In order to avoid entering upon the field of British politics, so far as it embraces proposals for Tariff Reform, I desire to exclude its local relations from my remarks as much as possible. We have, however, had addressed to us in Australia, an appeal on this question, so unusual and emanating from a large number of representative Members of the British Parliament, that one feels under some obligation to refer to it. This was an appeal from Members of the Imperial Parliament to the electors of the Commonwealth of Australia. It set out that in a few months they would be choosing representatives in a Parliament of the Commonwealth, and that Fiscal Preference was one of the questions to be submitted to them. Thinking this gravely affected them, they addressed an appeal to our electors, taking the view that "there is no offer within your power to make"—that is, within the Commonwealth's power—"that could compensate us for a tax upon our food." Again, they speak of the possibility of working men being "embittered by a sense of the wrong done to them by a tax upon food." In conclusion, though it is a short address, they protest in order that goodwill should be maintained between us, that "you should not encourage those among you who are proposing to put a tax upon our food."

Mr. ASQUITH : What is the date of that?

Mr. DEAKIN : June the 22nd, 1906. This appeal was made to the electors of the Commonwealth of Australia, and those electors have given their answer very decidedly. It was very much more in favour of Preference than ever before—in favour of some degree or kind of Preference, though doubtless differing as to its extent. The result showed certainly a majority of 3 to 1, and probably a larger majority. By way of comment upon their plea, may I say that we venture to hold their terminology rather inexact. What is called a "tax" on food would be more appropriately referred to as a duty; and in our experience a duty is not a tax, of necessity; it need not raise prices. We have illustrations within our own country in which we have imposed duties of a definitely protectionist character, which have not had the effect of raising prices in our community. Of course, no statement whatever can be made as to the effect of "duties" which would apply to all of them, or even to many of them. They may be of any height or of any character, apply to any part or totality of a product. There are duties some of which would be no tax at all, some of which would impose a partial tax, and some which might be wholly taxes. If I do not err, all the duties in this country, with possibly an exception for cocoa and chocolate, which have a slight protectionist flavour—with that single exception, so far as I know—the duties in this country are imposed as taxes, so to speak; that is, with the sole purpose of raising revenue. We, on the contrary, impose duties from mixed motives; some purely to raise revenue; others not only with the object of raising revenue, but of giving a stimulus to local production; others to foster that production without any regard to the amount of revenue that may accrue—these, of course, are levied in different proportions. To take the tariff of the Commonwealth, or any other tariff, and analyse its duties, would require a very elaborate scheme of classification to discriminate between the different effects which are either intended or achieved.

With that preliminary caution may I say that this reference to a tax on food appears to us to be appropriate enough, considering its source, because the phrase was evidently used having regard to the British tariff. There it is alleged that some 18,000,000*l.* is levied directly, and I have seen another estimate which said 50,000,000*l.* indirectly, though I do not quite understand how that could be, upon food and food products.

Mr. ASQUITH : Mainly drink.