

## VICTORIA.

## COLONIAL TARIFFS.

CORRESPONDENCE RELATIVE TO THE ASSIMILATION OF COLONIAL TARIFFS, IN REFERENCE  
TO ADDRESS NO. 61, ON THE MOTION OF MR. WESTGARTH.

LAI D on the COUNCIL TABLE by THE COLONIAL SECRETARY, by command of HIS EXCELLENCY  
THE LIEUTENANT GOVERNOR, and ordered by THE COUNCIL to be printed, 31st  
August, 1853.

[VICTORIA.]

No. 53 | 5823.

Colonial Secretary's Office,  
Melbourne, 19th May, 1853.

SIR,

I have it in command to enclose to you the accompanying Copy of an Address recently presented to Lieutenant Governor La Trobe, by the Legislative Council of Victoria, conveying the opinion entertained by that body in favour of an assimilation of the Tariffs of the Australian Colonies, on the grounds therein set forth. In requesting that you will have the goodness to bring the subject under the consideration of the Governor General, with a view to ascertain in how far His Excellency may feel disposed to coincide with and further the views of the Legislature of this Colony, or to assist in bringing about such adjustment. I am instructed to place before you a brief statement of the principles upon which the Customs Act of Victoria is based, the considerations which have led to its adoption, and the results of its working, both those already attained and those yet anticipated.

2. The existing Tariff is grounded on the broadest principles of Free Trade; and the unparalleled success which has hitherto attended its working—a success, of the continuance of which the Lieutenant Governor feels unable to entertain any reasonable doubt—His Excellency cannot but regard as a most convincing exposition of their solidity and truth, whilst the universal satisfaction and approbation which have attended the carrying out of the measure, from its introduction to the present time, together with the confident hope with which its future operations are regarded, combine to stamp it as a legislative enactment of very great importance.

3. The following statement will suffice to show the financial results achieved by it.

The Revenue of the Quarter ended 31st March, 1852, under the old Act, was £65,012 17s. 9d.; that for the corresponding Quarter of this year, under the new Act, was £135,749 18s., being an increase of £70,737 0s. 3d. The Customs Revenue for the present year may, therefore, be fairly estimated at £600,000.

4. But it is not alone in a pecuniary point of view, that the advantages of the present law stand conspicuously forth. It will, His Excellency conceives, be readily conceded, that a point of vast importance is gained when a measure of taxation is so well received by the whole community that scarcely a shade of dissatisfaction with any of its provisions can be said to exist. This end may be taken to have been practically attained in Victoria by the Act under consideration.

5. Those features of the measure to which it principally owes not only its great popularity, but its intrinsic value, are the discontinuance, consequent upon it, of the differential as well as obnoxious system of “*ad valorem*” duties; the abolition of all charges on shipping, and wharfrage on goods,—and these points were the principal considerations which led to its adoption.

6. Added to these considerations, are the high merits of extreme simplicity of operation and the great facilities afforded to the transaction of trade and commerce, which, combined with its unquestionable productiveness, in a revenue point of view, constitute it a measure in which, in His Excellency's opinion, it would be very unwise to attempt alteration.

(Signed) I have, &c.  
W. LONSDALE.

The Honorable the Colonial Secretary,  
New South Wales, Sydney.

[COPY.]

No. 53 | 4669.

Colonial Secretary's Office,  
Sydney, New South Wales,  
9th June, 1853.

SIR,

In acknowledging the receipt of your letter of the 19th ultimo, forwarding the copy of an Address presented to Lieutenant Governor La Trobe, by the Legislative Council of Victoria, conveying the opinion entertained by that body in favor of an Assimilation of the Tariffs of the

Australian Colonies, on the grounds therein set forth, I do myself the honor to state that the Governor General entirely concurs in the remarks contained in your communication as to the general principle upon which the Tariffs, both in Victoria and in this Colony, have been settled.

Nothing indeed can be more satisfactory in every respect than the result of the Act 16 Victoria, No. 7, which was passed by the Legislative Council in the Session of 1852. It has realised the most sanguine expectations of the Government as respects its productiveness in point of revenue and the simplicity and inexpensiveness of its collection, whilst its liberal and indiscriminating character promises the most advantageous extension of the commerce of the Colony with foreign nations.

2. Although, therefore, this Government would, upon general grounds, be most ready and willing to concur with the Governments of Victoria and of the other Australian Colonies in the establishment of an uniform Tariff for the whole, yet, with the experience obtained of the highly beneficial operation of the Tariff now in force in this Colony, it could not consent to any very material alteration of the rates of duty which are thereby imposed.

3. Should circumstances, however, arise to render a review of those rates necessary or expedient, the communication now under reply will receive every consideration.

4. In conclusion, I am desired to observe, that in matters of this kind, involving the commercial relations of the Colony, not only with the Mother Country, but with foreign nations, it seems to be most desirable not to disturb the legislation upon the subject, except for considerations of the most weighty character.

I have the honor to be,

Sir,

Your most obedient Servant,  
E. DEAS THOMSON.

(Signed)

The Honorable the Colonial Secretary,  
Victoria.

[COPY.]

No. 7694.

Van Diemen's Land,  
Colonial Secretary's Office,  
16th June, 1853.

SIR,

I am directed by Lieutenant Governor Sir William Denison, to acknowledge the receipt of your letter of the 19th ultimo, in which you transmit copy of an Address recently presented to Lieutenant Governor La Trobe by the Legislative Council of Victoria, conveying the opinion entertained by that body of the desirableness of assimilating the Tariffs of the Australian Colonies; and you request to be informed how far Sir William Denison may feel disposed to further the views of the Legislature of Victoria.

In reply, I am to observe, that the same principle which guided the Legislative Council of Victoria in framing the Tariff which His Excellency Mr. La Trobe so strongly recommends to the consideration of this Government, prevailed also with the Van Diemen's Land Legislature when adopting that which is acted upon, and has been found to work well, in this Colony; that to assimilate this Tariff to that of Victoria in all respects, would entail a loss upon the revenue which the exigencies of the public service would not justify; and that the existing Tariff of Van Diemen's Land has met with the concurrence and approbation of the mercantile and trading classes.

For these reasons, therefore, Sir William Denison regrets that he is unable to meet the wishes of His Excellency Mr. La Trobe, by proposing to the Legislative Council of this Colony any alteration in the present Customs Duties.

I have, &c.

(Signed)

W. CHAMP.

The Honorable the Colonial Secretary,  
Victoria.

[COPY.]

SOUTH AUSTRALIA.

No. 1350 | 53.

Colonial Secretary's Office,  
Adelaide, 23rd July, 1853.

SIR,

I have the honor, by desire of Lieutenant Governor Sir H. E. F. Young, to acknowledge the receipt of your letter of the 19th May last, on the subject of assimilating the Tariffs of the Australian Colonies; and I am instructed to transmit to you, for the information of Lieutenant Governor La Trobe, copy of a Report upon your letter, made by the Collector of Customs of this Province; and to request you to inform His Excellency that both these Reports will be laid before the Legislative Council.

I have the honor to be,

Sir,

Your most obedient Servant,

(Signed)

B. J. FINNIS,  
Colonial Secretary.

The Honorable the Colonial Secretary,  
Victoria.

*REPORT on the LETTER of THE COLONIAL SECRETARY OF VICTORIA, enclosing a Copy of an ADDRESS from the LEGISLATIVE COUNCIL OF VICTORIA, on the subject of the ASSIMILATION OF COLONIAL TARIFFS.*

It does not seem very clear, from the Address of the Legislative Council of Victoria, whether it is intended by them to assimilate the Colonial Tariffs by adopting that of Victoria *in extenso*, or merely to levy the same amount of duty upon spirits, wine, and tobacco.

If the latter object be only contemplated, and it is considered of such paramount importance that the Tariffs should be to that extent similar, I do not see any insuperable objections.

But, as I apprehend from the tenor of the letter of the Colonial Secretary, that the object sought to be obtained is an assimilation of the Colonial Tariffs by adopting the present Tariff of Victoria, I shall address myself to that view of the question.

The Colonial Secretary of Victoria states, an increased amount of revenue has been one of the results achieved by the introduction of the new Tariff; that it has given universal satisfaction; and remarks upon the extreme simplicity of its operation, and the facilities which it affords to trade and commerce, which I presume are intended as arguments calculated to urge the expediency of adopting a similar Tariff in this Colony.

The Colonial Secretary proceeds to establish the fact, that the increased amount of revenue collected under the new Tariff is attributable to that measure, by stating that the Revenue for the Quarter ended the 31st March, 1852, under the old Act was £65,012 17s. 9d.; that for the corresponding Quarter of this year, under the new Act, £135,719 18s.

Now I must, with great respect, remark, that the above facts alone are not by any means sufficient to prove that this increase in the revenue, or any portion of it, has been the result of the alteration in the Tariff. I believe it will be found, from official records of all Colonies in a progressive state of existence, that under the same Tariff, their Customs Receipts increase from year to year in a corresponding ratio with the increase of wealth, prosperity, and population.

Now if this rule be applied to the Province of Victoria during the period referred to by the Colonial Secretary, ample causes of that character will be found to account for the very great increase of Customs Revenue, which the Honorable Gentleman attributes to the alteration in his Tariff alone. But I am under the impression, that if the Honorable Gentleman had placed in juster positions the receipts for the two quarters he has quoted, showing what they would have been under the old, and what they have been under the new Tariff, he would have found that a loss would have been experienced instead of a gain.

The Customs Receipts in South Australia for the Quarter ended the 31st March, 1852, under the present South Australian Tariff, amounted to £9,248; had the present Tariff of Victoria been in operation, they would have amounted to £7,153.

The Customs Receipts in South Australia for the Quarter ended the 31st March, 1853, amounted to £35,425; had the present Tariff of Victoria been in operation, they would have amounted to £27,221. In each case—the former a season of great commercial adversity; the latter, of corresponding prosperity—the revenue would have suffered a loss of about 28 per cent. It is possible that precisely similar results might not appear, were the question tested in the same manner with the Victoria Tariffs, because the old Tariff recognised the principle of differential duties. Goods the produce of Great Britain were admitted free, while goods the produce of the neighbouring Colonies were differently taxed, and therefore it is probable the revenue collected upon goods, other than spirits, wines, and tobacco, in Victoria, as compared with that collected on the latter articles, would not be so large as in South Australia, where no differential duties exist, and where the principle of levying a small duty upon every article imported has been the basis of the structure of the South Australian Tariff.

But, though I still believe the result of such a comparison would show a loss to the revenue of Victoria, there is no question as to the effect of the Tariff of Victoria on the Customs revenue of South Australia.

2. The Colonial Secretary of Victoria next adverts to the universal satisfaction given by the new Tariff.

I can easily understand that any measure which professed to relieve the public of any kind of tax, would be received by them with great satisfaction; and if this principle be carried out to its fullest extent, the community might be rendered in the highest degree happy, by abolishing all and every kind of taxation. In the Province of Victoria the proceeds of the Gold Fields are such as to render any other tax almost unnecessary for defraying the expense of the administration of Government, and she can therefore well afford to be liberal in comparative trifles; but in South Australia, where every article of consumption as well as labour has reached an exorbitant price, consequent upon the abstraction of the labouring population from mining and other profitable industrial pursuits, the case is very different: heavier and increasing demands are daily made upon the public purse, to meet which, provision must necessarily be made. It seems to me, therefore, unwise to relinquish any portion of a revenue which does no more than meet necessary expenses, and particularly when no complaint of over taxation has ever been made.

3. With respect to the extreme simplicity of the operations of the Victoria Tariff.

The Honorable Gentleman does not go sufficiently into detail to enable me to report very fully thereon. It appears to me that unless the statistical returns hitherto furnished by the Customs are to be neglected, the present process of passing entries in it must be still adhered to, whether any duties are to be paid or not, so that I do not see that the in-door department will be relieved of any of the duties which now devolve upon that division of the Customs Establishment; on the other hand, as all goods come in duty free except a very few, the utmost vigilance would be required on the part of the out-door officers, to prevent smuggling being carried on to a very great extent, on account of the additional facilities which would be afforded under the new system.

4. It only remains for me to notice the last argument of the Honorable Secretary which refers to the facilities afforded by the new Tariff to Trade and Commerce.

I have no doubt that so simple a Tariff as that of Victoria, if adopted by the Australian Colonies, would, to some extent, facilitate the operations of persons engaged in Trade and Commerce.

Merchants would be saved the trouble of calculating the price which certain goods exported to South Australia would have to realize, in order to make the transaction pay, and probably some other matters of detail, but the additional facility afforded to trade by the assimilation of Tariff in the Australian Colonies, if indeed it can be taken into consideration at all, where so important a matter is at issue, can only extend to the intercolonial trade of Australia; it cannot affect the English merchant who trades all over the world, and who has to make his calculations with regard to the Tariffs existing in the several countries with which he trades, it cannot beneficially affect the merchants of other Colonies trading with other than the Australian Colonies, neither can it facilitate the operations of the merchants of the Australian Colonies trading with Great Britain, or any other part of the World, so that in reality the facilities to Trade and Commerce afforded by the new Tariff of Victoria amount to little or nothing, and such as they are, enjoyed only by one portion of the community.

The Honorable the Colonial Secretary of Victoria further states, that the discontinuance of differential duties, as well as the obnoxious system of *ad valorem* duties were the principle considerations which led to its adoption.

In South Australia differential duties are not levied, nor I trust ever will be, so that a change on that account is not needed, and with respect to the *ad valorem* duties, which the Honorable Gentleman designates so obnoxious a system of levying a duty, I would be permitted to express my opinion that, as a principle of Taxation, none is more equitable or more easily carried out in practice, and I feel disposed to think that a Tariff might be constructed on that principle, excluding as a matter of course, spirits, wines, tobacco and beer, would on the whole furnish the most convenient method of levying Customs Duties.

It must be admitted that the system is not altogether free from objection; I believe there is no method of levying an impost, that is not open to some objection, but I feel persuaded that where honesty on the part of the merchant engendering confidence in the Customs Department, the details would be carried out in practice with little or no more inconvenience than is inherent in every mode of taxation.

But let it be supposed, for the sake of the argument, that all the advantages which the Colonial Secretary of Victoria attaches to the new Tariff did really exist, I should still object to the adoption of the same in South Australia on the ground that it is objectionable in detail, and further because the system of raising a revenue by taxing only a few articles of general consumption and admitting all the rest free is wrong in principle, it being scarcely possible so to frame a Tariff which will not lay almost the whole burthen of Taxation upon one section of the community and that generally the least able to bear it. If we take the present Tariff of Victoria, it is clear that the largest portion of the revenue must be raised upon the consumption of spirits, tea, and tobacco, and I think there can be little question as to who are the main consumers of these articles, viz.—the labouring classes, and consequently upon them falls principally the whole weight of taxation.

The labouring man who smokes his pipe, and to whom if he be of sober and temperate habits—it becomes almost a necessary of life, and possibly his only comfort, pays the same duty for his tobacco, as a gentleman who adds to his other comforts that of a cigar.

Then again, the consumers of wine, who are generally amongst the higher and wealthier classes, pay the very moderate duty of 1s. per gallon, while on the other hand tea is taxed 3d. per lb, and coffee 10s. per cwt., while beer is admitted *free*.

But to take a broader view of the main question, I will at once state that I do not attach that importance to a similarity of Tariffs between Colonies as it appears to carry with it, in the opinion of the Colonial Secretary of Victoria.

Under the supposition that a Colony looks to the receipts of Customs Duties, as forming a large item in the Ways and Means, it is only reasonable that she should be permitted to frame that kind of Tariff which is calculated to yield a sufficient revenue, without bearing too heavily upon her population;—such is the case with South Australia.

To aim, therefore at a similarity of Tariffs, it would be primarily necessary that the mercantile and social state of the several Colonies should be alike;—where there is a difference in these respects, it is clear that the same means of raising a revenue may not be equally available, and consequently either one Colony or the other would be seriously inconvenienced, and perhaps forced to resort to other means of raising the funds requisite to conduct the Government.—I need hardly say that the Colonies of Victoria and South Australia are in their resources, mercantile and social positions, very different at present.

I see therefore, no means by which the Tariffs of the Australian Colonies can be assimilated by adopting the Tariff of Victoria, without great loss and inconvenience to South Australia, unless the several Colonial Treasuries be made one common fund from which the exigencies of each Government are to be supplied, and I presume that such a measure would for many reasons, be neither practicable nor desirable.

(Signed) GEORGE F. DASHWOOD,  
Collector of Customs.

Custom House, Port Adelaide,  
24th June, 1853.