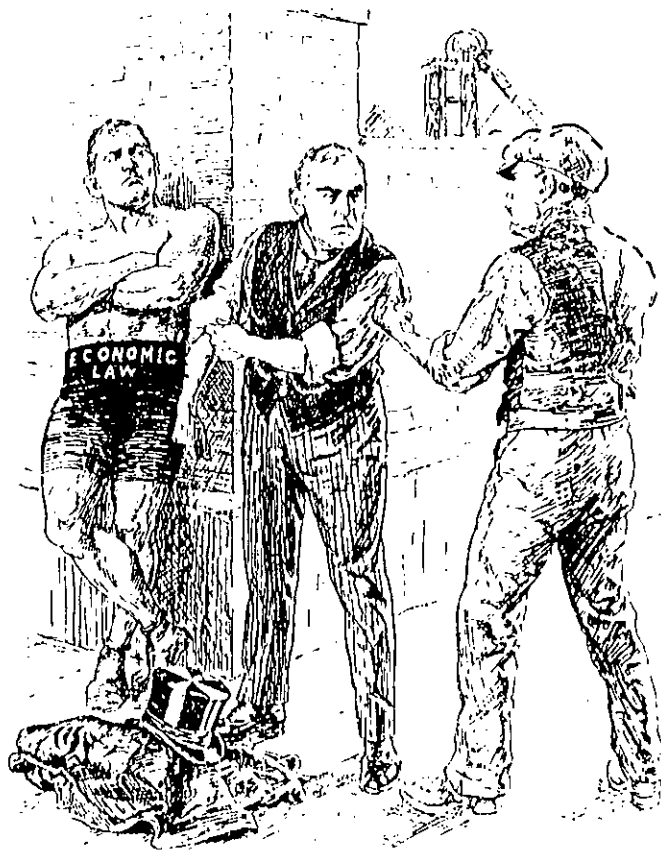


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UP AGAINST IT

CAPITAL TO LABOUR: *'You may succeed in knocking me out, but don't forget that then you'll have to fight a champion that no one can stand up against.'*

Bernard Partridge *Punch* 13 April 1921



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ASPECTS OF THE FREE TRADE/TARIFF DEBATE IN VICTORIA 1857-1881

Frank Cain

The debate on free trade versus protection is a recurring one in Australian history and is most marked in times of economic depression. All the Australian States engaged in internal debates after they established responsible government in the mid-1850s and in New South Wales opinion fractured into two political parties represented by the Protectionist's Party and the Free Trade Party. The debate flared again at the time of Federation which was accompanied by the after-shock of the 1890s depression and witnessed the new Commonwealth opting for protection. The years following the First World War saw a further expansion in the level of tariffs in order to protect the employment and capital invested in the import replacement industries established during the war. The necessity to harbour Australia's sterling balances in London led to the raising of tariffs during the Great Depression as a means of stemming the import of British-made goods. The range of tariff items was further expanded after the Second World War as Australia strove to establish an industrial manufacturing base. It was this, together with the economic growth associated with the Cold War, which largely led to the high level of affluence enjoyed by most Australians in the last 40 years.

The abandonment of the tariff on imports during recent decades has contributed significantly to falling government revenues and rising unemployment as local manufacturing firms closed or moved off-shore to exploit the cheaper labour. Concurrently there has been the abandonment of the post-war concept of full employment. This curious reversal of a national economic policy that has been widely accepted for

over a century has been marked by the absence of public debate matching to any degree that associated with the adoption of protection in the middle of the last century.

This article will explore the elements of that debate in Victoria over a century ago. The reader must bear in mind that the population of Victoria was then one-sixth of its present size and that it was a self-contained economy operating with the British Empire trading block. However, many of the players (or their counterparts) who contributed to the recent if muted discussion over the abandonment of the tariff were present over a century ago, although in different proportions. The ideological exponents of free trade were vocal then, but they did not dominate the public media and parliamentary debate as they have in recent times. Whereas it was the politicians in the last century who made the decisions in respect to tariff questions and the bureaucracies who implemented them, today the bureaucracies have grown in large numbers and in expertise in putting arguments for free trade and free market forces, such that the politicians have simply followed the predominantly free trade advice given to them by their public servants.

There is also a similarity in the external economic models employed in sustaining the debate in Australia. In the nineteenth century the protectionists pointed to the United States as the leading example of the economic success of applying protective tariffs: it was English speaking and culturally close to the British Empire. The free traders, on the other hand, pointed to Britain for having abandoned protectionism under the Corn Law reforms. All the heat in the debate was exhausted in Australia by the 1930s when Britain, recognising the mistake of adopting free trade, returned to protectionism. Today the free traders point to the United States which has formally abandoned protectionism (albeit having gone into economic decline similar to Britain's) whereas the all but silenced protectionists point to the non-English speaking dynamic economics of Japan or Korea as examples of the benefits of protectionism: these are oriental, non-English speaking and culturally distant.

In analysing the more important elements of the free trade/protectionist debate in Victoria in the last century, this paper will focus on the main participants. These are four in number: the first consisted of the

parliamentarians who were influenced in the side they took in the debate by whether they were members of the Legislative Assembly (and thereby reflected the popular electorate mood for protection) or the Legislative Council who were mostly large land holders (and who in turn were elected by the minority of property owners) and were therefore generally opposed to protection. The second group was the public print media which, in the case of the *Argus*, argued for free trade. The other leading paper, the *Age*, was at this time only mildly in favour of protection and was not as vocal on the topic as it was later to become. The *Argus*, in particular, published the arguments of the third group, that is the free trade economic theoreticians (who, curiously are still being quoted favourably by economists over a century later), noting that there were few theoreticians who expounded upon the benefits of protectionism. The fourth group was the voting public whose voice was heard in the parliamentary inquiries, the election campaigns and on other occasions.

Victoria's First Tariff

Victoria's first tariff of June 1891 copied that of the parent colony, New South Wales. It was an *ad valorem* tariff, that is levied according to the invoiced value of the imports. It was applied more heavily to the 'necessities' such as a five per cent tariff on tea, sugar, wheat and rice and on 'luxuries' such as a 15 per cent tariff on wine and 35 pence per gallon on rum, whisky and other spirits. It also applied to 160 items such as clothing, carriages, machinery and household goods not made in Britain. Melbourne's merchants objected to having to pay the tariff on landing their goods (even though many of their suppliers waived payment until the goods were sold) and had the Government abandon not only the tariff but wharfage charges, harbour charges and other dues on shipping (La Nauze 1955: 81). The Government had to recover this lost revenue by increasing the tariff on the remaining necessities like tea, coffee and tobacco and the luxuries like spirits, wine and beer (*Argus*, 14 August 1852). The abandonment of the *ad valorem* tariff had two effects: it made revenue raising regressive (land sale revenue declined as most of the crown land was sold) but it provided an increasing

revenue base as the tariff on the necessities was raised almost annually and as immigration increased the numbers of the consuming public. The tariff on tea, wine, cigars, coffee and sugar was increased by 1857 and near substitutes such as chicory and molasses were also taxed. In that year tariff revenue equalled nearly £1,330,000, land revenue £900,000 which with other revenue from fines and gold tax (two shillings and sixpence per ounce producing nearly £228,000) provided a total revenue of over £3,000,000 from a population of nearly 500,000 people.

Disadvantages of the Gold Rush

A public speaker in favour of the tariff declared that Victoria's gold discoveries when combined with free trade 'were incompatible with prosperity in this country. Wages were forced upwards, money accumulated in local banks lay idle and prosperity was unevenly spread. It demonstrated the paradox', he said, that 'a gold digging country was a poor one' (*Argus*, 6 December 1860). Local manufacturing was also disadvantaged by the gold rush. Whereas with a small population local manufacturers of clothing, furniture carriages and tinware could be viable in a practically closed market, the huge gold rush influx of population meant that merchants could import large-volumes of these items from Britain or the US. Because they were mass-produced in those countries, they could be sold at prices well below the locally-made product. These changes led to the Melbourne manufacturers having to dismiss their workers and close their businesses or switch to retailing the cheaper imported item.

A Tariff Reform League and kindred bodies were established to voice concern over this economic collapse at the parliamentary elections. These organisations by 1860 embraced both workers and employers all demanding the restoration of the *ad valorem* tariff. Their speakers pointed to the prosperity of the US. The affluence there was generated by a tariff placed on 2,000 articles whereas Victoria's tariff applied to no more than 13 articles (*Argus*, 27 November 1860).

The excitement produced by the gold boom and the method of selling the crown land held parliament's attention. It was not until the alluvial

gold was becoming exhausted and the good arable land alienated that the active protectionist, Dr. Thomas Embling, managed to have a parliamentary select committee appointed in 1860 to examine the Victorian tariff. The committee examined over 100 witnesses consisting of a variety of tradesmen, farmers, manufacturers, fruit growers and artisans, most of whom were employers. Nine out of ten witnesses favoured a tariff ranging from 20 to 30 per cent on most imports while removing that on the necessities such as tea, coffee and sugar (Select Committee on the Tariff, p 83). It was agreed that the gold rush had raised local wages above those in Britain, but it was argued that a tariff would lead to the establishment of more factories thereby promoting competition and a fall in wages. The majority of witnesses considered tariff legislation to be more important than land sale legislation. The unemployed mechanics, hatters, bootmakers and carpenters would be more efficiently employed in their trades than forced to become inefficient farmers. The farmers sought protection from imported farm produce and agreed that mechanics and millers would be encouraged to set up business in these farmers' rural towns if a tariff wall was erected (Select Committee on the Tariff, pp 13 and 123).

Parliament and Protectionism

This report was received by parliament with little enthusiasm. The urban working class and many employers supported a tariff, but those gold miners who were still fortunate to be winning some income saw it as disadvantageous because it could deprive them of cheap boots and shovels. Parliamentarians, like John Hood from the landed gentry, played on this support from the miners by claiming that a tariff would benefit four per cent of the working class working in factories, but penalise the miners comprising 15 per cent of the population (VPD, 2 August:1657). Peter Lalor of Eureka fame saw little reason to alter the existing tariff on the basis of the evidence of the 100 witnesses. Simplicity of argument marked other parliamentarians' responses. Vincent Pyke ascribed the high unemployment to there being too many people for the jobs available. John O'Shannassy, a banker who had grown prosperous on government railway construction contracts and

urban land investments, (Australian Dictionary of Biography, vol 5:378-382) responded to the argument that the existing tariff disadvantaged the working class and that it was regressive with the simple remark that such an outcome was 'regrettable'. He replied to the fact that the declining gold production forced Victoria to look to other revenue sources by artlessly declaring that 'all scientific testimony was to the effect that the yield of gold in this country would be interminable' (VPD 2 August 1860: 1658, 1660). George Brodie from Bendigo argued that taking the tax off tea and sugar and placing it on luxuries would hurt the 'property class' and would lead to the working class, which enjoyed manhood suffrage, paying little or no taxation on their necessities. He inverted a then popular phrase with the remark that this would produce 'the injustice of representation without taxation' (VPD, August 1860: 1658).

The report was shelved and Victoria's economy continued to decline. Gold production fell, the marriage rate reduced and emigration increased. The Legislative Council emasculated the land bills and, in the face of rising employment and the depressed economy, Melbourne's working class vented its anger in two nights of demonstrations against the do-nothing parliament on 28 and 29 August 1860. The Riot Act was read and troops and police were called out.

Protection and the 1861 Election

The popular mood for protection continued to grow. A wider tariff was perceived as being the only measure for providing employment for the masses of immigrants lured to Victoria by the gold rush and for whom there was no gold and no jobs. The general elections of August 1861 gave that popular mood the opportunity to demonstrate their electoral support for protectionism. The free traders dominated the intellectual debate. Their economic theories were widely aired, particularly in the editorials of the *Argus*. Adam Smith was freely quoted on his arguments against protection, however obscure these may have been. His questionable assertion that protection depreciates the exchangeable value of a country's own surplus produce was translated for the *Argus* readers to mean that Victorian wheat might not be of the same

exchangeable value under protection because protection would increase the rate of mercantile and manufacturing profit and draw investment away from agricultural production (*Argus*, 15 July 1861).

The Milanese philosopher, Count Pietro Verri, considered to have been a precursor to Adam Smith, was also quoted with translations from his *Economic Politica* (*Argus*, 4 August 1861). So too was the French philosopher, Claude Frédéric Bastiat, who was noted for his pamphlets attacking socialism and protection. Extracts from his publications made him appear to be no less obscure than Adam Smith. His published statements ranged from the mystical, 'Protection concentrates on a given point the good which it effects and distributes through the mass the evil which it inflicts', to the recondite as follows:

Every man is practically a good political economist - producing or exchanging as he may find most disadvantageous to produce or exchange. And when by protection you interfere with this privilege, you can conceive and invest modes of acting which are not sanctioned by practice of any living man. You are obliged to have recourse to power, because, wishing men to produce that which they could buy more advantageously, you make them give up an advantage (*Argus*, 4 August 1861).

The outcome was a sweeping victory for the protectionist ministry of Richard Heales. It was claimed that nearly 49,000 voters had supported his group and nearly 27,000 had supported free trade. From their declarations on the hustings, it was calculated that of those elected 55 had supported protection and 21 free trade.

In return for the Protectionist's' votes, Heales promised to widen the range of the tariff and to remove it from the necessities like tea and sugar. To win the miners' vote he promised to lift the tax on the export of gold which they had to pay. This fall in revenue and the attendant general decline in the economy was to be reversed by introducing many of the recommendations of the 1860 Select Committee. Its main thrust was reflected in Heales' legislation providing for a high tariff on manufactured goods and a low one on the component raw materials. Thus tobacco manufacturing was to be encouraged by a low tariff on imported leaf and a high one on cigars and manufactured tobacco.

Distilling was to be promoted by reducing the excise by 20 pence per gallon on local production. Beer making was encouraged by a tariff on malt. The most dramatic move was to re-introduce the *ad valorem* tariff on imports such as furniture, materials for carriage making, building joinery, musical instruments, jewellery and cloth of silk and satin. A tariff by weight was to apply to imported cheese, butter, candles, rice, cocoa and confectionery (VPD, 30 October 1861: 221-229).

What the electorate proposed the parliamentarians disposed. Those elected on Heales' platform deserted him when these tariff changes were put to parliament in the Appropriations Bill (later to be known as the Supply Bill). The measure was defeated by 40 votes to 32 and his ministry resigned on 14 November 1861 (VPD, 12 November 1861: 329). The banker and free trader, John O'Shanassy, formed the new ministry. Although a free trader, he quickly concluded that the declining economy could only be rescued by widening the tariff. That term was deftly avoided when O'Shanassy introduced his legislation. The tariff increases were described as 'consequential charges'.

The 1862 Tariff Amendments

The O'Shanassy tariff changes continued Heales' philosophy of supporting local manufacturing with lower tariffs on the raw materials (VPD, 12 Feb 1862: 597). Tobacco manufacturing and brewing were thus encouraged and a tariff placed on dried fruits to promote that industry. The *ad valorem* tariff was not introduced, but importers were compelled to pay a duty on the size of the packages or the volume of the bulk goods they landed in Victoria.¹

These changes had positive effects. The number of breweries increased from four to 97 by the end of 1864. Consumption of colonial ale increased ten times and the price almost halved. The production of local barley increased as the maltsters became established. Tobacco manufacturing also increased and the retail price decreased by three pence per pound. The cigar maker, Julius Poliz, increased his employce

¹ An Act to Amend the Laws Relating to Customs, 18 June 1862

numbers from 20 to 250, mainly young boys, including 60 workers employed on his tobacco farm. He exported half of his production to New Zealand and other Australian colonies. (VPD 24 Jan 1865: 5-7). The new tariffs also helped to overcome the effect of import dumping. British ale normally sold at £6 per hogshead, but the dumped price landed it for £3 per hogshead (the barrel itself would have cost nearly £1.10.0), equalling the Victorian price. With the support of the tariff the Victorian producer was able to lower the price until the market absorbed the dumped commodity.

The free traders refused to concede these mild rewards protection gave. The release of trade statistics in June 1864 was seized upon by them to continue the case against protection. The 'spontaneous direction of industry' should not be fettered by government interference using protection, they said, because 'it disturbs the natural order of social growth...It [the government] takes upon itself to say that men are not the best judges of their own likings, but that such matters are more satisfactorily arranged by an act of Parliament' (*Argus*, 22 June 1864).

The Tariff and the 1864 Elections

O'Shanassy was not a convinced protectionist and his moderate changes did little to sustain the economy as alluvial gold mining became totally exhausted. Poverty and destitution became more widespread (*Argus*, 17 Oct 1864) and the O'Shanassy ministry was replaced by the McCulloch ministry. James McCulloch was not a protectionist either. But he was aware that the winning of the Melbourne electorates in the 1864 elections turned on him promising to widen the tariff. His winning of the mining electorates turned on him promising to lift the gold tax, halve the tariff on tea and sugar and reduce the fees on the miners rights. The O'Shanassy supporters continued to oppose full tariff reform. McCulloch and his followers were electorally successful. Of the 78 candidates who sat in the previous parliament, only 38 were returned. 'The country, tired of cabal and intrigue,' said the *Age* 'is thoroughly earnest in its desire for political legislation upon such leading questions as the land and the tariff' (*Age*, 5 Nov 1864).

McCulloch displayed caution in his approach to tariff reform and appointed a Select Committee to investigate the effect of the earlier moderate tariff changes on tobacco and alcohol production (VPD, 2 Dec 1864: 33-38). In the space of seven weeks it established that, 'Protection had led largely to the investment of capital, the employment of labour and a decrease in the cost to consumers of the articles manufactured'. Brewery numbers had increased and a viable local market established for barley, the report confidently declared (Select Committee on Manufactures 1864). McCulloch was not only a careful strategist, but also a politician who intended to honour his promises. With a strong body of parliamentary members convinced of the benefits of tariff reform he could also be certain of being able to implement his promises. But rallying in opposition to this united front of the Legislative Assembly was the equally united Legislative Council opposed to tariff reform.

The 1865 Tariff Battle

Aware of the Legislative Council's hostility to tariff reform, McCulloch included his changes, such as halving the tariff on sugar and tea and reducing the gold tax, in the Appropriations Bill, that is the annual Budget Bill. This was not an unusual tactic given that they related to revenue matters, but it forced the Council either to reject the Appropriations Bill outright or to pass it. It could not amend it. The promised tariff reductions were to cost over £160,000, the cut in the gold tax over £66,000 and there was a budget deficit of £50,000. Total expenditure of more than £3,000,000 was proposed and the £287,000 shortfall was to be recovered by widening the tariff to include salt, oils (vegetable and mineral), timber and jewellery. This was supplemented by a complicated five-tiered tariff schedule based on the cubic capacity of the boxes containing five categories of goods. The top category consisted luxury items such as silk cloth the next lower contained manufactured clothing, boots, hats, gloves (attracting a tariff of \$2 per cubic foot) while at the bottom were categories including carriages, chinaware, and carts (ten cents per cubic foot). During the

parliamentary debate this complex system was replaced by *ad valorem* duties on such items as carriages, toys, silk, brushware and earthenware.

The debate was lengthy and vocal. Of the assembly's 78 members, 62 spoke. The question of tacking a revenue topic to the Appropriation Bill concerned few speakers. Through a tradition inherited from Britain, money was collected under the proposed tariff from the 20 January 1865 when the bill was first introduced. Thereby the new tariff on a variety of goods reaching from silk fabric to wooden doors was collected by customs officers (VPD 24 Oct 1865: 1433).

The Obstruction of the Legislative Council

The Victorian Legislative Council, like its counterpart in other Australian states, was an unrepresentative and undemocratic institution. Its members had to have high property qualifications to be elected and its voters had to meet a high property-owning franchise. The electorates for the Council were mal-apportioned favouring the sparsely populated rural areas over the populated urban areas. The claim that the Council represented 10,000 people while the Legislative Assembly represented 600,000 people was not far from reality. The Council was supreme in opposition. Its members were mainly interested in retaining the prosperity of large graziers and land owners. It did not support the easy sale of crown land, higher government income and the widening of the tariff to ensure the creation of a stable economy. Its members feared that a tariff wall would create a working class enjoying high wages and organised into trade unions and that this would seriously affect the costs of labour employed on the members' large rural properties.

The Council was accustomed to rejecting or emasculating bills from the Assembly making Victoria ungovernable at times. A clash between the two houses was imminent over the question of which house was superior - the Assembly where governments were formed and from where the State was administered or the Council which was supposed to function as a house of second review. McCulloch's tariff reforms and its tacking to the Appropriations Bill which had to be accepted or rejected in total (recognising that the government would be deprived of finance if the bill

was rejected) was to provide the substance of this looming political debate. Not being a convinced protectionist, McCulloch was using the popular issue of tariff reform (on which he knew he could be re-elected time after time) to push over the long tradition of resistance by the Council to any social or political innovation of the Assembly.

The parliamentary crisis emanating from the Assembly's insistence on the Council agreeing to the enlargement of tariff now forms part of Australia's political history. Its outline is as follows:

- Appropriation Bill passed by Assembly 20 July 1865. Council votes to lay it aside 25 July 1865.
- Government runs out of funds to administer state and borrows from a Melbourne bank.
- Tariff Bill (not tacked to Appropriations Bill) passed by Assembly 15 November 1865.
- Rejected by Council 16 November 1865.
Government resigns.
- General elections for Assembly conducted between 30 December 1865 and 29 January 1866.
- Governing ministry returned by 58 seats to 20.
- Tariff Bill passed third time by Assembly.
- Rejected by Council 15 March 1866
Government stands down.
- Governor recalls it to office
- Appropriations Bill and Tariff Bill jointly passed by Assembly
- Conference between the two houses on 12 April 1866
- Tariff Bill passed 17 April 1866 by both houses
- Appropriations Bill introduced for 1864 and 1865 thereafter passed by both Houses.

Sequel to the Widening of the Tariff

The much debated tariff of 1866 was replaced the following year with a wider one based more on *ad valorem* duties. This advantaged the farmers and followed the recommendations of the 1860 Select Committee. It included a tariff on all grains and flour made from them. And as an encouragement for manufacturing expansion, a tariff was placed on agricultural implements, machinery and boilers. Less resistance was now offered to tariff expansion because its benefits were to be clearly seen.²

Thus when the 1871 tariff changes were introduced, which aided the fruit farmers and timber cutters, little opposition was expressed. By this measure fresh fruit, potatoes, roof slates and dressed timber were to be protected. In addition the tariff on metal manufacturing items was expanded and increased from ten to 20 per cent *ad valorem*.³ The link between immigration and free trade, both important political issues, were now seen to be related. Under free trade fewer immigrants would be required, it was declared, but under protection more would be required because of the growth in job numbers (VPD 26 Oct 1871: 1766).

The pastoralists benefited significantly from the 1874 tariff changes. These provided for a tariff to be charged (mainly at the River Murray crossing) on the importation into Victoria of cattle and horses of ten shillings each, sheep of four shillings and sixpence each and pigs of 10 pence each.⁴ This provided the protection envisaged by the 1860 Select Committee which assured rural producers that protection would not just be limited to city manufacturers and their workers. This tariff on animals was designed to preserve the Victorian meat market for Victorian producers and to prevent it being swamped by the excessive stock producers in NSW and Queensland. This tariff was considered to be the cost that should be paid to the Victorian community by non-Victorians who wished to gain the economic benefit of access to the

2 Act no. 306 of 1867. The 1866 Act had provided for a tariff on barley and oats.

3 Act no. 300, 23 November 1871

4 Act no. 593, 18 January 1878

lucrative Victorian markets. The Victorians may or may not have paid more for their meat, but they gained by their Government obtaining increased revenue. Meat producers in the other States had to contribute to increasing Victoria's revenue or lose income from the loss of sales. In providing a protected base for domestic manufacturing, export growth coexisted with this expansion in industrial production, as statistics published by the 1883 Royal Commission show.

Table 1. Value of Victoria's Products Exported (Selected Items)

	1872 (£ '000)	1878 (£ '000)	1882 (£ '000)
Apparel	63	205	158
Boots and Shoes	7	43	47
Candles and Soap	7	45	48
Total Manufactures	1000	2000	2500

Source: Report of Royal Commission, 1883.

Summary of Effect of the Tariff

Some measure of the beneficial effect of the tariff can be judged from the report of the Royal Commission on the Tariff of October 1883. The Commission examined 598 witnesses and travelled 3,000 miles around Victoria in its investigations. The effects of the tariff in leading to the establishment of new industries and maintaining the viability of the older ones was demonstrated everywhere. The socio-economic effects of the tariff were also found to be beneficial. The tariff led to higher wages being paid, shorter hours being worked (but only in the highly skilled trades) and improved working conditions becoming widespread. This led in turn to higher consumption mainly of Victorian-made goods. It was because of these improved circumstances that the maintenance of higher tariffs was supported by all witnesses appearing before the Commission. The Victorian employment and living conditions were acknowledged to be better than those in Britain, making the British import often cheaper than the locally made one. There was a general feeling expressed before the Royal Commission that the tariff charges were an acceptable measure for defending the higher priced local goods

as a means for keeping the local living conditions higher than experienced by their British working class brothers and sisters. This Commission's report included all the evidence submitted by witnesses and can be taken as representing the opinions of a reasonable cross-section of the Victorian population.

The growth of industry was demonstrated everywhere in Victoria. The heavy mining machinery industry, for example, flourished as the local mining companies became more reliant on its producers. The numbers of workers in the industry had grown from the early 1850s to 69,000 by 1881. The aggregate value of its machinery, plant, lands and buildings was valued at £1 million. No equipment was too large or too complicated to be manufactured by what was then a high technology industry (Report of Royal Commission, 1883: xxxviii).

The agricultural industry was another economic area which prospered from the assistance of the tariff. The farmers, reported the Commission, 'are in favour of retaining the present duties on produce mainly on the grounds that they have a beneficial effect upon prices in steadying the market by restricting imports and increasing employment and consumption' (Report of Royal Commission, 1883: xxiii). At this time an import tariff applied to all grains and flour made from them, honey, green fruit, hams, nuts, preserved or potted meats, potatoes and live stock. Figures provided by the Commission demonstrated the growth in rural production stimulated by the tariff. Employment also benefited from the application of the tariff. The numbers of people employed in manufacturing was consistently higher in Victoria by roughly more than 10,000 than it was in New South Wales from 1877 to 1890 (Patterson 1968: 142). Figures provided by the Commission demonstrated the growth in rural production stimulated by the tariff, as shown in Table 2.

There were some problems of tariff administration identified by the Commission, such as increasing the amounts allowed to be claimed for drawback by Victorian importers who re-exported. Generally speaking, all those involved showed long familiarity with the tariff regulations and quoted the dates of significant changes to the Customs Act as if they were part of the normal discourse.

The deep feelings aroused by the debate on the question of the tariff had abated by 1883. The ideological fervour about tariffs on imports interfering with natural economic forces had disappeared and Victorians settled into enjoying the prosperity which a broad tariff was to bring them. 'Marvellous Melbourne' was well on its way to becoming a reality. The benefits of the tariff were perceived to be widespread and its disadvantages non-existent, except for some importers slow to adapt.

Table 2: Victorian Production: Comparative Returns for 1872 and 1881 (in thousands)

Crops		1872	1881
Wheat	bushels	5391	8714
Oats	bushels	2454	3612
Potatoes	tons	132	134
Tobacco	hundred weight	2	13
Livestock			
Horses			276
Cattle, Milk		222	329
Cows			
Sheep		10575	10360
Pigs		194	242

Source: Report of the Royal Commission, p cxiv.

Conclusion

This article demonstrates how the question of the tariff versus free trade assumed such important dimensions in the State of Victoria in the second half of the nineteenth century. This debate produced heated political emotions which led to constitutional crises and became the subject of repeated royal commissions while also holding the attention of wide public interest. A brief study of the debate on this episode identifies an issue in Australian history where the debate was firmly conjoined between what were then important elements in political and economic life.

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