complete.”

The Commissioner of the Labour Bureau of New Jersey, in his annual report, 1887, states :

“The average wage-earner must practise the strictest
“economy, or he will be in debt at the end of the season.
“The average annual earnings of all labourers is 333 dollars
“9 cents this year (£69.7s). The employment of women and
“child labour has assumed alarming proportions, and is
“relatively larger than in Europe.”

He also quotes the evidence of a weaver, in the city of Lawrence, as follows :

“One of the evils existing in this city is the gradual
“extinction of the male operative. Within the two squares,
“in one of which I am living, I know a score of young men
“who are supported by their sisters and their mothers
“because there is no work in the mills for them.”

MR. BURNETT, Chief Inspector of Labour of the Board of Trade (England), on his return from a tour of inspection in the United States, 1894, reports :

“The condition of the workshops in the clothing trades
“in New York appears to be worse than that of the East
“London workshops before the reforms subsequent on the
“Lords’ Committee on the sweating system.”

MR. HARRY ABRAHAMS, Secretary of the Central Trades and Labour Union of Boston, U.S. of America, wrote to the Trades’ Hall Council of Melbourne in 1890, that there seemed an effort to be made to flood Australia with the cheap American labour. He had therefore been instructed by his Union to warn the organised trades of Melbourne of this danger.

The Worker, the journal of the Amalgamated Unions of Shearers and General Labourers, stated the following facts on the dates mentioned :

“New York sweaters pay 1½d. a pair for felling the waists
“and leg-ends of trousers. The work is done largely by
“Italian, Polish and Bohemian women and girls, who
“average from 8d. to 1s. a day.”—October 8th, 1892.

“A special agent of the United States National Bureau of Labour, sent to Pennsylvania, reports : “Show me a place in Russia where the people are miserable and starving, and I will match it in Pennsylvania. Show me a community in Europe where the people have lost hope and are only waiting for death to release them from their sufferings, and I will match it in Pennsylvania.”—December 24th, 1892.

The Commonweal, the journal of the Melbourne Trades' Hall Council, said on January 28th, 1893 :

“The special agent of the Illinois Bureau of Labour reports that there are over 2000 sweating shops in Chicago, and in most of them little boys and girls can be found all huddled together, sewing on buttons and pulling out threads.”

“Young women are doing men's work as lathe hands at Fort Wayne Ind. for wages as low as 8s. a week.”

CARDINAL GIBBONS, writing in the *North American Review*, of April, 1891, on “Wealth and its Obligations,” gives the following picture of the condition of the “protected” workmen of America :

“The homes of the poor are marked by destitution and squalor ; the light of heaven is being closed out from miserable tenement, room and attic ; flesh and blood are becoming more cheap and bread more dear ; the well-being of the car-horse is more solicitously watched than that of the driver.”

PROFESSOR ELY, of John Hopkins University, deals in the same number with the rise of pauperism in the United States, and says : “There are three millions of destitute persons, while at least ten and probably twenty per cent. of the population of New York are paupers. On the other hand, there has been a similar rise in the number of millionaires.”

The Commonweal, Journal of the Trades' Hall Council of Melbourne, stated on the 8th of October, 1892 :

“The Americans have developed a proletariat with a rapidity which is unexampled in the history of any past civilisation. They have the richest and one of the largest territories in the world, with opportunities beyond the

“dreams of all the speculative spirits of literature. Yet their
 “great cities are peopled with lapsed masses by the thous-
 “ands, and their country lanes with tramps. Their own
 “studies of the social problem reveal a state of things far
 “worse than anything we know of in the East End (of Lon-
 “don). Chicago might beat the record in underground dor-
 “mitories, dives, sweaters’ dens, and every variety of social
 “misery. If the rich become richer, the poor become poorer
 “as well. The tenement houses of New York are described
 “by New Yorkers themselves as a scandal to the city. In
 “many of them the inner chambers never see the light of
 “day.”

The *Age*, of December 6th, 1894, contains the following telegram :

“LONDON AND NEW YORK.”

“The Dwellings of the Workers.”

“Mr. John Burns, M.P. for Battersea, who is visiting
 “America, made some candid remarks on the condition of
 “the poorer classes in New York when addressing a mass
 “meeting in that city yesterday.

“In the course of his address Mr. Burns told his hearers
 “that his observations in New York had shown him that the
 “corrupting influences of the Tammany Ring were wide-
 “spread and disgraceful. The houses in Whitechapel itself
 “—the poorest quarter in London—were, he said, clean,
 “wholesome and luxurious compared with the horrible tene-
 “ments in which lived the workers of the chief city of the
 “United States.”

THE PROTECTED COAL MINERS OF THE UNITED STATES.

Extract from the Report tendered by a Committee of Con-
 gress, appointed to enquire into the relations existing between
 capital and labour on the anthracite coalfields of Pennsylvania,
 (reprinted from Hobson, “Evolution of Modern Capitalism”):

“Congress has found (December 4th) that the coal com-
 “panies keep thousands of surplus labourers in hand to
 “underbid each other for employment and for submission
 “to all exactions ; hold them purposely ignorant when the

“ mines are to be worked and when closed, so that they
“ cannot seek employment elsewhere ; bind them as tenants
“ by compulsion in the company’s houses, so that the rent
“ shall run against them, whether wages run or not, and
“ under leases by which they can be turned out with their
“ wives and children on the mountain side in midwinter if
“ they strike ; compel them to fill cars of larger capacity than
“ agreed upon ; make them buy their powder and other
“ working outfit from the companies at an enormous advance
“ on the cost ; compel them to buy coal of the company at
“ the company’s price, and in many cases to buy a fixed
“ quantity, more than they need ; compel them to employ
“ the doctor named by the company, and to pay him whether
“ sick or well ; ‘ pluck’ them at the company’s store, so that
“ when pay-day comes round, the company owes the man
“ nothing, there being authentic cases where ‘ sober, hard-
“ working miners toiled for years, or even for a life-time,
“ without having been able to draw a single dollar, or but
“ few dollars in actual cash,’ in ‘ debt until the day they died’ ;
“ refuse to fix wages in advance, but pay them on some hocus
“ pocus sliding scale, varying with the selling price in New
“ York, which the railway slides to suit itself ; and most
“ extraordinary of all, refuse to let the miners know the
“ prices on which their living slides, a ‘ fraud (says the report
“ of Congress) on its face’ (pp. 71 and 72). The companies
“ dock the miners’ output arbitrarily for slate and other
“ impurities, and so can take from their men five to fifty tons
“ more in every hundred than they pay for (p. 36). In order
“ to keep the miners disciplined and the coal market under-
“ supplied, the railroads restrict work, so that the miners
“ often have to live for a month on what they can earn in
“ six or eight days, and these restrictions are enforced upon
“ the miners by holding cars from them to fill, as upon com-
“ petitors by withholding cars to go to market (p. 77.) Labour
“ organisations are forbidden, and the men intentionally
“ provoked to strike to affect the coal-market. The labouring
“ population of the local regions, finally, is kept ‘ down’ by
“ special policemen, enrolled under special laws, and often

“in violation of the law by the railroads and coal and iron
 “companies, practically when and in what number they
 “choose, and practically without responsibility to anyone but
 “their employers, armed as the company sees fit with army
 “revolvers or Winchester rifles, or both ; made detectives
 “by statute and not required to wear their badges, provoking
 “the public to riot (pp. 9 and 93-98) and then shooting them
 “legally. ‘By the percentage of wages,’ says the report of
 “Congress, ‘by false measurements, by rents, stores, and
 “other methods, the workman is virtually a chattel of the
 “operator.”

THE AMERICAN SUGAR TRUST AND ITS PROTECTED WORKMEN.

In view of the bribery and corruption practised by the
 Sugar Trust, and of the ease with which this Protection-created
 monopoly defeated the will of the people of the United States
 and defied its Legislature, the following account of its com-
 position, and of the treatment it metes out to its “protected”
 workmen, will be interesting. It is taken from *The Chicago
 Times* :—

“The trust was formed in 1887, and its present financial
 “head is Henry O. Havemeyer. All the sugar refineries,
 “twenty in number, are included in the trust. It, therefore,
 “has no competitors in the production of refined sugar, and
 “as Henry O. Havemeyer testified in Washington, can and
 “does regulate prices in the whole country at its pleasure,
 “as it is “protected” by the tariff of half a cent a pound on
 “refined sugar, to which must be added an eighth of a cent
 “for natural protection. Thus, the trust can raise prices five-
 “eighths of a cent above that of sugar refined in foreign
 “countries, before the latter can come in.

“The combined daily capacity of these twenty concerns
 “is 49,400 barrels a day. We do not know the average
 “weight of sugar in each barrel, but think it will not average
 “less than 200 pounds, which would be equal to 9,880,000
 “pounds. Call it 10,000,000, and at half a cent a day that
 “represents a possible *extra* profit by the tariff of five millions
 “of dollars ; but as the refineries are not worked to their

“ full capacity, we cannot definitely fix the amount of the
“ plunder from present data. It is certain, however, that its
“ purchasing power has been sufficient, so far, to buy all the
“ Congressmen they require, including two Populist Senators.

“ The trust is capitalised at 85,000,000 dols., being
“ 75,000,000 dols. capital stock and 10,000,000 dols. of bonds.
“ The actual value of the plant is about 40,000,000 dols.
“ The annual profits are stated at 25,000,000 dols., but must
“ be much more. The Havemeyers are now worth
“ 50,000,000 dols., and will probably (if the present system
“ is continued) run it up to a round billion within ten or
“ twenty years.

“ There are 2500 employees in the Havemeyer refineries
“ at Brooklyn, and their hours are five a.m. to five p.m. If
“ the least late in coming, they are liable to be discharged,
“ and are sure to be docked half a day to a day. The men
“ in the steel mills work eight hours. The unloading of the
“ casks and bags is done by contract with a stevedore, who
“ pays his men twenty-five cents an hour when he has work
“ for them. Workingmen in the refinery are principally
“ Germans, and are paid 1.45 dols. (6/-) a day for the first year,
“ and may afterwards be raised five to 10 cents a day. In
“ some rooms the temperature is that of an oven, and the
“ men can only stay ten minutes at a time. Nearly all the
“ windows in the buildings are closed, to save the heat. At
“ eight o'clock they have breakfast, and look 'more like men
“ who have been in a shipwreck than men who are ready to
“ return to some hours' more hard labour.'

“ Last summer the men dropped like dogs and were
“ carried out by dozens. . . . As many as sixty-two
“ men have been laid out in a day. Sometimes a man is
“ killed, but it does not get into the newspapers unless there
“ is some slip in the discipline of the company. Many
“ of the men who are prostrated by the heat die, but there
“ are more to take their places, and the fate of their prede-
“ cessors is not known to newcomers. Even when men are
“ killed and newspaper men learn of it, they are not allowed
“ to enter the buildings. One enterprising fellow got as far

“as the third story before he was headed off. There is a guard armed with a club for every building, and his especial business is to see that no one crosses the threshold and to answer no questions strangers may put to him.

“The trust sells beer tickets to the men, twenty-five for one dollar: but three of these drinks (12c.) are only equal to what they can buy at any saloon (carrying a pint) for seven cents. But if they are discovered buying outside of the trust they are discharged. There was once a labour organisation of the men, but the trust throttled that, and now a labourer in that refinery ‘only knows that if he works long enough, he may become an under superintendent, at twenty dollars a week, and he may be roasted to death. The chances are that he will be roasted to death.’”

JAMES G. BLAINE, late Secretary of State, and the most prominent Protectionist in the United States, in a “Report to Congress” written in 1881, on his return from an official tour of enquiry into the condition of English labour, stated:

“Undoubtedly the inequalities in the wages of English and American operatives are more than equalised by the greater efficiency of the latter and their longer hours of labour. The hours of labour in Lancashire mills are fifty-six per week; in Massachussets they are sixty per week; and in other New England States they range from sixty to sixty-nine per week. Ironmoulders in Ohio get eighty dollars more than English moulders and work 312 hours longer per annum.”

The Economy of High Wages, by T. Schoenhof, United States Commissioner of Labour, a standard work, acknowledged as such even by the *Age*, contains the following among much other evidence of the same kind:

“It is in evidence that the greater the amount of Protection dealt out, the lower the rate of wages, while the freer the industry from all such influences, the higher the rate of wages. In the highly protected cotton industry (of United States) the daily wages are not materially different from English wages. If we take the greater number of looms and spindles worked (by each operative), and the

“greater number of weekly working hours into consideration, they are decidedly below the English rates. In woollens (highly protected), taking all the differences into consideration, 25 per cent. would cover the higher rate of pay which our working people can call their own, and even this is frequently balanced by higher output. In the building trades, which are certainly independent from all benefits a tariff can give—as houses cannot well be imported—the differences are from 200 to 300 per cent in favour of the American artisan. I will give here the wages paid in the building trades and in cotton manufacturing as evidence. The wages (reduced to the hour), compare as follows :—

	Germany.	England.	America.
	Cents.	Cents.	Cents.
Bricklayers	8 $\frac{1}{4}$	16	45
Stonemasons	8 $\frac{1}{2}$	16 to 18	45
Carpenters	7 $\frac{1}{2}$	16	30 to 35
Mule Spinners (men) ...	5·2 to 6	14 to 17	15 to 16
Ring Spinners (women)	4·3 to 5·2	6	8·4.

“The English and American Mule Spinners stand on a par, while they earn 165 to 200 per cent. more than (protected) German spinners, but the *American spinner gets less pay for work* than the English, Swiss or German, while the *unprotected* bricklayers, stonemasons, and carpenters earn from 200 to 400 per cent. more than similar artisans earn in England.”

WAGES UNDER THE MCKINLEY TARIFF.

The culmination of Protection was reached in the United States by the enactment of the McKinley tariff. It was imposed on the country as the result of a bargain between the millionaire manufacturers and the Republican Party leaders. The latter, in return for large sums of money contributed by the former to their election fund, had pledged themselves to give the manufacturers such increases of duty as they required. The manufacturers were practically permitted to fix

the rates they wanted, and the result was a tariff which exceeded in its protective power anything ever attempted in any civilised country, unless Russia is counted among them. The election of General Harrison as President in November, 1888, made the enactment of such a tariff a certainty, and the McKinley Tariff itself came into operation on October 1st, 1890. During the election campaign, and during the course of the debates in Congress, the working classes had been assured, that the contemplated increase in the protective duties would largely increase their wages. The effect, however, was so much in the opposite direction, that the allegation became current, that the proprietor of Barnum's Museum of curiosities had advertised largely for one workman whose wages had been increased, without being able to secure such an attraction to his exhibition.

I have before me a compilation issued by the Reform Club of New York, which gives the history of wages in the United States during the first year of President Harrison's term, and during the first two years of the operation of the McKinley Tariff. I give below an abstract of its exhaustive compilations. They are all taken from *Bradstreets*. This is a journal which deals exclusively with business matters from a business standpoint, being issued by the largest commercial inquiry office in the world. It has no politics and its statistics are accepted universally. It must also be remembered that during the years dealt with, the trade of the United States was in a comparatively good condition, the crisis existing now having then not yet declared itself.

The first of these compilations is a comparison (quoting *all* references made in *Bradstreets* during the first year of President Harrison's election) between protected and unprotected industries, as to the extent to which labour troubles were inaugurated by the aggression of employers. It mainly records reductions of wages, but in a few instances the aggression consists in the enforcement of prohibition against the workers joining any Labour Union. *The aggressions number 199 in protected, and only 26 in unprotected industries.* Startling as this comparison is, its real significance can only be under-

stood when it is remembered, that only about five per cent. of the workers of the United States are employed in protected factories.

The second compilation deals with the attacks on Labour by protected manufacturers during the first two years' operation of the McKinley Bill. It includes reductions of wages, general lock-outs, and the closing of works on account of manufacturers having joined trusts, who pay them to close their works in order that prices may be kept up. Where a trust or a whole trade has reduced wages, etc., the act is counted by me as one, regardless of the question how many factories have been concerned. For instance, in July, 1892, the whole of the mills included in the Association of Iron and Steel Manufacturers reduced wages, and the consequent strike affected more than 100,000 men. This is counted as one attack on Labour. In the same month no less than 21 of the factories, constituting the National Cordage Trust, were either dismantled or closed for a time, in order to restrict the output and raise prices. This also is counted as one act only.

Memorandum of attacks on Labour by *protected* Manufacturers during the first two years of the McKinley Act :—

1890.			1891.		
October	...	19	October	...	40
November	...	24	November	...	42
December	...	51	December	...	37
1891.			1892.		
January	...	86	January	...	30
February	...	64	February	...	34
March	...	59	March	...	57
April	...	40	April	...	45
May	...	70	May	...	42
June	...	38	June	...	54
July	...	46	July	...	67
August	...	42	August	...	52
September	...	57	September	...	38

The total number of aggressions by capital on labour known publicly, under the highest protective tariff in good

times, and in the industries thus highly protected, counts 1134.

While thus recording what can be said against the operation of this protective tariff, it is but just that I should also record its successes. It can be easily understood that the manufacturers and the politicians and journals in their pay, were not slow to reply to this crushing indictment and to exhibit the other side. They dared not deny the correctness of the facts published by the Reform Club, but they published a list of cases in which wages were said to have been increased during the currency of the McKinley Tariff. This list was published in *The American Economist*, the organ of the Protective Tariff League. Its correctness has been hotly contested, but into this I will not enter. I will give the defenders of the McKinley Tariff all they claim; and what does it come to? They claim that wages have been increased during the currency of that tariff in 29 instances, each of which deals with a single factory. Wages reduced in 1134 instances, wages increased in 29 instances—all in protected industries—that is the best which can be said for the most protective tariff any civilised country has ever seen, and which was clamoured for on the pretence that it would increase wages, and increase them largely.

Writing at the end of January, 1891, the New York correspondent of the London *Daily Telegraph* said:—

“A further investigation with regard to the working of the McKinley Tariff, shows, that the working people have received none of the benefits, predicted for them, but, on the contrary, that they are worse off than they were before. *In no trade has there been any increase of wages worth mentioning, while in many there has been a distinct decrease.* In addition to this the prices of nearly all necessaries of life have been raised.”

The *Age*, on June 3rd, 1891, published an article on “The McKinley Tariff and Protection in America,” in which it is stated:—

“While manufacturers make no concealment of their delight with the new law (imposing the highest protective

“duties) there is no evidence of an increase, or a possible increase in wages. These very men have been promised by the Republican orators that an increase in the tariff meant an increase of wages; but a careful inquiry among manufacturers and business men employing large numbers of people *has failed to discover a single instance of any employé having received a penny more than he did before the McKinley Act was signed by the President.* The increase in prices appears to extend to every article of consumption, and the details show that the position of the working-classes in America is very little, if at all, better than numbers of the same class in Great Britain.”

The *Age*, August 5th, 1892 (cablegram) :—

“The strike of miners and ironworkers at Pittsburgh is causing great anxiety to the officers of the employers. The chairman of the special committee appointed by the United States Congress to investigate the cause of the violent outbreak which marked the initiation of the strike, has publicly expressed the opinion that *the operation of the McKinley Tariff is largely responsible for the Pittsburgh and other recent labour troubles of the United States.*”

The *Age*, December 28th, 1894 (cablegram) :—

“WAGES IN AMERICA.—*The Millionaire Carnegie and his Employees. Further reductions at the Pittsburgh Works.*”

“A renewal of the labour war at the Pittsburgh iron works, owned by the millionaire, Andrew Carnegie, is impending. Mr. Carnegie has reduced the wages of all hands in varying proportions, ranging from 10 to 35 per cent. The reduction has caused great excitement among the hands, and an outbreak is feared.”

WAGES AND THE CONDITION OF LABOUR IN GREAT BRITAIN UNDER PROTECTION AND FREE-TRADE.

Molesworth, *History of England*, 1830-1874, pages 32 and 51, contains the following facts, with regard to the condition of labor in 1830 :—

“In 1830 the Magistrates of Stourbridge, Dorset, pub-

“lished the following scale, according to which relief was to be given. At the time the quartern wheaten-loaf was 10d. :—

When the standard quartern wheaten loaf is sold at :—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
	1 0	0 11	0 10	0 9	0 8	0 7
The <i>weekly</i> allowance, <i>including earnings</i> , is to be made up to—						
For a labouring man	3 1	2 10	2 7	2 4	2 1	1 10
For a woman, boy, or girl above 14 years old	2 4	2 2	2 0	1 10	1 8	1 6
For a boy or girl of 14, 13 or 12 ..	1 11	1 9	1 7	1 5	1 3	1 1
For a boy or girl of 11, 10 or 9 ..	1 7	1 6	1 4	1 3	1 2	1 0
For a boy or girl of under 9 ..	1 5	1 5	1 3	1 2	1 1	0 10

“To this condition the agricultural labourer was rapidly sinking everywhere ; for if in some counties the allowance was on a somewhat more liberal scale, in others it was even lower than in Dorsetshire. . . . The manufacturing operatives of Lancashire and Yorkshire were receiving, in many instances, only 3d. and 4d. per day of more than 12 hours’ labour.”

History of Great Britain from 1816 to 1854, by Miss Martineau, book vi. ch. 5, contains the following description of the condition of Great Britain in 1842, *i.e.*, towards the end of the protective period :

“Serious as was the task of the Minister (Sir R. Peel) in every view, the most immediate sympathy was felt for him on account of the fearful state of the people. The distress had now so deepened in the manufacturing districts as to render it clearly inevitable that many must die and a multitude be lowered to a state of sickness and irritability from want of food ; while there seemed no chance of any member of the manufacturing classes coming out of the struggle at last with a vestige of property wherewith to begin the world again. The pressure had long extended beyond the interests first affected, and when the new Ministry came into power there seemed to be no class that was not threatened with ruin. In Carlisle the Committee of Inquiry reported that a fourth of the population was in a state bordering on

“starvation—actually certain to die of famine unless relieved
“by extraordinary exertions. In the woollen districts of
“Wiltshire, the allowance to the independent labourer was
“now two-thirds of the minimum in the workhouse, and the
“large existing population consumed only a fourth of the
“bread and meat required by the much smaller population of
“1820. In Stockport, more than half the master spinners
“had failed before the close of 1842; dwelling houses to the
“number of 3000 were shut up, and the occupiers of many
“hundreds more were unable to pay rates at all. Five
“thousand persons were walking the streets in compulsory
“idleness, and the Burnley guardians wrote to the Secretary
“of State that the distress was far beyond their management;
“so that a Government commissioner and Government funds
“were sent down without delay. At a meeting in Man-
“chester, where humble shopkeepers were the speakers, anec-
“dotes were related, which told more than declamation.
“Rent collectors were afraid to meet their principals, as no
“rent could be collected. Provision dealers were subject to
“incursions from a wolfish man prowling for food for his
“children, or from a half-frantic woman with her dying
“baby at her breast; or from parties of ten or a dozen des-
“perate wretches who were levying contributions along the
“street. The linen draper told how new clothes had become
“out of the question with his customers, and they bought
“only remnants and patches to mend the old ones. The baker
“was more and more surprised at the number of people who
“bought half-pennyworths of bread. A provision dealer
“used to throw outside scraps; but now respectable cus-
“tomers of twenty years standing bought them in penny-
“worths to moisten their potatoes. These shopkeepers con-
“templated nothing but ruin from the impoverished con-
“dition of their customers. While poor-rates were in-
“creasing beyond precedent, their trade was only one half,
“or one third, or even one tenth of what it had been three
“years before. At Leeds the pauper stone-heap amounted
“to 150,000 tons; and the guardians offered the paupers 6s.
“a week for doing nothing rather than 7s. 6d. per week for

“stone breaking. The millwrights and other trades were
 “offering a premium on immigration, to induce their hands
 “to go away. At Kinkley one third of the inhabitants were
 “paupers ; more than one-fifth of the houses stood empty ;
 “and there was not work enough in the place to employ
 “properly one third of the weavers. In Dorsetshire, a man
 “and his wife had for wages 2s. 6d. per week and three
 “loaves ; and the ablest labourer had 6s. or 7s. In Wilt-
 “shire, the poor peasants held open air meetings after work,
 “which was necessarily after dark. There, by the light of
 “one or two flaring tallow candles, the man or the woman
 “who had a story to tell stood on a chair and related how
 “their children were fed and clothed in the old times—
 “poorly enough, but so as to keep body and soul together ;
 “and now they could nohow manage to do it. The bare
 “details of the ages of the children and what the little things
 “could do, and the prices of bacon and bread, and calico and
 “coals, had more pathos in them than any oratory heard else-
 “where.”

COMPARISON OF WAGES,

from *Essays on Finance*, 2nd series, by R. Giffen, Statistician
 to the Board of Trade.

Occupation.	Place.	Wages per week under Protection.	Wages per week at present time.	Increase per cent.
Carpenters	Manchester	24/-	34/-	42
Do.	Glasgow	14/-	26/-	85
Bricklayers	Manchester	24/-	36/-	50
Do.	Glasgow	15/-	27/-	80
Masons	Manchester	24/-	29/10	24
”	Glasgow	14/-	23/8	69
Miners	Staffordshire	16/-	24/-	50
Pattern Weavers	Huddersfield	16/-	25/-	55
Wool Scourers	Do.	17/-	22/-	30
Mule Spinners	Do.	25/6	30/-	20
Weavers	Do.	12/-	26/-	115
Warpers and Beamers	Do.	17/-	27/-	58
Winders and Reelers	Do.	6/-	11/-	83
Weavers (men)	Bradford	8/3	20/6	150
Reeling and Warping	Do.	7/9	15/6	100
Spinning (Children)	Do.	4/5	11/6	160

Mr. Giffen adds :—“ Thus in all cases where I have found it possible, from the apparent similarity of the work, to make a comparison, there is an enormous apparent rise in money wages ranging from 20, and in most cases, from 50 to 100 per cent., and in one or two instances more than 100 per cent. The mean of the percentages is 70. While wages have advanced, most articles which he (the workingman) consumes have rather diminished in price, the change in wheat being especially remarkable and significant of a complete revolution in the condition of the masses. The only article interesting the workingman much, which has increased in price, is meat. The truth is that meat, fifty years ago, was not an article of the workman’s diet. He had little more concern with its price than with the price of diamonds. The only kind of meat which was virtually accessible to the workman 50 years ago, viz., bacon, has not increased sensibly in price.”

Mulhall (*Fifty Years of National Progress*) says :—“ In whatever direction we turn our eyes to compare the present condition of the masses with what it was 40 or 50 years ago, we find, with a few exceptions, the utmost reason for satisfaction. There was an advance of wages, averaging fifty per cent. from 1840 to 1880, but since the latter year much of that advance has been lost. Wages are nominally as high now as in 1880, but the number of men working full time is less. *After making all deductions we find the workingman earns 20 or 25 per cent. more than in 1840, and the prices of necessaries have mostly fallen.*”

Gibbins (*The Industrial History of England*) :—“ It must continually be remembered that the condition of the mass or the people in the first half of this century was one of the deepest depression. It is true that they have progressed since, but it has hardly been progress so much as a return to the state of things about 1760 or 1770. The lowest depth of poverty was reached about the beginning of the reign of Queen Victoria ” (when the protective system was at its highest development.)

The following is a comparison of the price of wheat and

the wages of agricultural labourers, showing the enormous rise in the rate of wages and of their purchasing power. The names in the second line, are those of the authorities from which the facts are borrowed.

	PROTECTION.		FREE-TRADE.	
	Tooke.		Caird.	Giffen.
	1800-1820.		1878.	1886.
Price of wheat per quarter ...	94/-		46/-	30/-
Agricultural wages per week ...	7/-		15/-	15/-

Charles Bradlaugh, House of Commons, April 22nd, 1890 :—“ The improvement in this country was marvellous. ‘The dwellings of the great mass of the workers, the education and general tone of the people was, as compared with the time when he was a lad, something of which every inhabitant of the United Kingdom might be proud.’”

Professor Leone Levi, dealing with “The Progress of the United Kingdom from 1855 to 1885,” gives the following startling comparison of the dietary of the people :—

AVERAGE CONSUMPTION PER HEAD.

	1855.	1885.
Tea	2.28 lbs.	5.02 lbs.
Sugar	29.24 „	74.28 „
Bacon and Ham	0.96 „	11.47 „
Butter	1.79 „	7.15 „
Cheese	1.53 „	5.48 „
Wheat and Wheat Flour	53.16 „	235.79 „
Beer	22.34 gallons	26.85 gallons.
Spirits	0.96 „	0.97 „
Wine	0.23 „	0.38 „
Tobacco	1.09 lbs.	1.45 lbs.

Professor Francis A. Walker, the well-known American economist, in *First Lessons of Political Economy*, thus compares

the condition of English labour under the protective and the free-trade systems respectively :—

INDUSTRIAL ENGLAND IN 1824.—“Wages had gone down and down, and with them had gone, to an inconceivable depth, the moral character and even the physical vigour of the population. The labourers in the fields obtained a meaner and scantier subsistence than the paupers in the alms-houses. Within the districts where labour was in excess, wages were whatever the masters chose to offer. The power to resist had utterly departed from the labourer. With every successive reduction of wages physical vigour declined ; self-respect and social ambition received heavier and still heavier blows ; disease came in with deadlier power ; intemperance grew with misery ; shameful vice became ever more obtrusive.”

INDUSTRIAL ENGLAND AT THE PRESENT TIME. — “The long history of mankind has no other chapter which is so full of promise, as that which tells of the rise of the working classes of England from 1825 to the present time. The British labourer of to-day differs as widely from the British labourer of the earlier time, as if he were, in the phrase of Edmund Burke, “a different species of animal.”

The *Age*, on July 15th, 1893, in the course of an approving recapitulation of an article by Gustave F. Stiffen, on “Six Hundred Years of English Poverty,” published in *the Nineteenth Century*, quotes as follows :—

“The Mechanic has, from the inception of wages, always had a margin, sometimes small, and *this margin was never so great as* in the period 1850-90 (the Free-trade period.) As to the agricultural labourer, only twice during the six centuries does it appear that his wages rose while the cost of his food fell—once between 1650 and 1670, and later from 1850 up to date, when, *on the repeal of the corn-laws, wages began to ascend while food fell.*” Comparing the period 1831-40 (Protected) with 1881-90 (Freetrade), it says : “In

“the former period the agricultural labourers’ daily wage was $1/8$, and the cost of the mixed ration was $1/6\frac{1}{2}$. In the latter period the wage average was $2/2\frac{1}{2}$, the food cost $1/3\frac{3}{4}$ per day. In respect to the typical artisan, the carpenter, the food cost, of course, has decreased to exactly the same extent, while wages have risen from $3/9$ to $5/1$ per day.”

The *Age*, on the 10th of October, 1894, said:—

“A report on the present condition of agricultural labour” (in England) “has been published by Mr. W. C. Little, the Senior Assistant Agricultural Commissioner. . . . He asserts that the agricultural labourers are better off than ever they were. The competition for employment in agriculture is nothing like so severe as it was formerly.”

During a debate in the House of Commons, on February 7th, 1893, the Chancellor of the Exchequer said: (*Times* Report).

“People who desire to go back to the times when the price of wheat was high, should remember that the high price of wheat, did not mean high wages for labour. At that time almost every article consumed by the labourers was doubled in price by Protection or other duties, and yet the wages of the labourer were not so high as at present. The truth was, that since the abolition of the corn-laws the wages of the agricultural labourer had increased 50 per cent.”

Mr. Mundella, M.P., President of the Board of Trade, England, stated in the House of Commons, in March, 1894:

“With regard to wages he rejoiced to believe that England had never passed through a period of depression with fewer reductions of wages than had taken place during the last three years.”

Sir Lothian Bell, writing in 1885, gave the following wages as prevailing in the ship building trade in Great Britain, taking a particular yard as an example.

Skilled Labour lowest wage, $8/9$ a day.

Skilled Labour average wage, $12/10\frac{1}{2}$ d. a day.

10 Men Earning $25/-$ a day each.

30 Men Earning $20/-$ a day each; and working 313 days in the year.

Mr. Lamendin, French Delegate to the Miner's Congress at Berlin, in 1894, said on his return :

“The English Miners were absolutely indifferent to the miseries of the miners on the Continent, because they did not experience them themselves. The economic conditions in England were infinitely better than those affecting the Belgians, the Germans and the French. In truth the English could afford to scorn the discussion of the minimum wage question, because they literally dictated their pay themselves.”—*Standard*, London, May 21st, 1894.

MR. PRENDERGAST, M.L.A. speaking as President of the Trades' Hall Council in February 1894, said : “As to the Union Rate of Wages in London . . . 10½d. an hour was paid to plumbers the maximum hours of labour per week being 47 in summer and 42 in winter. Carpenters received 9½d. an hour, and watermen and lightermen from 6/- to 8/- a day. These wages were almost equal to those paid in the most prosperous times that Victoria had ever seen, and were now paid in various parts of England, Ireland and Scotland. . . . The status of the English Workman was much in advance of that of the Workmen in this country.”

NOTE.—Mr. Prendergast in a letter addressed to Mr. Lormer, President of the Protection, Liberal and Federation League, complains, that the above utterance has been distorted, because it is not accompanied by a statement, that he, Mr. Prendergast, attributed the high rate of wages paid to plumbers, carpenters, watermen and lightermen, which are “paid in various parts of England, Ireland and Scotland,” to the action of the London County Council in forcing its contractors to pay Union wages. I therefore place this luminous explanation before my readers.

WAGES ON THE PROTECTED CONTINENT OF EUROPE.

The fact that wages are lower and the hours of labour more protracted in every occupation in the protected countries of the European Continent, than in England, has

never been disputed. It is so patent that even the utmost mendacity shrinks from questioning it. How could it? British workmen form no part of the crowded labour market in Germany, France or Russia; but every one of these and other protected nations, sends a constant stream of emigrants to England. It is a well established fact, that "sweating" is almost unknown in the industrial Great Britain of to-day, except in those localities and trades in which the majority of workers are foreigners.

Moreover the principal plea of the small party which still favours Protection in Great Britain, is, that the low wages of the protected countries of Europe, give an advantage to continental manufacturers over those of Great Britain. The *Age*, of November 17th, 1894, says: "The successful (?) rivalry on the part of the continental States" (with Great Britain) "is partly due to the low wages and long hours of their operatives."

The *Age* has also furnished me with a considerable number of facts with regard to the wages and conditions of labour in these protected countries, all refuting its own theory, that Protection improves and Free-trade reduces the well-being of the working population. These facts are taken from a series of very able articles which it published in the course of 1893, under the title "Labour in other Lands."

From these articles I extract the following facts with regard to wages in Germany and Austria.

"The average working day for all Germany is shown to be from 10 to 12 hours." (No Saturday half-holiday.)

"In the glass-works of further Pommerania the inspector reports, that for simple manual work the wages for an adult labourer are one shilling per day of eleven hours."

"The average weekly salary for the Berlin worker in ordinary industries varies from 15/- to 20/- and only in the industries connected with art does it rise as high as 30/- or 35/-"

"The factory hands and other workers can only look for one full meal a day, the others are mere snacks."

"It may be generally said, that the patient German work-

“man, manages to accommodate himself to a nourishment
 “always bad, often insufficient ; to a diet in which meat
 “hardly enters at all, and when it does usually under a form
 “of the coarsest and cheapest sausage meat.”

“It would be rash to conclude from these general facts,
 “that the workers here (Germany) are the worst off in
 “Europe. The condition of things in Italy—to take only
 “one instance—reveals depths of destitution far more
 “painful.”

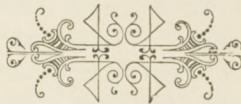
“Wages in Austrian and Hungarian Factories are about
 “the same. Those of men vary from 1/- to 3/8 a day: for
 “women from 6½d. to 1/3 a day ; the hours of labour average
 “from 11 to 12 hours per day.” (Without Saturday half-
 holiday).

The Report of the Chemnitz Chamber of Manufacturers for 1890 (Germany) states the following rates of wages : In Saxony : weavers 6/- per week ; sewers 4/6 per week ; corset, linen and haberdashery workers from 5/- to 6/- a week. The highest wages for men are given as 14/6 and of women as 7/- a week.

In Barmen and Elberfeld weavers earn, men 12/- to 15/- per week, women 5/- to 8/- per week. These rates are all for from 60 to 66 hours work per week.

How is this accumulation of facts to be accounted for. How is it that the condition of the people of England has advanced in so marked a manner under the influence of Free-trade, when, during the same time that of the people of the United States has undergone a similar decline under the protective system. How is it again, that the wages, hours of labour and general condition of the workers of England are so far superior to that of their heavily protected compeers in the continental countries of Europe. How again is it, that the workers of Free-trade New South Wales enjoy a prosperity superior to that of their protected neighbours in Victoria, and that the condition of the Victorian workers has so steadily declined under the “fostering influence of Protection ?” Surely, if Protection can do ought to benefit the workers, such benefit would be visible somewhere if not

everywhere. If wages in the United States had risen instead of falling ; if wages in England had fallen instead of rising ; if the wages of the protected workers of Germany and Austria had risen to some measure of equality with those paid in Free-trade Great Britain ; or if wages in Victoria were markedly higher than in New South Wales ; even if only one of these things had taken place, there would be some excuse for the delusion that Protection can raise wages and improve the conditions of life for the masses of the people. But no such excuse is available. The exact contrary is the case ; everywhere the evidence is plain and conclusive, that Protection is a powerful agency in the reduction of wages and the degradation of the people. It is only the direst prejudice or interested motives which can steel any mind against this conclusion. "By their fruits shall ye know them," and the fruits of the protective system have everywhere been as cinder and ashes to the masses of the people who earn their bread by the sweat of their brow. Everywhere it is shown that its establishment has merely added one more monopoly to those previously existing ; has merely enabled some more men to enrich themselves at the expense of their toiling fellowmen.



CHAPTER IV.

THE COST OF PROTECTION.

“WE have, apparently, come to the end of the process of heaping burdens on the poor through the Customs House, and must make the rich contribute their fair share to the expenses of the country.” The foregoing truthful declaration emanates from the *Leader* and formed part of its editorial utterance on August 11th, 1894. In making this statement the *Leader* merely followed the example of its progenitor the *Age*, which journal published the same doctrine as early as February 17th, 1892 in the following sentence: “The system of indirect taxation throws the burden of taxation on the working classes,” and on November the 9th, 1894, the *Age* said “To double the customs duties would be to tax the wealthy in only a slight degree, and would place the public burdens chiefly on the shoulders of labour. The farmers can hardly be expected to favour this method of squaring the finances.”

Yet in spite of these repeated, if occasional, statements, these journals constantly enforce the contrary doctrine that protective duties are no burdens; that they are not a tax, and that they are paid by nobody. If this latter declaration is not contradicted by those adduced above, the former can only refer to revenue duties. Unfortunately, however, for these advocates of Protection, the revenue collected from revenue duties is so small, that no sane person could regard it as a burden on the people of Victoria, still less as one which had so impoverished them, that it “apparently had come to an end.” The total revenue from this source, came to less than £600,000 in the financial year 1893-4, surely not a great burden for the people of Victoria. Even if these advocates

of Protection were to admit, what they strenuously deny, that the protective duties collected at the Customs House, are paid by and are a burden upon the people, their language would still be absolutely unjustifiable, for the whole revenue yielded by Customs duties, protective and otherwise, only came to £1,716,703 during the same financial year.

Why then these declarations that Customs taxes are a burden ; that they have grown so excessive that "we have come to the end of the process of heaping them on?" Manifestly these protectionist writers know that the revenue which the government derives from these duties, protective as well as revenue duties, is no measure of "the burdens which they heap on the poor." Though, at other times, they strenuously deny it, it is obvious that they are fully aware of the fact, that Customs House duties yield another and additional revenue, not to the Government, but to private persons. In no other way can they defend these repeated declarations of the burdensome nature of these taxes.

What is this revenue and how does it arise? It is only by answering this question that the full significance of the above declarations can be understood. To this task I will now devote myself.

It is admitted by Protectionists,—at least occasionally,—(see pages 23-24) that the importers have to add to the price of imported goods, the duties which they pay into the treasury. These duties form as much part and parcel of the cost of the goods to them, as does any other expense which their importation entails. They therefore, cannot continue to import without charging the duty to their customers. They would equally have to discontinue their trade, unless they could make a profit on the cost of the goods. Hence it follows, that they must also make a profit on that part of the cost of goods which consists of duties paid to the treasury, *i.e.*, they must make their usual profit on the duties laid out by them. Take for instance this actual case, by no means an exceptional one. A firm of importers received a case of glass-ware, invoiced to them at £4 4s. The duty came to £5 11s.

and other charges, freight, etc., came to £5 14s. The total cost of the goods therefore, was £15 9s., and on this cost they must and do make their habitual profit. In this particular case, the goods were sold to a shopkeeper for £21. The shopkeeper did not even know the amount of duty which the importer had paid. He also, doubtless, expected to receive his ordinary profit on the whole price which he paid for these goods. As far as can be ascertained the average gross profit of importers comes to 20 per cent. and that of retailers to 33 $\frac{1}{3}$ per cent. Thus, if the importer pays £100 of duty, he charges it to the storekeeper with £120, and he again charges it to his customers with £160. The treasury receives £100 as revenue, and private persons receive an additional revenue of £60. That this is rather an under estimate can be shown at the hand of the increase in the duty on sugar imposed by the Patterson Government in 1893. The increase was £3 per ton, but the price of sugar rose 3/- per bag of 70lbs or £4 16s. per ton. As sugar is a "cut line" on which storekeepers' profit is small, and as the addition to the duty was nevertheless exactly 60 per cent., the average profit made on duties must be larger. It may, of course, be said that some shopkeepers import from foreign manufacturers, and that the consumer pays only one profit in these cases. The reply to this statement is : 1. That, as price is regulated by competition, these shopkeepers can and do make a larger profit than their neighbours who are compelled to buy from importers. 2. That even if they did not, the saving would be counter-balanced by the imported goods which pay three profits and by the under estimate of the addition to the duties paid. On the whole an addition of 60 per cent. on the total revenue derived from customs duties is by no means an over-estimate of dealers' profits.

Nor is this all, for I have yet to deal with the revenue which protected manufacturers derive from protective duties. That they do derive a revenue, that is, that their customers have to pay more for the goods made by them, than these could be purchased for if no duties were imposed, I have amply proved in the first chapter.

As the protective duties average considerably more than 35 per cent., it will not be considered an over-estimate if I assume that the average of the additional price charged by protected manufacturers is 20 per cent. That is on an average the protected manufacturer charges £120 for goods which, in the absence of the protective duties, would be purchased for £100. In the majority of cases these goods are sold to some wholesale warehouse or importing firm, and by them to the shopkeepers who disburse them to the consumers. Both these middlemen must make their usual profit on this additional price of £20.

I will now apply these considerations to the actual facts. The average revenue from customs duties, during the last three years, came to £1,948,316. The cost of raw material operated upon by all our factories, works, etc. in 1890-91 came to £12,006,239 and their total output is valued at £22,700,319. Of this amount about one-fourth may roughly be credited to unprotected factories, works, etc., reducing the output of protected factories to £17,025,000. The depression of the last three years, however, has reduced this output enormously, and the average cannot therefore, be stated at more than £13,000,000 a year. Taking this figure as correct, we now possess the necessary data on which the probable cost of the Customs House system to the people can be based.

PROBABLE DIRECT COST OF THE CUSTOMS HOUSE SYSTEM TO THE PEOPLE OF VICTORIA.

Customs House Revenue	£1,948,316
60 per cent. traders' profit thereon	1,168,986
Extra price of 20 per cent. obtained by protected manufacturers on their output of £13,000,000	2,600,000
Wholesale warehouse profit on one half of this amount, <i>i.e.</i> , 20 per cent. on £1,300,000 ...	260,000
Retailers' profit on two-thirds of the Manufacturers extra price plus the profit of warehousemen, <i>i.e.</i> 33 $\frac{1}{3}$ per cent. on £1,993,333	664,444
	<hr/>
	£6,641,746

While the public Treasury receives less than £2,000,000, the people pay £6,641,746, the enormous sum of £4,693,430 being taken from them and transferred to the pockets of some favoured private persons. The cost of the system, therefore, comes to over £6 per head of the population, and burdens every father of a family consisting of parents and four children to the average extent of £36 a year.

This is, however, by no means the whole cost of the system. For apart from this general burden, there is still the special burden which it imposes on farmers and other producers in reducing the price of our exportable goods. (See pages 38 and 39). How much this comes to, cannot be stated even approximately. An idea of its magnitude can however be gained from the fact, that the price of all our wheat is reduced in this manner by at least $2\frac{1}{2}$ d. per bushel, or $2\frac{1}{3}$ d. per acre.

Nor have I yet exhausted the loss which the protective system inflicts upon the country. The discouragement to industry, the greater difficulty of competing with other countries, largely prevents the employment of labour, and consequently the production of wealth. All this wealth is lost. If it were made the people would enjoy it. Not being made they are by so much the poorer. It is therefore no exaggeration to say, that the system of Protection deprives the people of Victoria of nearly half the wealth which they otherwise would enjoy.

In addition to this general cost of the system, attention may fitly be drawn to its cost in particular instances.

DISTILLERIES.

The import duty on spirits is 15/- per gallon, and the excise duty on locally made spirits is 11/- per gallon; the distilleries are thus protected to the extent of 4/- per gallon, every penny of which is lost to the revenue, without any reduction in the price of Victorian made spirits to the public. The distillers themselves estimate their output for the current year at 300,000 gallons, which at 4/- per gallon

represents the sum of £60,000, every penny of which is lost to the revenue of the current year.

There are six distilleries in Victoria employing altogether 124 men, the average wages of which do not exceed 40/- a week. In the year each of them, therefore, cannot earn more than £100, or a total wage-sheet of £12,400. Even if I do not deduct the men who would be employed in handling imported spirits now excluded, and their number is considerable, the result of Protection in this instance stands thus:—

The Government gives to the distillers the labour of 124 men for nothing, and pays them besides the sum of £47,600 in addition to the ordinary profit to be made in this trade. If every man employed were pensioned for life at his present wage, the people of Victoria would still save £47,600 a year.

SUGAR REFINERY.

The duty on refined sugar is £6 per ton, that on raw sugar £5 per ton, giving a protection of £1 per ton to the local refinery. The average consumption of sugar in Victoria is close upon 50,000 tons, of which about 40,000 tons are refined locally. The local refiners, therefore, receive £40,000 a year from the treasury. Last year there were two refineries, employing 382 hands. These two companies have lately amalgamated and have closed one of these two refineries altogether. The number of hands employed under the new arrangement, will probably be less than 250. To be on the safe side, I will assume that they number 300, which certainly is an over-estimate. Wages are low, because many coloured people are employed and do not exceed an average of 30/- a week or £78 a year. The wage-sheet for the year, therefore, is less than £23,400. The Colonial Sugar Refining Company, therefore, receives from our Government the labour of 300 men for nothing, as well as the sum of £16,600 a year as an addition to the ordinary profits of their trade. If every operative were pensioned for life at his present wages, the people of Victoria would still save £16,600 a year at least.

MATCHES.

The London firm of Bell and Co. is establishing a match

factory in Richmond. Mr. Bell asserts that he will ultimately be able to employ 200 girls at the rate of 10/- a week, and that these will be able to supply all the matches consumed in Victoria, thus shutting out the foreign article altogether. 200 girls at 10/- a week, gives a yearly wage-sheet of £5000. The revenue which the Government receives from the duty on matches averages £14,000 a year. If Mr. Bell succeeds in employing these 200 girls, the Government will lose every penny of this amount, all of which will go into Mr. Bell's pocket.

The account will then stand thus. Mr. Bell will receive from the Government the labour of 200 girls for nothing as well as the sum of £9000 a year as an addition to the ordinary profit of his trade. Would it not be far more pleasant for these girls, if the Government were to pay each of them a life pension of 10/- a week. Yet if it were done the people of Victoria would save the £9000 a year, which Mr. Bell threatens to appropriate for his own use.

THE TOBACCO AND CIGAR TRADE.

The import duty on manufactured tobacco is 3/- per lb. ; on cigars and cigarettes 6/- per lb. ; on tobacco leaf 1/- per lb. The excise duty on locally manufactured tobacco, cigars and cigarettes is 6d. per lb., and locally grown leaf is free of duty. The better class of the locally manufactured cigars and tobacco are made from imported leaf, and the tobacco is sold retail at the same price as the imported article, except that the lb. is divided into one plug less. The loss of revenue arising from the lower rates of excise, as compared with import duty, amounts to about £150,000 a year. The number of hands employed is 588, of whom 157 are females, while a large proportion of the males consists of boys and youths. Taking the average weekly wage at 27/6, which is high, the wage-sheet would total £42,042 a year. The Government, therefore, gives to the tobacco manufacturers the labour of 588 operatives, paying their wages out of the revenue, and gives them besides a sum of about £108,000 a year as an addition to the ordinary

profit of their trade. All the operatives employed in the tobacco trade could therefore be pensioned for life at their present wages, and the Government would still save over £100,000 a year.

In New South Wales the import duties on leaf, tobacco, cigars and cigarettes are the same as in Victoria, but the excise rates are materially higher, being 1/6 per lb. for locally manufactured tobacco and 2/6 per lb. for cigars and cigarettes. On tobacco therefore they are three times, and on cigars and cigarettes five times, as high as in Victoria, and the Protection enjoyed by the manufacturers of New South Wales is of course proportionately less. Nevertheless, the industry is more flourishing than in Victoria. The number of hands employed is 672 of whom only 140 are females, and the output of the factories is considerably larger than that of Victoria, as the following table shows:—

TOBACCO CONSUMED IN 1892.

Custom House Returns.

	IMPORTED.	LOCALLY MANUFACTURED.	TOTAL.
	lbs.	lbs.	lbs.
New South Wales	1,016,307	1,964,624	2,980,931
Victoria ...	1,344,163	1,095,366	2,439,529

The following table shows the revenue collected from tobacco in the two colonies.

TOTAL REVENUE FROM TOBACCO IN 1892.

	IMPORT DUTY.	EXCISE.	TOTAL.
	£	£	£
New South Wales ...	245,434	133,052	378,486
Victoria ...	228,489	32,809	251,298

Taking the average of these figures it will appear that New South Wales charges an impost of 2/6½ per lb. on tobacco, whereas the average for Victoria is 2/0⁷/₁₀ only. The difference, say 5¼d. per lb., amounting in the aggregate to £54,280 in the year 1892, represents the loss of the Victorian Treasury, and the gain of the Victorian manufacturers, on

account of the greater protection which they received, as compared with their compeers on the other side of the Murray. Yet in spite of the enormously greater bonus, the Victorian manufacturers employ less hands and manufacture less tobacco than those of New South Wales.

WOOLLEN MILLS.

The approximate cost of the Woollen Mills to the people of Victoria in 1891 was as follows :—

Revenue collected at Customs House on Im-			
ported Woollens	...	...	£157,011
60 per cent. Traders' profit thereon	...	...	94,206
20 per cent. additional price charged on value of			
local production, viz. £170,687	...	...	34,136
60 per cent. Traders' profit on this additional price			
viz., £34,136	...	...	20,478
			£305,831
		Gross Total	£305,831

From this amount, however, must be deducted the revenue actually received by the Government, viz., £157,011, leaving the net cost to the people of Victoria at £148,820. There were employed in all our Woollen Factories 791 operatives, the average wages of each being according to the chairman of directors of the Ballarat Woollen and Worsted Company, less than 18/1 a week. Taking, however, 18/1 as the average, and counting 52 full working weeks in the year, the wages of each operative came to £47 os. 3d. a year, and the total wages paid in the woollen industry amounted to £37,185 17s. 3d. As stated above, the cost to the people of Victoria was, however, £148,820, or £111,645 more than the total wages paid. If every one of the operatives employed were pensioned for life, at their full rate of wages, the people of Victoria would still gain the sum of £111,645 a year, for each of them now cost the people the enormous amount of over £188 a year, or four times as much as they are paid by their employers.

That the loss, compared with the employment given and wages paid, is still greater in those numerous small factories,

which employ only a few men and which owe their existence entirely to the protective policy, is obvious. The above examples, however, suffice, they exhibit clearly the waste of the people's earnings which results from "protecting" the manufacturers.

THE COAL MINES.

Though no protective duty has as yet been placed on coal, for the reason that the experiment would be too hazardous even for our protectionist Hotspurs (see page 24) a considerable protection has been granted to the owners of our coal-fields in various and devious ways. Their properties are being developed by State-built railway sidings, which the New South Wales coal-owner has to construct at his own expense ; the railway department carries Victorian coal at a loss, the Treasury refunding part of the loss out of the general revenue ; and the railway department and other governmental institutions pay a higher price for Victorian Coal than for the Newcastle article. In all these ways the taxpayers of the colony are compelled to pay tribute to the owners of the Victorian Coal Mines, and the aggregate per year is large enough to inflict a serious burden on the people. In the railway department especially, the loss from paying more for Victorian coal than it is worth, is very serious, and is responsible for a considerable portion of the annual deficit in its accounts.

The following evidence given by Mr. Woodroffe, one of the Railway Commissioners, before the Railway Standing Committee on the 5th of December, 1894, will establish these facts :—

Mr. Woodroffe said : " With the exception of Jumbunna " coal, Victorian coal was 20 per cent. inferior to Newcastle " coal." In refutation of Mr. James Patterson, who had stated the value of Victorian coal to be $7/1\frac{1}{2}$ a ton delivered at Princes Bridge, he stated that this was its value at the mines. " Since Victorian coal was used on the lines, the consumption " per train mile had increased in spite of the greatest " economy, and the commissioners had had to increase " the time allowed for the journey to Woodend from two

“ hours and a half to four hours. Victorian coal was carried
 “ at $\frac{3}{4}$ d. per ton per mile, a rate which left a loss. Of this
 “ loss the Government refunded to the department a sum of
 “ £15,000, taken from the consolidated revenue. But this
 “ did not make up for the whole loss, which he estimated at
 “ between £22,000 and £23,000.

Further, the *Age* of the 30th July, 1894, contains an article from which I make the following extracts :—

“ Another effort has been made by the Acting Railway
 “ Commissioners to obtain better terms in the purchase of
 “ Victorian coal, but without any result. The Commissioners
 “ contend that this coal ought to be supplied to the depart-
 “ ment at reasonable prices, instead of which the department
 “ is expected to take all the cost of developing the industry.
 “ They state that the economies effected in the locomotive
 “ branch have to a considerable extent been neutralised by
 “ the enforced use of Victorian coal at high prices, and they
 “ regard it as inconsistent with the policy of economic work-
 “ ing, that the department should have to incur a loss in its
 “ coal supply. *The Commissioners regard the situation with*
 “ *distrust, especially in view of the recent formation of a coal*
 “ *‘ Trust ’ to keep up the price of Victorian coal to the consumer.*
 “ The Railway Commissioners urge that it is most unfair
 “ that the department should have to pay 11/6 a ton at the
 “ pit, while the same company offered to supply the City
 “ Council at a price which came to 9/6 at the pit. It is cal-
 “ culated that even the price of 9/6 leaves a considerable
 “ margin over what it costs to produce the coal. Under these
 “ circumstances the Commissioners state, that the extended
 “ use of Victorian coal on the Railways and the development
 “ of the whole industry is hampered, simply by the coal
 “ company directors insisting on exorbitant profits.”

The Honorable Robert Reid stated officially in the Legislative Council on August 31st, 1894, that “ the amount
 “ of Victorian coal used by the railway department during
 “ the first six months of the current year averaged 10,500
 “ tons per month.”

These various statements enable me to give a close

estimate of the subsidy (apart from the cost of constructing sidings) which the Victorian taxpayers are made to pay to the capitalists who own the Victorian Coal Mines—as far as the railways are concerned.

The facts to be taken into account are these. The average consumption of Victorian coal by the railway department is 126,000 tons a year, at the present time. The price paid for the same is $11/6$ per ton at the pit's mouth, and its real value at the pit's mouth is $7/1\frac{1}{2}$ per ton. The difference between the real value of the coal and the price paid, therefore, is $4/4\frac{1}{2}$ per ton. The annual loss therefore is as follows :

126,000 tons at $4/4\frac{1}{2}$ per ton,	£27,562	10	0
Loss on carriage of coal ...	22,000	0	0
	£49,562 10 0		

In addition to the coal taken by the railway department, the Government, on the 18th December, 1894, accepted the tender of the Coal Creek Proprietary Company for the supply of coal to various Government works and offices. The actual price charged by the Coal Creek Company was $2/3$ per ton higher than the lowest tender for Newcastle coal. The coal is admitted to be 20 per cent. inferior. (See ante). The average tender price, delivered at the works, was $15/9\frac{3}{4}$, and the total quantity involved was 8,428 tons. Deducting 20 per cent, from $15/9\frac{3}{4} = 3/2$ gives us the real value of the Coal Creek Company's coal as compared with Newcastle coal, and as the latter was offered at $2/3$ per ton less, the loss per ton is $5/5$. The accepted tender being for 8,428 tons, the total loss to the taxpayers on this small contract alone is £2282 11s. 8d., which amount went again to enrich the coal owning capitalists.

All this waste of the people's money, moreover, is unnecessary. The coal mines could be profitably developed without any such charitable assistance. It merely encourages the proprietors of the coal mines in working their mines in the most wasteful manner. This assertion is borne out by the Minister of Railways, a mining expert of high standing,

and a Protectionist, who, in reply to a deputation of coal mine directors, said, on the 5th of December, 1894 :

“ After his visit to the Coal Creek Mine he was convinced, “ as the result of a life long experience of mining, that he “ had never seen more miserable or more inadequate “ machinery for doing the work of mining in any part of the “ world.”

Protectionists, and especially the disinterested and patriotic speculators in coal mines, maintain, that the veiled Protection granted to them, has had the result of lowering the price of coal both in New South Wales and Victoria. That the price of coal has fallen during the last two years is true. Whether this fall is due, or partly due to the action of the Victorian Coal Trust is, however, a different question. The following facts will show that this claim is exaggerated, to say the least of it :

COAL RAISED (TONS).

		VICTORIA.	NEW SOUTH WALES.
1890	...	14,601	3,060,876
1891	...	22,834	4,037,929
1892	...	23,363	3,780,968
1893	...	91,726	3,728,328

COAL EXPORTED FROM NEW SOUTH WALES (TONS).

1889	1890	1891	1892	1893
2,387,702	1,821,874	2,514,368	2,191,705	1,835,090

COAL IMPORTED INTO VICTORIA (TONS).

1889	1890	1891	1892	1893
746,379	672,631	843,813	739,649	602,136

These tables show that the total reduction in the exports from New South Wales since 1891 is 679,278 tons ; that the total reduction of imports into Victoria since the same date is 241,677 tons ; and that the Victorian mines supplied only 91,726 tons, or a little more than one-third of this reduction. The remainder must be attributed to the failing trade of

Victoria. Yet it is not to this failing trade, nor to the great reduction in the exports of coal from New South Wales, but merely to the competition of the Victorian mines, that the fall in the price of coal is attributed by our Protectionists. Once more, therefore, they stand convicted of closing their eyes to the facts which stare them in the face, and of building up their theories in total disregard of them.

BUTTER FACTORIES AND CREAMERIES.

The following is an attempt to ascertain the additions made to the cost of creameries and butter factories by the protective duties imposed on their building material and plant. The details of the buildings have been furnished by an architect of great experience in their erection, and those of the plant by one of the foremost firms in the trade. All materials and implements which are free of duty have been omitted from the list. I do not claim absolute accuracy for the result, but I am of opinion, that the conclusions arrived at are an under-estimate rather than an exaggeration of the additional expenditure arising from duties. All the smaller utensils, many of which are dutiable, have been omitted from the calculation, in order to ensure greater clearness.

BUTTER FACTORY.

Building costing £500 to erect.

12,000 sup. ft. Hardwood at a duty of 3/- per 100	=	£18	0	0	
9237 sup. ft. various woods at a duty of 1/6					
per 100	=	6	19	0	
56 sup. ft. Oregon at a duty of 2/6 per 100	=	0	1	10	
13 pair Sashes at a duty of 2/- per pair	=	1	6	0	
2 cwt. Arabic Cooling at a duty of £4 per ton	=	0	8	0	
3 cwt. White Lead at a duty of 2/- per cwt.	=	0	6	0	
10 gals. Raw Linseed Oil at a duty of 6d. a gal	=	0	5	0	
£20 worth of Ironmongery	=	3	6	4	
Wharfage on 47 tons Timber at 3/- per ton	=	7	1	0	
			37	13	2
Profit of Dealers on Duty, 20 per cent.	=	7	10	7	
Increased Cost of Building		£45	3	9	

PLANT.

One 6 h.p. Engine	£74,	advanced through duty	=	£18	0	0	
One 8 h.p. Boiler	£90,	"	"	=	14	0	0
Four Tanks and Vats	£14	"	"	=	1	10	0
Two Pumps	£17	"	"	=	3	10	0
One Butterworker	£27 10/-	"	"	=	6	15	0
Two Churns	£53	"	"	=	12	10	0
Cream Cooling Cans	£10	"	"	=	1	0	0
Washup Sink	£3 10/-	"	"	=	0	9	0
Pulleys and Brackets	£23 10/-	"	"	=	4	15	6
Leather Belting	£10	"	"	=	1	17	6
					<hr/>		
Increased Cost of Plant					£64	7	0
					<hr/> <hr/>		

Total addition to the Cost of a Butter Factory
by protective duties... .. £109 10 9

CREAMERY.

Building Costing £50 to erect.

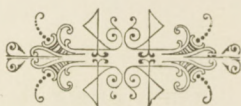
1576 sup. ft. various woods at a duty of 1/6 per 100	=	£1	4	0		
152 sup. ft. Oregon at a duty of 2/6 per 100 ...	=	0	3	9		
2500 sup. ft. Hardwood at a duty of 3/- per 100	=	3	15	0		
130 ft. lineal Scotia at a duty of 4/- per 100 ...	=	0	5	2		
3 pair Sashes at a duty of 2/- per pair ...	=	0	6	0		
Wharfage on 9½ tons at a duty of 3/- per ton ...	=	1	8	6		
£3 worth of Ironmongery	=	0	10	0		
				<hr/>		
				7	12	5
Profit of Dealers on duty = 20 per cent. ...		1	10	6		
				<hr/>		
Increased Cost of Building				£9	2	11
				<hr/> <hr/>		

PLANT.

One 4 h.p. Engine	£ 58,	advance through duty	=	£ 14	0	0	
One 6 h.p. Boiler	£ 70	"	"	=	12	0	0
Four Tanks and Vats	£ 14	"	"	=	1	10	0
Two Pumps	£ 17	"	"	=	3	10	0
Pulleys and Brackets	£ 11 10/-,	"	"	=	2	7	4
Leather Belting	£ 6	"	"	=	1	2	6
One Washup Sink	£ 2 10	"	"	=	0	7	6

Increased Cost of Plant £ 34 17 4

Total addition to the Cost of a Creamery by protective duties £ 44 0 3



CHAPTER V.

THE REVOLVING LIGHTS OF PROTECTION.

HEREWITH place before my readers a few of the more flagrant contradictions on matters of vital importance affecting the very principles of the protective policy, in which its advocates habitually indulge. They will doubtless prove as amusing as they are instructive. They show, not only that the leaders of that party are at variance with each other, but that each of them is at variance with himself. They show that these gentlemen adapt their arguments to the varying necessity of the hour, and do not scruple to contradict to-day the very theories which they most vehemently asserted yesterday, and which they are quite ready to re-assert to-morrow. I do not, however, desire to be understood as charging them with dishonesty on that account. These contradictions merely exhibit the difficulties which are always experienced by the advocates of a false system. Having no principles to go upon, having no firm standpoint, they are compelled to continually shift their feet. While, therefore, these contradictions do not prove that those who utter them are dishonest, they do prove that the policy which they advocate is false, and that the arguments advanced on its behalf are misleading and fallacious.

PROTECTION AND PROSPERITY.

“Without Protection, the condition of the people here would be reduced to the level of the people of England. As it was, however, Victoria was the best place on earth for the workingman.”

[Mr. S. Mauger, Secretary Protectionist Association of Victoria, at Hawthorn, reported in the *Argus*, of 14th October, 1890.]

“One woman had been receiving 2/- a day for shirt-making ; this was the lowest price paid in England for the same work.”

[Mr. S. Mauger, Secretary Protectionist Association of Victoria, the *Age*, 23/6/93.]

“Even in the country where I came from—the home of the brave, the free, and the half-starved!—I have never seen such distress as exists here.”

[Mr. John Hancock, M.L.A. Rotunda Meeting, 4/2/1894.]

“We know that when analysed, the prosperity was fictitious, and that the wages of the Collingwood masons were paid, not by our own money, but by the English capitalist.”

[The *Age*, 30/6/92.]

In 1890 it was Protection which made us prosperous. In 1892 the *Age* exposes the shallowness of this assertion, by showing that the prosperity was fictitious and due to spendthrift borrowing. In 1893 and 1894 it is admitted that our workmen, in spite of Protection, are as badly off as those in overcrowded England. Yet the same chorus asserts, that all we want in order to be prosperous is—still more Protection!

AXIOMATIC PROTECTION.

“A Protectionist who said that Protection was bad anywhere was not consistent, and

“What apparently has to be realised by the advocates of Free-trade is this, however

could not have a real grip of the question, or be really in earnest."

[Mr. Trenwith, *Hansard*, 11/10/92.]

"We say that the fiscal system which is good for Victoria, is good for America, France and Great Britain."

[*The Age*, 25/1/93.]

"Statesmen" who one day assert that a principle of commercial conduct is good under all circumstances, and who assert the next day that it is only good under particular circumstances are like Will-o'-the-wisp. They are certain to lead a people into such quagmires as that in which the people of Victoria are engulfed.

FREE TRADE AND THE BRITISH FARMER.

"As every one knows, Free-trade has killed agriculture in England."

[*The Age*, 19/11/92.]

"England under a policy of Free-trade, is letting her lands go back to pasture, . . . if the process of discouraging agriculture continues we shall in the course of time have the astounding spectacle of a fertile country, dependent entirely on outside sources of supply for the food of its population."

[*The Age*, 27/12/92.]

applicable the arguments of English economists may be to a condition of things existing in the United Kingdom, outside these conditions they are inapplicable."

[*The Age*, 19/12/92.]

"Free-trade is not only best, but necessary for Great Britain."

[Mr. A. Carnegie, *Times*, 10/10/92.]

"The British farmer undoubtedly suffers and will suffer, but the remedy does not lie in taxing the bread and meat of many millions for the sake of maintaining the rent rolls of a few thousands of estated gentlemen . . . With cheap labour, cheap machinery, cheap manure and an immense market close at hand, grazier and farmer in Great Britain could well hold their own against external competition, were it not for the everlasting burden of

“No one disputes the fact that Free-trade has destroyed agriculture in England.”

[*The Age*, 3/1/93.]

“The Free-trade policy has ruined agriculture in Great Britain.”

[*The Age*, 25/1/93.]

rent, or mortgage interest on the purely artificial and exorbitant value of land.”

[*The Age*, 15/5/94.]

What a pity it is, we cannot lend this “conscientious” guide to the farmers of England. As it holds such opposite opinions on the causes which have brought about the decline of farming in England, it is not unlikely that it might deepen the depression of farming there. But at any rate our own farmers might then have a chance.

PROTECTION AND VICTORIAN AGRICULTURE.

“Protection has induced, rather than retarded settlement on the land.”

[“Mr. Trenwith, *Hansard*, 29/9/92.]

“Is there anything in Protection as applied in Victoria, to retard the development of agriculture? In 1853, only 34,000 acres of land were under cultivation . . . in 1890, it was 2,652,000 acres. Could better returns be shown under any possible fiscal system? Could there be a more complete refutation of the absurd charge, that the towns had been looked to, to the

“All sections of the community are agreed that much of our present industrial depression is due to the steady process of rural depopulation under which the colony has from various causes been languishing during the past decade.”

[*Age*, 10/4/93.]

“There are on all hands indications of the growth of a clear conception of the nature of the evil from which we are now suffering . . . The solution of the problem of the unemployed is to be sought in connection with the occupation and use of

serious detriment of the the soil.”
country?”

[*Age*, 25/6/92.]

[Sir Graham Berry, *Age*,
16/12/93.]

“What has been the result of the duties placed on oats, maize and barley? Why, the very year after the duty was imposed, the prices of the grain went down, and they have been going down ever since . . . this year they are cheaper than ever.”

[Mr. Trenwith, at Richmond, 25/3/92.]

All workers may advantageously study these utterances. The farmers now have the Protectionists' own word for it, that Protection has benefitted them by reducing the price of their produce and driving them off the land; and the artisans can see the enormous benefit to them which has arisen from a policy which congregated them in the city, and kept them off the land.

WHO PAYS OUR DUTIES?

“By this means (Protection) a portion of the revenue is contributed by those countries which successfully trade with us.”

[Sir G. Berry, *Age*, 16/10/93.]

“The consumer never pays the duty. The importer never pays the duty. It is paid by the foreign manufacturer who disposes of his

“It is the consumer who pays the duties, and if the Government refunded the money, the importers would be paid twice,—once by the consumer through the retailer and again by the Government.”

[Sir. G. Berry, 24/10/92.]

“The goods taken out of bond . . . have been distributed, and *the increased price has been paid*. . . The mer-

goods in our market."

[Mr. Trenwith, at Democratic Club, 16/5/93.]

"The foreigners in France, Germany, America, etc., whom we import goods from, help us to pay our taxes. That is to say, if we take toll at the customs of say £250,000 the foreigners bear half the amount, because they send us more goods for our money."

[*The Age*, 18/9/94.]

chants never do pay the duty. They simply pass it on to those who deal with them."

[Mr. Trenwith, *Hansard*, 2/12/92.]

"The merchant, of course, never pays the duty, be it high or low, the consumer must of necessity do that."

[*The Age*, 3/11/92.]

"To double the customs duties would be to tax the wealthy in only a slight degree, and would place the public burden chiefly on the shoulders of labour. The farmers can hardly be expected to favour this method of squaring the finances."

[*Age*, 9/11/94.]

These assertions convict the Protectionists of great want of patriotism. If they could make the foreigner pay one half of our custom taxation on September 18th, 1894, why do they not insist upon the foreigner rendering us the same service in November of the same year, and for the matter of that, for ever. I would suggest that a deputation call on the *Age* to ask for the continuance of the former practice.

PROTECTION AND PRICES.—I.

"It is a fact which cannot be denied that all the protective duties which have resulted in manufactories being established and local competition introduced in this colony, have invariably tend-

"No duty, protective or otherwise, can effect a phenomenal fall in prices."

[*Leader*, 14/4/94.]

"If the quantity of wheat grown in Victoria was only sufficient to supply our own

ed in the direction of a reduction of prices.”

[Sir Graham Berry, *Hansard*, 28/9/92.]

“The advantage of a protectionist tariff on articles that we can produce here is, that it reduces the cost to the consumer.”

[Mr. Trenwith, *Hansard*, 29/9/92.]

“The chief fallacy to which the Free-traders are wedded, and which they have to stick to, to keep up some pretence of argument is, that protective duties increase prices.”

[*Age*, 16/10/94.]

Sir Graham Berry asserts that Protection lowers prices, and then explains that Protection has failed with regard to wheat, because it did not increase prices. The *Age* asserts that Protection reduces prices, and the *Leader* says it cannot reduce prices. Whom are they trying to deceive, themselves or their readers?

PROTECTION AND PRICES.—II.

“It had yet to be proved that higher duties added in any way to the price of the article.”

[Sir G. Berry, *Age*, 29/5/94.]

“The towns, loyal to Protection, accepted the stock tax, although they were aware it would make meat dearer.”

[Sir G. Berry, *Age*, 29/5/94.]

This unqualified contradiction of himself, was uttered by Sir Graham Berry in the course of one and the same speech, *i.e.*, at the Temperance Hall, on May 28th, 1894, without smile or blush appearing on his countenance.

wants (as is the case with manufactured goods) the price might be made remunerative by an import duty.”

[Sir Graham Berry, *Age*, 16/12/93.]

“Fifty years ago, when the English people were building up a vast system of manufacturing industry, they were faced by the difficulty that the artisans were without a sufficiency of that food which was maintained at a high price in the interest of the wealthy” (by protective duties).

[*Age*, 21/10/90.]

PROTECTION AND REVENUE.

“A protective duty serves a double purpose by producing revenue, and encouraging local industry.”

[Mr. Trenwith, *Hansard*, 29/9/92.]

“Protection raises the necessary revenue in the least oppressive manner.”

[Sir G. Berry, at Camperdown, *Age*, 16/12/93.]

“Protection said that everything should be allowed to come in absolutely free that could not be made in the country, but everything that could be made in the country should be protected to an extent that it would be impossible to import. *By these means the Customs House would be made useless for the purpose of producing revenue.*”

[Mr. Trenwith, the *Age*, 9/2/93.]

“Protection must kill custom receipts in exact proportion as it succeeds.”

[*Age*, 14/8/94.]

Protection, therefore, is a patent plan by which a country can raise revenue through duties levied on the goods which are prevented from passing through its Customs House. As well might a man satisfy his hunger with a dinner which he refuses to eat.

PROTECTION AND THE STOCK TAX.

“At the last elections, did not the towns, loyal to Protection, accept the Stock Tax, although they were aware it would *make meat dearer.*”

[Sir G. Berry, *Age*, 29/5/94.]

“Protection had cheapened the cost of living, and he would prove it, if they wished him to do so. We had heard a great deal about the Stock Tax. He maintained that the Stock Tax had been the means of *cheapening meat.*”

“Mr. Trenwith, the *Age*, 29/5/94.]

These instructive variations on the same theme were

delivered as axiomatic truths in the course of the same meeting, *i.e.*, that of the Protectionist Association of Victoria, at the Temperance Hall, on the 28th May, 1894.

PROTECTION IN THE UNITED STATES.

“Most people, including Protectionists, in the States, think the McKinley Tariff, Protection run mad.”

[*Age*, 18/5/91.]

“The people” (of the United States) “have declared with a vehemence which has attracted the attention of the world, that these prohibitive duties, amounting in some cases to more than 200 per cent., are not what they desire.”

[*Age*, 17/3/91.]

“The majority returned was against the McKinley Bill.”

[*Age*, 18/5/91.]

These kaleidoscopic views on foreign politics, mark the newspaper which utters them, as a reliable guide on home politics—for those who wish to be deceived.

PROTECTION OR PROHIBITION.

“What did all Protection mean but prohibition? What was the good of Protection if it did not produce Prohibition.”

[Sir G. Berry, *Hansard* 12/10/94.]

“People who do not know what they are talking about are wont to describe McKinleyism as Protection run mad. It is nothing of the sort.”

[*Age*, 11/11/92.]

“Two years ago the Republican party was defeated on this issue” (the Force Bill) “and not, as was falsely alleged by the members of the Cobden Club, on the McKinley Tariff Bill.”

[*Age*, 11/11/92.]

“Every one knows that there is a wide difference between Protection and Prohibition.”

[*Age*, Nov. 1892.]

“There are no prohibitive duties. All are protectionist

"If the result of this high tariff was Prohibition why need any one mind."

[Sir G. Berry, 28/9/92.]

"The term 'moderate protection' was an absurdity. If Protection was good as a principle, the more it was extended the greater would be the benefit received."

[Mr. Trenwith, *Hansard*, 11/10/92.]

"Our protective system must be increased even to the extent of complete prohibition."

[Mr. S. Mauger, Secretary of the Protectionist Association, *Argus*, 14/10/90.]

"I do not know why these gentlemen cannot meet and agree each with himself and all with each other, as to what Protection is. The only conclusion a reasonable man can come to, after reading the above utterances, is, that they themselves do not know what it is.

PROTECTION AND THE BONUS SYSTEM.

"The object of Protection is to protect the native producer in the home market, and not to give him an advantage abroad. All attempts to give him this advantage have failed, because it is found that in practice the bonus is appropriated by the exporter or his agent, and

duties which I have shown the meeting already are not prohibitive."

[Sir G. Berry, at Brunswick Sept. 1894.]

"He regarded Prohibition as opposed to the best interests of the colony."

[Mr. R. W. Best, President Protectionist Association, *Age*, 10/5/94.]

"The greatest injury which has been done to the protectionist cause in this colony, has been the ravings of the Prohibitionists."

[*Age*, 17/4/94.]

"The bonus is a form of Protection to native industry."

[*Age*, 7/12/93.]

"There have consequently been no more ardent advocates of the rural bonuses than the protectionist Members of the Assembly."

[*Age*, 30/12/93.]

never reaches the actual producer at all. This is perhaps why the bonus system is so much approved by the foreign trade party and disliked by protectionists."

[*Age*, 11/6/94.]

"I have the strongest possible objection to bonuses. I know them to be the very antithesis of the policy of Protection. The bonus system is, indeed, a mockery and "a delusion."

[Mr. Shiels, Legislative Assembly, 6/8/89.]

"I venture to say that the bonus system has at all times been brought forward for the purpose of killing Protection. I venture to say that it is the opinion held by every true protectionist in Victoria that this system of giving bonuses is a bad, a rotten system, and ought not to be encouraged."

[Mr. J. Munro, Leader of the Opposition, Legislative Assembly, 1/8/89.]

"He was opposed on principle to export bounties of any sort."

[Mr. W. Trenwith, Legislative Assembly, 17/10/89.]

"He seriously questioned, however, the wisdom of these butter bonuses, and he would endeavour when the time arrived to prevent their continuance."

[Mr. W. Trenwith, Legislative Assembly, 12/10/92.]

I regret to be unable to present my readers with the portraits of the gentlemen whose utterances I have cited above. Disguised as "the fathers of the bonus system" they ought to grace the homestead of every farmer.

THE AGE ON DEPRESSION.

Commenting on the fact that a number of persons had been discovered sleeping in comfortable villas in the suburbs (of Melbourne) un-

"There are hundreds of comfortable villas in the suburbs (of Melbourne) un-

the parks and other public places in Sydney, the *Age* gives expression to the following sentiments:—

“The revelation of misery and destitution existing in the very temple of the goddess of Free-trade, can be described by no other word than appalling. . . . Sydney has blindly worshipped the divinity of Free-trade. But if these be her works, these the fruits she offers, then she is assuredly no divinity, but a worthless idol.”

[*Age*, 15/2/90.]

“From enquiries made we find that the beneficial effects of the recently increased tariff duties are already being felt.”

[*Age*, 20/5/93.]



der surveillance by spies employed to see if men, in financial toils, are living on more than a crust of bread, and consequently squeezable. Verily the iron has entered into the soul of thrift, and there is more concealed misery in Melbourne, more tearful faces masked by artificial smiles of respectability, than ever before existed in this community. . . . There is poverty everywhere. It is tempered a little for the immediate present by the summer and the work which the season provides, yet in all the suburbs, partially depopulated though they be, hundreds of families are as dependent on charity for food as they were last winter, when . . . a legion of heart-rending cases had to be cared for by the philanthropic part of the community.”

[*Age*, 20/2/94.]

Melbourne “has blindly worshipped the divinity of ‘Protection.’ But if these be her works, these the fruits she offers, then she is assuredly no divinity, but a worthless idol.” Why then should she be worshipped any longer, why should we maintain a complicated system of laws, of which these are the fruits?

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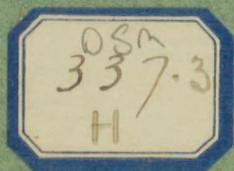
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