

AUSTRALASIA'S TARIFFS.

Curious Situation in Australia and the New Dominion
—Wool Clip—Trade Notes.

(From Our Own Correspondent.)

Sydney, Sept. 3rd, 1907.

The tariff has absorbed attention. There is a rising feeling of indignation against some of the provisions, which increase the cost of living and of some of the necessities of life. One of the articles heavily taxed is wire netting, a necessity to the Australian farmer and pastoralist in his struggle against the rabbit. The Government of this State did a bold thing in making a raid upon a quantity of this wire in bond, and carrying it off without paying the customs.

This is likely to lead up to a contention between the State and Commonwealth Governments. So far as legality is concerned, there is no question that the State Premier has done an unlawful act, but he is backed up by a large section of the State, who are opposed to the infliction of such heavy duties.

Government Have Task Before Them.

The Government appears to have awakened to the task before them in passing the new tariff as brought down. This is increased by the absence of the Premier, Mr. Deakin, through illness. The acting Premier and ex-Minister of Customs, who introduced the tariff, is very bold in declaring that it will be passed with very slight modifications or it will not be passed at all.

There is a curious legislative position in respect to the tariff that, perhaps, never was equalled in a British country. In a House of 72 the Government has 12 supporters, including themselves. They are presumed to be prohibitionists rather than protectionists, and believe that by making the duties high enough everything can be produced in Australia. They are dependent upon carrying the tariff through on the support of the Labor Party.

While there are a considerable number of protectionists, who are not direct supporters of the Government, yet they

will not support the tariff in its present shape, and demand that it shall be cut down in important particulars. The position of the Labor Party is not yet quite clear. Their leaders have stated that they intend to support it, but the storm raised in some of their own electorates has already led to the promise being made that it shall be cut down so far as it relates to the necessities of life.

Tax Everything Which Can be Made at Home.

There are free traders in the Labor party. But the free trader and protectionist alike state that they will support the tariff in order to accomplish their ulterior purpose of compelling the Government to rely for its revenue upon taxes derived from the land in order to compel the large land-owners to sell out. Their plan is to tax everything that can be produced in Australia so high that nothing will be imported, and to refuse to support any duties for revenue purposes only. The Ministry is in this dilemma. They do not favor the Confiscation Land Tax of the Labor party, and yet they need its support for their tariff.

They have offered a sop in the shape of what is called "The New Protection." If the Labor Party will consent to give the manufacturers a high protection, legislation will be passed to compel the manufacturers to give equivalent wages, and then, to meet the clamour of the consumer, they will also legislate to prevent the manufacturers from taking advantage of the protection by charging too high prices. Such a complicated scheme could never have emanated from men who had considered the consequences.

The great hope of the Government is that capital will be induced to flow into Australia to establish manufactories, as it has gone into Canada. They claim to be supported in this by representations made from abroad, Canadian interests among them. On Saturday last the Acting Prime Minister delivered an address at Wagga in which he had information from men claiming to represent the Canadian Cycle Company, that they would come to Australia and establish a factory for the manufacture of bicycles.

Much Moderated, and a Long Time Yet.

It is very doubtful if "The New Protection" will accomplish this, for no sane capitalist would think of investing money in a business which is to be regulated by the Government of the country. The tariff will not be put through in two weeks, nor in two months, as the Government hoped, and before passing it will be very much moderated.

Business, of course, has been upset, but, as importers look over the situation, they are not so much alarmed as they were when the tariff was first introduced. It will affect some lines, but in most cases it will simply alter the form in which the goods will be imported. The manufacturers are doing their part in creating hostility to the tariff already by increasing their prices to the limit.

The newspapers report negotiations between the Canadian and Australian Governments respecting a preferential agreement, but if their representations are correct, no progress has been made, and, what is worse, they intimate that none is likely to be made under the present Government. Certainly not much will be made until the form which the tariff will take is decided upon. The manufacturers are enthusiastic supporters just now of preference, because they deem it to be practically valueless. If the tariff is cut down so that there will be a possibility of importation, they will be as strong against any preferential agreement that is likely to affect their interests.

New Zealand Affected Also.

The Government of New Zealand is also finding difficulty over its new tariff, which, like the Australian, was to be passed through the House in a day or two. Some changes are likely to be made, but of what nature has not yet been made known here. This tariff, too, is the product of an attempt to artificially increase wages. Under the Arbitration Acts wages have been steadily advanced until the local manufacturer has cried out that it is cheaper to import than to make at home.

In both countries the man on the land, who is to be ground by the high prices, has been little considered. But his mutterings are already heard, and it is quite possible that, slow as he is to make himself a force, he may yet upset the calculations of the Government in both countries.

Canada's Share of Trade.

The trade of Australia for 1906 was: Imports, £44,729,506; exports, £69,737,763, an increase in imports of over six and a quarter million pounds, and in exports of nearly thirteen million pounds. The balance of trade, twenty-five million pounds sterling, has materially improved the financial position of the Commonwealth.

Wool Clip Not Bigger Than Last Year.

Large as was the trade last year, the imports and exports of the Commonwealth have materially increased for the first seven months of the year, the increase being about 12½ per cent. The wool year has fairly started, but as yet the experts are guessing as to the yield. It is probable that the output will not be much above last year's clip, if any, nor the staples be of better quality. In some sections dry weather made the pasturage poor and the grass innutritious.

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