

From Our Special Correspondent:
Alfred Deakin's letters to the
London Morning Post



Volume 11: 1911

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— Volume 11 —

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Series editor:
Dianne Heriot

Layout and design:
Matthew Harris

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Front cover: *Advance Australia*: postcard of Alfred Deakin with selected flora and fauna of Australia and a composite coat of arms, printed between 1903 and 1910.

(National Library of Australia, nla.obj-153093943)

The First Eight Project: Australia's First Prime Ministers



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Alfred Deakin at Point Lonsdale front beach, 1910

(Brookes family, Alfred Deakin Photographic Collection, Deakin University, VDU.MS0001)

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Illustrations

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Alfred Deakin at Point Lonsdale front beach, 1910, Brookes family, Alfred Deakin Photographic Collection, Deakin University, VDU.MS0001

Fisher Ministry, 29 April 1910 to 24 June 1913, National Library of Australia, nla.obj-136659193

Introduction to the series

In January 1901, the London *Morning Post* newspaper published ‘The Australian Union’, the first piece from its new ‘Special Correspondent’. Dated ‘Sydney, Nov. 29’, the article offered the *Post*’s readers an intimate, engaging and remarkably well informed commentary on Australia on the eve of Federation. The anonymous correspondent was Alfred Deakin who had, only two days before the article’s publication, been appointed the first Attorney-General of the Commonwealth of Australia.

A leading federalist, Deakin dominated national politics until 1910, serving as Prime Minister no less than three times (September 1903–April 1904, July 1905–November 1908 and June 1909–April 1910) before finally leaving politics in May 1913. Throughout this period, he continued to write as the *Morning Post*’s correspondent on Australian affairs, offering purportedly ‘frank commentaries ... on Australian politics and politicians, including himself’.¹

Deakin had been introduced to the *Morning Post*’s proprietor, Algernon Borthwick, Baron Glenesk, and editor, James Nicol Dunn, when in London from March to May 1900 to help smooth the passage of the *Commonwealth of Australia Constitution Act* through the British Parliament.² It was a happy meeting of minds. Lord Glenesk was considering ‘the appointment of a regular Australian Correspondent, now that the new federation ... was about to be inaugurated’.³ Deakin, for his part, had long lamented the ‘absolute though innocent ignorance’ in England of the ‘aspirations of the colonies’, its press chronicling ‘very little regarding the colonies save cricket matches and other like matters, while the colonial press was full of information regarding every political or social movement of the mother country’.⁴

The terms of engagement were subsequently brokered by Philip Mennell, Deakin’s friend and the contributing editor of the *British Australasian and New Zealand Mail*. In November 1900, Deakin, who had worked as a journalist at *The Age* before entering the Victorian Parliament, accepted Glenesk’s invitation to contribute a weekly letter on Australian affairs for £500 a year.⁵ His appointment was formally confirmed in March 1901.⁶

While the arrangement was originally to last a year, Deakin continued to write for the *Morning Post* until the end of 1914, notwithstanding the concerns of its editor that the first letter ‘was a little too straight in its hits’ at NSW Premier William Lyne:

I know that in the colonies and in America plain speaking about public men is the rule. Here we are more accustomed to diplomatic phrases, our golden rule being that no matter how severely you attack a man you should so express it that you could dine with him immediately afterwards ...

What is wanted is admirably expressed in your private letter—that you should enable Englishmen to follow political material & social development all over Australia in a general way so as gradually to bring them in touch with that part of the Empire.⁷

Evidently the *Morning Post* quickly applied itself to the task of ensuring that diplomacy prevailed, for in May 1901 Menzell wrote to Deakin complaining:

I do not believe in your being a curbed force. What people here want to know is Australian opinion, not Australian opinion as manufactured and interpreted to suit the M.P.⁸

Menzell went so far as to recommend Deakin find another outlet for his letters.⁹ However, Deakin did not act on this advice and his letters appeared in the *Morning Post* (generally) weekly until August 1911, tapering then to one every three weeks.¹⁰ Over this period, some 600 letters, amounting to around one million words of commentary on contemporary Australian life and politics were published, variously titled ‘The Australian Union’, ‘The New Commonwealth’, ‘Federated Australia’ and ‘the Commonwealth of Australia’.¹¹ It is worth noting that, between 1904 and 1905, Deakin also wrote anonymous monthly feature articles for the *National Review*. Both papers had an Australian readership.

Deakin took pains to ensure that knowledge of his role as ‘special correspondent’ was limited to a small circle in Australia and London. This tight group included Thomas Bavin, a future NSW Premier and former Private Secretary to both Deakin and Edmund Barton. Bavin collaborated in the writing of the letters between 1907 and 1911.¹² The letters generally bore a Sydney dateline, and adopted a Sydney, Free-trade, point of view (‘our city’, ‘our Premier’);¹³ and included criticism of Deakin himself and of his policies. They were ‘often written, as is apparent when we know the authorship, with a certain ironical enjoyment’.¹⁴ Deakin adopted a pseudonym (‘Andrew Oliver’) and sometimes a cypher for his cables to the *Post*.¹⁵ Necessary precautions were also taken in posting the letters, one of his daughters recalling she was at times asked to ‘address an envelope to the *Morning Post* and to post it, with strict injunctions to secrecy’.¹⁶ Deakin seemed to relish such elaborate machinations, writing in 1907:

The situation is fit for fiction rather than real life and that is one of its attractions though its responsibilities are hazardous in the extreme.¹⁷

Remarkably, the arrangement remained private for several years after his death. Deakin's authorship of the letters was finally revealed in 1923 by Walter Murdoch in *Alfred Deakin: a sketch*.¹⁸

While the remuneration would have been a welcome addition to his income as a Member of Parliament and minister, Deakin claimed a two-fold motivation for his role as special correspondent:

I write always for a double purpose.—First to inform English readers of the inner meaning of Australian politics so far as it can be told now and in that way.—Next as a series of notes for study of the origin and growth of the Commonwealth in its earliest years.—Not a big book, but a short and simple summary of its facts and lessons.¹⁹

Similarly, writing to Fabian Ware (then the *Morning Post's* editor) in 1909, Deakin declared

The Australian letters in the M.P. may have all possible defects but however numerous they are no one who wished to write the history of our last 8 years can go elsewhere for a continuous record.²⁰

Deakin's letters to the *Morning Post* paint a broad canvas of Australian life and experience in the early years of Federation, ranging widely from drought, railways and tariffs to defence, imperial politics, and white Australia. At their heart, however, they are commentaries on Australian politics and political leaders—including himself²¹—and the shifting fortunes of the Protectionist, Free Trade and Labour movements.²² The letters chart the course of early Commonwealth governments and parliaments as they '[put] into actual operation the intricate provisions of the Constitution'²³ and build the new nation.

Deakin seemed untroubled by the conflict of interest intrinsic to what is truly 'one of the most extraordinary episodes in the history of journalism'.²⁴ His biographer and editor La Nauze, having grappled with the motivation for, and the propriety of, this anonymous journalism,²⁵ concludes, plangently, that historians would regard it as 'in some degree an improper activity for a man holding responsible office for much of the time'.²⁶

An English reader would have been made aware of Reid's political skill and platform ability, but would have been led to mistrust him. He would have seen Watson as a remarkable man of great integrity ... but he would constantly have been reminded of the perils of 'machine-politics' and of the extreme aims of the 'ultras'. The Australian Correspondent often criticised Mr Deakin's party ... but he never gave the impression that the country was or would be better served by its rivals.²⁷

Notes on the text

A complete edition of Deakin's *Morning Post* has been long awaited.²⁸ JA La Nauze's 1968 work *Federated Australia* presented a selection of extracts from the letters appearing in the *Morning Post* between 1901 and 1910, ending with the defeat of the third Deakin Government in April that year.²⁹

Once complete, this multi-volume series and republication will present, without notes, the complete collection of letters published in the *Morning Post* between 1901 and 1914.

The text has been transcribed from newspaper microfilm as none of Deakin's original manuscripts have survived.³⁰ Original headlines and subheadings written by *Morning Post* editors have been retained, as have, generally, spelling, punctuation, capitalisation and other accidentals. Obvious misprints and misspellings have been corrected silently.

The letters are organised chronologically by date of writing. Two dates are provided for each letter, the first being the date of writing, the second being the date of its publication in the *Morning Post*.

In March 1907, Deakin travelled to London to participate in the Imperial Conference, held at the Colonial Office from 15 April to 14 May. He returned to Australia in June 1907. During that period, the majority of letters were written by TR Bavin. Bavin continued to contribute until 1911:

Until early August 1911 [TR] Bavin wrote fairly regularly on topics such as the politics and legislation of Queensland and New South Wales; industrial legislation and disputes; constitutional questions; the River Murray waters agreement. It is impossible to identify all his paragraphs or sections of articles, since Deakin himself sometimes wrote on such themes, or adapted Bavin's drafts. In general it may be assumed that all the material on federal issues was written by Deakin or had his sanction.³¹

On 18 February 1911, the *Morning Post* published a short column about the outcome of a NSW Labour Party Conference which Deakin had written and cabled to the paper on 17 February. This column does not appear in La Nauze's list of *Morning Post* letters at Appendix II of *Federated Australia*. However, like Deakin's other columns, it has the by-line 'from our own Correspondent'. It is also cross-referenced in the 7 March issue of the *Morning Post*, albeit with an incorrect date, where Deakin's letter is followed by an editorial comment:

The later phases of the Conference proceedings were dealt with in the telegram from our Correspondent published on February 14.³²

As the letters in this series are organised by date of writing, the cable appears immediately following the 14 February letter which also dealt with the State Labour Conference; however, it was published several weeks before that article appeared.

Endnotes

- ¹ JA La Nauze in the Introduction to his selected edition of the letters to the *Morning Post*. (A Deakin, *Federated Australia: selections from letters to the Morning Post 1900–1910*, JA La Nauze, ed, Cambridge University Press, Carlton, 1968, p. ix.)
- ² *Federated Australia*, *ibid.*, p. vii.
- ³ *Ibid.*, p. viii. See also: JA La Nauze, 'Alfred Deakin and the *Morning Post*', *Historical Studies Australia and New Zealand*, 6(24), May 1955, pp. 361–75, and JA La Nauze, *Alfred Deakin: a biography*, Melbourne University Press, Carlton, 1965, volume 2, pp. 347–61.
- ⁴ 'Banquet to the Colonial Delegates', *The Argus*, 25 May 1887, p. 5.
- ⁵ Philip Mennell cable to Alfred Deakin, NLA MS 1540/7/8–10.
- ⁶ E Peacock letter to Alfred Deakin, NLA MS 1540/7/14.
- ⁷ J Nicol Dunn letter to Alfred Deakin, NLA MS 1540/7/12–13.
- ⁸ Philip Mennell letter to Alfred Deakin, 10 and 26 May 1901, NLA MS 1540/1/613–16, quoted in J Brett, *The enigmatic Mr Deakin*, Text Publishing, Melbourne, 2017, p. 252.
- ⁹ *Ibid.*
- ¹⁰ *Federated Australia*, *op. cit.*, p. viii.
- ¹¹ 'Alfred Deakin and the *Morning Post*', *op. cit.*, pp. 361, 373.
- ¹² *Federated Australia*, *op. cit.*, p. viii.
- ¹³ 'Alfred Deakin and the *Morning Post*', *op. cit.*, p. 369.
- ¹⁴ *Ibid.*
- ¹⁵ J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/14.

- ¹⁶ Brett, op. cit., p. 242.
- ¹⁷ Quoted in *Federated Australia*, op. cit., p. x.
- ¹⁸ W Murdoch, *Alfred Deakin: a sketch*, Constable & Co. Ltd, Sydney, 1923, p. 252.
- ¹⁹ Alfred Deakin to Richard Jebb, 29 May 1907, quoted in *Alfred Deakin: a biography*, op. cit., volume 2, p. 353.
- ²⁰ Alfred Deakin to F Ware, 4 January 1909, NLA MS 1540/7/45–48, quoted *ibid.*, p. 358.
- ²¹ *Morning Post* editor J Nicol Dunn had at the outset urged Deakin not to put himself ‘too much in the background’ but, rather, to ‘mention [his] own part in affairs as fully as any other body’s’. J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/12–13.
- ²² *Federated Australia*, op. cit., p. ix.
- ²³ H Tennyson, ‘Prorogation’, Senate, *Debates*, 22 October 1903, pp. 6436–37.
- ²⁴ *Alfred Deakin: a biography*, op. cit., volume 1, p. 199.
- ²⁵ *Federated Australia*, op. cit., pp. ix–xii; *Alfred Deakin: a biography*, op. cit., volume 2, pp. 360–61.
- ²⁶ *Federated Australia*, op. cit., p. x.
- ²⁷ *Alfred Deakin: a biography*, op. cit., p. 361.
- ²⁸ *Federated Australia*, op. cit., p. xv.
- ²⁹ *Ibid.*, p. xv.
- ³⁰ *Ibid.*, p. xvi.
- ³¹ *Ibid.*, p. 304.
- ³² *Morning Post*, 7 March 1911, p. 5.

— 1911 —



Fisher Ministry, 29 April 1910 to 24 June 1913

Top row (L–R): Ernest Roberts (SA), Minister without portfolio (from 23/10/1911); Senator Edward Findley (Vic), Minister without portfolio; Charles Frazer (WA), Minister without portfolio (to 14/10/1911), Postmaster-General (from 14/10/1911); Josiah Thomas (NSW), Postmaster-General (to 14/10/1911), Minister for External Affairs (from 14/10/1911); Francis Tudor (Vic), Minister for Trade and Customs

Middle row (L–R): King O'Malley (Tas.) Minister for Home Affairs; William Hughes (NSW), Attorney-General; Senator Gregor McGregor (SA), Vice-President of the Executive Council; Egerton Batchelor (SA), Minister for External Affairs (to 8/10/1911); Senator George Pearce (WA), Minister for Defence

Bottom: Andrew Fisher (Qld), Prime Minister and Treasurer

(National Library of Australia, nla.obj-136659193)

THE COMMONWEALTH OF AUSTRALIA.

PROSPECTS FOR THE YEAR.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 3 1911; Feb. 14 1911.

We begin the New Year buoyantly owing to the bright outlook of all our producing interests. Most Australians put business before politics, and our confidence in the future permits us to continue in that mood after making a liberal allowance for the extra burdens about to be imposed by our new Labour Administrations. Yet the changes already accomplished are very material in one aspect. Hitherto our Legislatures have contained majorities elected by those who contributed the bulk of the revenue and became responsible for its outlay. To-day the Commonwealth itself and two of the States are under the control of voters whose collective contribution is least, and who have no intention of increasing it, but who are undertaking schemes involving a much larger expenditure. These enterprises are to be financed at the expense of the minority, and especially of the landowners. Nor are the fresh levies made only for public purposes. All over the continent wages are becoming higher, so are rents, so is the general cost of living. Other conditions of employment are altering too, and always in favour of the employees. This is most notable in the Government Departments, which in this country are larger and, proportionately to the English, much more numerous manned. In them reductions of the staffs or their emoluments are never thought of, but increases of both are frequent. The only complaints heard in the public services or outside them are that the advances made are not larger and more rapid. In every State, legislative means have been provided for the redress of private industrial grievances. Those of the employers, though probably numerous, are discoverable only when they are put on their defence before tribunals whose one task is to decide how often and to what extent their employees are to receive further concessions. The Caucus claims all the credit for the gains of the employed, which, though made possible by a succession of splendid seasons, cannot be prolonged indefinitely, no matter who may be in office or what policy is officially pursued.

THE PAYMENTS TO THE STATES.

Few people outside Australia, and not a large number in it, realise that over and above these important changes we have as a nation begun a new era as well as a New Year. Already it has been urged that this development is the cardinal fact which should be kept constantly in mind. A complete transformation of political affairs in the Mother Country threatens to leave little of the British Constitution or of the traditional policy of your Parliament which will not suffer some metamorphosis. A similar transformation is already an accomplished fact here, and we are just beginning to feel its first effects. Our States were financially partners in the national revenue of the Commonwealth until Saturday last, sharing our good and bad seasons alike; to-day they are pensioners of the Commonwealth, with a ten years' endowment of 25s. per head of their respective populations, a sum inadequate for their wants, never to be increased, and perhaps not even maintained. Our Central Government is now much wealthier than it was, is financially independent, and master of the situation both present and future. The Constitution is still federal, but the balance of power has been permanently altered. For instance, Mr. Fisher's Notes Act enabled him to acquire gold from the banks in exchange for his paper to the amount of £3,400,000. With this nest egg in hand he was enabled to pay the States the whole of the £4,600,000 due to them on December 31 under the Constitution, for which otherwise he must have become a borrower. By a legislative trick he will deduct during the current half year sufficient to reduce his payment to the States for the year to the 25s. per head. Supposed to commence only from January 1 1911, as a fact the local Treasuries will only obtain 3s. a head instead of the 12s. 6d. to which they were constitutionally entitled. Then, again, the Commonwealth jurisdiction is now enlarged by its acquisition of the enormous area of the Northern Territory, over which it will exercise sovereign control; it is also sole ruler of the area for its capital at Canberra. Last, and perhaps greatest of all its new powers, the Federal Parliament now enjoys the authority to take over the whole of the State debts, past, present, and future. In this way it can exercise a financial supremacy over the whole of the borrowing of Australia which can be employed for the benefit of all its taxpayers. Curiously enough, the Labour Party has never been united in the demand for this right. Nor has it lifted a finger in order to take advantage of it since coming into power, though frequently challenged upon the subject. Indeed, finance has been a most conspicuously weak point in its policy ever since it took office. That, however, was anticipated, neither Mr. Fisher nor any of his colleagues having any experience to guide them. It is understood that when visiting London for the Conference he will endeavour to obtain expert advice upon this very vital matter.

NATIONAL DEFENCE.

At last the exercise of a power which the Commonwealth Constitution contained from the first, that of providing for National Defence, has come home to us. The law providing for compulsory training commenced to operate on Monday last. The latest amending Act, passed a few months ago, varied but slightly from the measure carried by Mr. **Cook** in the last Parliament. Opposition to the principle of universal service has gradually died away, and, after some curious vicissitudes, Australia inaugurates its system with the approval of all parties. The first of our sundry Defence Bills, which was introduced by Sir **John Forrest**, provided for the calling out of all adults in time of war. The first definite declaration in favour of a national preparation for war in time of peace was made by the present Attorney-General, Mr. **Hughes**. His appeal, though made specially to his own party, was rejected almost unanimously by his colleagues, while at the same time it found no favour with the opponents of the Caucus. Sir **Thomas Ewing**, when Minister, pushed as far ahead in 1907–8 as the Government supporters would sanction. It was the Labour wing that still hung back, though most of its leaders had become converted in the meantime. Lord **Kitchener's** scheme having made universal training feasible, in 1909 the third **Deakin** Government acted upon his recommendations at once. Senator **Pearce** has pressed on with it to the utmost of his power. He has now not only his own party, but the whole Parliament behind him. Yesterday the Volunteer Forces became merged in the Militia; the senior cadets began their term, and a military organisation almost as wide as the continent sprang into being everywhere except in the parts remotest from settlement. Every month will be marked by steady advances, until the whole of our young manhood is being disciplined in preparation for the Empire's need.

NATIONAL DEVELOPMENTS.

In naval defence progress is necessarily conditioned more strictly, but the presence of **Admiral Sir R. Henderson**, pursuant to the invitation of the present Ministry, will enable a real beginning to be made. In Sydney we have not yet seen our first two destroyers, which were enthusiastically welcomed at Perth, Adelaide, and Melbourne. These were planned in 1907–8 when the money for their construction was voted subject to a reconsideration by Parliament of the particular type proposed. The first Fisher Cabinet, not considering itself bound by the postponement forced upon its predecessors, with the assistance of their Labour members early in 1909 ordered the boats as planned and provided for. By a fortunate coincidence the second Fisher

Cabinet has been able to welcome their arrival. A third destroyer, for which the parts made at home are now being assembled in our harbour, also belongs to the River class. Where these boats will be stationed has yet to be decided, but no doubt is entertained here that the naval headquarters of the Commonwealth will be in Port Jackson. The Naval College about to be established out of the fund raised by private subscription in this State towards the gift of a *Dreadnought* to the Mother Country when the first Fisher Government declined to make that offer, will be in or near our harbour. If that Administration had not refused to move, or if its successor, the late Deakin Administration, had not offered a *Dreadnought* directly it entered office, this £40,000 would not be now available for the training of Australian officers. Our large armoured cruiser and its unarmoured consorts now under construction in England will fill the place of a *Dreadnought* some two years hence in the Australian section of the Eastern Fleet of the Empire, to which the Flag will be entrusted in these seas. Taking all these new and striking developments together, it will be recognised that January 1, 1911, marks a date made memorable in and for the Commonwealth of Australia by a series of practically simultaneous events not likely to be paralleled for a generation to come.

THE COMMONWEALTH OF AUSTRALIA.

LABOUR PARTY TACTICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 10 1911; Feb. 17 1911.

Our **Prime Minister** returns physically invigorated from his South African visit, and mentally much refreshed by the long repose from work in the House and the Departments. His speeches during his absence have been characteristically and discreetly vague. The elaborate statement made on his return summarising his impressions confirms the previous evidence that he has nothing comforting to say to his followers as a result of his tourist experiences. Nothing analogous either to our White Australia policy, to which all parties here are indissolubly pledged, nor to his Ministerial "Labour" policy, studying wholly and solely the interests of the wage-earners, seems possible in the new Dominion. As a consequence, from first to last Mr. Fisher, finding himself politically "at sea", with characteristic caution sought safely *more suo* in emotional utterances or bald generalisations such as he has made us familiar with. Nothing else, indeed, was possible under the circumstances. On the other hand, we are satisfied that his natural dignity, civility, and shrewdness enabled him to represent the Commonwealth worthily at all the ceremonials and to win the goodwill of all he met. Here he has certainly saved himself some serious and saddening work in our Legislature, where, despite the necessarily unbroken series of successes achieved by the unbroken phalanx of members pledged to the Caucus, this crowded and memorable session closed without *éclat*. All the measures introduced passed as of course; money in any sums was voted without question by well-drilled supporters. Every Opposition amendment not profitable and palatable to them was without argument swept aside. Yet an uneasy consciousness that this mechanical method of transacting the business of the country was not appealing to the public, previously growing upon the victors, has since deepened considerably. The recess has allowed the character of the new Parliament thus disclosed to impress itself rather more distinctly upon the thoughtful than it did while the business was being rattled through at excessive speed with a minimum of deliberation. They are commencing to realise that the old Parliamentary system at least implied some criticism of principles, a searching inquiry into the means proposed to give effect to them, and reflections upon the national ends sought to be served. These have been

dispensed with since the Caucus obtained despotic authority over both branches of the Legislature. Never in Australia has a long string of statutes been passed so easily; never have such commitments been authorised so lightly; never has such an immense expenditure been approved offhand as if a matter of course; in other words, never has any Parliament so utterly suppressed its own virility and vitality.

SYMPTOMS OF DISCONTENT.

But with the masses all this counts for very little. A great deal has been done; it had been promised, and the promise has been kept. The effects of the changes are hardly visible yet. The new taxation has not been felt. The promised fruits of the legislation are not yet overdue. On the whole the Leagues are content with their Federal representatives. At the same time there are perturbations in this State and in Western Australia of which the signs are multiplying. It is the irony of fate that here in Sydney at the headquarters of Labour there should be symptoms of discontent and signs of grave dissensions in our Caucus-elected Cabinet. So far the party has been steadily but surely passing under the control of its Federal wing, whose successes have been constant owing to the fact that Mr. Watson was its first chief. All it owes to him cannot be well assessed by outsiders, necessarily debarred from the secret meetings of the Caucus, at which its policy has been determined from day to day. But it is known that to the steadiness and sanity with which he educated his colleagues at the critical stages in which its national policy was being put into practical shape is due the past progress and present triumph of the party. This is true, though not equally true, of the State successes which have been gained by his tactics, though by men who appreciated them as a rule only because of their immediate efficacy. Without Mr. Watson the Australian Labour Leagues would still have been floundering among the platitudes and impossible interpretations of their programme, from which he extricated them at the expense of his health, and in a sense of his career. The unity of the movement throughout Australia, strengthened by his former tactfulness, has been making for its national unification. This was not plain at first, and would not have been plain yet but for Mr. Watson, who, in spite of the entire change in our circumstances, still continues to lead in that direction. Though outside the political regiment, he is still at headquarters. Controlling its Press in New South Wales as far as any man can, he will, owing to his exceptional qualities, in all likelihood continue to be the real commander-in-chief of the motley levies which swell the only organisations of the kind in the Commonwealth. Our State Parliaments are being, so to speak, "pooled" by Labour, ceasing to be independent factors, becoming subordinates and dependents. The Federal Caucus which rules them is, of course, itself dependent upon the periodical conferences of the whole party, though it has already, over the Financial Agreement, boldly broken through some cardinal

mandates supposed to settle the future of the party for four years. The movement has not got beyond Mr. Watson only because he seems to be going with the same current himself. Both he and they would have repudiated five years ago the unification doctrine which is being rigorously insisted upon in this city.

AMIABILITY AND CLEAN RECORD.

Our new Premier, Mr. McGowen, like Mr. Fisher, is simply the Chairman of his Cabinet and its official spokesman. Not an intellectual leader, he owes his eminence to amiability and a clean record rather than to masterfulness or initiative. At his elbow stands Mr. Holman, better educated, better mannered, better read, and with more capacity for affairs. His Premier, like the average man of his class dazzled by the prospects of the Caucus successes in the Federal arena, does not realise the disastrous effect upon the sphere and efficiency of the State Legislatures of the sweeping changes in the National Constitution now before the country. Mr. Holman does realise, and, having the courage of his opinions, has quietly but doggedly resisted their acceptance by his Cabinet and State party, of which he is a prominent member. It will be remembered that Mr. McGowen rushed post haste to Melbourne directly the text of the Constitutional amendments was first published. But he returned satisfied with Mr. Hughes's assurances that though the wholesale transfer of powers was to take place they would not be exercised except in a mild and measured way. Naturally Mr. Holman scouted the value of such an assurance as possessing even an insurance value within their own party as any security against the express terms of a law. Our Cabinet and its following were divided, but under the dominating influence of the Australian Workers' Union (that of the shearers), the wealthiest, most influential, and best organised body in the Commonwealth, the great majority of the State Labour men have been bullied or cajoled into accepting the sacrifice they are told must be made. In defiance of this dictation Mr. Holman and those who have courage enough to support him stood to their guns. During the late session, though peppered with questions as to his attitude, the Premier would say not one word committing himself or the Cabinet. Last week it was announced that a compromise had been effected. At the expense of Ministerial dignity and consistency it had been decided neither to support nor oppose the series of proposals which will transform the State Legislatures into minor political servants of the Central Parliament. It is in just such compromises that Mr. Fisher and Mr. McGowen always find their safety, but never has the Federal head of the party descended to such a humiliating surrender. The "Worker" papers which are the official organs of the Leagues here and in Brisbane, with echoes in the other States, are savage at even this paltry pretence of allowing State autonomy to be passively defended. The liberty of choice formally allowed by the McGowen Cabinet to its followers is described by these A.W.U. organs as "A Right to Blackleg Reserved" or "Deserting the Flag".

ABANDONMENT OF CONVICTIONS.

In other words, Ministers, whatever their oaths of office, and members, whatever their duty to their constituencies, must abandon their own convictions and forfeit their right of judgment at the dictation of their Union “bosses”, who are also Caucus “bosses” to-day. Apparently they will be triumphant. Few, if any, of our members behind the Government seem strong enough to stand out for the individual liberty of action with Mr. Holman. Even he may have to bend to the storm. Our new “Democratic Party” of half a dozen members which has helped the Labour Ministry all through the session has declared itself against the Referenda Bills in the most unequivocal fashion. To all appearances, therefore, the conflict will become strictly party in its character, despite Mr. McGowen’s bolt from the battlefield. Labour will be solid as always, not in judgment or conscience, but solid for its shibboleths when it marches to the poll to vote, reckless of the outcome of its decision at the bidding of the Union “bosses”. It should be noted that the Unions most eager and tyrannical are, like the Australian Workers’ Union, the least industrial, the most scattered, and the most discontinuous in occupation. The Union is controlled by a handful of men, but carries some other Unions with it. Owing to the extent of its operations and by their aid it drags at its heels thousands of its comrades, who do not agree or who disagree with its dictates. This is the “Democracy” which rages against “class” sentiment and “social” influence. More powerful in the Federal Parliament than anywhere else, it appears to be utterly reckless of the results of its action to the Commonwealth as a whole. If it can capture the Federal Caucus in Melbourne, endowed with these new powers, it will exercise a despotic sway over the whole of Australia.

THE COMMONWEALTH OF AUSTRALIA.

INDUSTRIAL UNREST. LABOUR MINISTER'S TACTICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 17 1911; Feb. 22 1911.

The *Australian Association for the Advancement of Science*, despite our shocking weather, which defeated many proposed excursions, has just held here the most successful of all its meetings. Unfortunately our metropolis not only had its outdoor hospilities greatly diminished in number by rain, but suffered slightly from a sudden strike of gas workers. This served as a reminder to visitors that our industrial forces are still under no better control, after all our legislative experiments, than are the natural forces which gave us a series of fierce gales and down-pours in the very height of summer. The papers read last week were numerous and varied, the whole occasion deriving an additional interest from the fact that we have been promised a meeting of the British Association upon our soil in 1913, from which a further impetus to local investigation and discussion is certain to be acquired. In addition to valuable contributions to knowledge of a general character there were a number of original studies of local scientific and social problems. Yet at the present moment it would be difficult to retain even the moderate amount of interest available for such questions in the face of the perpetually recurring troubles of Labour fomented by the last year's successes of its political organisations. The one State Legislature still in session, that of Western Australia, has witnessed a series of scenes of disgraceful disorder, many of them deliberately provoked by the Labour Opposition, whose electoral interests are declared to be injured by a Bill for the redistribution of seats which Mr. *Wilson's* Government is forcing through. Incidents more or less related and all symptomatic of industrial unrest are manifest throughout the whole Commonwealth. In spite of our abounding prosperity no New Year that we can remember since the darkest of those during the South African War has been as perturbed and feverish. January, our holiday month, already contains too many portents ominous of mischief to enable us to relax attention even for a week or two from public affairs.

THE WATERS OF THE MURRAY.

Next week a conference will assemble in Melbourne, at which the Governments of New South Wales and South Australia will meet to consider for the fourth or fifth time the possibilities of combined action in order to conserve and distribute the waters of the Murray. The necessity for undertaking the task of applying its always large and often immense floods, which are at present idly dissipated or poured into the ocean after flowing for hundreds of miles through country with a very variable rainfall, is more imperative than ever. The tour of the Victorian **Minister for Lands** and the Director of Irrigation, Mr. **Elwood Mead**, in the Mother Country and the United States has led to a most gratifying influx from both countries of men and women of the right type. The water question is, therefore, becoming urgent not only in that State but in both of those about to confer and in Queensland as well. Yet to this great national issue so far the Caucus leaders have paid practically no attention, despite the fact that by increasing the subdivision of land and the demand for labour irrigation is one of the most powerful levers in facilitating settlement and cultivation that this continent possesses. Day by day our newspaper columns are recording strikes, proposals for strikes, mediation, and attempts at settlements side by side with notes on the developments attending in those cases in which the special legal processes created to prevent strikes are being proceeded with. Yesterday the wheat traffic of this great port after several prior casual interruptions was blocked altogether for some hours while the score or so of youths working in the electric elevators were ferried across the Harbour to settle with our **Chief Commissioner of Railways** for advances in their daily pay. During this episode half a dozen mammoth grain-carrying vessels were lying idle unable to obtain their loading until the dissatisfied lads were regraded according to age at from 4s. 6d. to 6s. a day. The condition of our industrial affairs is becoming intolerable, when not only are the Unions themselves conducting insurrections wherever an opportunity offers, but little groups of employees outside all Unions are following their example freely and without warning.

THE AUTHORITY OF THE LAW.

Of course, the most serious feature of the whole situation is the manner in which the authority of the law is being impaired, and by the law-makers themselves. Our Unions here and elsewhere have dictated the statutes whose ostensible purpose is to prevent strikes altogether, and yet whenever it serves their purpose they set them aside at a moment's notice. As a consequence all employees are becoming impregnated with the same appetite for overriding the law by taking it into their own hands. Worst of all, we have the guardians and administrators of the law more or less accomplices in its degradation. Can anything more pitiable be conceived than the position of the

Verran Ministry pleading on its knees to the drivers of drays in Adelaide to enable it to escape its obligation to the public to prosecute them for their scenes of violence in the public streets of the city? Its traffic being then held up by physical force, Ministers besought the offenders to cease their insurrection on condition that all their offences should be overlooked, and that they should take their grievances, as if of their own choice, to the Court specially created for the purpose of preventing strikes. Last week Mr. McGowen's Cabinet found itself in precisely the same position when the part of Sydney dependent upon gas for its lighting was plunged in darkness by one of the reckless and sudden strikes which exclude all possibilities of a full and fair consideration of the grievances alleged as its justification. Supporters of Labour Administrations in Australia have placed them in office in order that they might legislate so as to secure industrial peace. Surely it is the irony of fate that discovers these Ministers within the first few weeks of their reign compelled to appear as suppliants before those who elect them in order, as in our case, that they may not be compelled to put in force the very law they were recently returned to pass, and did pass. Of course it would not be in this gentle and forgiving fashion that they would wait upon any employers who committed a similar breach in Adelaide or in Sydney. It is in this way that the confidence which is the corner-stone of order and of peaceful government—confidence in the justice and impartiality of the Government of the day—is being undermined.

LESS WORK AND MORE PAY FOR ALL.

On the other hand, it should be clearly understood that the disturbances which have occurred since the three Labour Ministries entered office have had no kind of encouragement from them. During the General Election in this State they welcomed these outbreaks and utilised them to the full in order to strengthen their appeals to class sentiment. Even then they desired that the coal miners and others should be frightened and not hurt. They were seriously alarmed at Mr. Peter Bowling's extravagances, angry at his attacks upon them, jealous of his influence, and heartily glad when he was put in gaol. They were delighted that he was out of the way in order that they might quietly sap his authority and at the same time point to him as a victim of capitalistic tyranny. Having attained office, their interests and anxieties on these matters were at once reversed. What they sought was peace and a quiet life. Every one of the disorders since has not only discredited but pained them. Hence their constant activity as mediators and pacificators. Mr. Denny in Adelaide and Mr. Carmichael here have exhausted their energies and eloquence in appeasing the comrades whom they were so lately stimulating to strike early and often for industrial freedom. But the belligerents, whose interests personal or in the supremacy of their unions have not altered, naturally object to be thrown aside in this conspicuously

selfish fashion, and it has only been at the expense of many assurances and promises, which will prove awkward hereafter, that peace in the two capitals has been temporarily restored. Where, however, there was no prospect of inducing the leaders whom they had helped to elevate to a position of influence to be content with their gains the would-be consistent champion of perpetual strikes has been betrayed to the Philistines. Peter Bowling to-day is no longer the revolutionary general of the coal miners. He has been supplanted, ejected from office, and the monetary testimonial proposed for him officially “turned down”. The advocates of violence even in the unions are few, and disturbances measured even by English standards are mild, though with us industrial litigation is much greater. The Labour leaders who have done most mischief were in nearly all cases only playing with fire, and the remainder usually too ill-informed to understand the consequences of their actions. The whole weight of the three Caucus Governments and of their supporters with very few exceptions is being thrown against the aggressors. They would all have kept Bowling in gaol for his full term if they could have escaped from their election platform cries. But, of course, the unionists as a body are not to be whistled on and off to suit the convenience of their political representatives because they are now holding highly paid portfolios. They must have their reward in the shape of sweeping statutes framed on their behalf. Besides, among them are the men ambitious to displace and replace the present Ministers and also the militant Socialists, to whom strifes are always welcome as preparatories for the great uprising which is to transfer the possessions of all employers to all their employees on terms fixed by the latter. With these Mr. Fisher, Mr. McGowen, and Mr. Verran have to reckon and are now reckoning rather ruefully. Golden promises of less work and more pay for everyone if they carry the two Bills due for the Referendum verdict in April next are their mainstay now and for the next four months.

THE COMMONWEALTH OF AUSTRALIA.

LABOUR POLICY AND PRACTICE.

TYRANNICAL METHODS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 24 1911; Mar. 1 1911.

Political interest in this State just now is centred very much on the Triennial Federal Labour Conference, which meets in Sydney within a few days. The deliberations of this gathering are always interesting, for it represents the highest grade in the hierarchy of Labour organisations throughout the Commonwealth. The highest intelligence in the Australian Labour movement should, and usually does, find expression there. This time, however, the Conference has an especial interest, in view of the vote on the Constitutional amendments which is to be taken on April 26. Not that there is much doubt which way the Conference will decide. Everything at present points to the conclusion that its official approval will be given to all the amendments, and that therefore every faithful Labourite will be expected to vote for them. But our State Government contains a small but powerful band, which includes the Premier, Mr. McGowen, the Attorney-General, Mr. Holman, Mr. Nielsen, the Minister for Lands, and others, stoutly opposed to the drastic pruning of the State powers which the Constitutional amendments involve. Nor can they be accused of backsliding. After all, these Ministers only stand to-day exactly where the last Federal Labour Conference, after prolonged discussions, deliberately took its stand. But things have changed since then. A Labour Government has captured the Commonwealth and now commands an overwhelming majority in both Houses. It is safe to remain in power for the next two years at least, and has no Conservative Upper House to contend with, as have Labour Governments in the States. Consequently the enlargement of Federal powers is now a far more practical and prominent article of the Labour creed than it was three years ago. The advocates of enlargement are correspondingly disinclined to brook independence on this subject to-day. They will endeavour to ride rough-shod over any dissentients. So that the question how far our State Ministers will push their opposition to the amendments, and the way in which they will be treated if they adhere to any such intention, is a matter of considerable interest.

“THIS GREAT INDUSTRIAL BATTLE”.

The Sydney *Worker*, the organ of the most powerful Trade Union in the Commonwealth, refers to the Referenda explicitly and simply as “this great industrial battle”, because, so far as the “Australian Workers’ Union”, which is composed of practically all the shearers in this country, is concerned, it is that and nothing else. The phrase is worth noting, because it throws a good deal of light on the spirit in which Labour in general, as represented by the Unions, is entering on this crusade for constitutional amendment in which it is but one of five amendments. This one issue is to absorb all attention to the exclusion of the rest. The vote given is not to take any note of the grave questions of constitutional efficiency. It is not to be affected by consideration whether certain Governmental functions can be more effectively controlled by the Commonwealth than by the State. It is not to decide whether the Federal powers were so limited, in the framing of the Constitution, that they must be enlarged to allow of effective exercise. It is a “great industrial battle” and nothing else. In other words, Labour is being called upon to support these grave constitutional changes, affecting a throng of interests and all classes, purely as a means of getting higher wages and improved conditions for the members of the Unions and those whom this prospect may compel or induce to become members.

Another passage is so frank a statement of Labour methods and affords such an excellent illustration of the attitude of the Labour organisations outside Parliament to their Parliamentary and other “leaders” that it is worth giving in full. To realise its extreme intolerance one has to bear in mind that belief in these constitutional amendments is not at present in any way part of the official Caucus faith. Mr. McGowen and his friends, who are threatened with the extremist penalties for opposing them, are acting in the strictest harmony with the Labour platform, to say nothing of whatever claims they may have as representatives of the people and Ministers of the Crown to be guided by their own judgments. The paper proceeds:

“The coming Conference must have a straight answer to that plain and ugly question [whether Labour members dare “desert the flag”]. Many of the men who will meet there have fallen into line, time after time, in loyal adherence to majority rule. Temperance men have voted for drunkards, sportsmen have voted for Puritans, straight goers have voted for men whose trickiness they despised, and all this because they know that without it concerted political action is impossible. By reason of these and other sacrifices Mr. McGowen and his colleagues hold office to-day. Are they to be subject to the same discipline as the rank and file or are we to have an aristocracy of Labour, which supports us only when it suits them? In short, are the organisations or their elected representatives to rule?”

ORDERS MUST BE OBEYED.

Whether the opponents of the amendments will have the courage to stand out against domination of this kind—which will unquestionably be submissively accepted by a large proportion of the members of the Conference—remains to be seen. They stood out once before, when they insisted that the financial agreement which the late Government had made with the State Premiers represented, as in point of fact it did, the very arrangement adopted by the Brisbane Labour Conference of 1908, and that therefore it must obtain Labour support. They were whipped into submission that time and coerced into forsaking the project sanctioned at Brisbane; and they may be again. They are to obey orders, no matter how inconsistent, unfair, or injurious their results. That is Labour “policy” and practice. But in any case it is a great pity that a question of the distribution of Governmental powers between Federation and States—a grave question of constitutional stability affecting much besides its architectural sufficiency, with no necessary relation to the Labour creed—should be approached by one of our great parties in this spirit of selfishness and tyrannical dictation. The great issue before the members of the Conference must be whether or not they will bow their necks to the yoke despotically imposed upon them by this Union newspaper in advance.

THE COMMONWEALTH OF AUSTRALIA.

TYRANNY OF LABOUR POLITICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 4 1911; Mar. 7 1911.

The *Annus Mirabilis* for Australia, 1910, had already proved its title in many different aspects; political, constitutional, and financial; though our exact eminence attained under the last heading could only be ascertained when the figures for the whole twelve months became available last week. In this, as in every other respect, they outrun all expectation. There is, after all, something to be said for the busiest of our citizens, those upon whom our producing, manufacturing, and distributing agencies depend, by way of excuse for their electoral apathy during such a busy twelve months. They have all been engrossed making money, and more of it, much more than ever before. Hence the Referenda and the revolution they are expected to occasion if carried, are still allowed to drift out of sight. At any other time a fall of nearly 50 per cent. in our gold export would have awakened widespread apprehension. To-day there is an explanation of it in our largely increased local requirements; but fact and explanation are both ignored, the leaps and bounds by which our trade, inward and outward, has sprung up, rendering all deductions with their analyses superfluous. Having an advance of over £13,000,000 in our exports, an increase of over £8,000,000 in our imports; giving on the totals a £17,000,000 advance in the year's business, it seems idle to do more than note that with a trade equal to £30 a head, we have beaten all records on this side of the world. Is there a more prosperous and progressive community anywhere?

LOWERING THE CHARACTER OF PARLIAMENT.

Fortunately or unfortunately, attention is being locally distracted from this appetising view of our national situation by the threatening clouds on the political horizon, overshadowing this city, now the focus for the time being of the whole Labour movement of Australia. In this State, because of its size, and again because of its timeliness, the Political Labour Conference still sitting, which began its twentieth assembly this week, dominates those of all other States, and even the Federal Conference, by anticipation. This year's gathering is in some respects unique. For the first time during its twenty years' existence, it meets with a Labour Government

in office in New South Wales, and includes among its members—with precisely the same privileges as other ordinary members—our Premier and all the members of his Cabinet. It is this Conference which calls the tune to which the Labour Ministry has to dance, the members of the Cabinet having no more and no less to say in the selection of the tune than any Trade Union delegate. Federal Labour Ministers are present and have to dance too. On this occasion, however, they have been permitted to choose the music. But in spite of the most earnest, strenuous, and piteous appeals to their colleagues and constituents Mr. McGowen, Mr. Holman, and Mr. Beeby, the three leaders of our State Government, have had to submit to a humiliating defeat at the hands of “followers” who are really their leaders.

This year’s Conference, too, is by far the most numerous that has yet assembled; far too numerous and too hurried to permit debate. It is composed of delegates from affiliated Trade Unions, with the addition of representatives of the Labour organisation from each Parliamentary electorate of all degrees of education, general and political. Every Trade Union or electorate Labour organisation is entitled to a number of representatives proportioned to its numerical strength. One notable circumstance is that since the accession of Labour to power in New South Wales the number of Trade Unions affiliated with the Conference has very largely increased, and there are no fewer than 357 accredited members of this year’s session. This has been done with an object. When it is remembered that even if every Labour member in our State Parliament were a member of the Conference—which is not the case—the Parliamentary representatives would number something under fifty. It will be seen how greatly the non-Parliamentary element, much of it new and all of it under command, predominates over the Parliamentary, and how completely the methods of Labour organisation invert the ordinary relations between politically skilled and unskilled workmen. There are few, if any, delegates except Mr. Watson and a few others who have either ability, experience, or training equal to that possessed by their representatives in the Legislature. Yet the very men who have to translate the Labour programme into legislation are subordinated in the preparation of that programme to those who have no responsibility except to their irresponsible Trade Unions. Here we discover one of the fatal weaknesses of Labour organisation in Australia—the dominance of the untaught and inexperienced non-political Unionist whose votes, after little or no debate, decide all issues. This, too, is not merely an incident of their organisation, but has become one of its fundamental principles. It puts all power in the hands of the city employees, who not only hamper the activity of their representatives in Parliament and force them to act against their judgments, but tends to lower the calibre of the men who are selected to sit in Parliament as representatives of Labour. What are needed there, as in the Conference, are delegates drilled to obey.

LABOUR AND THE REFERENDUM.

This year's Conference will also be memorable because it decided, among some of the tangle of resolutions formally submitted upon between six and seven hundred other subjects, the most important matter yet submitted to a Labour gathering. This is the question whether organised Labour here, and practically in the other States also, will swallow the proposed amendments of our National Constitution. It was in vain that even for one evening our Ministers, amidst great disorder and interruption, were allowed to put their case. They declared again for the Federal Labour platform solemnly adopted in 1908, which no State Conference can alter. This provides for some alterations in the Constitution, principally to enable the Parliament to give effect to the "New Protection" scheme. But the amendments it suggests fall far short of those now proposed. Indeed, even if those officially sanctioned at Brisbane could now be revised and enlarged in this direction that would not avail. The Unions are determined to ignore, and if necessary to override, their own Constitution as well as that of the country. The Federal Government have also in effect made any choice impossible. They have "lumped" four of their proposals, some of which go far beyond the proposals of the Federal Labour platform, into one amendment, which must be accepted, or rejected as a whole. Our unfortunate Ministers were given no option. They were voted down and almost howled down by those who placed them in office but not in power, and who can dismiss them if they dare to disobey orders. Much of the same kind of coercion has been witnessed in Australia before, but never so publicly or upon so great an issue. Mr. McGowen and his colleagues, with two exceptions, have been compelled to give way and to accept the dictation of a Conference which, according to its charter, has no jurisdiction to alter the terms of admission to the Federal Labour movement. That in itself is an event of grave importance. More than this, it marks the success of mere unreasoning clamour as a tyranny, suppressing free speech and a fair hearing. All this will make it still more difficult for men of independence or capacity to associate themselves with the political methods of Labour. If, on the other hand, the opponents of the amendments had successfully withstood the furious attack made on them by their own comrades they would have furnished the Labour movement in Australia with an exhibition of independence of loyalty to their own Constitution, which would have immensely elevated them in the estimation of the thoughtful. The whole incident is full of significance, not only to those immediately concerned, but, having regard to the rising tide of Labour at last year's Federal election, to the whole Commonwealth. The question now is whether Australia is to be governed by these methods or by a Parliament of representatives of the people.

INDUSTRIAL LEGISLATION.

Meanwhile Mr. Verran, the Labour Premier of South Australia, has proclaimed the intention of his Government to support the proposed amendments. His reason is a strange one coming from the Premier of a State, but it is one which will no doubt operate very widely during the coming campaign. It will doubtless secure support for the Federal proposals, though this will be among a class of people a little more ignorant than our Premiers usually are. His plea is that the Legislative Council of his own State stubbornly refuses to pass industrial legislation of a kind desired by a majority in the Assembly. He impliedly recognises that industrial concerns are State rather than Federal matters. Nevertheless, he is willing to hand them over to the Federal Parliament by way of “getting even” or “getting round” the Legislative Council in South Australia. Mr. Verran, in fact, is only one of a very large number of voters who regard these Referenda as a sort of campaign against the State Legislative Councils—as an opportunity for avenging their hostility to progressive legislation. This is all very well in its way, but it leads to consequences disastrous and of a permanent nature. Our Councils, particularly the elective ones, have often no doubt indulged in mere obstruction and have sometimes made a very unwise and prejudiced use of their veto, but, after all, they could have been, and can yet be, brought to book without the sacrifice of local self-government and State autonomy. Mr. Verran, badly in want of an excuse, can only find a poor one.

The later phases of the Conference proceedings were dealt with in the telegram from our Correspondent published on February 1[8]

THE COMMONWEALTH OF AUSTRALIA.

RECORDS OF PROSPERITY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 7 1911; Mar. 16 1911.

Australian political history contains no event more significant in itself or more certain to be fruitful in far-reaching consequences than the Labour Conference in this city, which is still sitting. The rival forces within the movement have been precipitated into a contest which must help to fix the character of the movement and to determine its centre of control, or may even disrupt its State organisation. Of course the present is simply a New South Wales gathering. Though Federal and other State Ministers were present at its formal opening all the proceedings have been in the hands of local representatives of State branches. On the other hand, not only is this, the Mother State, the most populous and most influential member of our Federation, but our Labour Party occupies the first place among its organisations in Australia and is led by the ablest leaders. What the New South Wales Conference says to-day Labour throughout the Commonwealth will say to-morrow. The connecting links between the two are supplied by the Australian Workers' Union, which, as it includes shearers and small farmers in all the States, is in its nature a Federal much more than a State League. Still its headquarters are here, and here it reigns. Having no fewer than twenty-two of its own members sitting in the Commonwealth Parliament, it dominates the Fisher Cabinet, the Federal Party behind the Ministry, and through the Parliament has launched the two constitutionally revolutionary measures about to be submitted to our electors as probably the most they can be made to swallow just now. This all-powerful Union followed obediently by most of the Unions here and elsewhere, has two of its nominees staunch unificationists in the McGowen Ministry. All their colleagues, though ardent Labour Ministers elected to their posts by the State Labour Caucus, have realised the present crisis. They are convinced that as these measures must soon mean the substitution of a unification for federation our Local Governments everywhere will be impaired, their efficiency undermined, and a despotic bureaucracy established at Canberra incapable of meeting the needs of the widely-contrasted provinces of this continent. In Mr. Holman and Mr. Beeby they have two of the very ablest men in the whole party, ranking next in ability and education to Mr. Watson and Mr. Hughes. Last week Mr. Holman actually "stampeded" the Conference, and after fierce debates and close divisions

satisfied a majority that if unification is to come it had better come at once. His plea was "abolish the Senate with its equal representation and the High Court with its restraining control. Give us an Australian House of Commons sole ruler of all Australia". But the Workers' Union, though aiming at unification too, saw that this frankness would be fatal. Yesterday, after a private morning meeting of its own body, which dictated an ultimatum to the Conference, its representatives reversed Saturday's majorities, impeached Mr. Holman as a traitor, insisted on unqualified acceptance of the Federal Bills, and remits all other constitutional questions to the future.

AUSTRALIAN TRADE.

Pending some possible solution of this tangled, critical, and extraordinary situation by the Conference which cannot be speculatively dealt with in articles such as this, always anticipated by the cabling of events, it is more pleasant as well as more profitable to turn to the remarkable evidences of the development of Australian trade. Figures do not make interesting reading, but the Customs records for 1910, noted last week in gross, tell such an extraordinary story of prosperity that a further reference to them cannot well be avoided. Prior to 1910, the record for our over-seas trade was that of 1907. In that year our total trade (imports and exports) was £124,600,000, or nearly £30 per head of our population. This was pretty high achievement, though the figures were no doubt increased by a rather abnormal rush of imports in anticipation of revision of the tariff. But 1908 saw the total reduced by more than £10,000,000, due chiefly to a falling off in the prices of our chief exports, wool and metals, as a result of the 1907 financial crisis in the United States. In 1909 came a revival, though we still failed to reach within £8,000,000 of the 1907 record. The 1910 figures, however, not only eclipse those of 1909, but they surpass by more than £9,000,000 those of 1907. Our trade for last year reached the enormous total, in round numbers of £134,000,000. This represents an over-sea trade per head of over £30, which, of course, does not include our inter-State trade, by land or sea. Of that, since the book-keeping system ceased, we no longer keep a record. This £30 per head, too, is all real trade. In other words, it does not include any amounts worth noticing of re-exports. Our imports are almost entirely for internal consumption, and practically the whole of our exports are our own products. For purposes of comparison, it may be mentioned that our total trade per head last year, which included a very considerable amount of re-exports, was £27. One of the most remarkable features of these figures is that our exports of gold were smaller than they have been for the last 18 years. This is partly accounted for by the fact that we had an excess of exports over imports of over £15,000,000, an amount more than enough to cover our interest bill.

GOOD SEASONS.

We certainly are now on the crest of the wave. True, we enjoyed last year a concurrence of fortunate circumstances which we cannot reasonably hope will often recur. We had another magnificent season, which resulted in a record wool clip and a record harvest. While we were producing more wool and wheat than we ever produced before, circumstances quite outside our control were lifting the prices of these commodities to a very high level. In the result, we got three and a quarter millions more for our wool, and the same amount more for our wheat than we received in 1909. Yet it must be recollected that there is nothing of the "boom" about our present conditions. They are attributable entirely to good seasons, high prices in our over-sea markets, and a marvellously fertile soil. It has to be remembered, too, that our great agricultural industries are not much beyond their infancy: that their development is at present seriously hampered, in the larger States, by the want of adequate transport facilities, by the centralisation of our export trade at the big seaboard towns, and, most of all, by want of men. From one end of the Continent to the other, despite the outcries from town Labour Leagues, the practical, immediate necessity for compelling the immigrant to come in is being recognised, and is rapidly assuming a shape which must galvanise both the Federal and States' Governments into harmonious activity.

PURCHASING POWER OF AUSTRALIA.

Bearing in mind the thoughts naturally suggested to British employers and employees by the Reciprocity Treaty proposed between Canada and the United States, this is a peculiarly appropriate time to recognise the enormous increase in the purchasing power of Australia. This necessary accompaniment of our steadily growing markets once more emphasises the importance of this remote part of the Empire as a customer of the Mother Country. Notwithstanding our tariff, and because of patent inconsistencies in it due to Labour jealousies of employers, progress, backed by the dwindling but still important influence of the importing interest and its newspapers, this year's figures showed a great advance in our purchases abroad even of articles which we are making special efforts to manufacture for ourselves, such as boots and wearing apparel. As long as the development of our internal resources remains incomplete so long must this increase continue. It is almost trite to repeat that, relatively to their population, Australia and New Zealand are even now by far the best customers the Mother Country possesses, and every year adds to their purchasing power. We shall, no doubt, have a recurrence of bad seasons. The occasional drought or bush fire and the prolific rabbit have not lost all their terrors for the "man on

the land” inland in certain large areas. But year by year the progress of settlement, the opening up of new artesian water supplies, the improvement in our methods of cultivation, the extension of railways, and the growth of irrigation reduce their power for evil. The recent succession of good seasons, together with the activity of our State Governments in purchasing for closer settlement, has, no doubt tended to force the value of land, in this State particularly, to a level which is in many cases, something above its average producing capacity, and our smaller settlers, who have left themselves without any reserve in their efforts to obtain land, will be liable to the pinch of bad seasons when they come. But this does not alter the fact that the prosperity of Australia to-day stands on a higher level and more securely buttressed than at any previous period of her always prosperous history.

THE COMMONWEALTH OF AUSTRALIA.

SYDNEY LABOUR CONFERENCE.

INTRIGUE AND COERCION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 14 1911; Mar. 20 1911.

The current proceedings of the New South Wales Labour Conference, its babble and its brawls, constitute quite the most interesting and also the most threatening event in recent Australian politics. They have been an odd mixture of comedy and tragedy. The comic element is furnished by the spectacle of three or four hundred mainly well-meaning but always immature and often hopelessly uninformed men and women debating and passing resolutions on every conceivable subject. The agenda paper, which included nearly 700 proposals and as many amendments, each of which had an equal right to discussion, was approached with a sublime confidence. The delegates have dictated immediate action on various subjects to Federal and States' Governments, and received the homage of Federal and States' Ministers and members of Parliament with easy condescension. The tragic element entered when this extraordinary gathering—which, with its puerilities, represents the great and growing power of organised Labour in Australian politics—discovered itself in certain moods frantic, riotous, and an agent of the most tyrannical intolerance. The history of Australian politics so far has witnessed no such Convention. This is strong language. The records of the Conference, unfortunately, justify it. The whole development is fraught with such serious import for the future organisation and platform of Labour that no excuse need be made for recapitulating the events that have determined the character and destiny of the party now dominant in Australia.

CONTROL OF INDUSTRIAL POWER.

The crucial exposure occurred owing to the proposals for the amendment of its Federal constitution. It has been pointed out in this column for a long time past that we were coming to a crisis in the history of the Labour Party. They would be forced to choose between Federal and State Legislatures as agents for the achievement of their purposes. The present, and probably always the real, crux of the matter was whether the power to control industrial conditions should be vested in States or Commonwealth. It is

now vested in the States, subject to a Federal appeal when a dispute extends beyond a single State. The policy of the party in Federal matters is determined by a triennial Conference in which each State is equally represented. The programme in State politics is settled by an annual conference, which includes representatives of Trades Unions and of Leagues chosen from every electorate in the State. It is this year's Conference that is still sitting. Three years ago, at Brisbane, the Federal Conference discussed the question of federalising all industrial control. Mr. **Watson**, Mr. **Fisher**, and others strenuously advocated what meant in effect the transfer of the whole area of legislative power over industrial conditions to the Parliament of the Commonwealth. Mr. **Holman**, the present Attorney-General of this State, Mr. **McGowen**, its Premier, and others strongly advocated the retention of this power by the States. As the centralisers could not carry their point they compromised. The compromise was a resolution to the effect that the Constitution should be amended so as to allow of the "New Protection" scheme securing the benefits of protective duties to employers who paid standard wages to be carried into effect by the Federal Parliament. This, of course, fell short of the complete transfer of the industrial power, though much less short than was intended or understood even by the group of experienced politicians who framed it.

Matters stood thus when the present Federal Government's proposals for amending the Constitution were sprung upon the country. These went far beyond the Federal Labour platform. They included the very proposal for the transfer of control over industrial concerns, in a form even wider than that in which it was rejected at the Brisbane Conference. Since 1908 there is no doubt that the tide of feeling among Labour voters has been setting strongly towards the Federal Parliament. This was partly because of the supposed Labour sympathies of Mr. Justice **Higgins**, of the Federal Arbitration Court, which inspired in Unionists the hope that they would get a better "deal" by bringing their disputes before that tribunal than before the Wages Boards of their own States. It was partly due to the existence of the State Legislative Councils, supposed to present immovable barriers to any effective Labour legislation. Since April 13 of last year, when Labour, with practically only a bare majority in the constituencies, obtained an overwhelming majority in both Federal Houses, the current has run more strongly than ever in the direction of Federal control, thus gratifying the ambition of Federal Ministers and members at the expense of their State colleagues. A few months ago Labour obtained office in this State, with Mr. **McGowen** and Mr. **Holman**, the protagonists of State control over all conditions of employment, as our leading Ministers. The near approach of the Referendum on the proposals of the Federal Government compelled them to declare their attitude. They announced, after a long and significant delay, that Ministers and members must be free to take what side they liked. This was evidently an agreement to disagree—the only kind of agreement that could keep the Cabinet together. It seemed to obtain the approval of almost the whole of the Labour members behind them.

TORRENT OF LABOUR INDIGNATION.

Then the State Labour Conference met. Mr. Holman and Mr. McGowen, asserting their freedom to hold what opinions they chose on matters outside the party platform, declared against the federal proposals to amend the Constitution. Mr. McGowen, in a burst of courage which subsequent events have shown was sadly premature, announced that if necessary he would lead a "Home Rule Movement" in the State. The delegates listened to them impatiently, then discourteously, and at last contemptuously voted them down. Up to this time, however, the Conference had only gone the length of expressing its approval of the transfer of industrial power. But Mr. Holman and his friends, taking their stand on the unassailable ground that a resolution of the State Conference on a matter that was within the competence of the Federal authority alone could not bind them, naturally adhered to their intention to oppose the transfer. But his colleagues in the Cabinet, put on the rack behind the scenes, were silenced one by one. Mr. Holman was left alone to face the torrent of Labour indignation evoked by his determination to adhere to and to express his long-cherished beliefs on matters outside the State Party's platform and approved by the Federal Conference. He did not defy the State Conference; he tried to get round the difficulty by submitting a motion, in favour of a reform in the Constitution of their inter-State Conference so as to secure representation of each State according to population, and expressing an opinion that the next Federal platform should be drawn up by an authority so constituted. These resolutions were actually passed by small majorities. A third, in favour of postponing any extension of the powers of the Federal Parliament until some check had been placed upon the power of the High Court to declare laws passed by Parliament to be invalid, was presented at a late hour but postponed. The chief issue had been reached at last.

Before the next meeting of the Conference, however, the unificationists had rallied their forces. First of all a motion was passed by the Australian Workers' Union, the most powerful trades union in Australia, the "boss" of the Conference, in a separate conference of its own, denouncing Mr. Holman as a traitor to the cause of Labour and demanding his retirement. This motion was presented to the Conference immediately it assembled for its next session, signed and delivered by **Donald Macdonell**, who, in addition to being secretary of the Workers' Union happens also to be one of Mr. Holman's chief colleagues in the State Government. It may be mentioned, in passing, that the insulting act and phrase do not appear to have disturbed harmony of this remarkable Cabinet, which has been brought to heel so dramatically in the sight of the public. Then the resolutions passed on Mr. Holman's motion the day before were rescinded, the motion dealing with the postponement

of the amendments of the Constitution standing over from the previous day was promptly ruled out of order, and the “National” or “Australian” Party, as the Unificationists are now pleased to call themselves was again triumphant. Mr. Holman was given to understand with a frankness that admitted of no mistake that he had gone about far enough, and that any further efforts to assert his independence, even in a matter outside the party platform and by fair argument, would not be tolerated. His judgment, his consistency, his fidelity to the Federal Conference had become treasonable since a local majority so ordered. This Conference will perhaps stop short of compelling him to speak in favour of the amendments. No one believes that he or his colleagues, all but two of whom cordially shared his convictions, will dare to speak against them. The machine appears to have been too strong for each and all of them, and the Labour authorities have now the satisfaction of knowing that the most educated representative of their party no longer possesses a spark of independence, even in a matter where independence is quite consistent with party loyalty and while his creed is endorsed by his own Cabinet. The subject may be reopened at the next Federal Conference, but this is improbable. A Labour minority has no rights and Labour members no freedom.

“BOSSISM” AND COERCION.

In spite of all the precautions taken and the continuous pressure applied in private day by day this Conference has been compelled to transact more of its business in public than any of its predecessors. The Caucus which rules in all their Parliamentary parties employs the same methods without more than a hint escaping outside. This time the public have been able to trace in outline the inevitable outcome of “bossism”, intrigue, and coercion. A leading article in the same issue of the *Worker*, which contains an “official” report of the proceedings that have been described, is headed “The Man and the Organisation”, and its kernel is in the following sentence: “It is safe to say that the day of the ‘best man’ rule is drawing to a close, and that the day of association and joint effort in government has at last fully dawned”. Regretfully even the friends of Labour ideals in this country are coming to the conclusion that not only the day of “best man” rule, so far as the Labour Party is concerned, has already ended, but that the day of even the good man, the day of the reasonable or just man, is ending too in its Parliamentary sections, Leagues, and Conferences.

AUSTRALIAN CONSTITUTIONAL REVISION.

LABOUR PARTY'S ATTITUDE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 17 1911; Feb. 18 1911.

There is an interesting development in regard to the referenda about to be taken on the proposed Constitutional changes in Australia. The Labour Party which is in office in the State of New South Wales has in the main been opposed to the extension of the Federal power which the Federal Labour Government supports. There seemed a probability of a section, at least, of the New South Wales Labour Party taking the field in opposition to the Federal Labour Party. A *Conference of the Labour Party* has, however, now succeeded in crushing this promised opposition on the part of New South Wales Labour leaders. The withdrawal of opposition to the proposed amendments to the Constitution has been publicly announced. The struggle for and against the proposed amendments now becomes a struggle between the Labour Party and the Opposition parties. New South Wales Ministers, though without the public concurrence of the Federal Labour Party, justify the withdrawal of their opposition on the ground that there is a probability of an early revision of the Federal Constitution by a new popular Convention which will eliminate such "undemocratic elements" as the equal representation of the States in the Senate, and which will limit the powers of the High Court. The general results of the Conference of the Labour Party emphasise the growing subordination of Labour Ministers and members to outside organisation.

THE COMMONWEALTH OF AUSTRALIA.

TYRANNY OF THE LABOUR PARTY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 21 1911; Apr. 1 1911.

With the close of its Conference the longest, most arduous, and most eventful session of the Labour Party was brought to a conclusion. In the eyes of the majority represented it seems a successful conclusion, and in fact it is so. The minority has succumbed. In plain truth it has been annihilated. That is in accordance with the practical principle of the whole movement which has never received a more striking exemplification. Numbers are infallible. There is no tolerance for dissent in the ranks of Labour; there is no room for criticism. Before this, we have seen the same process lead to a similar result. There have been Conferences of exactly the same nature, angry, divided, tumultuous, here and elsewhere. In Queensland, for instance, a crisis dealt with in this fashion left the party rent for a period and drove by far its ablest leader and strongest character, Mr. Kidston, into the arms of his opponents. His recent and unfortunate retirement from politics emphasises the severity of the strain to which he has been subjected. But we had no Kidston in our New South Wales caucus. All our Labour Ministers but two were, and perhaps in their convictions still are, absolutely hostile to what is according to the party constitution a wholly illegal and unauthorised introduction of a programme of unification forced upon the Conference by the intrigues of the Australian Workers' Trades Union and its puppets. Whatever the merits of the case may have been there can be no excuse for their tyrannical methods of procedure. The official Federal platform of the party has been repudiated without notice by a merely State Conference and a new Federal platform of an entirely different complexion prepared and proclaimed without Federal sanction. Of course, no such utterly illegitimate *coup d'etat* would be possible in any truly self-governing body. It was accomplished here by force of clamour and will be maintained by threats and boycotts of reluctant Colleagues. If it were remitted to a Referendum the verdict would be dictated before-hand by those who have seized the reins. The Labour Party is to-day subordinate to the A.W.U. as absolutely as New York was subject to Tammany.

SOUND AND FURY.

The Conference, despite its many discreditable scenes of disorder, gagged debates, and suppression of all independent criticism, has done more work and done it more decisively than appeared possible. Scores and scores of resolutions were never reached, the handful that were called on were in most cases rammed through without real discussion, and the few honestly debated were always hurried to a vote. There are many of them extravagant and some absurd. When, carried they were “not the six hundred”, but only a small fraction of them. Still the Conference achieved results and some notable. They have re-issued a State programme, upon which they are fairly united. This they were entitled to pass. They have also a Federal programme, locally authorised, which they had no right to impose in this fashion and by this body upon the party here and still less on the Leagues in the other five States. By means of the A.W.U. they contrived to communicate with the leaders of the other State caucuses and to obtain an assent to propositions with the true extent of which most of them were unfamiliar. With this assistance they were able to impose the new departure upon our Conference though, so far as it was understood. It was distrusted or resisted by half, or nearly half, of those present. The rest were openly led inside by the fuglemen of the A.W.U., and outside subject to its great pressure remorselessly applied. The outcome of this coercion has been the hopeless defeat and abject submission of a minority which might have been a majority if it had been allowed to put its case to the majority on its merits. Heard with impatience and then with wrath, they were finally howled down. Ministers, members of Parliament, or simple delegates were all alike overwhelmed with sound and fury. Our Labour Ministers who at first boldly announced themselves “Home Rulers”, pledged to fight to the last for the freedom of their State, to guide its own internal development, and safeguard the interest of its workers, were silenced. For merely seeking to be heard in the interest of the movement they, were denounced to their faces as “traitors” and “blacklegs”. In vain did they offer concession after concession. The ingenious attempts at compromise, designed to prevent a breach in the “solidarity” of the party, were all defeated by the stalwarts, who would accept nothing but complete surrender. One by one they passed under the yoke. At last even Mr. **Holman** was gagged and almost pilloried. All our Ministers were reduced to silence, though not, apparently, to acquiescence. The last act of the play was redolent of melodrama. It must have puzzled the public. In some fortuitous, inexplicable, theatrical way all differences were resolved, the rumblings of internal dissension were stilled, and the principal actors, who in the early stages of the plot were breathing threatenings and slaughter, clasped hands, the curtain being lifted for the purpose of disclosing them smiling upon their new political creed in an atmosphere of harmony. They had made the belated and extraordinary discovery that there was really no serious difference between them after all.

INTOLERANCE AND SUBSERVIENCE.

In other words, Mr. McGowen and Mr. Holman, as most people expected, have been obliged to publicly recant their opposition to the new amendments of the Federal Constitution, and will now offer no obstacle to their adoption. The reason given provides the only touch of humour in a story of savage intolerance on one side, and painful, if natural, subservience on the other. Their personal opposition to the centralising of all trading, employing, and industrial control is, they explain, really as strong as ever. But it was, and is, based—though this was never suggested before—on the undemocratic nature of several of the leading features of the Federal Constitution—chiefly, the equality of representation in the Senate, which gives Tasmania, with its 150,000 inhabitants, the same voice as New South Wales, with its million and a half. Besides, there was the power of the High Court to declare laws passed by the Parliament to be *ultra vires* and the rigid nature of the provisions for the amendment of the Constitution. These features, it is true, have not been removed. It is also true that the Federal Labour leaders have not publicly admitted their intention to remove them. But “believing” (on what grounds it is not stated) “that a definite movement has now been initiated for the remodelling of the whole Constitution”, and the removal of these objectionable features, Mr. McGowen tells us that he and his colleagues have withdrawn their opposition to the amendments. This “remodelling” is to take place in a new Convention elected for the purpose.

EATING THE LEEK.

This may yet be accomplished. The A.W.U. is now powerful enough to keep this pledge if it has been given. They can easily remodel the Constitution to any length if they carry the amendments now proposed and awaiting the Referendum. But whether or not they complete their work hereafter, this piece of poltroonery serves the purpose of diverting attention to some extent from the important fact of the position, which is that the State Ministers have been publicly forced upon their knees to announce their entire submission to the dictates of a packed majority of the Labour Conference, itself an irresponsible partisan organisation, limited to this State and chosen by a minority of its electors. In the most important crisis that has arisen since Federation, and in connection with a matter on which the party platform left members to a very large extent free to take whatever side they chose, our unhappy Cabinet Ministers have been obliged to eat the leek. This is the most striking, but not by any means the only, instance of a policy which has been the distinguishing feature of the memorable Conference just closed. This is the policy of asserting and vindicating the right to treat Labour Ministers and members, not as representatives of the community as a whole, responsible to Parliament and the electors, but as the puppets of a party caucus which is entitled to demand from them at any time and at any cost the strictest obedience to its most arbitrary decrees, upon which they are to have no real hearing and from which there is no appeal.

THE COMMONWEALTH OF AUSTRALIA.

INDUSTRIAL ANIMOSITIES.

LABOUR PARTY METHODS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 7 1911; Apr. 13 1911.

The Referendum campaign, though big with the fortunes of Australia, has opened tamely. Mr. Fisher in Melbourne was benevolent, elusive, and fragmentary. Mr. Hughes, who followed him here, was theoretical, general, and bland. Though totally unlike in method and manner, their expositions were in the same mild tone of cheerful optimism, carefully excluding the remotest allusion to the recent Conference in this city. No State Minister appeared on the platform here with Mr. Hughes, though a score of Federal and State members made manifest their allegiance to the Conference and to the amendments of the Constitution which it lately endorsed. The cheers were frequent, occurring wherever opportunity offered, though they seemed more expressive of party solidarity than of enthusiasm for the particular propositions in hand. Mr. Deakin, who spoke on the same evening as Mr. Hughes, having a freer hand, was able to interest and apparently to satisfy a large audience at Ballarat. But apparently his direct line of argument was impaired by the closeness with which he followed Mr. Fisher's very irregular and incomplete statement of the Ministerial case. The Prime Minister's omissions excluded any review or justification of much of the larger portion of the measures he was recommending. These extraordinary blanks in his statement and the insufficiency of such explanations as he offered for the rest rendered the Ballarat criticism less informing than it might have been. The broad issues were dealt with in a rather restricted way, most damaging as an exhibition of the several very weak joints in Mr. Fisher's armour.

CAPITAL AND LABOUR.

We may confidently anticipate that the temperature will rise continuously as the dialectical duel between parties grows keener. Mr. Sinclair, one of the Scottish Commissioners who recently toured Australia, has been explaining to his countrymen that he found Australia, though among the richest of the Dominions, "the saddest country" he had yet visited, on account of the bitterness of the strained relations

between capital and labour. His estimate is, of course, exaggerated, but he has put his finger upon what will be an increasing element in the Referendum campaign. It is easy for a visitor to mistake the violent outbursts of irresponsible agitators for an expression of the actual feeling of the average working man. Our political system allows such a generous measure of freedom to all classes and interferes so little with their rhetorical excesses that though we pass them by ourselves almost unnoticed they sound much more harshly on a visitor's ear. It is true that our discontented people have exceptional opportunities, for making themselves heard, which they do not neglect. So far as Mr. Sinclair's estimate is based on this kind of evidence it must be accepted with caution. These agitators are not the real leaders of, nor spokesmen for, the Labour Party. The speeches and actions of men like Mr. Watson and Mr. Fisher, Mr. McGowen, and Mr. Holman are for the most part free from anything directly calculated to embitter the personal relationships between the employer and his men. These will be gravely affected to the prejudice of the employers' interests if the electors endorse the amendments of the Constitution. In the meantime the most sanguine of us could hardly pretend that these personal relationships are to-day as amicable as they ought to be. Recently, industrial disputes, of more or less importance, have been of almost daily occurrence. When they do arise it seems more difficult than formerly to settle them. There is less of the spirit of compromise. Where industrial conditions are regulated by law both sides are naturally inclined to stand on their legal rights. Consequently there is a good deal more suspicion and distrust, a good deal less candour and friendliness, in their relations when at odds with one another. Things are not as bad as our visitors imagine, but they are quite bad enough.

POLITICAL TRIUMPHS OF LABOUR.

The reasons, or some of them, are not far to seek. One is to be found in the recent political triumphs of Labour. These seem to have produced a spirit of intolerance, not to say arrogance, which shows itself not only in the proposed amendments of the Constitution, but in other fields. It is exhibited every week in the Labour Press, in the flood of denunciation, sometimes vulgar, always exaggerated, which is poured upon political opponents, all of whom are identified with the greed and selfishness of a tyrannical employing class. Every doubt as to the virtue of any part of Labour methods or platform is regarded as evidence of moral obliquity. Any hesitation to side with the men in an industrial dispute, whatever the facts, is proof of indifference to the sufferings of the poor. If the weekly articles of its party Press are to be believed, there is neither honesty, nor intelligence, nor philanthropy outside the official Labour ranks. The political isolation of Labour has accentuated this feeling. The policy of "no alliances" has proved a tactical success, but in no other way. Obviously it has embittered many who have been intoxicated by the victories of the Caucus.

Another source of animosity has arisen out of recent experience of the working of our industrial arbitration laws. So far as these are concerned, it is plain to all the world that neither the men nor their leaders have "played the game". They have certainly obeyed their own law. Arbitration tribunals for the settlement of industrial disputes and for the improvement of industrial conditions were adopted originally to meet the needs of the Labour Party. They remain its most important contribution to our industrial system. Part of the express bargain was that if the State intervened through impartial arbiters between employer and employed the men on their part would abandon the strike as a means of securing their demands. In this State they consented, through their representatives, to the strike being made an offence against the law. No one pretended that such a law could be easily enforced. It was, however, anticipated, quite legitimately, that the strike would not be used by any except the lawless and violent section. It was expected, reasonably enough, that the political leaders of Labour would discountenance its use. These expectations have been flagrantly and continuously disappointed.

INCONSISTENCY OF LABOUR LEADERS.

Our workmen here and elsewhere have frequently gone on strike for every reason or for no reason. The leaders, notwithstanding their endorsement of the legislation by which striking was made an offence, have never yet had the courage openly to resist or denounce a strike of any importance. The farthest any of them have ever gone has been to withhold their public support. The men, relying on the impunity secured for them by their numbers, have seized all the benefits of industrial arbitration, but have repudiated its obligations while insisting that they shall be strictly applied to their employers. These, not having the numbers or similar means of escaping the punishments which the system imposes for a lock-out or a breach of an award, have had to bear all the burdens of this legislation, without getting the consideration it affects to secure for them in the shape of continuity of employment. They feel, naturally enough, that they have a grievance. And no impartial observer, however sympathetic he may be with the aims of Labour, can deny that they have. If the Referendum verdict is "Yes" they will have still more serious trials. It is these inequitable conditions which have contributed more than anything else to the industrial animosities which made Mr. Sinclair describe this country pessimistically. He found among us less warrant for strikes or ill-feeling than anywhere else, and yet an arrogant lawlessness sourly infecting industrial relations which should secure peace and prosperity.

THE COMMONWEALTH OF AUSTRALIA.

REVISION OF THE CONSTITUTION.

REDUCTIO AD ABSURDUM OF THE REFERENDUM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 13 1911; Apr. 18 1911.

What the Referendum campaign will become by the time the vote is taken one cannot prophesy, because among other reasons one can only speak for one's own State. Even here all that can be said is that the platform campaign has begun in earnest. If the electors do not appreciate the effect of their votes it will not be for want of warning. Meetings are being held in many towns and hamlets, evening by evening, the greater number of them by Labour Leagues as a part of their ordinary machinery of party management. It is this continuous association among their active members and their unremitting attention to all the moves possible on the political board, that makes their influence so constant and their effectiveness so marked. But our community as a whole remains supine, and the defenders of the Constitution can only count upon collecting their followers when big demonstrations can be held, such as that which greeted Mr. Deakin last week in our handsome Town Hall. A crowded and attentive audience gave him perhaps the most cordial welcome that he has ever received in Sydney, where even now his leadership is grudgingly accepted by the Old Guard of Free Trade. Still the overwhelming majority of the thousands present were heartily with him in his defence of Federal principles. Even the Labour element, always loud and vigorously militant, submitted in silence to his fierce denunciation of the tactics which had bunched together four main amendments each of them containing many far-reaching alterations of an important character.

OLD STATE RIGHTS.

What is perhaps more remarkable is that both our morning dailies are for the first time right behind the Leader of the Opposition. They are evidently not warmly with him in his declaration for the alternative amendments of the Constitution he and his followers are prepared to pass extending Federal powers in strictly Federal directions. He laid great emphasis on these as indicating his adherence to his positive progressive policy, and was cheered by those who heard him. But again Sydney is still the head centre of the old State rights party, who objected to the Constitution from the first because it placed too much power in the hands of the Commonwealth Parliament.

For the time being that suspicious section is silenced. In any case it is dwindling steadily in strength as national sentiment increases. Though little known off the platform here, or indeed even in Melbourne, where his habits apart from politics are those of a recluse, the Leader of the Opposition is not likely to see his forces divided in New South Wales, as hitherto they always have been.

But what the range either of his influence or of public interest in the proposed amendments may be outside this State is impossible for us to determine. Within less than a fortnight his present tour implies a journey of some 3,500 miles by rail in order to visit the eastern centres of two States out of the six. How many more thousands of miles he will travel before the vote is taken no one knows, since he will be directed by the trend of the campaign to the weakest places from the Opposition point of view. The area of this continent, like that of the United States, makes great demands upon the physical strength of those who fill a prominent part in the education of public opinion, while, of course, in our great undeveloped sections they are necessarily even more onerous. It is these circumstances which show how obviously extravagant is any project of legislating for and administering the whole of Australia from a single centre by anybody of representatives, however well informed of the circumstances of their own particular districts. In addition we have to recognise the immense difficulties of conducting and controlling Federal Public Departments, while officers are scattered over so vast a territory. At the present time our Post Office organisations are rising in open revolt because of alleged grievances, and are publicly heckling their **Postmaster-General** in the most open and impudent fashion. Their latest threat was to cast their whole vote, perhaps 20,000 strong, against the Amendments of the Constitution unless their demands were conceded. Truculent insubordination could scarcely go further.

DISPUTES ON STATE RAILWAYS.

Here again the Labour proposal to place all industrial disputes on State railways under the National Parliament, which neither owns nor manages them, is being fiercely condemned by the Opposition. Indeed the case for this amendment is peculiarly difficult to understand. There is no special reason why State railway servants should be subjected to the jurisdiction of the Commonwealth any more than other State servants. They have no special grievance that we know of. They certainly have none that the Department itself cannot deal with. Or if they must go elsewhere there are none that the arbitration tribunals of the States are unable to settle. In New South Wales the Secretary to the Railway Men's Union stated only the other day that the awards of Wages Boards during the last three years had added at least £100,000 a year to the pay of railway men. No one can imagine that a Federal tribunal is likely to be more responsive to the complaints of this particular group of their electors than their own employer, particularly when that employer happens to be as at present

under a Labour Government. From the men's point of view it should promise little or nothing. From the point of view of the States' Governments it promises endless confusion and bitterness. English readers probably cannot foresee the effect of this and of the other proposed amendments. Taken together, if they are carried, they will put the whole control of the State railways, even down to the number of trains, the fares and freights, the qualifications of employees, and their rates of pay and hours of employment, into the hands of the Federal Parliament. Yet the whole responsibility for financing them, and for meeting the interest on their cost, will still remain with the States' Governments. Since it is so very difficult to explain the reasons for such an amendment satisfactorily, it is not surprising that the Labour leaders prefer to avoid explaining it at all. It has been barely touched on so far except once by Mr. Hughes.

BOUNDARIES OF FEDERAL POWER.

Despite all these provocations up to the present the campaign has not aroused a really deep interest among the electors. There is still the most profound ignorance in many quarters of the meaning and effect of the revision of our Constitution. This is not likely to be dissipated to any great extent among the masses before April 26th, the date of the vote. You cannot turn the average voter into a constitutional pundit in a week or two. Even if you could, the case would not be made much simpler, for the lawyers, lightly treated by our work people, necessarily play a large part in interpreting the effect of the proposals to the public. The only certainty seems to be that if carried they will increase tenfold the difficulty which Mr. Fisher, innocent of Constitutional Law as he is, says they are designed to get rid of—that of the continuous litigation necessary to determine under them the boundaries of Federal power. One of the leading Constitutional lawyers of Australia, Mr. E. F. Mitchell, K.C., of Melbourne, in a letter to the newspapers expresses his considered opinion that the amendments, if carried, will mean a great increase in the amount of such litigation. This and other problems of the same kind would have been difficult enough, if each of the proposed amendments had been submitted separately. Even under those circumstances it would have required a good deal more Constitutional knowledge than the ordinary man possesses to make possible a reasonably intelligent vote at the referendum. But to vote with anything like adequate knowledge of the meaning and consequences of one's vote on four different and intricate proposals tied together in one bundle—one dealing with the power over trade and commerce, another with the power to legislate regarding corporations, a third with industrial conditions, and a fourth with the regulation of monopolies and trusts—is surely a task beyond the capacity of the most learned. Consequently the tendency is for the campaign to be conducted, and for electors to be divided, purely on party lines. This, of course, is plainly the *reductio ad absurdum* of the referendum, which if it is to be justified at all—must be justified on the ground that it is a means of getting a simple answer to a simple question put to the whole people for a final settlement.

THE COMMONWEALTH OF AUSTRALIA.

CONSTITUTIONAL CHANGES. THE REFERENDUM CAMPAIGN.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 21 1911; Apr. 26 1911.

Although something has been said in relation to the prospects of the Referendum campaign now proceeding in every part of Australia, the fact that this letter will arrive in England very shortly before the vote is taken makes even repetition excusable in order that our position may be better understood. Every evening from many platforms speakers of all calibres are declaiming to audiences of all classes for or against the amendments. The reports, usually very abbreviated, fill two or three columns in our morning papers, though these are too attenuated to enable their readers to discover any continuous development of the discussion. From personal observation it appears very doubtful whether more than a comparatively small percentage of those present have any real grip of the case that can be made either for or against the alterations fathered by the Caucus and step-fathered by Mr. Fisher and Mr. Hughes. So far as the Press is concerned they are the only Ministers or Labour members whose speeches are presented in anything like a complete shape. In every State the local Premier receives similar treatment, while Mr. Deakin and his principal local supporters who are Federal members are treated in each State in the same fashion. Numerous letters appear in the columns of the papers set apart for correspondence, and almost daily there are leading articles explanatory and argumentative, according to the tendencies of each newspaper. So far as one can discover, such conversational criticism as is exchanged in trains or tramcars is superficial and partial. Nevertheless, it is upon chance collections of material of this kind that most of our electors will arrive at their decision upon an issue exercising the most vital and permanent influence upon the future of this great Continent. Yet with all the defects of these methods of acquiring information, it is hard to discover any equally satisfactory plan of settling the vast problems of national life. A General Election would be much more perturbed. Ludicrously inadequate as the means of political education now available for the masses appear, and partisan as are the limitations imposed upon them by our defective systems of informing the electors of the consequences of their votes—still, if each amendment had been put separately there would have been nothing in the process to which our citizens either would or could take exception.

CARDINAL MORAN'S DECLARATION.

We shall learn the will of the people, especially of those who vote, but we may well doubt the sufficiency of their knowledge or the impartiality of their oracles. There are sundry great extra political influences to be considered notably that of Cardinal Moran, who has openly declared for the amendments. Though, of course, he spoke only as a citizen, and not as the head of his Church, the effect will be that very many who might have opposed will now welcome a constitutional change which, as our journals point out, destroys the Home Rule we now enjoy, in New South Wales and in all the other States. The liquor interest, not because of its numbers, but owing to a wide sphere of influence, and its opponents in the temperance organisations seem likely to neutralise each other's votes to a considerable extent. The State Rights advocates everywhere will, of course, resist the alterations to the utmost, but even in Sydney past extravagances of theirs have undermined their strength. They will in all probability not prove the potent factor they composed five or six years ago. Federation found our State Legislatures generally jealous, suspicious, hostile, and banded together to resist the "encroachments" of the National Parliament, even when these were provided for expressly in the very terms of the Constitution. Sir Joseph Carruthers, supported by Sir Thomas Bent and Mr. Kidston, endeavoured to subordinate the Federal representatives returned within their borders to State interests. They failed miserably, the only result of their raids being to cause the Labour Party in the Federal Parliament to increase and multiply. It is in part by way of reaction against their folly that a large body of voters outside the Leagues still turn to the Caucus. The one hope of the National Opposition to-day is that these may be brought back to the fold. The appeal of its leader in our Town Hall was made directly explicitly to them. His alternative policy of progressive legislation endorsed by the whole of his following, including even our most reactionary members, has provoked Mr. Hughes to almost speechless indignation. He at once realised the significance of these tactics. Whatever chance the Opposition has is based upon the return of this lost legion to its old allegiance. Without it on the numbers polled last year their victory seems impossible.

AUSTRALIAN WORKERS' UNION.

On the other hand, the only schism on the Labour side is that which has its centre in this State. Mr. McGowen, our Labour Premier, has left for London eager to escape from the painful position in which he found himself. He and his six colleagues have been in a sense ostracised by the Australian Workers' Union, the Conference which it packed with its nominees, and the Sydney newspaper, the *Worker*—its mouthpiece for that Union in all the States. The lips of the Premier have been sealed in spite

of himself, and those of his half-dozen colleagues in the Cabinet have been sealed also. Their position is that of many leading "Modernists" in Europe to-day. To-day the pontifical power in politics throughout the Commonwealth is wielded by this Union, and, strange to say, its principal spokesman is Mr. J. C. Watson. The only member of our local Cabinet who has spoken for or even upon the Referenda issues is Mr. Griffith, a member and nominee of the same Union. It was his colleague, Mr. Macdonell, who will follow suit presently, who signed the autocratic mandate of that Union which formally denounced his fellow members of the McGowen Cabinet, and particularly the Attorney-General, Mr. Holman. That able and distinguished leader of the Labour Party in this State has also been silenced, but not convinced. Mr. Hughes, with marked bitterness, denounces that silence as more damaging to the Labour cause than many speeches. Mr. Holman lightly brushes aside the complaint, though at the St. Patrick's banquet he made a passionate appeal for Irish "Home Rule", the double meaning of which was apparent to everyone. There seem to be a few tacitly recalcitrant Labour members in other States, and there are more than a few who have grave doubts of the wisdom of the amendments which the *Worker* seeks to force down their throats. It is unfortunately true that the power of suasion is being less and less relied upon by the coteries who now control the Labour Leagues. A political campaign is being conducted more and more as industrial strikes are conducted, that is, by force, by threats, and by deliberate coercion of the independent-minded. Mr. Verran, a far weaker leader than Mr. McGowen, surrendered to the first turn of the party screw, and so have the local leaders in the several States. Every effort is being made by intimidation and duress to maintain the unity of the pledged phalanx, which swept the Federal polls last April.

RESULTS OF THE CAMPAIGN.

No forecast of the final results of the campaign only now fairly launched can be made a month in advance. If for no other reason than the existing and obvious perplexity of a large section of voters in both camps, it would be rendered untrustworthy. All that can be recorded is that at the present juncture signs of hesitation, doubt, and laxity are decidedly more manifest in the Labour Leagues than in the ranks of their antagonists. This is quite unusual, for though there is, and must always be, a dissentient minority of Trade Unionists, they neither dare hesitate nor refrain from taking an active part with their comrades, no matter what violent courses the majority may have dictated to them. On this occasion there is less alacrity, less activity, and less unity than ever before. As the party has expanded of late it can afford a certain lapse; but its total majority, with all its sympathisers added, was only just sufficient against the increased coalition vote of last year. If the Opposition can rally the same vote as

it did then it looks sure to win. But of its polling no prophecy is possible, except that in Sydney it promises to be larger. In the country or in other States no one can yet assess its energies. They are said to be very promising, partly owing to the vexatious character of the Land Tax, but of this proof is lacking.

TWO VITAL QUESTIONS.

There are two vital questions: Will Labour be able to drive its adherents to the poll? Will the Opposition recover sufficient of the sympathisers with a progressive Federal policy whom it lost in 1910? Anything may happen in the next four weeks affecting these possibilities or kindling new enthusiasms, though so far there are none in sight. The strikes breaking out everywhere sporadically, in a hasty, haphazard, and foolish fashion, particularly in Melbourne, may add fuel to the flames in either or both parties. The Opposition Leader confesses that he cannot predict the polling of his own party, experience having taught him how often though in a majority they induced only a fraction of their followers to go to the poll. At the present moment there appears to be a general revival or interest and of good intentions, so that his cause looks hopeful. The probabilities to-day are that Labour also will rally its forces by April 26, and if that occurs it will be the floating company or those who belong to neither of the official parties who will hold the balance of power. In such an event on the whole it is probable that either both amending Bills or that embodying a number of new distinct gifts of power to the Commonwealth will be refused.

THE COMMONWEALTH OF AUSTRALIA.

MR. MCGOWEN'S CABINET. THE QUESTION OF DEFENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 28 1911; May 13 1911.

Ours is the first **Premier** to take ship for the Coronation, and though he represents a party dependent for its majority upon unpledged votes, and just now divided against itself, he has at least a slightly stronger title to the position he occupies than anyone else. His farewell has been cordial and sincere, since he is personally popular, even with political foes, because of his good humour, geniality, and straightforwardness, precisely the same qualities which placed Mr. **Fisher** at the head of the Federal branch of the party. Strange to say, it was probably the tact and kindness of Mr. **Watson** rather than his undoubted abilities as a leader that singled him out for that high office when the Commonwealth Labour members held their first Caucus in 1901. The rank and file of the Leagues seem somewhat suspicious of their more talented members, while their officers and wirepullers naturally prefer a malleable chieftain whom they can use for their own ends to an independent commander of greater force. If Mr. **Verran** had attended from South Australia, Mr. **Bowman** from Queensland, and Mr. **Prendergast** from Victoria, the whole group would have belonged to one general type. No surprise need be occasioned at this, having regard to the manner in which the very efficient organisation of the Labour Leagues is constituted. Mr. McGowen is a typical working man of the better class, more sober-minded than many of his followers, with a common sense that saves him from a number of the extravagances to which they seek to commit him, and a kindness that attaches them all to his rule. He is, of course, simply the Chairman of the Cabinet, and neither its leader nor the Leader of the House in the old sense of the term. Being popular with all classes here he should be popular in London too, despite the difference in his surroundings.

AVOIDING PAINFUL TENSION.

Of course, our Premier has hastened away to avoid the painful tension existing here ever since the open though tacit severance between the Australian Workers' Union with the Leagues under its control and the McGowen Cabinet. In this, despite the

two nominees of the Australian Workers' Union, the bulk of the members of the State Legislature still put their trust. The Premier's departure is an escape. His colleagues continue speechless. Mr. Hughes's attacks on our Attorney-General, Mr. Holman, for his silent antagonism to the amendments of the Constitution have been disdainfully brushed aside. For the first time in its history the Labour Party seems divided, and if it remain divided it will, of course, plunge downward to defeat. The Conference, though not able to force its State Ministers into its fold, was strong enough to gag the recalcitrants, apparently not foreseeing the effect upon the public of the directly implied condemnation of the amendments by their ablest officers. This becomes more and more aggravating as the campaign proceeds. The studied and stony silence of Mr. Holman provokes Mr. Hughes beyond measure. He has publicly bewailed it as more damaging than any speeches, however adverse. Though this gibe was intended to sting, the plain implications of such a statement are in themselves, most injurious to the Federal Attorney-General's case. No wonder he feels the situation keenly. He has admitted that he is chiefly responsible for the tying together of what should be four separated amendments into one composite whole, which must be either accepted or rejected *in toto*. He is the father of the proposals as made and directly responsible for the drafting now severely criticised. He carried the Bills through the Caucus and then through the House. He is now travelling fast and far through the States, recommending them most earnestly and with great ability to the electors. Should the decision be against them the chief blow will fall upon his shoulders, for they are his design and handiwork, and will be his triumph if accepted at the polls.

EFFECTIVE DEFENCE.

If Admiral Henderson's naval defence scheme for the Commonwealth did not come as "a bolt from the blue", it certainly gave our citizens a most unexpected shock from which they have not yet recovered and will not soon recover. Mr. Pearce, as Minister, says that there is no use of us calling in a physician unless we take the medicine he prescribes, and certainly we shall feel bound to swallow a part of the dose. The difficulty, of course, is the cost. In the first year or two this may not be heavy, and that is the period for which Senator Pearce is sure to be in office. But it will rapidly increase after that, under whatever Minister is in office, and the undertaking by a population of under 5,000,000 of a policy, which, when in full working order seven or eight years hence, may involve an annual expenditure of over £1 per head of our population on land and naval defence, is a very serious matter, seeing that none of the Great Powers incur such heavy responsibilities. It has to be remembered that the vastly larger part of the development work in this Continent is still to do. Transcontinental railways have to be built; the empty spaces of the Great Northern Territory to be opened up and settled; our island possessions to be administered; immigrants to be attracted. A naval

defence force on lines approaching those laid down by Admiral Henderson means a heavy addition to burdens that would be heavy to bear in any case. However, so far comparatively few objections have been raised on this score because we are preoccupied with the Referenda campaign, and the scheme is still "in the air". There is certainly a remarkable change in the attitude of our people generally towards defence. Before Federation, and even in the first years after it, there seemed to be a strong inclination on the part of Parliament, and particularly of the Labour members, to regard expenditure on preparations for war as unnecessary extravagance. We have changed all that. Today any Defence Minister who can convince our people that he can give them good value for their money would probably get the money he wants. We appear to have decided to secure something like an effective defence even at a high cost.

"TO FIND THE MEN".

But money is not the only difficulty. We have to find the men. The completed scheme requires a personnel of 4,384. Up to the present, Australians have not shown themselves to be a sea-going race. The temptations ashore are too numerous. They do not take readily to the discipline and isolation of life on board ship. Work on shore is plentiful and well-paid. To-day, our manufacturers are crying out for hands, while in many instances their machines stand idle or are running part time. Our industrial legislation has raided the general level of the conditions under which operatives work to a very high plane. These factors will make the work of recruiting somewhat arduous. On the other hand, it must be said that the readiness of our young men to enlist for service at sea has never yet been tested under conditions so favourable as are offered by the scheme now before us, and there is no reason to suppose that this difficulty will prevent the policy from being carried into effect.

HUGE FIGURES.

The vulnerable aspects of the Admiral's scheme are its very large scope, having regard to our immature national development, and the principle upon which our proportionate contribution has been reckoned. If all the Dominions of the Empire, including India, were to undertake their own defence on the same scale the total cost would be larger, so it is said, than that of the combined navies of the world. Without pressing an argument of this kind too far, the figures themselves, as they stand in the report, are huge enough to compel reflection. If this be our liability as a part of a great Empire, what would it amount to if we stood alone? The conclusion generally drawn from a first examination of the scheme is that it will yet have to be dealt with at close quarters, and that this is not possible while public attention is concentrated upon the Referenda issues now being debated day by day and night by night.

THE COMMONWEALTH OF AUSTRALIA.

NAVAL DEFENCE QUESTIONS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 11 1911; May 20 1911.

Our third destroyer, the *Warrego*, which was launched last week, furnishes a very tangible addendum to Admiral *Henderson's* recent report upon our naval necessities. A day of dazzling sunshine poured upon one of the loveliest of harbours, in the heart of the greatest city, in fact the capital city, of the Commonwealth, discovered fifty thousand of the most prosperous people in the Empire perched upon the many points of vantage, rejoicing in the scene and in the occasion. Thus auspiciously the first vessel of war put together upon Australian soil commenced its career upon Australian waters. Our State Ministry, strange to say, were the hosts and Federal Ministers their guests, and though both are nominees of their respective sections of the Labour Party it was obvious that they met with wary eyes against reprisals. The work having been accomplished in our State dockyard our "States rights" Cabinet naturally asserted its claim to occupy first place at a purely Federal ceremony. Of the 900 guests a mere handful represented the National Parliament. Our State *Governor* on the plea of a prior engagement left before the luncheon possibly because the *Governor-General* possessed an indisputable precedence on the toast-list. Everyone appeared to be on the defensive. The speeches were stiff, cold, and non-committal. Although Labour Ministers and members had the whole function in their own hands, were monarchs of all they surveyed and had no rivals near the throne, they were not happy. Their co-operation seemed forced and their relations strained. The public, however, with a better sense of proportion and no petty motives to distract its patriotism, gave itself up to unrestrained delight in the national significance of the celebration.

LABOUR PARTY'S ATTITUDE.

The three destroyers ordered by the first *Fisher* Government of 1908 had been already designed and prepared for by their predecessors. Everything was ready for their construction when in order to set aside the necessary sum for them Sir *Thomas Ewing* was obliged to meet a revolt, principally among the Labour supporters of the second *Deakin* Cabinet, by postponing their building pending a discussion which

had not arisen when he left office. The new Labour Government no sooner reached recess than it jumped the situation, since it could control those of its own following responsible for the forced postponement. They were not attacked upon the point even by the Leader of the Opposition. Though jockeyed out of the opportunity of directing the construction of the three vessels with the £250,000 which at his instance was voted for the purpose by Parliament, he and his colleagues were only too happy to see a commencement made for Australia's naval defence to censure the somersault of those who had tied their hands. Upon this initial incident a strict silence has been observed by those directly concerned in it. The one matter on which the Caucus has now to make up its mind is in respect to the character and control in time of war of the future squadron. Mr. Fisher's assertion that "it is essentially a fleet for the defence of Australia" is one of those convenient phrases of which the meaning is still to seek. Does this exclude New Zealand? Does it forbid operations with the Indian or Chinese squadrons? Does it imply a withdrawal from the comprehensive conception of an "Eastern Fleet of the Empire" composed of all those squadrons, which was deliberately adopted by the last Deakin Government? The Governor-General with characteristic shrewdness promptly put his finger upon the ambiguity when he expressed the hope that it would never be regarded as an Australian Navy pure and simple, but as the Australian section of the Imperial Fleet. Senator Pearce had alluded to local defence in much the same terms as his chief, and apparently with the same intent. Their English utterances upon this subject may perhaps assist to make their policy upon this important point more clear than it is now, if indeed they are clear themselves.

AN IMPOSING SCHEME.

Sydney is greatly gratified to learn that our Government Dock is to be utilised for the construction of a second-class protected cruiser and three more destroyers. So far it has merely assembled the parts of the *Warrego* which were received ready made from England. Now it is to enter upon the work of building the minor vessels of the projected Fleet. An armoured cruiser, two other second-class protected cruisers, and two submarines are in hand for us at home. When all are in commission we shall have completed our naval defence according to the strength determined at the Naval Conference of 1909. Between this squadron, imposing as it appears to us, and that now projected by Admiral Henderson there is a great gulf fixed, both in character and cost. He provides for two fleet divisions, eastern and western, consisting of 18 cruisers (eight of them armoured), 18 destroyers, and 12 submarines, with four assistants, making 52 in all, manned by 15,000 officers and men. In addition to the £3,500,000 already voted for our "Fleet Unit", this implies for construction an outlay

of £20,000,000, without reckoning £2,000,000 for reserve stores, or an estimated but very large sum for “naval works”, probably £3,000,000 a year, and “recurring charges” approaching £5,000,000 annually. The estimated expenditure upon the Fleet Unit authorised by the last Government was subject to much criticism on the ground that it was too expensive for our present needs. The new scheme may be roughly said to be six times as expensive, even upon estimates that are certain to be exceeded, and already cries of alarm have been elicited by the publication of the figures. Indeed, the Henderson project is of such magnitude that it remains beyond the horizon of the average man and for the time being is relegated to a place among the national issues calling for examination and assessment at a later date. If the first general statements made by the Prime Minister and his colleague the Minister for Defence can be taken as authoritative, the whole scheme is already Ministerially approved. Subsequent utterances seem to disclose a much less confident bearing on their part. The Caucus could not be summoned since its receipt, and therefore no decision has been arrived at by Ministers, although they have given the question some consideration in the Cabinet. This, of course, is a mere preliminary, since the whole proposal must go to the Caucus before the Cabinet can speak its mind, if, indeed, it is yet united within itself. In these circumstances it is not likely that either the Prime Minister or the Minister of Defence will venture to commit themselves to anything definite while in England. If they did it would not be binding upon anybody else, nor upon themselves except as individual members of the Caucus. In these, as in all matters, Mr. Fisher must rely upon his pleasant manners and the vagueness of his eloquence. He has also other tactical gifts which have stood him and the two colleagues who accompany him in good stead, year in and year out, to cover the nebulousness of their policy and their dependent positions.

“DELEGATES WITHOUT AUTHORITY”.

Unfortunately it is not only in respect to Naval Defence that our representatives at the Conference are specifically trammelled. Neither in Parliament nor on the platform has there been any pronouncement of Ministerial policy upon any of the great subjects to be discussed at the coming Imperial Conference. Even if there had been such a statement it could have meant little or nothing. Under the instructions issued by the last Federal Labour Conference held in Brisbane all Labour Ministers while in London are delegates without authority to act as representatives. They may not bind even themselves to anything except in accordance with “definite instructions on specific subjects by the Federal Parliament”, and are also specially prohibited from dealing with any subject not previously dealt with by that Parliament. Mr. Hughes, when acting Prime Minister, only claimed for his colleagues while in London a

“right to discuss” subjects. He dared go no farther. His insistent hecklers among the members sitting behind him forced his public recognition of the strictly limited consultative functions of all our delegates. As was pointed out in my letter appearing on January 12 Mr. Fisher and his lieutenants go unable to pledge anybody. Indeed, they are strictly forbidden to pledge themselves. They have no authority either from Parliament or Caucus to decide anything. They can only debate without deciding, and for the rest must then await instructions from their party after their return. Nothing could be more remote from the despotic and universal powers enjoyed by the Labour “Conference” in Australia to which our Labour Ministers are obliged to yield an implicit obedience and adherence, than the powerlessness of an Imperial “Conference” in London, if composed of delegates, bound, as ours are, not to agree to anything unless they have been first authorised to assent to it and bound not to propose anything unless previously directed to do so either by the “Caucus” or the “Conference” of Labour, as the case may be.

THE COMMONWEALTH OF AUSTRALIA.

PROSECUTION OF TRUSTS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 25 1911; Jun. 3 1911.

During the past week or two the speeches in the Referenda campaign have been more and more devoted to the question of the present and probable future development of the Commonwealth control of prices alleged to be urgent owing to the Combines and Trusts now in Australia. Consequently there is a considerable appropriateness in the circumstance that last week we in Sydney saw the commencement of the first prosecution under our legislation against organised capital. Since 1906 we have had a Federal law, based upon the famous *Sherman Act* of the United States, which makes membership of a combination to restrain trade, or an attempt to monopolise trade, an offence. Owing to the restriction of the Federal power to trade and commerce among the States this law cannot apply to a combination which confines its transactions within a single State. Consequently our Federal Government has had to wait some time before instituting proceedings in order to obtain sufficient proofs of a combination to dominate to its own improper advantage the trade and commerce between certain States. The first case in which it has been able to obtain what appeared to be adequate evidence is in connection with the Newcastle coal trade. The defendants are being charged with restraining and monopolising that trade. It is alleged that the owners of most of the collieries in the Newcastle district—which supplies nearly the whole of the gas and steam coal for the other mainland States of Australia—have entered into an arrangement with all the more important shipping companies doing the carrying business on the Australian coast. Under this secret treaty the coal proprietors agreed not to supply coal for the other States to anyone except certain shipping companies, while the shipping companies agreed not to carry or deal in any coal for other States except that obtained from these coal-owners. The intention of this conspiracy, it is said, was to exclude from the inter-State trade in coal all the Newcastle mines which were outside the combination, as well as the very large mines in the southern and western districts of this State. On the side of the shipping companies it was intended to exclude all other shipowners from the business of carrying coal on the Australian coast. It would, of course, be premature to express any opinion as to whether these offences have been committed or not, but everyone in the Newcastle coal trade knows that practically the whole of the business of supplying Newcastle coal for the other States has for some years past been in the hands of those alleged to be parties to this combination.

MONOPOLY DETRIMENTAL TO THE PUBLIC.

Under our law it is not enough to show merely that the persons charged have entered into an agreement to restrain trade or obtain a monopoly. It must also be shown that this monopoly or restraint has been detrimental to the public. In this case the detriment alleged is that prices of coal have been raised since the combination all over Australia, so that the cost of carrying on some of our great public services, such as railways, gas, &c., has been very much increased in consequence. At all events the prices charged for coal have not varied as they apparently ought to have done during this period. According to statements made in Parliament, the Government has had much the same difficulties in obtaining the necessary evidence to support a prosecution under this law as have been experienced in the United States in similar circumstances. To get over these, our Act contains a drastic, but apparently necessary provision, that, except so far as an intention to restrain trade is concerned, the allegations of the prosecution shall be deemed to be true, and the burden of disproving them shall be placed on the defendants. This seems a somewhat extreme departure from the established principles of British law, but experience proves it to be a necessary one, and under the Customs law, where a similar provision has existed for many years, it does not seem to have produced any injustice. On the legal issues it is not necessary to dwell, though they are full of interest, even to the lay public.

THE MINING INTEREST.

The political aspects of this prosecution are somewhat curious. The law under which it is launched was passed by Mr. Deakin's Government, with the assent of the Labour Party, although its leaders questioned the efficacy of any such measure. The prosecution of the Coal and Shipping Combine, though not formally instituted by the last Deakin Government, was decided upon by them before leaving office. It was launched by the Labour Government, which practically had no choice but to proceed with it. This action is, it now appears, strongly resented by the Newcastle miners, who, being paid on a sliding scale expressly based on the selling price of coal, could not but realise that the fall in prices which must follow a break-up of the Combination and the restoration of purely competitive conditions, must have a seriously depressing effect on their earnings. Some of our State Labour Ministers have openly expressed their opinion that the prosecution is a mistake, and that, in the interests of the miners, the Combination should be let alone. This is, of course, wholly inconsistent with the attitude of the Federal platform and also with this week's Referendum throughout Australia. The chief argument used by Mr. Hughes for an affirmative vote to-day is the necessity for amending the Constitution in order to give the Commonwealth power to deal effectively with all trusts and combinations, so as to prevent their depredations, suddenly declared to be threatening the extinction of industrial freedom.

ATTITUDE OF LABOUR PARTY.

This picture is, of course, highly coloured to suit the times and the needs of the Federal Labour Caucus. Until now our New South Wales Labour members, Federal and State, have consistently denied that the Coal Vend was injurious. Whether it has or has not been, neither this nor any other "trust" seems as yet, so far as available evidence goes, to have obtained anything like the serious grip on the commerce of Australia as that of similar bodies in the United States. Nor do they seem likely to obtain it seeing that through our State railways we exclude from trust influences all the internal trade of the Commonwealth. If we can now cope with the seaborne traffic as well we can limit the operations of all such monopolies to very restricted areas. Moreover, on this one question there are no party differences in Parliament where, so far, only Labour members have ventured to openly defend the dominance of organised capital whenever satisfied that organised labour obtains its share of the spoil. Oddly enough, Mr. Hughes himself has been very prominent in his public commendations of combinations under which the employees have benefited. Just now he is thundering against them from every platform, and making his denunciations the principal theme of his orations. But as a matter of fact the Opposition offered him its united aid in the amendment of the Constitution required for this particular purpose. The Labour Party is itself directly responsible for refusing either to take this proffered aid or to submit this issue separately to the electors, by whom it would have been accepted unanimously when supported by both sides.

THE COMMONWEALTH OF AUSTRALIA.

EFFECTS OF THE REFERENDUM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 3 1911; Jun. 12 1911.

To measure the fall of the Labour Leagues one must first realise the towering height of their expectations, which as is now evident far outran even the extravagant promises of their principal leaders. The rank and file, disappointed that the election last year though it made their representatives masters of Parliament had not measurably improved their positions or earnings, cherished even more boundless anticipations from an early exercise of the wholesale endowments of power by a Parliament already absolutely subject to their will. Defeat seemed to them impossible; it was only a question what majority they would obtain. Hence under the present avalanche of votes for the "Noes" they have been crushed into stupefaction and almost into silence. Their Governments in this State and in South Australia, although ours stood stolidly apart during the battle, have both learned that they are merely minority administrations subject to dismissal at a moment's notice. In but a handful of State seats has Labour been able to retain its hold. In Federal constituencies if this had been a general election it would have lost 30 seats out of 47, giving a majority of 58 Oppositionists to 17 Caucus members in the House, and a sweeping majority in the Senate as well. No wonder if under such portents Federal and State Labour members and wirepullers cower timidly in corners asking themselves where they are. No wonder Mr. *Holman*, our Acting Premier anxiously invites united action by the States in order to transfer from themselves to the Federal Parliament whatever powers may be necessary to enable the latter to fulfil the resolutions of the last Federal Labour Conference in Brisbane. Mr. *Hughes*, smarting under a crushing defeat, for which he himself is principally responsible, denounces a procedure that threatens to set him aside. This breach within the Caucus, more serious than any heretofore encountered, is the sole remaining legacy of the Referendum. How it can be repaired is a very grave question. In the meantime the two principal Labour Cabinets, Federal and State, are facing each other with drawn swords. They may yet save their faces sufficiently to shake hands in public, but the solidity of the legions upon which the party is absolutely dependent for its very existence seems to be in present peril.

POSITION OF MINISTERS.

Until now the one amendment rejected by a popular vote out of the three previously submitted was that for the Financial Agreement submitted last year. This lacked 25,000 of a majority; now both the Bills lately drafted by Mr. Hughes and approved by his Caucus have been "snowed under" ballots ten times as large, leaving each of them a quarter of a million votes behind. This means that an immensely stronger secession has taken place from the present Government than the one which cost the Deakin Ministry its control of both Houses. It has taken place almost without warning. Up to the very last day all the Ministers, members, and official tipsters of the Leagues were at one in predicting for themselves an overwhelming victory. Labour Ministers and members counted their chickens in glad chorus, the most pessimistic merely decreasing the majority on paper, of which all were assured. Allowing for their desire to keep up the courage of partisans and to influence waverers the evidence goes to show that these usually well-informed campaign managers were on this occasion hopelessly astray. They needed majorities in at least four States, and have only captured one; they required 720,000 suffrages and obtained less than 480,000. Such an overthrow is without parallel in the Commonwealth or indeed in any State for many years. Of course the Fisher Cabinet had not staked its existence upon the vote, which simply submitted certain amendments of the Constitution to the verdict of the ballot-box. At the same time, those they did submit embodied their own distinctive policy aiming at what may be termed defederalisation, since it necessarily implied a future unification of all the principal powers of government in the hands of the Commonwealth Parliament. Mr. Hughes insisted that our existing Constitution is unworkable from the Caucus point of view. He asked for authority to alter it so as to give effect to the official Labour programme. It was on these grounds that he appealed to the electors. The electors have now answered with a most emphatic refusal to endorse any such programme. Labour, therefore, cannot put its avowed policy into practice. That has been definitively and indeed scornfully rejected. What is the Cabinet to do now? They must find some other policy. Ministers remain safe, their majorities in both Chambers unaffected, though in the Senate only a few thousand votes separated their successful candidates who won all the seats vacated last year. As the Liberals carried none hundreds of thousands of their voters were left, and still remain, without any representation. This position of vantage is still retained by Ministers. But the unmistakable mandate of Australia is that they shall have no larger field for their future than that which fortune gave them twelve months ago. If a General Election were possible now there can be no question what the consequences would be. It was because they were running no risk to their seats that Ministers set out to subvert the Constitution. Their design was to use their present preponderance in the Legislature so as to ensure themselves a clear run for the next two years with the enormously enhanced range of authority that would then

have rested in their hands if the Referendum had been in their favour. The voting last Wednesday is therefore substantially and unmistakably a direct vote of want of confidence in the policy of the Labour Party. This has no effect upon its Ministry, because the overwhelming majority against them is that of the people, and not of the representatives selected last April who escaped the deluge, but are watching its warnings with very troubled eyes.

OVERWEENING CONFIDENCE.

Mr. Hughes is naturally downcast. The chief responsibility for the amendments was his, and upon him therefore rests the chief responsibility of the disaster due to his leadership. At the same time the rest of the Cabinet approved the course he proposed. So did the Caucus, after the "Labour and Employment" amendment had been recast at its bidding in the House. So did our State Labour Conference when it turned upon Mr. Holman and rent him because he boldly resisted the proposed aggrandisement of the Federal Government at a cost ruinous to the State Labour Ministers and members. So did Cardinal Moran, who rushed into the fray with a public declaration in favour of the amendments that probably influenced tens of thousands of voters. So did the State Labour leaders in all the legislatures except our own, who, with very few exceptions, carried their followers with them. So did the State Labour Leagues everywhere outside New South Wales, and even here the exceptions were few. Never was the official Caucus party more eager or more confident. Even men like Mr. J. C. Watson formerly reckoned as moderates, threw their scruples aside in the hope of building up a Caucus control of the whole Commonwealth, strong enough to enforce its complete programme at any cost to the community. The world was to receive a lesson in legislation and administration of a recklessly Socialistic character, sufficiently varied to enlist the masses, whose personal interests as public servants or employees were to be ministered to, no matter at what national cost. The wakening from such visions by so unanimous a vote has been not merely painful and humiliating but stupefying to the credulous who have put implicit faith in the promises of pecuniary gain to themselves that have been scattered broadcast for months past. Ministers dare not renounce their projects now, nor even confess their modification, though probably by degrees they will beat a noiseless retreat to safer entrenchments. In the meantime the one outstanding result of the appeal to the electors has been a declaration that so far as the Fisher-Hughes Government is concerned it remains in office only because the electors had no power to remove it, and, further, that the policy of unification to which the whole Caucus organisation in Australia has been pledged, despite the protest of Mr. McGowen and those who think as he does, has been expressly condemned by the largest majority yet obtained at any Referendum or any Federal General Election for the Commonwealth.

DARING BID FOR ARBITRARY POWER.

In one respect the vote has established a new precedent. It is the first Referendum that has been taken, apart from a General Election. The cost is estimated at £50,000, and the legislative results are nil. The question is sure to be raised whether this precedent is one that ought to be followed at all events in cases like the present, when in effect a Ministerial policy is officially put to the country. That having been rejected, it seems anomalous that the defeated Cabinet should continue to speak for the Commonwealth. Then, again, notwithstanding the unprecedented hugeness of the majority, the total vote is smaller than that polled last year, which established a record, though it compares not unfavourably with the 1903 or even the 1906 percentages despite the absence of personal canvassing and the fact that neither Ministerial nor Opposition strength in Parliament could be affected. Of course our election totals remain unsatisfactory since only about half of those on the polls vote; a little more than a quarter can always carry the day. There is nothing like the amount of excitement manifested when an issue couched in legal phraseology takes the place of competing candidates. The special circumstances of Western Australia account for the solitary victory of the Caucus. The goldfields vote concentrated near the polling booths registers without any difficulty, while the scattered farmers have long distances to travel. Perth itself remained strangely inert. With 150,000 more voters New South Wales recorded 38,000 votes less than Victoria. The split in our Labour camp probably accounts to some extent for our backwardness, though there certainly were not more than a fraction of abstainers who actually belonged to the Leagues. The most daring bid for arbitrary power ever witnessed in Australia has been made at the bidding of a small body of men whom a political machine makes masters of the Labour majorities in the Federal Parliament nominally representatives of the people, but actually agents of the Leagues. It has failed badly. If its real intention and consequences had been understood it would have failed abjectly. It leaves Mr. Hughes and his colleagues in a constitutional position without a parallel even in the United States where, in the final session of a Congress at Washington, the party in power having been defeated in the country is making its exit under a cloud of defeat.

THE COMMONWEALTH OF AUSTRALIA.

REFERENDUM VOTE RESULTS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 9 1911; Jun. 19 1911.

The Referendum wave left the revolutionary army that shouted "Yes" like a clumsy surf bather flat on the beach, very badly shaken and with the breath knocked out of his body. This is gradually being recovered only to be employed in imprecations both loud and deep upon all and sundry who are alleged to be responsible for the misfortune. Of course, it would be quite a mistake to assume that the Ministry could have won, even if all the Caucus leaders and followers had voted the party ticket as ordered. The overwhelming victory in the States in which there was no break away from the Leagues makes that clear. In New South Wales, where our local Labour Cabinet was adverse, the Liberal majority was no larger than that in Victoria, where not one seceder from the Leagues ventured to show his face. It was by abstention from the polls that our Labour insurgents in this State made their hostility felt. Consequently there is no consolation to be found in the figures from whatever point of view they are studied. The Federal Ministry has provoked the country to declare its want of confidence, not alone in their proposals for amending the Constitution, but also in the Ministry itself, since if its proposals had been accepted the Cabinet would have been able to employ the new powers asked for during the next two years at least without any hindrance. Having in mind the extravagant aims of Mr. Hughes the resolute rebuff administered all over the continent except in the West, where local considerations swayed the decision, is as welcome to him as gall and wormwood to a tetchy child, when neither affords any medicinal relief. Worse remains behind. The really important element to be considered in summing up the general position has to be faced. This is the fact that in this State, at all events, a considerable section of the regular Caucus vote—the vote which at the last General Election was given for Labour on purely party grounds—was either recorded against the amendments or was not recorded at all. This is the bitterest drop in the Labour cup. The Federal leaders have found that there is a limit beyond which the hitherto unquestioning subservience of their own party cannot be relied upon. It is their fault as well as their misfortune that they have only found this out by trying to rush beyond it. Such a catastrophe has never happened to the Caucus before in Australian political history. This for the last twenty years has been largely a history of the ups and downs of the Labour Party during its steady progress towards power while its adversaries were fighting over the fiscal policy of the Commonwealth.

SPLIT IN LABOUR RANKS.

Dissensions, even revolts, there have been, so far sternly and surely repressed, but until now rebellion, carried to the point of a split in the party vote, there has never been. Moreover, this time it has not been merely a revolt of the rank and file. Some of the ablest men in the State Party have, actively or passively, identified themselves with it. Mr. **Holman**, the acting Premier, who is an important factor in our Legislature; Mr. **Beeby**, now Minister for Education, whose administration so far has been progressive and on the whole sound, have both publicly declared themselves hostile to the amendments. Their defection, together with the passive hostility of two-thirds of the party behind them in the House, no doubt contributed as much as anything else to the defeat of the Federal Caucus raid upon the Constitution. There is naturally now much bitterness because of the breakaway in this State between the extra-Parliamentary wing of the local Leagues, enthusiastically in favour of the amendments, who had made such a vigorous effort at the recent Conference to impose their views on all their adherents, and the Labour Ministers or members of the State Parliament who refused to accept the dictation. The last has not been heard of the matter, which threatens, according to present appearances, to cause a more serious split in the Labour ranks than any we have yet known. Already there have been open and bitter recriminations between Mr. Hughes and Mr. Holman, while flamboyant Unionists are openly insisting upon the absolute expulsion from the party of all who did not blindly follow its standard during the late campaign.

LEADERSHIP OF THE CAUCUS.

Oddly enough the leader's post in the Caucus Party which never carries any independent authority, even in its Cabinet, as it does in other Cabinets, has gone in this State to Mr. Holman, our Attorney-General, just as in the Federal Parliament it has passed to Mr. Hughes, also as Attorney-General. The two antagonists, probably the ablest and certainly the best educated members of their respective Ministries, are well matched since they are really the dominating men in their Governments to whom the Leagues look for ideas. Their Premiers, now in the Old World, have no apprehensions that the cause will suffer in their absence, though there is some disposition to kick over the party traces. Indeed, the duel between Mr. Hughes and Mr. Holman is likely to absorb most attention for the next few months. Even before the Referendum the latter delivered a policy speech on behalf of our State Government in such a manner as to cause even the most ardent advocates of Federal supremacy in the Leagues to ask themselves whether they were not putting their eggs in the wrong basket. Of course, that speech was intended for the country, to which an early appeal is probable, owing to the narrow majority of the **McGowen** Ministry in

the House. It, therefore, comprised all the propositions likely to prove popular at the hustings, but at the same time was dexterously shaped so as to illustrate the numerous matters of pressing interest to the masses, with which our State Administration can grapple at once without waiting for another Referendum or its results. There is also a bribe for Labour ostentatiously placed in the forefront of the sessional programme in the shape of a promised repeal of Mr. Wade's Arbitration Act, so as to limit its advantages to Trades Unions, who alone are to have the privilege of appealing to the Arbitration Court. If this does not capture our local Unionists nothing will. They may even prefer Mr. Holman's bird in the hand to Mr. Hughes's covey all in the bush. The challenge to his Federal rival is plain and clear and a great deal will hang upon the decision our Unionists in this State arrive at within the next few weeks.

FINANCIAL POSITION.

The most attractive feature of the Holman policy to the general public is that for increasing the two-thirds of the proceeds of the sales of Crown lands now set aside for public works so as to dedicate the whole of them for the future. In the same spirit any profits earned by our State services such as railways, tramways, water supply, or harbour trusts, are to go either to replacement or sinking funds. So far this has only been required for part of our railway surpluses. Another counsel of perfection takes shape as a proposition for the creation of a sinking fund to be established for the discharge of the unproductive portion of our public debt. The sources from which this fund is to be fed have yet to be determined. This year our receipts from the Commonwealth Customs are £1,370,000 less than they were, while our land is taxed under the new Federal Act; the largest proportion of the £1,000,000 a year expected from that source will come out of our pockets. Despite the marvellous prosperity here and the promise of more good seasons these are serious deductions from our income. Of course, the fresh taxation required if Mr. Holman's projects are carried out will be placed upon other shoulders than those of members of the Leagues. The State accounts will be balanced by levies, principally if not wholly upon their opponents. But for this consideration the legitimate steps foreshadowed in order to put our financial position upon an unassailable basis would have been taken years ago. They ought to be taken now, but with circumspection and not employed merely as an election cry or to pave the way for an attack upon our nominee Legislative Council. There the well-to-do classes are more strongly represented than in the Assembly where Mr. Holman sits. Still he does well to face the situation, and if necessary to force it on public attention, providing that equitable means are employed for carrying out his scheme for greater financial stability.

THE COMMONWEALTH OF AUSTRALIA.

LABOUR CAUCUS TACTICS. MINISTERIAL RESPONSIBILITY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 16 1911; Jun. 23 1911.

The Labour Caucus in three of its branches is passing to-day through the ordeals of Ministerial responsibility, and nowhere with success. The sweeping victory which last year placed the Federal cohort in undisputed command of both Houses of the Commonwealth Parliament was not reflected either in New South Wales or in South Australia. In those States each local Caucus is still on its good behaviour and on trial. But in South Australia so far the verdict is evidently against Mr. Verran, and in both States the Referendum discovers this year a majority of the Caucus members already in a minority in their several constituencies. Thirty seats were lost to them on this reckoning in New South Wales alone. Many Commonwealth nominees of the Leagues are in the same predicament. It is all very well for Mr. Fisher on the other side of the globe to whistle away these auguries. Here his followers walk at a funeral pace and in mourners' garb behind the amendments now on their way to final interment. What new allies can they hope to find equal to those who led them last month to their Waterloo? *The Bulletin*, the *Worker*, both our Catholic papers, the Australian Workers' Union, and a majority of the recent State Conference headed by Mr. J. C. Watson, all took the field. These, the most potent ultra influences in New South Wales, did their worst, only to find themselves beaten out of sight. Where can they look for fresh reinforcements except in that section of sympathisers who forsook them by tens of thousands three weeks ago? Neither the absence nor the presence of Mr. Fisher and Mr. McGowen can affect the governing agencies within the Caucus, which will soon have to reconsider the resolutions passed by its predecessor in 1908. Once more an attempt will be made to define the respective spheres of the Federal and State Governments—a very different problem now to that presented when there were no Caucus Ministries to quarrel over the spoils of political victories and view each other's rival ambitions with jealous eyes. The final duel will be fought out between Mr. Hughes and Mr. Holman, and without quarter if the former has his way.

CAREFULLY PREPARED MEASURES.

Meanwhile Mr. Holman's position is one of extreme delicacy. After the shaking given to all Labour members, whether for or against him, by the Referendum it is doubtful how his Cabinet will hold its own in our Legislature, which it is facing to-day with a large packet of carefully-prepared measures. But will the *Bulletin*, the *Worker*, the Workers' Union, and Mr. Watson rally to his aid in local affairs? Will Mr. Hughes refrain from the jibes and jeers forming so large a part of his stock-in-trade? No doubt he will be the more disposed to resort to them than to attempt to defend his own recent attempt to capture the State citadels without warrant or warning. It is now quite clear that on this score his complaints will not endure analysis. The amendments of the Commonwealth Constitution lately proposed by him, which he threatens to resubmit to the Referendum by and by, are not even yet an official part of the programme of the Federal Labour Party itself. Nevertheless Mr. Hughes attempted to force them upon the Labour voters as if they were already committed to them beyond redemption. The Federal programme is settled at triennial conferences, at which the whole of the Leagues in all the States are represented. The last was held three years ago at Brisbane. At that Conference it was proposed that some of the constitutional amendments recently rejected should be made part of the platform of the party. The proposal was promptly defeated. Much more limited proposals for amendment were accepted instead, and then only after fierce debate in private Caucus. The Conference expressly declined to embody in the Labour platform a transfer to the Commonwealth of the whole subject-matter of industrial regulation. The utmost concession made to the Federal extremists was a loosely-worded authority to amend the Constitution, so empowering the Commonwealth to give effect to the new Protection, to regulate monopolies, and to make its industrial arbitration tribunal more efficient. If the Government had limited its recent effort at constitutional amendment to these points, vaguely as they are stated, they would have had a better chance of success.

NEXT FEDERAL LABOUR CONFERENCE.

It was this fact that the official decision of the Conference supported Mr. Holman that has made and makes his position so strong. The knowledge that from the point of view of party loyalty he is right and they are wrong has added considerably to the bitterness with which he has been assailed by Mr. Hughes and his followers. The next Federal Labour Conference will meet in a few months. If Mr. Hughes can then persuade its members to adopt his sweeping amendments—which would transfer to the Commonwealth the whole power over trade and commerce and over the conditions and remuneration of labour with all their necessary accompaniments—as part of the Federal Labour platform he will be in a vastly stronger position to reintroduce his lately rejected scheme. Whether even then it would be acceptable to

the electors is another question. But Mr. Holman and his confrères would at once be put out of court. No one can say at present what the Conference will decide. But it promises to be the most interesting and perhaps the most fateful political event in our Parliamentary history. Mr. McGowen, Mr. Holman, Mr. Beeby, and their following may then be obliged to accept upon their knees the very dose which they last month rejected with scorn on the plea that it was poisonous. No one expects that Mr. Hughes will consent to make "the great renunciation" otherwise required of him.

IRRECONCILABLE VIEW.

Meanwhile Mr. Holman, Acting Premier, as well as Leader of the anti-amendment section of the Labour Party, is trying a piece of strategy which may affect the proceedings in that Conference, even if it has no other practical results. The Federal Constitution contains a clause enabling the States to transfer to the Commonwealth by Act of Parliament any subject matter of legislative activity at present within their powers. When such a transfer is made the Commonwealth acquires the same power of legislation, so far as the transferring States are concerned, as if the subject matter were directly placed by the Constitution under Federal control. Mr. Holman's idea is that the States should hand over to the Commonwealth some, if not all, of the matters which, according to the existing Labour platform of the last Conference, should properly belong to it. He has already drafted a Bill for making the necessary conveyance so far as this State is concerned. He is also seeking the concurrence of all the other States in his project. Should they accept his scheme, the Federal Parliament would be invested with power to carry out the new Protection policy, to control combines and monopolies, and probably to take them over, and also to make its Arbitration Court a more effective tribunal. For the complete success of this proposal the concurrence of all the States would be essential. If the surrender were refused in any of them the result would be a patchwork. Whether the twelve Legislative Chambers of our six States, differing widely in their political complexions, can be expected to fall into line with unanimity may well be doubted. Our Acting Premier would be enabled if this were done to side-track the Hughes policy of unification most effectively. But adding the coming Conference to the twelve local Legislatures, the obstacle race on which he is entering seems sure to defeat his hopes. On the other hand, his endeavour, at all events, saves his face within his party and softens any further surrenders that may be imposed upon him at the next Conference. It can do nothing more. The Constitutional autonomy remains. If Mr. Hughes succeeds the States are drugged, and will soon have their independence destroyed. If Mr. Holman succeeds the Commonwealth will remain in hobbles and without national vigour. Such at least are the irreconcilable views held within the Labour Caucus. Then and there, by force of members, at a vote some policy or other will be imposed upon the whole of its adherents as a political gospel that it will be heresy to question.

THE COMMONWEALTH OF AUSTRALIA.

PUBLIC AFFAIRS IN THE HIGH COURT.

FORTUNES OF PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 23 1911; Jun. 27 1911.

Federal politics are somnolent, and in State affairs the Referendum vote, partly by the exhaustion due to the struggle and partly by its surprise, seems to retain its soporific influence. Even Mr. *Hughes*, though nursing his wrath to keep it warm, has intervals of silence in which possibly a healing process may be insensibly at work. In our local Legislature Mr. *Wade's* amendment upon the Address in reply is, of course, a vote of want of confidence, though both our great dailies, the *Herald* and the *Telegraph*, consider it untimely and unwise. Its purpose is plainly to embarrass both our Caucus Government and the little group of independents constituting the "Democratic Party". The avowed object of the amendment could have been attained just as well at a later stage, when the Land Conversion Bill passed by the late Ministry, which the *McGowen* Cabinet wishes to repeal, can be dealt with on its merits. Meanwhile the Premiers of the States maintain an unbroken silence as to the reception they are disposed to give to Mr. *Holman's* suggestion of a cession of some of the powers sought at the Referendum. Mr. *Hughes* vaguely indicates his opinion that it ought to be a surrender of all or nothing, and that if he now receives everything he ever asked and all that the electors refused he might relent sufficiently to accept it without thanks if it be tendered with an apology.

THE FEDERAL LAND TAX.

For the time being it is in the High Court and not in our Legislatures that public affairs of the highest interest are being dealt with. Our full bench of judges sitting in Melbourne is considering the validity of the new Federal land tax, the most important piece of legislation passed by the *Fisher* Government last session. Before this reaches the eyes of English readers the question of its constitutionality will probably have been settled. We are repeating here the experience of the United States, which tends to prove that hardly any important legislative Act can escape challenge in the

Courts, by the great financial or commercial or other interests affected. This means, of course, that the High Court is, and must be, a factor of immense importance in our political development. We do not seem yet to have become quite accustomed to this application of the judicial power. Parliament still remains in the eyes of our citizens the supreme power, though the High Court exists to protect them against encroachments by their political representatives. The spectacle of a Court of Justice solemnly declaring that a law passed in due form by the highest legislative body in the country exceeds its authority either as a whole or in part has not yet lost the novelty with which our English Constitutional tradition and State experience have invested it. There is no doubt that a desire to limit the opportunities for this supervision by the High Court of the exercise of legislative power by our Federal Parliament contributed not a little to the affirmative vote at the recent Referendum. Notwithstanding the defeat of the proposals, that feeling is by no means dead among the extremists. The Caucus brooks no rival near its throne and its present Government, to judge from the past, will not hesitate to exploit the sentiment of impatience when next its proposals for amendment are submitted to the House and the country.

THE QUESTION OF STATE POWERS.

It was not to be expected that the Land Tax would escape challenge. Since it imposed an exceedingly heavy burden on all our wealthiest financial institutions and landholders, it is very well worth their while to risk a few thousands of pounds in the attempt to upset it. Their chances of success it would be presumptuous to estimate. Opinion among our constitutional lawyers seems pretty evenly divided: though all agree that the Court will not hold the Act to be *ultra vires* without the strongest possible grounds being shown. The justices have always followed the wise precedent of the United States Supreme Court and refused to invalidate a legislative Act unless the clearest possible case of inconsistency with the Constitution is made out. Over and above these simply personal grounds of attack there are others, but little more notable. A good many objections of a technical character are being raised to the form of the Act, which may or may not be successful, but which have little interest for the public. If these are upheld they can be overcome by merely passing the same law in a different form. The really substantial ground of attack is that this graduated land tax is not really a taxing law at all, but an attempt to regulate, indirectly, the system of landholding in the States. This, it is said, is a matter which is reserved to the State Legislatures, and to allow the Commonwealth, under the guise of an exercise of its taxing power, to regulate the conditions of land tenure, would be to allow a serious inroad on State authority. Such was substantially the ground on which the famous "Harvester" case was decided. There the Court held that the "New Protection"

system, which sought to ensure conditions of employment for employees in protected industries, by imposing on manufacturers excise duties to be remitted where the conditions and remuneration attained an approved standard, was not a taxing Act, but an attempt to regulate industrial conditions. As such, it was an invasion of State powers, and therefore *ultra vires*. The real question about the Graduated Land Tax is whether this principle is equally applicable.

POWER OF THE COMMONWEALTH.

It must not be supposed that any question is raised as to the power of the Commonwealth to impose a land tax in any shape. No one doubts that a uniform tax on land values for revenue purposes is quite within its powers. The constitutional objection to this particular tax arises out of the fact that it is expressly drawn so as to penalise the large landholder in proportion to the value of his holding, to such an extent as to render the creation of great estates difficult, if not impossible. From this point of view the invalidation of the tax would be a serious limitation on the Commonwealth powers. From the point of view of revenue, however, it might be a piece of good fortune to the Treasurer, for considerably more revenue could be raised by a uniform tax. In any aspect the case now proceeding, packed as it is with political dynamite, is provoking the liveliest interest among all on-lookers, and may exercise a potent influence upon the fortunes of parties.

THE COMMONWEALTH OF AUSTRALIA.

IMPERIAL CONFERENCE.

STRIFE OF RIVAL PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 30 1911; Jul. 11 1911.

The Imperial Conference now sitting in London excites no one and so far appears likely to satisfy no one on our side of the world. Sir **Joseph Ward's** large resolutions being merely personal in origin have been treated accordingly. No other proposals have been submitted making for closer or more effective union. Preference has not yet been mentioned in any practical relation, and unless Imperial Defence is dealt with in a decisive way there will be little or nothing left for onlookers to criticise. The outstanding facts are that Sir Joseph Ward did not consult his Parliament, nor did Mr. **Fisher**, though on the last day of the session Mr. **Hughes** in a casual way touched upon some of the questions likely to be considered by the Conference. He was at once reminded by his own followers that our Prime Minister had no authority to bind the Caucus by any resolutions which he might support in England, and that, indeed, he had no clear right to submit any until they had been sanctioned by his followers as being within the lines of its official programme. Whatever Sir **Wilfrid Laurier's** action may be, and wholly negative as his attitude appears from this distance, he has at least a party behind him in Canada certain to support him. Our Australian and New Zealand representatives possibly realise that they attend, so to speak, in a personal capacity rather than as heads of Governments and leaders of parties.

NOT STRICTLY IMPERIAL.

So far as we are concerned, therefore, the meeting does not seem, strictly speaking, to be Imperial; it awakens comparatively few echoes here, and these are in a decidedly disappointed tone. The circumstances of the situation appear to have precluded any real advance towards solidarity either of legislation or of administration throughout the Empire. Yet without these we cannot concentrate or even co-ordinate our forces for the day of trial, whenever that may dawn. Meanwhile, Mr. Hughes has not hesitated to comment upon the proceedings in London as if he could not be committed by the actions of his chief. Still more remarkable has been his indication

that, in his opinion, the interests of the Empire as a whole will not and ought not to be considered in Australia should Japan require the same concessions for its emigrants to this country as were lately conceded by the United States and Canada. Why he should trespass at this juncture upon a thorny topic not due to be dealt with before 1914, especially in this provocative fashion, remains for him to explain. The want of unity and of loyalty in the Caucus Cabinet could hardly have been more openly demonstrated or at a more unsuitable time than by this reckless irresponsible newspaper declaration over the signature of our acting Prime Minister.

STATE CAUCUS MINISTRY.

Our State Caucus Ministry has also trials of its own, principally due to the fact that were Liberal members united the McGowen–Holman Ministry could count only upon a majority of one. It would have been impossible for the Cabinet to make even a pretence of carrying out its policy but for the fact that there are among the Liberals some seven or eight discontented representatives of no particular weight whose only bond of union is that they cherish grievances of one sort or another against Mr. Wade and his colleagues. To find a vent for these they formed a sort of Cave of Adullam, and, though without even a pretence to any positive policy, came together with great solemnity after the late election under the vague but high-sounding title of the “Democratic Party”. They further announced that neither Labourites nor Liberals could depend upon their support, which would be accorded to one or the other as the occasion might require. In the evenly divided state of parties this meant that both Cabinet and Opposition depending upon them must treat with them competitively. They were masters of the situation in the opening session and remain masters in that which has just begun. Last year Mr. McGowen was confirmed in office, and Mr. Holman has just received another extension of term. But he will have to pay the price, and has been so informed before the public by his Democratic allies.

THE THREE PARTY SYSTEM.

This, then, is the position of political affairs in our State. We suffer from the three party system in its worst form. We have a Labour Government, confronted by an Opposition almost equal in numbers. The determining factor in our political developments is a group, small in numbers, and intrinsically quite insignificant, representing no particular principles, which is strong enough to impose on Ministers the galling condition that they can retain their portfolios only while they consent to sacrifice their policy, or at least all those items which differentiate it from the policy of Mr. Wade. From one point of view this need cause no trouble. The Government

programme includes a list of measures of administrative reform and of a non-party character such as a consolidation of our land laws, a reform of our system of legal procedure, of State education, of the finances, and of the municipal government of Sydney. These if dealt with thoroughly would not only fill this session to overflowing, but keep Parliament fully occupied for its full term of three years.

This prospect is all very well, but it will not satisfy the people who put the present Ministers into office, and who must be depended upon to keep them there. This Government, and particularly its acting-leader, Mr. Holman, is just now anything but popular with a large section of our Unionists, particularly the largest and most active section of them, including the Australian Workers' Union. The Cabinet has not been forgiven for its silent censure of the Referendum Bills. Apparently its only hope of rehabilitation lies in unremitting activity in carrying out the party platform. And the Caucus platform, as the party organ, the *Worker*, is never tired of explaining, consists primarily, not of non-party measures of the kind acceptable to all parties, but of the ultra-Socialistic Bills that the other parties cannot be expected to agree to under any circumstances. These measures, as already explained, are those to which our so-called Democratic members have already announced their entire antagonism, and against which Mr. Wade's forces are always embattled. It is therefore these that the Government cannot hope to pass. Hence Ministers find themselves between the devil and the deep sea. If they go on they go out and if they do not go on they will drop out.

AN UNPROFITABLE SESSION.

All present indications, therefore, point to a rather unprofitable session, and probably an early dissolution. There are not wanting those who see in the present situation the probability of a convulsion in the Labour Party itself, which might end in the extension of Mr. Holman and the more moderate of his colleagues. Extravagant as such a forecast may appear, one has only to read the *Worker* to see that there is at present a very numerous and a very influential section of our Unionists, the Unificationists, and Socialists which would welcome any opportunity of bringing this about. Moreover, Mr. Hughes and the Federal members of the Caucus have also a score to settle with Mr. Holman and his colleagues.

THE COMMONWEALTH OF AUSTRALIA.

CANADIAN–AMERICAN RECIPROCITY.

CLOSER UNION OF THE EMPIRE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 6 1911; Jul. 14 1911.

An “Australian public opinion” does not exist, say some of our critics. Certainly it does not express itself coherently upon the greatest national issues, even when they have a potent local influence, except under duress and after long delay. Our leading newspapers are accepted as guides only by those who do not need to harmonise their dicta sufficiently to enable them to judge in which direction Commonwealth public opinion is permanently pointing. Every State has its own version, every paper its party predilections, so that the result of an examination of their findings always discovers a curious amalgam. All the prophets of the results of the Referendum went wide of the mark except when they dealt with their own neighbourhoods, and in them they were nowhere conspicuously near the mark. No newspaper of ours has at present the vaguest idea what the public sentiment of the Commonwealth really is upon *President Taft’s* proposed Reciprocity Treaty with Canada. This subject so far as it is handled by the Press is touched upon with favour only by our Free Trade derelicts, who either resisted the grants of preference to the Mother Country in our present Tariff or approved them only on the plea that they reduced duties which were developing local industries. On the other hand Protectionist papers look upon the Canadian departure as the necessary outcome of the action of the Government which in 1907 hilariously “banged, bolted, and barred” the then open door to preference. That experience rankles, and will continue to rankle in this camp. It suspects, too, that the new departure proposed by *President Taft* is accepted by the section at Ottawa which is of the opinion that the benefits to be derived from it outweigh those to be anticipated from the Empire, whose protection is enjoyed, and of which the present tariff discrimination is the only direct recognition. It is recognised by many here that our own grant of preference is insufficient. There is no doubt that the country as a whole would cordially respond to a proposal to increase it substantially. A majority at least doubling or trebling that obtained at the recent Referendum could be confidently counted upon at present if a true Reciprocity with the Mother Country were now at stake. Opposition to it would be insignificant. The strength of the Empire, its powers of resistance, and the value of its commerce depend in so great a measure upon the development of all its resources, industries, exchanges, and Dominions that the appeal to uphold these would be irresistible in Australia.

TRADE WITHIN THE EMPIRE.

As it is the general silence that obtains here in respect of the proceedings of the Conference, which continue to be criticised in lukewarm fashion by the Press without awakening more than a passing interest, supplies no index of the extent to which the mass of our population is affected by the Taft offer. The criticism upon it is vague and the visible public effect slight. This may appear curious unless it is recollected that all our public men regard the question as one wholly within the ambit of the two Governments of the Empire whose peoples are immediately interested. If the electors of Great Britain and of Canada are contented to allow the loss of a huge volume of trade and all that goes with trade which could be retained within the Empire, it is scarcely open to other Dominions, though they, too, must suffer by the transference, to insist upon their disquietude even in face of anti-Imperial consequences certain to ensue. We prize our own local self-government so highly, and have to regret its tacit neglect by the British Government so frequently, that there is a very general disinclination to add any precedents which can be quoted as warrants for invasions of the autonomy we now enjoy. Our Imperialists everywhere have long been depressed by the almost militant attitude of hostility towards the closer union of the Empire displayed by prominent members of your present Government, from whom they had hoped to hear a spirited protest against any partial treaties except in strict subordination to the great and vital interests of the Empire as a whole.

POWER OF THE CAUCUS.

New South Wales is becoming gradually aware of some of the many unforeseen changes in our methods of government which are the inevitable consequences of placing a Labour Caucus in power. There is no longer a Ministry or a Cabinet or a Premier in this State—administrators we have, who adopt the usual titles, but exercise only some of the prerogatives of Ministers. In one respect they are clothed with greater authority, since each administrator seems supreme in his own department and quite independent so far as his colleagues are concerned. But each of them takes his instructions from the party caucus under penalty of summary dismissal. To that body he is simply a tenant at will. Apparently most of them are inclined to make up for their subordination to the caucus by their open indifference to their fellows, which they go out of their way to advertise. What will be the outcome of these open conflicts in sight of the public cannot yet be prophesied. Only a few days ago one of the members of this Cabinet publicly announced a scheme for the establishment of free ferries across Sydney Harbour. It was not put forward as a Government project, but as one commending itself to a particular Minister. A day or two later Mr. Griffith expressed in very forcible language his entire disbelief in the whole scheme.

He was at once followed up by Mr. Holman, who in an interview with the daily papers castigated his colleague for want of loyalty, telling him that it was perfectly open to him to resign and make way for another Minister who would administer the Department with equal ability and perhaps more loyalty. Mr. Griffith's prompt retort was also published in the Press. He invited Mr. Holman's attention to the fact that all the Ministers, except perhaps the Premier, held their offices by virtue of the same authority—election by the caucus, and that it was, therefore, quite beyond the acting Premier's province to hint at resignation as the proper course for a Minister who did not agree with the policy of his colleagues.

THE LABOUR MAN AND THE LABOUR MACHINE.

It will be gathered from this incident that we are grafting some rather incongruous growths upon responsible government, as it is known in the Mother Country. In fact, the system of electing Ministers by a vote of the party seems, in theory, and promises to prove in practice, quite inconsistent with the collective responsibility of the Cabinet, and its representation by a Premier. The Federal Prime Minister and his colleagues are in precisely the same position. He, it is true, still derives his nominal authority and his position from the summons by the Crown, though that summons can only be accepted if he is first chosen by his caucus. He and every other Minister owes his position to a vote of the caucus, and can be removed at any moment by the same means. It is only natural, therefore, that Labour Ministers should feel and show a degree of independence, and individual responsibility, of both speech and action, which is quite foreign to responsible government as it exists at Westminster or anywhere else beyond the despotic authority of a secret caucus and its secret ballots. The departure has not been made by the authority of the electors or in pursuance of any reasoned intention of altering our political system. It expresses nothing more than that subordination of the Labour man to the Labour machine which is the cardinal factor in Labour polity hitherto imperfectly appreciated by our people.

THE COMMONWEALTH OF AUSTRALIA.

RISING WAGES AND DEMAND FOR LABOUR. POLITICAL UNCERTAINTY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 13 1911; Jul. 19 1911.

The Australian situation can only be described in terms which must appear to be hopelessly contradictory. Our trade and commerce, production and manufacture, cultivation and settlement undertakings are full of animation, and broadly speaking in that order. Wages are practically universal and the demand for labour insatiable in both town and country. The cost of living is naturally on the increase and proportionate to that in wages. Never was this flourishing country more flourishing; the recent general winter rains having nearly everywhere exceeded present requirements. Everything points to another most prosperous year. The crying want everywhere is more men and women of all classes that are willing to be taught to work. Domestic servants are not obtainable even at the much advanced rates now ruling. For the want of these our social relations are being modified with embarrassing rapidity. Mining enterprises, though some of them show larger yields on the whole, exhibit less expansion. In the case of coal there has been a great decline, largely due to the ill-effects of the last ruinous strike. Industrial unrest adds to the prevailing, animation a feverish apprehension of possible interruptions to business at any moment. A great deal of movement is taking place just under the surface of the swift current of prosperity. Despite the many and considerable advances in wages there is a sense of insecurity on every hand. A consolidation of related Unions is being accomplished in each State, while employers, subject to a similar pressure, are at last realising their own need for similar preparation. Profits are high, business active, and stocks improving.

THE PROBLEM OF SETTLEMENT.

On the other hand, in the sphere of public affairs, there is just as marked a condition of suspended animation. All the Legislatures except ours are out of session, and ours, so far, has been merely marking time. Yet the situation in several States may soon become critical. General Elections are within the possibilities of this year or soon after its close in every other State on the mainland and not far out of sight here or in Tasmania. But at the moment a torpor prevails, partly due to the exhaustion

following the Referendum campaign and partly to the efforts to discover the best course to steer for the present in the light of that great event, which is absorbing party leaders and their counsellors. A large body of Federal Labour members are now making a coastal tour in Papua. A few colleagues belonging to the Opposition, who intended to make the visit, have withdrawn either because the route chosen or because the preponderance of members of the Caucus, who had booked passages, has damped their ardour. A tour in the Northern Territory is much more urgent, though it would be far less comfortable for those undertaking it. The problem of settlement, more pressing there than anywhere in the Commonwealth, has not been attempted to be solved so far, though an expedition of scientific men is now *en route* from the south and an exploring party is lost to sight for the present in the interior. Considering the enormous area to be coped with, these, though necessary and valuable forward movements, fall ridiculously short of what is required of us. Unfortunately our Metropolitan centres are so attractive to the average citizen that their growth outstrips that of the richest of our innumerable rich districts. The Census returns show that Sydney has added nearly a third to her numbers since 1901. We now have, packed into an area of 178 square miles, some 638,000 people. Melbourne, too, has added to the total of its citizens, though its area of 314 square miles to-day contains about 50,000 persons fewer than ours. Of course, we shall show large percentage increases in settlement everywhere, but proportionately much smaller. Progress and, indeed, rapid progress is visible in every direction, but for all that, in public affairs, though it is much less measurable there under any circumstances, the advance in the Commonwealth towards either a wise general policy or party efficiency is hardly visible at the present time in any of our political arenas.

LEASEHOLD AND FREEHOLD TENURE.

For instance, our New South Wales Ministry this session is spending its time in backing and filling or in praying for a favourable breeze. The Government land policy, the principal item from most aspects, threatens to land its authors in considerable difficulties. Our State Labour platform, drawn up mostly by irresponsible Trade Unionists, innocent of Parliamentary or political experience, includes a plank which requires the substitution of leasehold for freehold tenures, in the case of Crown lands capable of being alienated, or now in process of alienation. This while they were in Opposition mattered little. At the late election, when for the first time our Caucus came in sight of a possible majority, then candidates spoke with two voices upon this question. Leasehold, even to the small back-block farmer, was as dust and ashes upon his palate. Naturally enough, therefore, this part of the platform was by no means emphasised, and always evaded if possible by Labour candidates in country constituencies. In town, where the party was appealing to an entirely different body of electors, who neither owned, nor are likely to own land, there was not the same reason

for reticence and much to commend the project. Consequently it figured largely among the panaceas promised. Among the methods adopted by the party for giving effect to their preference for leasehold tenures, is a proposed repeal of an Act passed by the last Government, which enabled holders of certain forms of leases to convert their holdings into freehold, within a certain time and under fixed conditions. Hence the "repeal of the Conversion Act" formed a prominent part in the party programme, except where in constituencies mainly rural or still sparsely settled political expediency required otherwise. The Government in Sydney, being under the thumb of its city leagues and their representatives, are introducing the necessary legislation to cancel the Conversion Act and to prohibit further alienation in fee. This quite legitimate and consistent course on their part has been met, however, with a declaration of flat hostility, first from the Independents, on whom the existence of the Government depends, since they mostly represent country electorates. Next some of its own pledged country supporters are proving recalcitrant in the secret Caucus which governs the Cabinet, so that it seems very doubtful if the measure can be carried. Already the opposition threatened has had the effect of forcing the Government to abandon some of the most objectionable features of their recently tabled proposal. Land nationalisation of the fee of all these Crown lands would be a very serious innovation indeed. It is obvious that we are still a long way from it in this State, even though our voters put in office a Government which includes it among its professions of faith, and a party every one of whose members is pledged in the most absolute manner to pass it into law without delay.

LABOUR MEMBERS' DIFFICULTIES.

Still the political situation in this State, though more distinctly developing before the eyes of the public, because our Legislature is in session, differs only in that respect from the situation in South Australia. There our only other State Labour Cabinet will be confronted by difficulties of much the same kind directly it meets after recess. The Caucus in each State is in a somewhat similar predicament, since in every State a Caucus Ministry is a reasonable probability after the next election. Unwilling to go further along the road of exploitation, afraid to go backward in the face of its exacting stalwarts, our Labour members to-day have harder nuts to crack than ever before. At last responsibility is overtaking them. The lesson from the Referendum experiences of the Federal Caucus Cabinet and the overwhelming defeat of its attempts to grasp authority from the States has sobered State representatives in each local Caucus. A "considering cap" is on all the thoughtful men whose nominations from their leagues are granted by comrades to whom they have been promising all kinds of personal gains, most of which were to be obtained by means of a repeal of the Conversion Act and other invasions of legalised private rights. Their comrades probably continue to believe as they were taught, and will not be easily reconverted.

THE COMMONWEALTH OF AUSTRALIA.

INDUSTRIAL DISPUTES BILL.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 20 1911; Aug. 5 1911.

Of the making of laws for the prevention and settlement of industrial disputes there seems in this country, and particularly in this State, to be no end. The system is established and its principle permanent. After a Voluntary Arbitration Act in 1901 we established the Industrial Arbitration Act, which introduced the system of settling disputes by a judicial proceeding in a Court, presided over by a judge, which included representatives of employers and employees. This tribunal soon became hopelessly in arrears with its work. In 1908 the whole of this Act was allowed to lapse, and was superseded by Mr. Wade's system of Wages Boards for each separate industry, subject only to a Court of Appeal. This system certainly justified itself in the eyes of the public, and has had to be retained, at all events in form, though its character is being substantially altered. Apparently the hostility of the militant Labour Leagues, who fought these Boards bitterly from the outset, still remains. But they have succeeded too incontestably to allow of a continuance of this irrational hatred. The Labour Party, however, has never yet openly admitted its change of attitude, and the old feeling has had a grave effect on the new measure. Hitherto, Wages Boards have, after full enquiry, made an award dealing with all the conditions of labour in dispute, which is directly binding upon all persons engaged in the industry. Under Mr. Beeby's new scheme, however, the Boards are merely to report to a Court, which alone will exercise the all-important function of actually making the binding award. When the Boards' recommendation comes before it for confirmation the Court will have full power to modify it in any way it chooses, and thus the legal tribunal of 1901 is smuggled back into its old position of supremacy. The preliminary investigations of the Boards will of course assist the Court most materially, but at the same time legal forms and methods, together with "the law's delays", are now unnecessarily superadded. An interesting modification of the existing system of penalties for striking is also submitted. Anything in the nature of a strike is still an offence, punishable by imprisonment, but under the new system it is to be an offence only when the organisation striking has failed to give due notice to the Minister of the existence of a state of unrest likely to lead to a conflict. This will allow the Minister and his officers opportunity to intervene, with a view to preventing the unrest from culminating in a strike. On the other hand, there

is the very serious qualification that if his intervention should prove unsuccessful, presumably a strike will be free from any penalty, so far as the law is concerned. That would be fatal to the whole design.

PREFERENCE FOR UNIONISTS.

Then, again, a great deal of interest attaches to the proposals affecting preference for unionists. This is already the source of no inconsiderable share of our industrial troubles. It is unquestionably a very thorny subject, as the vital question of the efficiency of the work-man is sought to be ignored. The unwillingness of the employers, and of a very large section of the public, to accept a system which enables an industrial tribunal to force upon them a member of a Union whom for any reason they may distrust or dislike in preference to a non-unionist whom they want is natural enough. But it is also natural that the feeling of the unionist should be that the benefits of unionism which he and his fellows have won should be confined to those who have made the sacrifices by which they have been secured. It is replied that many of those who bore the heat and burden of the day have passed and are passing away. But then, again, there is the rejoinder that it is only by the efforts and the sacrifices of unionists to-day that still more improved conditions can be acquired. The uniform series of successes and expansions that have so far attended our Unions deprive both pleas of most of their relevancy in Australia. We have tried both systems in New South Wales. Our Act of 1901 was based upon the recognition of Trade Unions. No other body could approach the Court. Moreover, the Court, in its award, was empowered to, and did from time to time, include in its award provisions making it compulsory upon employers to engage unionists in preference to non-unionists. Mr. Wade's Act of 1908 annulled this part of the system. It drew no distinction between the two classes, so far as the privileges of the system were concerned. Now it is proposed that we shall revert to the original plan, with modifications. Preference is to be given, but only under certain conditions. One is that the Union seeking it must open its doors freely to any reputable citizen who wishes to join, on his compliance with proper conditions of entry. Another is that the Court, when granting it, must be satisfied that it will conduce to industrial peace, or to the better observance of an award. If these conditions are complied with, both of them being, so to speak, matters of opinion, it is to be obligatory upon the Court to grant the desired preference, though in so doing neither legal principles nor legal methods can be relied upon. That is a very serious matter. Another feature of complete novelty is a provision enabling officers of the Government, in the event of a strike, to step in and take a secret ballot of the men concerned, as to whether or not the strike shall be continued; or, if it is only threatened, whether it shall occur at all. An arrangement of this kind, if properly carried out, would certainly have avoided some of the most serious industrial

disturbances of recent years. Such a proposition, if adopted, would provide a very valuable safety valve in times of excitement. It would also remove the not unwarranted suspicions of trickery and ballot-box stuffing which have often been aroused by the conduct of the interested Union officials who have presided at their ballots.

PROPOSED EXEMPTION FROM COMPLIANCE.

These matters, though they are in a sense details of interest mainly to those who are students of this kind of legislation, are all of great importance. There is yet another feature of the proposals which has a still wider range, and embodies an entirely new principle. One of our chief difficulties in the administration of the existing system, and also of that which preceded it, has been the fact that the most numerous and powerful Unions—the Newcastle miners, the Broken Hill miners, the wharf labourers, and the coal lumpers, have steadily defied our statutory prohibitions of strikes. Numbering, as they do, some 7,000 members between them, it is obvious that the task of enforcing compliance, or of inflicting punishment on all the members concerned is and must remain impossible. Mr. Beeby, the Minister, with more regard for the political influence exercised by these Unions upon the Labour Leagues and their political representatives than for the prestige of Parliament or Constitutional principles, proposes to exempt these four Unions from compulsory compliance with the provisions of the new measure. They may come under it if they like. The way is made as easy and profitable for them as possible. But there will be no compulsion, and if they choose to continue outside the scope of the legislation in a position of exceptional privilege and supremacy they may do so. In that event they will be provided with the assistance of standing conciliation committees, appointed by the Government, in settling disputes with their employers. This obsequiousness of Parliament to industrial corporations is not a little startling to people who entertain the idea that laws are intended to bind rich and poor, weak and strong, equally. The Minister justifies the extraordinary exemptions on the ground that it is no use his shutting his eyes to the fact that those Unions will not avail themselves of the advantages of industrial measures, nor obey its injunctions unless they so desire, and the Government cannot force them to do so. In other words they and they alone stand above the law. Of course this kind of reasoning points to the conclusion that legislation of this kind should not be passed at all. In any case, if we are compelled to choose some kind of surrender to these insurrectionary forces in our midst it would be better even that the law should be successfully defied than that it should contain official recognition of the inability of the State to enforce it where its enforcement is most necessary. It is upon this part of the proposals that the keenest struggle seems likely to be waged. It is certain they will not pass into law without the strongest resistance. In their present shape they seem repugnant to liberty and democracy as well as to the root principles of constitutional government.

THE COMMONWEALTH OF AUSTRALIA.

UNSTABLE POLITICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 27 1911; Aug. 14 1911.

It is now evident that the leadership of Mr. **Wade** and his first lieutenant, Mr. **Wood**, is being seriously challenged not only by the Independents, for whom Mr. **Storey** speaks, but even in their own following. Coming after Sir **Joseph Carruthers**, who had to be practically forced out of the Premiership by his former supporters, Mr. Wade's straightforwardness, devotion to his work, and courage in fighting have won him a measure of high esteem which he still retains. Still, he has never been an inspiring chief, seeming to follow rather than lead, and he has always remained rather out of touch with his party and even his colleagues. Although his personal responsibility for their plight is not as great as that of some of his associates, he has been unable to keep them up to the collar or to make converts among the unattached. His appeals aroused no enthusiasm during the last General Election. Mr. Wood having been even less successful, no one in the Cabinet is commended to the dissatisfied politician. No one outside it has conquered public attention or confidence. Yet, though there is no vacancy to fill and no rival aspirant to Mr. Wade with any effective following, all that can be chronicled at present is a confused discontent and a general sense of unrest from which there is nothing definite to be expected at the moment—assuredly our politics are more unstable to-day than they have been since Mr. Wade took the reins.

PROGRESS OF MANUFACTURES.

The statistics of our manufactures for 1910, just published, disclose a remarkable, though not unexpected, expansion. During the first few years of Federation, notwithstanding the introduction of a federal protective tariff and the opening up of the whole inter-State market to Australian-made goods, our factories showed very little progress. This was due partly to the fact that Victorian manufacturers, thanks to many years of Protection, were in a much better position to take advantage of the opportunities afforded by this expanded market; but much more to the devastating drought which, reaching its climax in 1902–3, had seriously reduced the purchasing power of our people. Since then, the primary industries of the whole of the

Commonwealth and particularly of this State, wheat, wool, and metal production, having enjoyed an unprecedented prosperity, are now responsible for a greatly increased demand for local manufactures. This branch of industry found employment in 1910 for nearly 100,000 persons, or 64 per cent. more than in 1900. A more gratifying feature of the figures, however, is the fact that the total amount of wages paid to them increased by no less than 74 per cent. in the same period. The average earnings of male workers last year were £102 9s., and of females £39 10s. The rise in wages is a natural enough phenomenon under our economic conditions, the supply of workers being small, and the demand for them steadily increasing.

WAGES BOARDS AWARDS.

The awards of our Wages Boards, which have in almost every instance raised wages substantially, have registered an upward movement which in some instances might have occurred without them. At any rate it would be unsafe to attribute the whole of the increase to their operations. These, however, have certainly enhanced and expanded that increase in many directions. Yet at the same time they have tended to promote industrial peace and have also had an enormous value, none the less marked because it is difficult to measure, by giving publicity to the conditions under which the lives of our workers have to be lived. This rise in wages has been accompanied by an advance in the cost of living considerable enough to induce our State Government to appoint a Royal Commission to inquire into its causes. There is no reason to suppose that it has kept pace with the rise in wages, of which it has been to some extent provocative. It is manifest that our factory operatives stand to-day in a very much better position than they did ten years ago. Another great achievement beyond dispute is that the operation of Wages Boards have practically abolished sweating in the trades to which they have extended. That alone more than justifies their creation. It is also clear that the settlement of wages and conditions of labour in them, by what is sometimes termed an artificial process, has not retarded the progress of manufacture. Our own experience is too short to furnish examples, but in Victoria to-day the bootmaking industry, which has been longest subjected to these "artificial" restrictions, is unable to keep pace with the public demand, and is strong enough to announce an advance in its prices. Whatever else may go, the Wages Boards system appears to be permanently established throughout the Commonwealth.

IMPERIAL COURT OF APPEAL.

The cables have just given us an outline of the discussion in the Imperial Conference on the question of a single Court of Appeal for the Empire and its result. Lawyers here who interest themselves in this question find it difficult to understand the Lord Chancellor's unyielding opposition to the merging in name as well as in fact of the House of Lords and the Privy Council into a single Imperial tribunal. It is satisfactory to observe that he has abandoned the attitude he took at the Conference of 1907, when he contended that no substantial improvement on the existing system was possible. His own proposal now, according to the cables, appears almost to go as far as the most ardent reformer went on that occasion. But if the Government, speaking through Lord Loreburn, is willing to strengthen the personnel of the House of Lords and the Privy Council by adding two English judges of the highest calibre, and making the quorum five, these five to sit successively in the House of Lords for the United Kingdom, and in the Privy Council for the Dominions, we are curious to know what obstacle there can be to recognising this tribunal for what it really will then be—an Imperial Court of Appeal. Still, no practical step seems to have been taken towards securing a more adequate provision for the representation of the Dominions on the Board or Court. The existing system, notwithstanding the reliance which appears from the cables to have been placed on it by Lord Loreburn, is out of date and anti-Imperial. Why then should it continue to cumber the ground or induce a misleading rearrangement instead of a frankly Imperial reorganisation of the highest Court in the realm to meet Imperial needs?

THE COMMONWEALTH OF AUSTRALIA.

INDUSTRIAL AFFAIRS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 4 1911; Aug. 18 1911.

The new consolidating and amending Bill for the regulation of our State industrial affairs has been read a second time. The Government majority of four votes, but for accidental circumstances, would have been reduced to one, yet Ministers affect to be confident of carrying it through the Assembly with this all but invisible margin. If they do it will be because there are members who dread a dissolution more than the Bill. However, it may be amended in the popular Chamber. Our Legislative Council will certainly not accept a measure of this grave importance with only a nominal majority in its favour. Ministers are apparently fighting for time. Timid members, therefore, rely on this protection. Mr. McGowen's tour is to be extended to Canada, though no one anticipates that his travel will or can affect the policy that his party in Parliament must press forward. The Caucus has not travelled, and its aims are cut and dried. Little else can be added to its policy, and no surprise additions will be tolerated except to distract public attention. Mr. Wade, having received an ovation at the opening of the Liberal Conference now sitting, is once more safely seated in the saddle as leader, though time will be required before he restores unity and discipline within his own camp. He is still the only possible leader. His opening address to the Conference showed him at his best, because, being put upon his mettle, his somewhat sluggish temperament was roused to the effort.

THE CENSUS RETURNS.

There being no question of so much importance to Australia as that of population the returns of the recent census just published have far more than a mere statistical interest. Unfortunately, our total gain during the last decade for the whole Commonwealth has been only 675,692. For the previous ten years it was under 600,000. Measured by our total of four and a half millions the percentage looks well, although the figures are really almost meaningless. Such an addition means next to nothing when measured by what the *Telegraph* calls the "aching emptiness" of this Continent. Our small gain has been made in spite of a rather deplorable inactivity

in promoting immigration on the part of the authorities, at any rate, for the greater part of the time, principally due to the stubborn hostility of the Labour Party. There is reason to believe that the coming ten years will show such a marked change in political opinion that even its Leagues will be unable to prevent a much larger influx. Hitherto Labour obstructionists have taken advantage at every turn of the unfortunate inability of the Commonwealth and the States to hit upon some plan of harmonious action. Little or nothing is to be expected while the Caucus controls the Federal Parliament. Still, there are signs that both sets of authorities are realising that existing methods cannot be allowed to continue. They are too poor and much too slight to meet national needs.

REPRESENTATION OF THE STATES.

Politically, the census figures have a direct significance. Victoria loses while Queensland gains a member in the House of Representatives, where the representation to which each State is entitled varies automatically with its population. Their most serious bearing is upon the question of equal representation in the Senate. Leaving out Western Australia, where, in spite of an increase of more than 50 per cent., the population still remains less than half that of Sydney alone, the most marked growth has taken place in this State and in Queensland. The tide of settlement is evidently setting in our direction, since these two States show an increase of 22 and 21 per cent, respectively. The other three, Victoria, Tasmania, and South Australia, have increased only by 9 per cent. to 13 per cent. It is plain, therefore, that the people of the Commonwealth are being massed, if such a word can be employed at all in Australia, along the eastern seaboard. Ten years hence, if present indications can be relied upon, this condition of things will give us a relatively enormous preponderance in population. Even now our public scans with some concern the effects of our rigid system of equal representation in the Senate. It is unquestionable that a feeling is growing against committing any further control over our domestic affairs to a Federal Legislature where the handful of people in Tasmania exercise in the Upper Chamber the same voting power as nine times their number in New South Wales. This was one factor which helped in this State to secure the defeat of the recent proposals for constitutional amendment. The deductions to be drawn from the census figures are likely to strengthen this feeling. Some extension of federal power over the industrial affairs of the States is admittedly necessary. But whatever form that may take there will be some effort, direct or indirect, either to modify or balance the system of equal representation in the Senate as it now obtains.

COMPULSORY MILITARY SERVICE.

On July 1 there came into force the latest of our several Defence Acts, completing the foundations of our military system. Its compulsory provisions are now in full working order. Practically every male person of European origin and descent between the ages of twelve and eighteen, and every boy hereafter reaching the age of twelve, is compelled to undergo a fixed training fitting him for participation in national defence. Promotion will be from the ranks, through the new Military College, according to the ability displayed in competitive examination. The wide spaces of our interior have made it necessary to confine the compulsory training for the present to the more thickly populated parts, which, broadly speaking, means the south-eastern and eastern seaboard and certain stretches of country in Western Australia. It is estimated that nine years hence we shall have, as a result of the system just brought into operation, 200,000 citizen soldiers, 130,000 senior cadets, and 70,000 juniors. Twenty years hence it should give us a force of half a million trained men, all under thirty-eight years old, and all liable to serve at call. A day or two before the Act came into force Lord Dudley opened the Australian Military College, which is the first public building on the new capital site at Canberra. This institution for training officers is being thoroughly well equipped. Already forty-one boys, drawn from all parts of Australia and some from New Zealand, have commenced their military education. It is intended that forty more shall be taken into residence at the end of each of the first four years. Altogether then Australia has at last set about the business of its own defence in earnest. For years the chief obstacle has been the antagonism of the majority of the Labour Party. The principle of universal service had to be forced upon the Caucus by the strenuous insistence of its political opponents. It is the irony of politics that a Federal Labour Cabinet should be in office now giving effect to a defence programme for which a short time back only a few far-seeing men in the Caucus like Mr. Watson and Mr. Hughes could be found to say a good word.

THE COMMONWEALTH OF AUSTRALIA.

POLITICAL SITUATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 11 1911; Aug. 23 1911.

The Commonwealth political arena remains undisturbed and almost ominously peaceful, the only Parliamentary forces visible consisting of the contingent of Labour members who have returned from a flying visit to the coasts of Papua. But four State Legislatures are now sitting, including the two, our own and that of South Australia, in which the Caucus is in command. Western Australia and Tasmania await the return of their Premiers before taking the field—in the first for a General Election, in the Island State for an active session. Among the six the situation here is the most serious and the most significant, though it is more than probable that any actual crisis will be postponed until Mr. McGowen arrives, and quite likely that it will be delayed until next year. Both parties are in difficulties. Our country electors while keenly hostile to the land policy of the Caucus are not satisfied with that adopted by Mr. Wade, and threaten to create a fourth section of their own. On the other hand, the Australian Workers' Union, the driving force of militant unionism whose leaders aim at incipient communism, still frowns askance at our Acting Premier Mr. Holman, and condemns the moderate character of the legislation submitted by his Cabinet. Our situation is therefore tangled and unsatisfactory. The question is how soon the Caucus can terrorise its members into sufficient unity to enable it to face the country. But both sides and all divisions need time to develop their several bids for power. Still our local politics are obviously in a condition that may at any moment become chaotic. Both sides realise this so far that they are getting their electioneering machinery into working order, to be ready for any emergency. The Government majority, which consisted chiefly of the seven or eight Independent Liberals, who were willing to do everything for the Labour Party except support its policy and anything for the Liberal Party except support its leader, was compelled to follow Mr. Wade on the second reading of the Industrial Arbitration Bill, when after desperate efforts defeat was only averted by the narrowest margin.

LAND TENURE.

Since then fresh and worse trouble has come upon the Labour Party from within. One of the most important planks of its election platform was the “repeal of the Conversion Act”—in other words, the repeal of legislation passed a year or two ago, which gave the holders of certain classes of Crown leases a right to convert their tenure into freehold. This was in pursuance of the official Labour preference for leasehold rather than freehold tenures. This sort of visionary ideal is all very well for the town-dwelling members of a Labour Conference, but it does not suit the small farmer in the country on whose vote many of the County Labour members depend. Hence the deadlock. The Lands Minister, Mr. Nielsen, declares his determination to carry out the policy of the party on this head with rigorous consistency. Several of his country comrades in the Leagues are in almost open revolt, and it seems a certainty that the day which sees the introduction of the repealing measure will also see an open disruption of the party. As the defection of a single member would place the Government in a minority the position of Mr. Holman, the Acting Premier, is not an enviable one. He has shown exceptional skill, so far, in getting out of tight places, and things do not yet seem to be beyond the possibility of adjustment. It is consolatory to discover that the extremist portions of the Caucus programme, which is as such also the Cabinet programme, particularly the introduction into our industrial legislation of compulsory preference for unionists, and the cessation of the creation of freehold tenures in lands alienated by the Crown, stand a poor chance of passing into law. Even if the Government majority of one proved enough to get them through the Assembly, our Legislative Council still contains an overwhelming majority against this kind of legislation. On the other hand, the Australian Workers’ Union, or rather the clique that controls it, sees in these extravagant class demands the goal of its ambitions. Mr. Holman therefore needs to pick his path with great discrimination, though he has permitted himself a public protest against the bitter attacks still being made upon him by the newspaper, *The Worker*.

THE VEND CASE.

The prosecution of the great coal and shipping companies under our Anti-Trust Act is now nearing its conclusion, and by the time this reaches the eyes of English readers the first stage will be over. The trial is taking place before Mr. Justice Isaacs, who has been engaged for the last three months in hearing the evidence adduced by the Crown to prove that these companies entered into a combination to restrain the trade in coal to the detriment of the public. Our law differs from that of the United States, in that it is necessary to constitute an offence, not only that the persons charged

should have entered into a combination to restrain trade, but that their action should be detrimental to the public. In this case the battle has been fought mostly round the question whether the result of the combination has been harmful or not. Evidence has been given to show conclusively that immediately after the arrangement between the colliery companies and the shipowners was made, some four and a half years ago, the price of Newcastle coal rose considerably all over Australia. It is on this fact that the Crown chiefly relies. The case for the prosecution having closed it was fully expected that the defendants would call evidence to show that the universal rise in the price of coal was an economic necessity. They did not adopt this course, preferring to rely on legal arguments tending to show that the Crown case had not been made out. An appeal to the full Bench of the High Court is a certainty. In the background there is the possibility of a further appeal to the Privy Council. The costs of the proceedings have already run into tens of thousands of pounds. We are likely to prove here, what has been already abundantly proved in the United States—that the process of regulating the proceedings of combines and trusts is a difficult one when the resources of those interested are large enough to enable the proceedings to be prolonged and the fullest advantage taken of every legal technicality.

AUSTRALIA AND IMPERIAL ORGANISATION.

A FARMERS' PARTY.

THE NEW SOUTH WALES REVENUE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 18 1911; Aug. 29 1911.

Incalculably the most important event of the year for Australia is the extension of the Anglo–Japanese Treaty. Most Press comments here recognise the fact. Accepting that Treaty at its face value, it means that our system of universal training and our naval development for defence are now likely to have a fair opportunity of obtaining efficiency. This might otherwise have proved impossible. But it is clear to us that much else is necessary in the way of Imperial organisation to enable the Empire as a whole to act as a whole, both in war and in peace. The doctrine of a quasi independence for the several Dominions favoured by Sir *Wilfrid Laurier* and the Hon. *Louis Botha* must be displaced by a coherent scheme for united action in all emergencies, developed under mutual sanctions. There are many difficulties in the way, but these are seen to be of minor character only, when measured with the risks already existing, and sure to increase. That our bonds of union in peace should include adjustable commercial preferences, in every direction possible, is the conviction and the policy of the Protectionist Party generally and of some sections outside it. On all such issues the platform of the Labour Party has yet to be stated. The Caucus not long since was against military and naval defence, and is still tacitly adverse to closer Imperial relations. Having reversed its attitude on the first national issue, it may gradually be forced to reverse it on the second. In any case and from every aspect the extension of the alliance with Japan is a factor of the utmost value to Australasia.

NEW SOUTH WALES LIBERALS.

The recent conference of the Liberal organisation in this State will be remembered principally because it demonstrated the unity of the party and its loyalty to Mr. *Wade*. Farmers and settlers, who followed with a separate conference of their own, received him and his programme with favour, though they were less confident that his organisation would meet their needs sufficiently. But they, too, have unreliable members, their hon. treasurer having just declared that an eight hours' day at 7s. a

day for rural workers was quite defensible. The Conference as a whole declares that to be an impossible proposition, and intends to copy your Co-operative Agricultural Organisation Society in order to conserve their special interests. Whether what you would term "agricultural labourers" of all kinds in this country are to be brought under the control of Wages Boards is a burning question to-day. Our Assembly has just placed a provision to that effect in the Industrial Bill by a small majority. On this particular issue the Caucus is solid. On the other equally vital question whether the existing statutory rights of Crown lessees to convert their holdings into freeholds shall be withdrawn the Caucus is absolutely divided. As already explained all attempts to bring them together have failed so far. It is well known that the evil day of deciding definitely on the policy of the party on this matter is only being postponed in the hope of "something" turning up. Unless a very improbable "something" does turn up it appears inevitable that the present Minister, Mr. Nielsen, must leave the Government, taking with him a considerable body of support, or that several of the country Labour men will openly revolt. Either alternative threatens the defeat of the Ministry.

AN INDEPENDENT AGRICULTURAL PARTY.

Meanwhile the farmers are steadily organising with a view to increasing their political strength, though the methods they intend to adopt have little to recommend them to the Opposition under Mr. Wade. Last week they decided on apparently quite insufficient grounds that their members would form an independent political party, and run their own candidates at future elections. Whether this is wise in their own interests it is hard to say. It emphasises, however, a social and economic change of no small significance to this community. Until a comparatively few years ago our landed population might have been roughly divided into the squatter, with his tens of thousands of acres, and the selector, with his hundreds, eking out a bare and isolated existence in or near the "back blocks". Since the introduction of closer settlement of wheat farming and dairying on more or less scientific principles we have seen the development of a class, which is rapidly growing both in numbers and importance, of substantial farmers, most of them fairly educated men, who, unlike the small selector of the old days, have the opportunity and the capacity for organisation and the determination to make themselves felt in the politics of the State and the Commonwealth. Every year adds to the ranks of our farming class the sons of city merchants or professional men, educated in our public schools and some from our universities, who are gradually transforming the conditions of rural life in the more fertile parts of the State, and adding a new province to our political map. In the meantime the class feeling which their representatives have decided to foster in politics must add to the friction already generated by Labour Leagues, especially that of the rural workers.

FINANCIAL PROSPERITY.

Our financial year closed on June 30 last. The returns of our State revenue and expenditure add another chapter to the history of the prosperity which this State has so long enjoyed. There has been, it is true, a decrease of £700,000 in our total income, as compared with that of last year. This is accounted for, however, by a drop of no less than £1,400,000 in our returns of Customs revenue from the Commonwealth. Since January 1, 1911, nominally, but since June 30, 1910, really, these returns have been on the basis of 25s. per head of our population. In 1909–10 we received back the whole amount of Customs and Excise duties collected in the State, less our share of Commonwealth expenditure. However, half of this immense falling off (which now amounts to one-tenth of our whole income) has been made good this year by a very large increase of revenue from purely State sources. The receipts from income tax have increased by £50,000, our land revenue by over £100,000, while the profits from our business undertakings, such as railways, tramways, harbours, &c., have gone up by over £800,000. Hence the total falling off only reaches the £700,000 mentioned. Our railways and tramways are now not merely paying for themselves, but are annually providing a handsome profit, which goes to swell the consolidated revenue. This may not be good finance. The present Government thinks it is not, and promises to earmark the profits made from these business undertakings for the purpose of reducing the debt incurred in launching them. Owing to this remarkable prosperity we are not yet feeling our enormous deprivations by the Federal Labour raids last year.

MR. FISHER AND THE EMPIRE.

FEELING IN AUSTRALIA. WAGES BOARD SCHEME.

FROM OUR CORRESPONDENT.
SYDNEY, Jul. 26 1911; Sep. 2 1911.

Mr. Fisher's homecoming has been spoiled by his own indiscretion. From his opponents he had nothing to expect after his abandonment in the Conference of the policy of his predecessors, to which he had professed allegiance. On all matters of major importance in London he subordinated himself to official influences. But the Labour Leagues cared for none of these things, and though their sympathies had been alienated by his acceptance of the Privy Councillorship and other departures from the democratic demeanour expected of him, political considerations would have demanded a welcome to him on his return. This need not have had a wholly party colouring, and would probably have been generously aided by representatives of the Opposition. His subordination to the views of Sir Wilfrid Laurier and General Botha in the Conference had not been anticipated, but was partially excused. His reported open acceptance of the anti-imperial policy of a section of the French Canadians and of a section of the disaffected Boers, put into plain language, leaves him with only the revolutionary Socialist wing of his following behind him. They alone glorify his secession principles, and from them alone is he at present receiving applause. The Labour Leagues are silent, and the whole of the rest of Australia emphatically condemns the utterance attributed to him.

NEWSPAPER REPUDIATION.

To-day the whole of our principal newspapers are ringing with repudiations of the anti-Imperial statements he is said to have made. These have only been made public when he was safe at sea, and, apparently, in order to protect himself in advance against possible imputations here. The trend of his colourless speeches adumbrating an invertebrate policy while a guest of the Mother Country had to be given a different turn. It is noted that he does not seem to have expressed a simply personal view. The pronouncement is made as if on behalf of his Cabinet, that is to say, for the Labour Caucus, of which Ministers are merely delegates in office during its pleasure. So far the storm of reprobation in our Press has not provoked any disclaimer from the Caucus or in its behalf. But the silence need not be taken as necessarily denoting an

official endorsement by the Caucus of the Fisher anti-Imperial policy. It certainly means that, so far, the conference of the party not having definitely declared the will of the majority on these matters, the narrow-minded, strictly self-seeking, conditional, and temporary adhesion to the Empire said to have been defined by Mr. Fisher may yet be accepted. It is, at least, a permissible and perhaps probable forecast of an addition to the next Labour programme. In any case the mischief has been done and seems irreparable. If Mr. Fisher's views have been correctly represented, the loyalty of Australia has been openly impugned in offensive terms by her Prime Minister, the spokesman of the Cabinet, the Caucus, and the Leagues. He is even reported to have said that he is prepared "to haul down the Union Jack" whenever that seems the profitable course for this country. Yet it is safe to assume that his majorities in both Houses of the Australian Parliament will be obliged to refuse to censure and probably to defend this most unwarrantable and deplorable declaration of contingent disloyalty.

LEASEHOLD QUESTION IN NEW SOUTH WALES.

What the States' Labour members or their Caucuses can do to parry the blow given to them by Mr. Fisher does not yet appear. In New South Wales they are already encountering a siege of troubles, of which the most pressing arise out of their Land Bill and Mr. Wade's no confidence motion. For the first time in our experience two Labour members are resigning their seats rather than support Mr. Nielsen in his substitution of leasehold for freehold tenure. At the same time they decline to stand again, though, with the issue plainly put to their constituencies, it may be inferred that no supporter of leaseholds will have much chance of success. The Ministerial majority, if there be one for the Land Bill, will have gone, and that for the Ministry itself is going, if not gone, also. Even Mr. Holman's dexterity and persuasiveness can scarcely save the Government. The situation, therefore, is all but desperate in the House because of the leasehold crisis. Yet worse remains behind. The Australian Workers' Union and its paper, the *Worker*, are pursuing their vendetta against all who declined to support the Federal Labour Caucus in its attempt to transform our Constitution by the amendments submitted to the Referenda last April. Mr. McGowen, Mr. Holman, and Mr. Beeby, the leaders of our existing Cabinet, were also the leaders of the opposition to the Referenda, honestly believing that a better control by the States' Governments could be secured in all industrial matters than by that of the Commonwealth as a whole. They adhere to this view, and to the decision of the last Federal Labour Conference, in despite of the determination of our State Labour Conference, that all loyal Labour men were bound to support the transfer of industrial power to the Commonwealth. The amendments were rejected at the Referendum by an immense majority, and one of the important factors contributing to their rejection, throughout Australia, was the fact that several of our most prominent Labour men in State politics were known to be against them, and to have affected thousands by their inaction. For this they have never been forgiven.

A WAGES BOARD FOR TEACHERS.

Mr. Beeby, who is at present the Minister for Labour and Education, is only less hated than Mr. Holman, not only for his fidelity to his political conscience but because he has since the Referendum, in a straightforward fashion, maintained the opinions which gave so much offence then, and has added fresh sins to his record. He is in charge of the Amending Industrial Arbitration Bill. It is proposed that the teachers in our State schools should form a union and have their payments and conditions of employment settled by a Wages Board. Mr. Beeby opposes this suggestion, pointing out, very reasonably, that a teacher's position is not one for the regulation of which a Wages Board is the appropriate instrument. Rural workers are also to be included in the new legislation. Mr. Beeby has made it clear that in his view such a Wages Board would probably have to content itself with settling rates of pay. It would not be practicable, he thinks, to impose uniform regulations as to hours and conditions of labour on a class whose duties and practical acquirements vary so widely as those of agricultural labourers or dairying employees. For these perfectly reasonable sentiments, founded upon indisputable facts, he is solemnly cursed with bell, book, and candle by the *Sydney Worker*, which claims to be, and in effect is in this State, the official organ of the Labour Party. Mr. Holman has long been the *bête noir* of the same paper which really creates, and therefore represents, the prevailing tone of extra-Parliamentary Labour opinion. If it does, the two Ministers mentioned, probably the ablest men in the Labour ranks here, are hopelessly out of touch with the rank and file of the party they lead. Unfortunately for them there is only too much reason to believe that this is really the case. A special conference will put them on their trial next month. As they have sown they must now reap. They cannot now awaken the personal judgment and independence which have been so long suppressed in the Leagues with their consent.

The division is fundamental. It is between the moderation and fairness of men who know that a political party can only achieve lasting success by a policy which commends itself to the reason and conscience of the community as a whole and the unrestrained enthusiasm and stultifying bigotry of men who think that a Labour Government can only deserve the confidence of its supporters by subordinating itself to a particular sect of political zealots and to a class bias of animosity. At present it looks as if the irreconcilables would win. If so men of the Holman and Beeby stamp will be forced to find a political resting place in some other quarter. Incidentally this will mean the extinction of the present Labour Government, and in all probability the political impotence of Labour for a long time to come. It should pave the way for sounder measures and a more practical endeavour to multiply and develop the resources of New South Wales.

THE COMMONWEALTH OF AUSTRALIA.

THE FISHER–STEAD INTERVIEW.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 1 1911; Sep. 9 1911.

What did Mr. Fisher convey to Mr. Stead in their now famous interview? No one can guess. Warned on his arrival at Colombo of the storm raging in Australia in consequence of Mr. Stead's interpretation of his remarks, Mr. Fisher was naturally considerably agitated. He promptly characterised Mr. Stead's version as a "grotesque misrepresentation" and "grossly misleading". His own version, vague as it is, certainly confirms his complaint. He expressly denies having directly or indirectly referred to any contingency under which he would "haul down the flag". The sentiments attributed to him are "brutal", "monstrous", and would imply his "insanity". Nothing could be more emphatic than his repudiation of the statements put into his mouth by Mr. Stead, each and all of those cabled to us being specifically contradicted in his cable to London. Our Prime Minister's message to his colleagues here is brief and unsatisfactory. Doubtless he did remind his interviewer that "our objective was the world's peace, our policy effective defence, and our aim the unity of the Empire", though those do not sound as if they were his own words. In the part supplied to the Press he says nothing further as to the extraordinary policy alleged to have been stated for the benefit of the British public just prior to his departure. His message to Mr. Hughes throws no fresh light upon the future programme of his Cabinet and party in this relation. His summary of the whole incident was characteristically stated in the one sentence of his rejoinder—"The interview is not mine, and is misleading in material points". If it is not his, there is an end of it on all points, so far as he is concerned.

What Mr. Stead has to say for himself is beyond even a guess. He cannot have invented the interview. He did see Mr. Fisher, and for seven minutes, as Mr. Fisher estimates, our Prime Minister answered his questions. No proofs were submitted; it is a case of memory against memory, another element to be taken into account being the interval of time between the receiving and recording of the statements published by Mr. Stead. The public at large awaits with expectancy a plain answer to the plain question. "What were the assents or statements of Mr. Fisher upon which so experienced a journalist risked his reputation for trustworthiness?" At present the gulf between his report and

Mr. Fisher's recollection is unbridgeable. After making all possible allowances for Mr. Fisher's well-known cloudiness of expression on the one side, and Mr. Stead's appetite for sensational revelations on the other, it is impossible to reconcile their testimonies. Unfortunately, no third person appears to have been present. Meanwhile the situation has been complicated owing to the barely qualified approval given to the dicta, which Mr. Fisher now not only denies, but shrieks against, by his principal newspaper supporter, the *Worker*, and other Labour journals. Whatever our Prime Minister's opinions may be the fighting section of his supporters, which is the driving power in the Caucus, is by no means averse to the anti-imperialism with which Mr. Stead has saddled him. A selfish and shameless exploitation of British attachment, so long as it pays us, and an instant refusal of assistance when we can save our own skins by deserting the Mother Country, may well shock Mr. Fisher into the strongest language he can lay his tongue to at the moment, but it has no such effect upon his chief Press apologists, who evidently would feel in no way offended if their leader thought fit to advocate that despicable course.

POLITICAL CHAOS IN NEW SOUTH WALES.

Our State politics have resulted so far in a stale-mate or deadlock which may after all enable Mr. McGowen to remain in office until he returns, though he has just authorised the resignation of his Cabinet. The convulsion to which all the signs in the political firmament have been pointing for some time came in a quite unexpected manner, but having come now, at the time of writing our Parliamentary conditions are only mildly described by the word chaotic. In its essence ours is more than a mere local crisis. It has a good deal of significance as the outcome of one of the first experiments we have had in Australia of Cabinet Government attempted by a collection of independent Ministers, each of whom seems to have regarded himself as free from responsibility for the acts or opinions of his colleagues. Not many months ago, as already explained, one of the planks of our Labour platform was the repeal of an Act passed by the Wade Government, which gave the right to certain Crown lessees to convert their leases into freehold. Mr. Holman, the Acting Premier, Mr. Beeby, and other members of the party, who represent country constituencies, gave definite pledges that despite the repeal the rights of existing lessees to convert will be preserved. Mr. Nielsen, the Minister for Lands, interpreted this article of the party's policy differently. He frankly contended that the repealing Act should apply to existing holders of these convertible leases, and the bulk of his associates agreed with him. No difficulty seems to have been created until recently by these divergencies of opinion. The party being anxious only to win seats, condoned the differences in the first instance, and after the elections agreed to say nothing about them. Meantime, Mr. Nielsen went on, after the House met, reiterating as before his determination to

abolish all rights of conversion obtained under the Conversion Act, while the other Ministers went on assuring their constituents that they had nothing to fear. Such a position would, of course, have been impossible to a Government holding traditional principles of Cabinet unity. It appeared to create no difficulty in a party holding the views of Ministerial independence which have been described. At last, however, the position became intolerable. Mr. Nielsen announced in the House his intention of introducing, at an early date, legislation on the lines of his own interpretation of the Labour platform. The differences of opinion in the Labour Party were well known to their opponents, and the subject was made the occasion of a motion of censure, designed to compel a public revelation of this rift in their ranks. The Censure motion was just defeated, but it served its purpose. Two Labour members, who had long been known as strongly hostile to Mr. Nielsen's policy, resigned their seats rather than remain members of a party which they thought was committed by his declarations to a repudiation of existing rights. Thus the official Government majority disappeared. The independents, who were numerous enough to give them a good majority, were opposed to them on this issue. The Government then asked the House for a three weeks' adjournment until after the by-elections for the two vacated seats had decided which party had a majority. The House refused to grant it. Mr. Holman then appealed to the Lieutenant-Governor for a prorogation until after the vacancies were filled. This request was also refused. The Government then resigned, but according to present appearances Mr. Wade will be unable to accept office, since the Speaker has vacated the Chair. The numbers on each side are now equal, and may be altered either way by the two elections now pending.

THE COMMONWEALTH OF AUSTRALIA.

MILITANT CONTINENTAL SOCIALISM.

THE STRIKE IN THE SUGAR INDUSTRY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 8 1911; Sep. 16 1911.

At this moment the fate both of the McGowen Ministry and of the Assembly to which it is responsible are staked upon the two by-elections. To await their result our Parliament has adjourned. But this is neither the only peril of the Labour Cabinet nor the most serious. One of the factors chiefly contributing to the defeat in this State of the recent proposals for the amendment of the Federal Constitution was the active or passive opposition of some of our leading Labourites. The majority of them, including Mr. Holman and Mr. Beeby, were too strong in their adherence to indispensable State rights to be coerced even by the fulminations of a State Labour Conference, which, quite in excess of its Constitutional authority, assumed a dictatorship over all members of the State party. These were peremptorily commanded to support the Federal Government's proposals without regard to their principles or pledges. The amendments being defeated at the poll, the offence of the State members who refused to obey orders has been neither forgotten nor forgiven. As if the Labour Administration had not trouble enough to face from its opponents, the "extremists" who advocated the transfer of all industrial power to the Commonwealth are resolute in their determination either to expel from the party or to exact humble penance from everyone who refused to bow the knee at the bidding of the Australian Workers' Union. A special conference has been called, to meet in a fortnight, at which all the recalcitrants are to be practically put upon their trial. The fact that they include several men without whom the Caucus would lose a large part of its claims to public confidence, and whose expulsion or voluntary defection from the party would immediately reduce it to political impotence, does not weigh with the promoters of this latter-day heresy hunt. They are perfectly satisfied that this Union alone is capable of creating another Cabinet at a moment's notice.

TRIPLE CONTROL.

This particular incident affords an unpleasant instance of the bitter and indiscriminating intolerance which threatens to become more and more characteristic of the Labour organisation in Australia, though it has already alienated, and will continue to alienate, its more enlightened adherents. This spirit appears to be a necessary accompaniment of the tendency to elevate the party machine above the man, this being according to the *Worker* exponents of Labour polity, an essential part of the party methods. It is certainly unfortunate for the Government, though fortunate for the country, that just at the time when it is fighting for its existence in Parliament it should have to fight for its existence in its own party. The "Democratic" section, which up to the present has given the Cabinet a working majority in the House, has now to all appearances associated itself irrevocably with its fellow-Liberals, so that Labour will henceforth have to depend upon its own majority of one or two. All the least attractive features of the Party's political methods are thus being forced upon public attention. The members of the Government, according to this new departure, are to live under a triple control, being always responsible, not only to their constituents and to Parliament, but also to an irresponsible gathering from their leagues notoriously under the thumb of the Australian Workers' Union. This last body is not merely unrepresentative of the Labour vote, but it is mainly under the guidance of men whose methods are modelled upon those of the militant Continental Socialists. Hence the Labour Party's deadliest enemies today are those of its own household. Ministers are standing their trial before this tribunal and in the two constituencies voluntarily vacated by *dissentient comrades*, while to crown it all they and their followers have reversed the land policy upon which they claimed to have been elected and to support which they obtained the majority necessary to keep them in office only a few days ago.

THE SUGAR INDUSTRY.

But the darkest cloud on the horizon of the Commonwealth, especially threatening Queensland and New South Wales, though certain to affect seriously the whole of Australia, is the strike in the sugar industry. The millers and growers have so far successfully resisted the demands sprung upon them just when the cane required to be cut or left to perish, but the deeds of violence of the more recklessly lawless Unionists have been steadily increasing. Police protection cannot be afforded effectively, as the sugar belt extends for hundreds of miles. The real grievance of the cutters is that though high wages and indeed often very high wages are earned under contract, they prefer a fixed engagement for the season at a fixed weekly wage, with an eight hours' day. Their employers, the cane farmers, insist that this means great delay and extra cost, while the price they obtain for their cane from the mill

and refinery owners makes it impossible to concede these demands. Much the most important of these mill owners is the Colonial Sugar Refining Company, a very wealthy corporation, which, operating largely in Fiji as well as in Australia, dominates the business of sugar refining in the Commonwealth, except so far as this is modified by the Government and private mills. Nothing can persuade the aggressive Unionists that this company, whose shareholders certainly reap extraordinarily good dividends, and whose profits are always large, does not seize for itself an unfair proportion of the total produce of the sale of refined sugar in Australia. Indeed that belief is shared by many outside the ranks of Labour, though they are discomfited by the fact that the company has always challenged inquiry. The last **Deakin** Government actually appointed an expert commission to investigate and report upon the Sugar Company itself and all the conditions of the industry as a whole. But this inquiry the present Labour Government stubbornly refused to authorise, and still refuses. Mr. **Fisher** and Mr. **Hughes** have, therefore, themselves to blame for much in the present situation.

LABOUR MINISTER'S ANOMALOUS POSITION.

In this connection it must never be forgotten that the cane cutters have taken the place of the deported Kanakas, and that the successful continuance of the industry depends on their being paid an adequate wage. From the first it has been agreed that the substitution of white for black labour in the canefields was dependent upon the fulfilment of this condition. The Unionists employed on the inter-state ships having now taken up the cause of the strikers, are refusing to handle sugar which has passed through the hands of men who have taken the place of the strikers. This unhappily means a resort to force instead of to reason, and may come to mean that not only the seamen, but the waterside workers, may become involved in the struggle. If so no one can foresee the consequences.

A repeal of the sugar duty has already been threatened by Mr. Hughes. If so, a disquieting feature of the struggle will be that our Federal Attorney General and Acting Prime Minister, who is also the President of the Waterside Workers' Union and is actively identifying himself with the cause of the strikers, will use Parliament to coerce those who refuse to yield to his Union. He has, indeed, declared that he will retire from his position in the Union as soon as his duties therein involve any conflict with the requirements of his Ministerial office. But the conflict between his duties always has existed, and still exists. It would be much more satisfactory to the public generally, if Labour Ministers would avoid putting themselves into or retaining such anomalous positions. They cannot serve two masters, especially if a Trades Union happen to be one of them. Our Unions will tolerate no divided allegiance, not even when the other claimant is the whole community; and the community ought not to be expected to make all the sacrifices.

THE AUSTRALIAN COMMONWEALTH.

TACTICS OF THE LABOUR CAUCUS.

TYRANNICAL METHODS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 23 1911; Sep. 29 1911.

Our sugar strike is over just as your transport strike has closed. It is to be hoped, but not to be expected, that the general public which must pay the cost of these strikes in both instances will now reflect a little upon the methods and results of such industrial upheavals. The gain to the mill hands concerned in Queensland is not large, and their numbers are not great. The strikers were offered the concession from next season at the outset of the present dispute. After much disorder, on a small scale as compared with that which has just been witnessed in England, culminating in threats of an extension of this purely local dispute over the whole continent, the despotic Unionists, finding themselves likely to be beaten by an influx of free labourers, have compromised suddenly rather than take the risks involved. This collapse has not been due to any change in their attitude or diminution of their demands, but simply to their failure to corner the supply of labour. The same strife will break out again, and yet again, at every favourable opportunity until the community as a whole collects its energies and concentrates its forces, not merely to resist but to prevent strikes. At all events the strikes should be postponed until the questions at issue have been fairly investigated and impartially dealt with by tribunals such as we are steadily establishing in Australia. Otherwise the "general strike" which has been the dream of Continental Anarchists for many years may become feasible before many years are past. Some of our largest industrial interests are preparing themselves to meet such a crisis or to nip it in the bud before it can attain those proportions. The shipping companies are believed to have been ready for the fray, and this knowledge may have proved a powerful factor in restoring the industrial peace which has just been so gravely endangered in our Eastern States.

"NO FREEHOLD" POLICY.

Outside Gilbert and Sullivan's comic operas it is doubtful if a legislative body anywhere in an English-speaking country has ever afforded so many ludicrous incidents as our State Assembly has since the Labour Caucus came into power at the

last General Election. With the help of the Independent Liberals it was enabled to choose a *Speaker* from its own ranks, and gaily introduced a number of important measures. Being challenged upon the policy embodied in these it was triumphantly vindicated with the aid of its allies. But the scene was changed directly its principal measure, affecting the freehold tenure at present available to Crown tenants upon certain large areas now leased to small holders was laid before the public. The Caucus itself spent many sittings in the strictest privacy endeavouring to reconcile the conflicting views of its own members in this regard. The then Minister of Lands, Mr. *Nielsen*, headed a majority which insisted, in effect, that the policy of the Caucus was to forbid as far as possible private ownership of these or any other lands. "No freehold" was then officially announced to be the Caucus platform. Labour members who rejected it were banned as heretics. An Opposition motion preserving existing freehold rights was defeated by the Caucus vote in the Assembly. But two *Labour members* felt themselves bound to resign their seats rather than accept the dictation of the majority of their colleagues on the question, since this would oblige them to break a pledge they had specifically given to their constituents. As the Independents were also freeholders these resignations left Ministers in a minority. It then became clear that the two seats vacated could not be regained unless the freehold lately refused to leaseholders was now declared to be the policy of the Caucus. Another secret meeting of Labour members was held that must have been very painful for the majority. There, in order to save the situation, the Ministry, and their own seats the Caucus determined to prolong its Parliamentary existence a few months longer. To accomplish this another vote deliberately reversed its last declaration of policy. The "no freehold" policy was cut down so as to relate only to lands specially purchased by the State for that purpose. As for the leaseholders, against whose interests the whole campaign had been waged, they were all to be allowed to become freeholders. The *volte-face* was complete.

TOPSY-TURVEYDOM.

Of course, after this amazing somersault the two resignations were rendered ridiculous, and one of the late members gladly consented to contest the seat he had just vacated. The Caucus had come round to the opinion for holding which he had been threatened with expulsion. The former Caucus vote, taken behind closed doors, branded him and sent him into exile. The latter vote transformed him into the true exponent of the Caucus platform. The fact that it also branded the majority which had driven him out as itself disloyal to that platform does not seem to have led to any results. The *Worker* and Mr. *J. C. Watson* refusing to be propitiated, still denounced all who had any leanings towards any and all grants of the fee simple. Mr. *Nielsen* very properly retired from the Cabinet immediately the Caucus reversed the direct

condemnation of freehold which it had placed on record after a fierce and prolonged debate. But he still remains a member of the House and must now vote to maintain the freehold rights which he has always denounced. So must all the members who upheld him two or three weeks since on the Caucus. But even this series of metamorphoses was not enough. Mr. Cann, the Labour Speaker, had been forced out of the Chair in order to give the Ministry a majority of one. But the two vacancies created by resignation remained, and to preserve that slenderest of majorities both must be recaptured. After a short campaign—the noisiest, the most ardent, and the most exciting ever witnessed in this State, in which all the forces of all our political organisations were put into the field, the result was a smaller poll in both than at the General Election last year. Still, one of the seats fell to a Liberal by three votes, and consequently parties were left equal again despite Mr. Cann's vote. There was then but one hope left for the Caucus in its desperate clinging to office. This was to induce a Liberal to accept the Speakership at their hands. Though the idea of a desertion at such a moment was derided by its leaders, a Mr. Willis, formerly a Federal member whose constituency was captured by a Labour candidate in 1910, but who defeated the Caucus candidate for a State seat, was found willing to accept the post. His plea is that though an appeal to the country is inevitable, a short non-contentious session must be held in order to authorise a few non-party measures. A new session opens to-morrow, when another extraordinary situation is promised, if Mr. Willis as Caucus nominee for the Speakership is opposed by all his Liberal colleagues prior to being opposed at the next election by the Labour members, who are now eager to use him for their own temporary purposes. This further incursion into topsy-turveydom, prolonging a situation already prolific in shocks, surprises, and reversals of form, may yet add to our astonishing record before the dissolution looming close ahead can actually arrive.

DOMINEERING DICTATORSHIP.

At the same time the long-vexed question whether the Federal section of Labour members were justified in submitting to the Referendum in April last alterations of the Constitution, cutting off some of the principal powers reserved to the State Legislatures, has at last been dealt with. The attempt in this State to ostracise Mr. McGowen, Mr. Holman, Mr. Beeby, among Ministers, and their numerous colleagues in Cabinet or in Parliament who followed them in their public protests against several of Mr. Hughes's most cherished amendments of the Constitution not only failed but failed signally. As the Conference just held was called for the purpose of damning them by Labourites, whose hatred of their colleagues and leaders was bitter in the extreme, the vindication was all the more decisive. Mr. Hughes himself attended the Conference in order to take part in the prosecution of State

Members and Ministers whom he had already abused to the best of his power during the Referendum campaign, and with deeper maledictions after his defeat. Most surprising of all, though quite in keeping with his later attitude, was the leading part in this crusade taken by Mr. J. C. Watson, whose patience and moderation created a reputation in Federal politics which he now seems bent upon uprooting as far as he can. He actually moved a vote of censure demanding “the utmost condemnation” of all his old associates who had dared to insist that the Labour Party could only be controlled in accordance with the resolutions approved by its Australian Conferences. He claimed, in effect, that Federal Labour members could at any time deprive the States of powers which they desired to acquire for themselves. The effect of his resolution would probably have been to drive the principal members of our present Ministry, particularly Mr. Holman, out of office and perhaps out of the party. But even with the influence of the *Worker* behind them and despite the assistance given by all the extremists and ultras, Mr. Watson’s censure was defeated by a very large majority. Indeed, the resolution carried in its place indirectly gives official sanction to the main principle for which Mr. Holman contended, though it fails to safeguard the interests of either Federal or State sections of the Caucus as explicitly as is required. Mr. Hughes also received a blow full in the face when a motion of his was rejected as promptly because of its aggressive character. The Conference therefore was all that the Australian Workers’ Union desired it should not be. As a heresy hunt it failed; as an attempt to guillotine the State Labour leaders it failed badly; as a bid by Federal Labour members for supreme power over the movement it failed also, although the Australian Workers’ Union, the *Worker*, its “Editor” Mr. Lamond, who occupied the chair at the Conference, the late Acting Prime Minister, Mr. Hughes, and Mr. J. C. Watson, the probable manager of the Labour daily newspaper for Sydney yet to be established, united their forces in the endeavour. On the other hand, the friends of the Labour movement who realise that its political usefulness depends upon the moderation and good sense of its majorities, will be encouraged. They will hope that its sober-minded elements will increase their influence until the members of the party regain the freedom and independence of which they have been deprived. The group of men who have seized and kept the control of the “machine” by which its “Caucus” and “Conference” gatherings have become tyrannous are still in the ascendant, though their prestige has been seriously impaired by their domineering dictatorship.

LABOUR GOVERNMENT IN AUSTRALIA.

THE TYRANNY OF THE UNIONS. A CONTINENT GIVEN OVER TO STRIKES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 12 1911; Oct. 17 1911.

Do English readers realise what a plethora of politics is afforded to Australians? At this moment we have our National Parliament in Melbourne and five State Legislatures all in full blast, besides a General Election raging in Western Australia. Our own Assembly in Sydney is furnishing quite sufficient in the way of sensation to occupy the attention of the whole Continent, or at least as much of it as is usually spared for public affairs. Still, the chief interest centres in the Federal Houses meeting after the longest recess on record, with a programme of business big enough to fill a twelve months' session instead of the less than four months available before Christmas. But even its strange circumstances attract comparatively little attention from the great bulk of our people. They are so preoccupied with making money, and making it fast, that they seem to have no time to spare for watching the fortunes of the country. Never has there been a more curious situation than that confronting Mr. Fisher and his phalanx—if anything more solid than ever owing to the warning conveyed by their Referendum defeat. In Parliament the Caucus still reigns supreme over both Houses. It has an overwhelming majority in the Senate. Although at the 1910 elections its well-drilled supporters were only some 10,000 votes ahead on a total poll of 1,300,000, they captured the whole of the eighteen seats for their party. The 660,000 electors who voted against them were left absolutely unrepresented. In the House the largest majority yet enjoyed by any Government was secured the same day, although the Caucus suffrages were but a few thousand more than those of the present Opposition out of the more than a million and a quarter ballots actually cast. With these immense discrepancies between the Parliamentary representation of parties and the electorally declared opinion of the people of the Commonwealth an absolute authority is guaranteed to the Caucus until 1913 at the earliest. It is perfectly assured beforehand of the passage of all its legislation, of all its financial schemes and of the endorsement of whatever freaks in administration it may choose to enter upon during that period. Unless these extraordinary conditions are continually borne in mind the course of events in our National Parliament is certain to be misunderstood on the other side of the world.

Perhaps the point which penetrated the joints of the Caucus armour most effectively in the speech of the *Leader* of the Federal Opposition last week was that in which he emphasised the utterly unprecedented situation created by the Referendum appeal to the country four months ago. The vote taken expressly covered all the principal proposals of the Caucus programme, and in effect embraced the whole of its policy. By a quarter of a million votes Australia's electors rejected the whole of that policy; nevertheless the Ministry which sustained this crushing defeat remains in power, and continues to legislate in accordance with the principles just condemned in a most decisive manner.

MR. DEAKIN'S CLAIM.

Mr. Deakin's further contention that in the light of these facts his minority in Parliament now represents a huge majority of the whole country, while the Government majority in Parliament had been deprived of its right to rule, was a fair thrust in a fighting speech, though by no means a proof that the victory was a party triumph to that extent. Ministers listened serenely to him and to his associates in Opposition with the equanimity of men in assured possession of the Treasury benches. The hardest hits found them indifferent. Their rejoinders were those of men impregably entrenched for a fixed term. On two points only were they stung into riotous clamour. A declaration of Imperial loyalty from the Opposition Leader proved the most exciting and telling portion of his challenge. This included an indignant disclaimer of the suggestions that the Dominions would or could hesitate to support the Mother Country whenever she drew her sword, or that they would hesitate to spring to her side however dark her horizon might appear—declarations that were almost drowned amid irrelevant Labour cries and mocking interjections. Censures upon the deeds of violence, some of them brutal and all of them unjustifiable, which had attended the "strikes" lately engineered by militant Unionism and still applauded by the Caucus members, were also angrily resented. One leading Labour member who went so far as to insist that free labourers ought to be drowned and branded as "scabs" was cordially cheered by his fellow-representatives. The features of the debate on the Address, which is not yet concluded, are sufficiently illustrated by these incidents. Imperial obligations were casually belittled or ignored, while acts of violence during strikes were condoned or applauded by Ministerialists. The defensive measures of the police when maintaining orders were treated as outrages by the more reckless spokesmen of the Caucus, whom their reasonable colleagues neither dare contradict nor silence. No Federal Ministers ventured to check their comrades or stay their rash incitements of the ill-disposed.

DISORDERLY NEW SOUTH WALES LEGISLATORS.

In this State the proceedings of our Assembly afford another sad illustration of the extravagances to which party tactics, unscrupulously pursued, may commit electors, the greater number of whom can have no sympathy with the courses adopted by either side. My letter of August 23 outlined, so far as space permitted, the utterly inconsistent devices which our Caucus and its Cabinet have employed in order to enable them to cling to office. Only acceptance of the Speakership by a Liberal member, Mr. Willis, permitted them to meet the House and commence a session which up to the time of writing has made no progress with business. The Speaker's election, his actions, and his rulings have all been publicly questioned, and usually amid scenes of great disorder. For some of these disturbances members of the Opposition must take their share of blame. The seat lately captured by three votes from the Labour Party is about to be disputed before the Election Committee just appointed by the Speaker. Against him a writ has been issued by a member whom he ordered to be brought into the Chamber in custody. His right to the Chair will thus be contested in the Courts. Other complications have supervened too numerous, and most of them too petty, to catalogue. Although our past Parliamentary records are by no means free from stain, it is doubtful if ever we have witnessed such a long train of most unwarranted disorders crowded upon each other. So far as the Ministerial programme is concerned it has been in part amended out of sight, and in effect withdrawn altogether. It is still possible, though unlikely, that in the event of a recovery of the seat lately lost to Labour after the election inquiry, some, if not all of it, may be revived at an early election. Mr. McGowen's return has been most opportune for his adherents since the present provocations to internecine strife have most of them ripened during his absence. A dissolution can hardly be postponed. Sturdy, stolid, and slow-moving, the Premier succeeds as a rule better than his younger and abler colleagues in suppressing out-breaks of personal antagonism. The Cabinet has been remodelled, incidentally appeasing the Roman Catholic vote. What will happen to its immediate policy has yet to be settled in Caucus before an appeal to the country is made. The Land Bill has gone. Its "nationalisation" is to be limited to areas the State requires. Mr. Nielsen, the late Minister, is regretted, but he must vote with the rest for a measure which he refused to accept while in the Cabinet. His support for it is commandeered, though he is ostentatiously hostile to the new scheme. It is only by such sacrifices of principle on the part of some and by the forced obediences of others that our Labour Caucus continues in power.

THE EFFECTS OF LABOUR SHORTAGE.

Undeniably the gravest problems before Australia are those associated with the unscrupulously aggressive outbreaks now being engineered week in and week out by that forward section of the Labour Unions which keeps in close touch with the

revolutionary Socialist element. The Federal Ministry has made an ignominious surrender to the Liberal Opposition by consenting at last to appoint a Commission of Enquiry into the whole of the sugar industry. The Liberal Government had actually appointed a Board of experts in 1910, and even the resignation of the **Supreme Court Judge** who had accepted the post of President during the election only left that vacancy to be filled. But the Labour Cabinet, though strongly pressed by the Opposition and also by some of their own caucus, not only refused to allow any investigation into the disputes of growers and their employees but used the forms of the House so as to prevent even a discussion of the question. It absolutely blocked progress in any direction. Mr. Fisher thus permitted, if he did not provoke, the recent bitter strike which led to the defeat of the Australian Workers' Union. He has been openly saddled with the responsibility for this unhappy and fruitless struggle since, representing sugar districts, he has always been acquainted with the facts of the case, at all events on the men's side. Eighteen months after the first attempt to obtain a public examination of the conditions and prospects of this great industry the Cabinet, notwithstanding its majorities in the Chambers, finds itself obliged to surrender. In our State the coal industry; as important to us as sugar is to Queensland, is once more disturbed by the reckless unruliness of the "wheelers", who appear to be consistently in a state of insurrection in one centre or another. The case against the Newcastle "vend" and the coastal shipping "ring" has been heard by the High Court, and the decision of the Judge is expected soon. It is the first instance in which a "combine" or trust has been legally put upon its defence for its breach of our local law against the restraint of trade by organisations of capital. Organisations of labour, on the other hand, appear to be beyond the reach of the Courts, although their defiances of the law are still being treated with tender consideration. At present our colliery proprietors are thoroughly disgusted, the Miners' Federation is becoming powerless, while their joint agreements seem unenforcible. Prosperity brings its own trials to our industrial interests, many of them due to the lack of skilled labour, now greatly in demand everywhere, and some to the lack of unskilled labour. Higher wages and shorter hours ruling in town and country alike leave us still the victims of exasperating and continuous unrest. The grain handlers in this metropolis are leaving the railway trucks unloaded; a fierce wrestle at the Lithgow ironworks, accompanied by a riot and a siege, is now in its eighth week; the non-Union gold miners of Victoria are once more sought to be brought to heel. New Zealand, hopefully described some years ago as a land without strikes, because of the early success of its Arbitration Courts, has now to sustain comparison with a continent given over to strikes though subject to the same class of legislation. Our coastal shipping combine, the strongest and wealthiest of all according to public opinion, is refusing to carry non-Union pig-iron because the waterside workers, captained by our Federal Attorney-General, Mr. **Hughes**, would immediately paralyse the whole of their trade. Truly our democracy is subject to a tyranny which it would be hard to match in any despotism of the present day.

THE COMMONWEALTH OF AUSTRALIA.

PREFERENCE TO UNIONISTS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 3 1911; Nov. 20 1911.

Our centre of political interest for the past fortnight has shifted to Melbourne, where the proceedings of the Federal Parliament have rivetted public attention. The circumstances in which the session opened had sufficed to revive it, but the want of confidence motion tabled a week since at once focussed discussion upon a direct national issue. Owing to the large amount of employment given upon the public works now in progress under our Central Government, its Ministers have been enabled to placate their followers and earn the gratitude of the constituents who elect them by securing to many steady work and high wages under the Departments. No wonder the latest *Public Service Commissioner's* report sounded a note of alarm at the remarkable growth in the number of persons receiving Government pay outside the public service proper, since these are placed beyond the control of our Public Service Act. The whole aim of that measure was to prevent any exercise of political patronage. The effect of the new policy has been to create more appointments under direct Ministerial control than those that remain subject to the Act of Parliament. It is true that the former give no permanent tenure, but the Commissioner complains that in some instances they are on the road to become permanent by repeated reappointments under undue influence, thus defeating the original and principal purpose of our legislation. The present very unsatisfactory condition of affairs amounts to a reversal of the policy sanctioned by all previous Parliaments and Administrations, which in itself demands immediate condemnation. But the discovery of this abuse was merely incidental to a far more definite and dangerous encroachment upon the public service of the country deliberately authorised by the Federal Caucus and obeyed by its Cabinet. "Preference to Unionists", giving to the members of those bodies priority of employment over all who do not bear their brand, has long been the goal for which these organisations have been striving. Coupled with the very important restriction that its grant to the Unionist is always to be subject to the condition that he shall be at all events equal in all respects to his non-Unionist competitor as a workman, this privilege has been upon the Statute-book of the Commonwealth since 1904. But in that first Act the Unions so favoured were forbidden to become political bodies or to take action in political affairs except

so far as might be necessary to enable them to use their influence to affect legislation regarding their wages, hours, and the like. But in no case was the concession to be made unless the President of the Arbitration Court was satisfied that the majority of those who would be affected by the grant distinctly favoured it. A new departure, quietly initiated as soon as the present Administration obtained office, extending this preference to all Government employees, escaped public observation last session and during the long recess. The report that a Melbourne Trades Hall deputation had waited upon Mr. Fisher in private for the purpose of regulating the procedure so as to allow them to supervise on behalf of the Unions the exercise of preference in Government Departments, led to questions in Parliament with which the Prime Minister persistently fenced. The publication of a written order of the Minister for Home Affairs directing his officers to grant "absolute preference to Unionists" provoked an evening of angry and persistent questioning in the House. But all efforts to obtain a statement of the definite policy of the Government having failed, a motion of censure was formally moved by the Leader of the Opposition at the beginning of last week. The debate continued until Friday afternoon, when a majority of forty-one members, every man of them a Trade Unionist, registered formally the defeat of a vote of want of confidence which never had the remotest chance of being carried. To-day "preference to Unionists" obtains throughout the whole of the larger half of the public service.

FREE LABOUR ASSAILED.

The Ministerial defence during the debate was not offered by Ministers. The Prime Minister himself spoke for half an hour, devoting less than half of that brief reply to the issue. Its defence was left to his rank and file. Most of these, were only too eager to declare in explicit forms a resolute antagonism to non-Unionists, and a determination to use the whole of the public service patronage for the sole advantage of their own Union supporters. Even the right of the non-Unionist to exist was denied, and a recently-formed Union of free labourers assailed with opprobrious epithets. Just what has been already done in the Departments, except that of Home Affairs, was not disclosed. The public are no wiser than they were as to the interpretation of the magic phrase "preference to Unionists". It is inferred that this applies only when the applicants are equally qualified for the work they seek, and that they will be dispensed with in the same order as that of their appointment. But there were many angry repudiations by Ministerialists of any amelioration of the rigour of the method to be pursued. If absolute exclusion is not the rule to-day it may be to-morrow.

To-day all the employees of the only Department as to which information is available are alleged to be Unionists to a man no matter what their occupations may be. Tomorrow the precedent may be expanded anywhere or everywhere. Parliament has been uninformed and apparently is to continue uninformed of these remarkable developments until the pressure of public opinion asserts itself. Patronage in our Government services, which we intended to exclude and believed to be excluded, is now systematically applied and officially authorised by Ministers over the whole of their domain wherever the Public Service Act does not interpose.

PARTISAN USE OF STATE FUNDS.

The Opposition fire was well sustained from start to finish and with much less repetition than seemed inevitable. There were no attacks on Trades Unions or their Unionism, while these are confined to private industrial undertakings. There were but one or two who questioned the principle of preference if applied under the Act of 1904 by a Court of standing and accompanied by industrial peace. But its application by politicians for the benefit of their political supporters at the expense of the Public Treasury was condemned by all Oppositionists, and from many points of view Ministers intend that preference is to be granted by their officers, mainly subordinates, wherever they may be stationed. These will reject applicants at their pleasure in any and every part of Australia without a judicial investigation and without possibility of appeal. In these circumstances it was contended that the non-Unionist would always be passed by in favour of the Unionist no matter what their respective qualifications might be. Over a large part of our thinly populated interior there are no Unions worthy of the name, but it is evident that these or new ones will be employed for the benefit of those who join them for the purpose. The absence of a qualified or independent tribunal of proper inquiry and of all guarantees of the fitness or impartiality of the officers vested with autocratic power to give or refuse work to men in need of it, were among the most impressive points. But the objection most often insisted upon by the Opposition was to the partisan use of the power and funds of the State for the sole advantage of one section of its citizens though all alike were taxpayers. This discrimination was denounced in the strongest terms, because since the Amending Act passed by Mr. Hughes last session even the restriction of the benefits of preference to non-political Unions has been swept away. All such industrial organisations are now political electioneering agencies. They have the whole representation of the Ministerial Party under command. It is they who select candidates, determine the party programme dictating the actions of their members and supervising the whole of their public life. It makes for the advantage of these members that this special privilege of preference should be imposed. Their partisans can be bribed with Government jobs, while the independent workman and his family

are thrust aside at the direction of men who are almost invariably Union officials. These obtain selection themselves owing to the fact that they are Unionists, and must exercise their choice on the same grounds whenever they can on peril of losing their situations. Ours is a very patient community, but judging by the Press verdicts pronounced the people as a whole are shocked, at all events for the present, by this new departure. Their aggravation is increased by the manner of its introduction and the mystery in which Ministers persist in shrouding the unfair innovation they surreptitiously introduced.

DISORDER AND DICTATORSHIP.

The Queensland Government has won all three of the vacant seats recently contested, so that evidently the sugar strike engineered by the Unions has not appealed favourably to the people of that State. Western Australia is in the throes of a General Election. The Victorian House is pressing on with its many tasks in preparation for an early dissolution. In South Australia, as with us, a Labour Cabinet is keenly concerned to prolong its official existence. But it is in our Assembly alone that scenes of flagrant disorder, of biased dictatorship, and of riotous misconduct are endowing us with a most undesirable record and reputation. No Speaker has ever ruled in any of the States with the recklessness witnessed here. But allowing for the provocations from the **Chair**, it must be admitted that our Opposition has displayed a plentiful lack of judgment and self-restraint. Meanwhile Labour Ministers and their Caucus have but two aims in view: first, to prolong their occupancy of the Treasury benches, and next, to read just the electoral machinery to their own advantage. Fortunately, should they shape this too much to serve their own ends, our Legislative Council can lay it aside. In the meantime, while continually pledging themselves to make an early appeal to the country, our Cabinet appears willing to take every advantage of opportunities for delay. It is not pleasant to place on record such aspects of our New South Wales Parliamentary proceedings, but it is essential that they should be outlined, however briefly, in order that the political tangle in which we temporarily find ourselves may be allowed for at home. Unfortunately the industrial arena is still overclouded. Quiet in Queensland has been replaced by a most grave and wanton strike on the west coast of Tasmania, of which the effects threaten to be far reaching. Thousands of people are to suffer simply because a mining manager dismissed an employee who deliberately broke a rule forbidding him to enter the workings after his shift was over.

THE COMMONWEALTH OF AUSTRALIA.

TACTICS OF THE LABOUR PARTY. INDUSTRIAL UNREST.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 24 1911; Dec. 9 1911.

For Eastern Australia at all events the occurrences in the Federal Parliament continue to be the most politically important from the national point of view. This is the more surprising because much of the momentous legislation of last year failed to be appreciated either during its passage through the Commonwealth Chambers of Legislation or after. The protests of an Opposition in a hopeless minority appeared to be considered academic in character. They failed to grip the attention of the general public for any length of time. The members of the Opposition were commended for their gallant resistance to the majority; the measures forced through were generally condemned for their crudity and extravagance. But their influence for mischief was not realised. The Labour Ministry and its Caucus also visibly shrank in the estimation of the country, much more than could be explained as the ordinary disillusioning after an exciting and sweeping victory on emotional grounds. The first testimony to the change of front on the part of the electorate was provided during the recess by the crushing defeat sustained by the Caucus proposals for revolutionising our Federal Constitution. After this the Labour forces themselves were deeply depressed for a time, though their fickle spokesmen soon began to explain away the overthrow to their own satisfaction. When the Parliament reassembled in Melbourne six weeks ago a renewed sense of satisfaction in the absolute dominance they possess in both Houses through the Caucus rekindled their exultation and sense of power. Mr. Fisher's most *unfortunate interview* with Mr. Stead put a strain upon their optimism, increased by the caustic comments of the Opposition upon the events of the longest recess yet seen, and the maladministration it had discovered. But it was the courageous Opposition challenge in the House to the principal abuse of the Labour Party power by the granting of preference to Trade Unionists in the engagement of all temporary employees of the Government that pierced them to the quick. The consequences of this tyrannical act of partisanship have not yet ceased to hamper their Ministers. Their first Bill for the construction of the trans-continental line from Port Augusta in South Australia to Kalgoorlie and Perth in Western Australia was framed in a fashion

that suggests an intention to make use of this work for party ends as a field for political patronage. The gauge insisted upon, 4ft. 8½in., will thus be made imperative upon all the main lines of Australia, though a strong body of opinion exists in other States that the minimum should have been at least 5ft. 3in. Before Ministers had recovered from the effects of these blunders they found themselves suddenly challenged again, in a most direct fashion, upon their amending Arbitration Bill, by what is in substance another vote of want of confidence, since it goes right to the heart of our greatest and ever-present industrial problem.

THE HUGHES POLICY.

The Caucus Cabinet has been unfortunate enough to lose the services of its most temperate and experienced member, Mr. *E. L. Batchelor*. For three weeks it had to spare the Attorney-General its only lawyer. Since its ranks only contain one other lawyer, the business during his absence was noticeably impeded, especially as Mr. *Hughes* is admittedly the best Ministerial Leader of the House. His tactics, according to opponents are always “slim”, spiced with audacious “bluff”, and characterised by an incorrigible recklessness. Assuredly, the manner of his introduction of this second of the Arbitration Bills of his own devising was audacious enough to justify his reputation. He spoke for half an hour upon a recent judgment of the High Court, which he seeks to overcome by re-interpreting the authority exercisable by the Federal Parliament over the “industries” of the country, so as to bring under that word any employees, such as engine drivers, so that they may be dealt with by awards no matter how many “industries” they may be distributed over. His desire is that no matter how numerous or how different these may prove, any subsidiary sections of employees in them can be combined and dealt with apart, as if constituting distinct “industries” within the “industries” now recognised. This would mean the creation of “organisations” running through the works of a miscellaneous throng of employers engaged in businesses of all kinds and dimensions. All of these could be stopped by a strike, unless they accepted the particular kind of conditions, no matter what they were, that suited a majority of their engine drivers, as well as the conditions imposed upon their special undertaking. At present all engine drivers can be graded in connection with any of the industries which use mechanical power. Hereafter they will be dealt with in a separate body, as its general circumstances require. Any dispute to-day need affect only one class of enterprise. Under the new Bill, certain to become law, the engine drivers or any similar sections will be able to act together, so as to paralyse almost the whole of our manufactures, no matter how contented their fellow employees are. Their claim may relate to only a very small fraction of the total number who would be reduced to idleness by their strike. Such an aggregation of industries on behalf of minor groups is already being employed by allied Unions.

The wharf labourers handling our inter-Colonial shipments are engaging in the still existing dispute over our very small output of iron and steel, and also began to take part in our recent very large sugar strike. The object of the Hughes policy is to mass all the Unions together in sympathetic “strikes”, penalising the whole community, until it is compelled to grant their imperious dictates in respect of the particular one of their organisations which has declared war. The old system of taking each “industry” on its own ground is being, and can continue to be, employed in any case of alleged grievance. But the progress thus made seems too slow for the “ultras”. The costs to the Unions of separate appeals to the Arbitration Court are alleged to be increased, though there is little evidence that so far this has meant anything. It is safe to say that a general strike of the industries employing engine-drivers for one week would bleed the public more than many years of costs incurred by particular industries.

RINGING NOTE OF CHALLENGE.

Half an hour sufficed Mr. Hughes for stating his case on this one point. He dismissed the remaining provisions of the Bill as matters of detail without deigning to explain or justify them. Apparently the new development was to be rushed into Committee without debate and put through the House as a mere machinery measure. But he had counted without his critics—Mr. Deakin, Mr. Irvine, Mr. Groom, and Mr. Glynn fell upon the Bill tooth and nail, both as legislators and as lawyers. Stripping it of its technical verbiage, they described its real character and effects. So far no relevant reply appears to have been offered, though Mr. Hughes is evidently elaborating a case for the defence this week. He will have an opportunity for making it at the present stage because, to the amazement of Ministers and their following, Mr. Deakin has submitted an amendment challenging explicitly the new and fundamental principle of the measure. Mr. Fisher did not treat it as a vote of no confidence, as he might have done, probably because he realises that, with his well-drilled forces at command, all duels, however good their ground, can only have the same ending in this Parliament. He made no effort to defend the Bill against the gravest of the many indictments brought against it. The Opposition declaration is that no measure of the kind can be satisfactory until the whole realm of industrial arbitration is organised upon a federal basis, until the State Courts and Wages Boards are employed as the means of dealing with all disputes of a local character, or having local effects, and until the Federal Tribunal becomes a Court of Final Appeal, and of adjustments of a national character, and upon a national scale. The measure as it stands greatly increases the burdens of the already much-overburdened Judge acting as President. His task while interpreting and applying such a law is appalling. New in its principles, and having only a casual knowledge to guide him when dealing

with their puzzling practical applications, under very varying conditions according to the theoretical aims of an inexperienced Legislature, he is hopelessly handicapped. When in addition he has to shape his findings to meet all the widely-contrasted circumstances of a Continent, containing very many different climates and a plentiful supply of local problems, his position becomes desperate. Some Labour members, like our own Mr. *Charlton*, who speaks for the Newcastle coalminers, are already willing to abandon arbitration in despair. They desire to return to strikes as the best means and voluntary agreements as the best ends attainable to-day. They would then press on to even more violent methods. But in any case the Opposition has sounded a ringing note of challenge, which is echoing through the constituencies. It has surprised the Caucus by its cheery confidence and alarmed the country by its exposure of the reckless policy and destructive methods of the Labour leaders.

INDUSTRIAL DISTURBANCES.

Of course the debate and its influence upon the public are both immensely affected by the running fire of industrial disturbances which accompany and vitiate our statutory attempts to secure industrial peace. Our tribunal, while growing less and less judicial, is becoming more and more dictatorially administrative and legislatively despotic. The sugar strike ceased, but the Mount Lyell strike continues, though thousands of miners and many thousands dependent upon them and their work are the sufferers. The Miners' Union is determined to force upon the manager a man whom he dismissed for breaking a rule of the mine forbidding any entrance into the workings except in working hours. The Lithgow ironworkers' strike, culminating in deeds of violence which imperilled the lives of the non-Unionists employed and threatened the proprietor, still drags along, all efforts to compose it having failed. Our State Labour Ministry promptly released and relieved of their penalties some of the men sent to gaol for grave offences during the strife. Very serious symptoms of unrest are multiplying ominously among our coal miners. A section of our wharf labourers struck at the end of last week and are now being forced before the Arbitration Court by the shipowners. In the Federal Senate there have been open declarations from Labour senators justifying the resort to force by employees who cannot obtain on demand the concessions they desire. Everywhere there is unrest, and this despite the fact that on every hand we hear complaints of the dearth of labour. All the immigrants are being snapped up by competing employers as fast as they arrive. Though we have a larger influx than ever before, we are not nearly meeting our pressing demands for both, skilled and unskilled workmen. Our State Dock, notwithstanding its high wages, has to forego tendering for more work because it cannot obtain the men. Private firms in Sydney, and apparently everywhere else, are in the same straits. The newspapers register increases of pay in many trades, but there

is no diminution of their demands, both from town and country. The shortage of employment in the coal industry is no doubt due to the fact that the last strike cost us a great share of our foreign export trade. But for that piece of folly it would have been as flourishing as ever. Yet it is the community, and not the Unions, that are held to blame. The new Arbitration Bill, directly it passes, is sure to be challenged before the High Court on two grounds. The general issue is whether the proposal to allow workmen to combine without regard to the industries in which they are engaged, so as to be able to appeal to Mr. Justice *Higgins* for fixed rates applicable to them, no matter how small their number or where they are engaged, is possible under the Constitution. The second issue is whether employees may come before the Court, even if they constitute only one branch of an "industry", or may, if they prefer it, come as a unit consisting of several Unions blended, each including many branches. Whether these ways prove to be open or closed, apparently our strikes will continue as before.

TWO BY-ELECTIONS.

The two by-elections about to be held in this State, exactly repeating our experience in August last, will determine whether our Labour Government must go to the country or can stave off the evil day some months longer. Despite all these protestations it is generally believed that they will hang on to office as long as they can. The scenes for which Mr. *Willis* is responsible as Speaker, under the protection of our Ministry, continue to shock the reflective and to lower the estimation in which our Assembly is held. Still, the fruits of an appeal to the country, if that be forced upon Mr. *McGowen*, no one can foretell. In Western Australia, though Mr. *Wilson's* chances seemed promising, he and his party have suffered a defeat as disastrous as that of the Liberals of the Commonwealth in 1910. Even taking into account all the explanations tendered, there seems no real interpretation of the catastrophe except that the electors were determined to give the local Caucus an innings. The Victorian Legislature has just closed in a rather unsatisfactory way. The *Murray-Watt* Ministry makes its appeal to the country quite as much upon its promises of fresh legislation as upon its own record, though that is substantial considering its circumstances. Victories of the Labour Leagues here and in Victoria would imply a definite rejection of the "Liberal" policy (in our very un-English sense of that indefinite party name), and also of our established constitutional methods. It would mean the supremacy of the Labour Caucuses Federal and State, and under them a series of dangerous and costly experiments, chiefly at the expense of our defeated voters, who neglect to defend their political rights.

THE COMMONWEALTH OF AUSTRALIA.

POLITICAL SITUATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 14 1911; Dec. 25 1911.

The Commonwealth Parliament has been getting out of hand more and more as the session proceeds. Ministers conduct its business subject to Caucus directions as to measures and their amendments, but the Caucus cannot, and they do not, lead the House. Provided with a docile majority which votes unquestioningly for all the measures authorised in camera, Ministers seem unable even to pretend to steer the ship, though the course they must follow has always been laid down for them in advance. Their Bills pass rapidly, amended only where it suits them, but yet the debates grow more and more damaging. The dozen Senators who constitute the Opposition in the Senate have maintained a gallant struggle, which is becoming effective upon public opinion outside. Protests are increasingly spirited, and criticisms more caustic from the Opposition Front Bench of the House. Works Estimates of huge proportions, including many extravagances and indefensible commitments, have been forced through both Chambers, but not without awakening further distrust among the taxpayers. Of course, so far as it goes, the session will record an unbroken series of Ministerial successes, but these will be barely half of those anticipated by them. On the other hand, the apprehensions of thoughtful citizens are steadily intensifying in every State. Slowly but surely the Australian Press is responding to the impetus given by the Parliamentary struggle in Melbourne, despite the many handicaps imposed upon its little groups of fighters. The Opposition has found its feet and marshalled its forces, so far as its numbers permitted, though without much encouragement from outside, and no successes within the Legislature except in argument and attack.

A SOUTH AUSTRALIAN ELECTION.

Nothing, therefore, could be more opportune for the party out of power than the verdict just recorded in favour of its candidate, Mr. **Gordon**, by the electors of Boothby, South Australia. The seat had been held by the late Mr. **Batchelor**, Minister for External Affairs, since it became a constituency, and on the last occasion by a majority of over 4,000. Part of this was undoubtedly due to his deserved popularity, while the rest

represented the anti-Ministerial vote then cast throughout the whole of Australia. On the present occasion our Federal Ministers actively supported the man chosen by the local Labour Leagues. The **Prime Minister** himself visited the locality to lend his personal assistance, two of his colleagues also mounted its platforms, while the splendid organisation of their Leagues put forth its best efforts. Boothby not being sufficiently metropolitan or mining to become the political property of the Unions it was necessary that the large majority enjoyed by Mr. Batchelor should be fought for with the keenest resolution. The State Cabinet and its Labour following flung themselves into the fray.

It became evident to all that the contest would be fierce, and the result may fairly be taken as an index to the present opinion of the public. Mr. **Deakin**, with Mr. **Groom** and Mr. **Glynn**, his late colleagues, took the field for their candidate. The party fight ended in a party victory more decisive than the Opposition had ventured to hope for. It has been generally accepted as demonstrating a turn of the tide and an ebb of Ministerial authority in the country.

LESSONS OF THE CONTEST.

South Australia is now ruled by a Caucus Cabinet, with a Caucus majority in the State Assembly. It is represented in the Federal Parliament by four Labour Senators out six, and until now by four Labour members to three in the House. The numbers in that Chamber have been reversed. There the majority of one is now against the Government. While this in itself points towards some reaction, it is the poll that illustrates most effectively its nature and extent. Obviously the unattached vote which determines so many elections in Australia has gone over almost bodily to the Opposition. Last year Mr. Batchelor's total was slightly larger than that of any member in his State, though there were far more informal suffrages than in any other Federal constituency. His majority over his antagonist was 4,240 out of 15,332 ballots. After such a record the seat might well be reckoned permanently annexed. Town and country interests being combined within its borders it is a typical constituency. On Saturday last the Labour candidate was nearly 1,800 votes behind Mr. Batchelor's achievement eighteen months ago. But even the wholesale coming over of that large section would not have given Mr. Gordon the victory, if he had made no other gain. He would still have been over 700 votes behind the Labour vote even as reduced. But outstripping even Mr. Batchelor's fine record by nearly 900 votes, the Opposition **candidate** defeated the Caucus nominee by 2,600 votes. The natural conclusion appears to be that some 3,000 electors have sufficiently sickened of their experience of Caucus methods and Caucus policy to take the field against them. As only 52 per cent. of the qualified voters went to the poll, and as the well organised Labour Leagues bring almost the whole of their forces out for every fray, it appears

as if South Australia is satisfied that neither its State nor Federal Labour Cabinets are to be trusted any longer than can be helped. The conflict was not sensational in character or incidents; there were no striking scenes or adventures. Quietly, but firmly and decisively, those who distinguish themselves from the voters subject to Caucus coercion by calling themselves Liberals went to victory in Boothby nearly twice as strong as in April last.

POSITION IN NEW SOUTH WALES.

In this State the public appear to be sinking into a passive acceptance of political and industrial confusion as permanent conditions. Our Labour Government, since its recovery of the Liverpool Plains seat, has apparently decided to break its promise of an early appeal to the country. Ministers have come to the conclusion that they had better hang on to their seats now as long as they can. The Budget which was to witness to their economies is principally distinguished by its increase of taxation and outlay, while, as Mr. Wade is showing, our expenditure of loan moneys has been greatly enhanced. The financial future is uncertain, the Labour land policy is being recast for the third time, and legislation is practically at a standstill. Mr. Speaker Willis continues to exercise an unconstitutional dictatorship at the expense of the Opposition. Yet, despite the tangle, the paralysis of the Legislature and the endless shiftiness of the Cabinet, all which are exposed and denounced in our daily papers, there are no real signs of an awakening of our citizens to these outcomes of their own electoral neglect. Should the appeal to the ballot-box to be made in Victoria this week by any chance prove that the same indifference exists there, the natural inference is that every State on the continent except Queensland will come under Caucus control. The Tasmanian dissolution due early next year seems not of much moment. It is considered unlikely to alter the existing state of affairs in any decisive way. On the mainland, although there have been disappointments as to the rainfall in considerable areas inland, both east and west, the tide of prosperity still runs strongly, though not as high as it was last year. Apparently while our golden summer is prolonged over the greater part of Australia, the majority of our citizens will remain indifferent to the pranks played by the Legislatures, from which they expect so much and at present receive so little except unpleasant surprises.

SYDNEY WHARF LABOURERS' STRIKE.

Industrially a condition of affairs as confused as the political one obtains generally, and especially in this State. The wanton strike of our Sydney wharf labourers commenced almost immediately after they had solemnly accepted a definite agreement in consideration of its terms, and was prolonged in defiance of their official

leaders until the whole of our seaborne trade, inter-State and oversea, was brought to a standstill. Ministers, Federal and State, though Labour men returned by Trade Union electors, protested in vain against such an utterly indefensible violation of their contract. The men, after much delay, returned to work, only to come out again with the same demand, nominally for shorter hours, but, in truth, for more highly-paid overtime. Some have gone back to work; others remain out. The outrageous character of their demands arises from the fact that the present pay was only fixed a few weeks ago at higher rates after full consideration of all details and by mutual consent. The concessions were embodied in a complete and formally registered deed signed by the authorised representatives of the men concerned with their full knowledge and consent. The sudden breach of the agreement is indefensible. Indeed, no one has attempted to excuse it or even to palliate the offence. Similar violations of contracts have occurred before, but upon a smaller scale and under less aggravated conditions. True, it, is only a section of the men that is directly responsible but it is a growing section, which cynically declares that while employers are always bound to fulfil their part of the agreement to the letter, they intend to deny their obligation to obey it any longer than it suits them. Mr. Hughes, the Attorney-General of the Commonwealth, who is President of the Wharf Labourers, now admits that there is no way of holding them to their bargain except by separate prosecutions of each man of the thousands who are refusing to work or fulfil their contracts. This legal course he admits to be impracticable.

TRADE UNION METHODS.

Again a single iron expert, appointed by our Labour Cabinet a Royal Commission to inquire into the iron industry at Lithgow, has reported adversely upon the methods adopted by Messrs. Hoskins. The bulk of their employees have been on strike for months past because non-Unionists are engaged at the works. Our Labour Cabinet has made a series of efforts to induce Mr. Hoskins to concede the demands of the strikers, but so far without avail. Now Ministers are able to attack him for alleged breaches of the conditions of his contracts for Government requirements. Apparently he is to be forced into Court before he can obtain payment for the iron he has supplied. There is naturally a widespread opinion that his real offence in the eyes of the Caucus is his retention of non-Unionists. The Unionists who attacked the works vindictively some weeks ago were severely dealt with by the Courts, but some of the ringleaders have already been released from gaol, and other concessions to those still in custody are anticipated. There is a very unpleasant partisan flavour in these tactics, which might be expected to arouse the electors of representatives who resort to such tyrannous tactics. But even coercion by violence and defiance of the law appear to concern nobody since they provoke nothing more than a few indignant protests from some victims.

THE COMMONWEALTH OF AUSTRALIA.

CAUCUS METHODS AT WORK.

LEGISLATIVE STRIFE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 5 1911; Jan. 10 1912.

Our Australian Legislatures are creatures of habit in many respects. One tradition is that their proceedings must close with the year under any circumstances, no matter at what sacrifice of public business. This year will be no exception elsewhere, unless Western Australia should continue at work. Our own unhappy Legislature has too many sins of both omission and commission upon its head to venture to seek the seclusion which is essential if it wishes to preserve a shred of its very much damaged reputation. But everywhere else the rush for recess is the feature of the hour. Ours is the one State in which fresh taxation is being imposed and expenditure increased without any real warrant. The Labour sections in our neighbourhood will soon be following suit, though even the present high tide of national prosperity cannot justify such excesses. They are receiving warnings, which so far they venture to disregard. The severest blow their organisation has felt for years was administered by the Victorian elections. Yet both Federal and State sections made a determined effort to capture a State which would have given them command of all the Continent except Queensland. They spared neither time, money, nor artifice; but all in vain. The response was so tame that the event was soon predictable. Even before nomination day it became evident that the local Legislature would not be captured. Still more strenuous efforts were then put forth to strengthen the local Labour forces, and with such apparent success that a gain of at least five Liberal seats was confidently counted upon. The actual result was a loss of two seats. The new system of preferential voting was partly responsible for this. In one instance a sitting **Ministerialist** was ejected by an **independent** candidate, because Labour supporters, whose candidate was at the bottom of the poll, exchanged their second preferences for those of his supporters. In every instance the Caucus kept its hold upon its Metropolitan seats by large majorities, but in Country districts the majorities, also large, were warmly in favour of the **Murray** Government, which retains office slightly stronger than it was before the appeal. Taken together with the Federal victory in Boothby, South Australia, a month ago, when Mr. **Batchelor's** seat was captured by a sweeping majority, the clear

indication is that the Labour vote is now ebbing. The next trial of strength will take place in Tasmania early next year after a Conference of Caucus members representing the Labour Leagues of the whole of Australia sitting there shall have revised their programme in the light of these events. The anxiety to escape from the searchlight of criticism in the Legislatures into the twilight of recess was, therefore, keener among Labour members. The outlook just now is far from reassuring to them, either in the National or in the State Parliaments. Everywhere they are conscious of having received a check. The question for them now is how much sail should be taken in to avoid the obvious risks of the situation and prevent further misfortunes.

A COMMONWEALTH BANK.

On the one hand the members of the Caucus who are at present members of Parliament find themselves saddled with conflicting obligations which require readjusting. In their first enthusiasm after last year's triumph, thinking only of the section which had so well organised their campaign, they took up their extravagant pledges lightly and even joyously. But when their efforts to fulfil them brought them under the light of criticism the position changed. They began to become aware for the first time of the impossibility of giving effect to their naive plans for the regeneration of society, discovering many important consequences that up till then had remained unforeseen. For instance, nothing was more attractive to working-class voters than the vision of a Commonwealth Bank, based upon the national credit and administered for the benefit of the masses. This was to remove their eternal want of sufficient pence to satisfy their ambitions, while at the same time thwarting the nefarious schemes of the hated capitalists, or such of them as seemed successful in their ventures. The members of the Caucus, most of them quite unaware of the real nature of the transactions involved in and affected by even the simpler operations of our existing financial institutions, welcomed with enthusiasm the measure introduced by Mr. Fisher as the first step towards an earthly millennium. As the clauses of the Bill merely provided the machinery for establishing and governing the new Bank, there was little or nothing to arouse their suspicions. The vagueness of his generalities as to its prospects and purposes, though only in part coherent, sufficed at the opening of the debate. Since then, however, a series of pertinacious attacks of the Opposition upon the character of the machinery, coupled with incidental expositions of the inevitable limitations imposed upon the visionary transactions which are expected to enrich rapidly, or at least to secure continuous comfort to all classes of employees, have had disturbing effects. A sense of the dependence of our rapidly growing note issues and our projected banking ventures upon our production, economies, population, and exchanges is gradually growing, filtering through the debates to the public in general. An obvious uneasiness is dogging its founders. Still a "Bank",

especially when backed by “national credit” affords opportunities for some platform conjuring, which is still effective with the credulous. The Bill will pass, of course, though it has not yet quite concluded its stormy passage through the House. The new Bank is to be managed by one “Governor” who will be subject to the control of the Federal Government’s regulations, rules, and certain fixed conditions. The Opposition contend that it will become a political institution under political direction, attempting to accomplish unsound policies by unwise means.

SAVINGS BANKS.

Politically, the most serious obstacle to the passage of the Banking Bill is the proposal to authorise this new agency to create a Savings Bank branch receiving deposits up to a fixed amount, on which interest will be credited to small depositors. Since there are already savings banks in every State, most of them expressly guaranteed by the local Governments, and the others in effect similarly safeguarded, this attempt to cripple all of them by the creation of a rival organisation entering into every field is being resented and resisted by every State Cabinet and Legislature. The three Labour Ministries, our own together with those of Western and South Australia, are standing shoulder to shoulder against the raid upon their local resources made by their colleagues now in command of both Federal Houses. The security afforded by the State institutions is beyond question, the wisdom and economy of their administration is unchallenged, while under a system of co-operation they meet each other’s obligations reciprocally all over the Commonwealth. No improvement on their system seems possible, though it is clear that the Commonwealth institution will centralise not only the administration but the investments of the savings of the people, which are at present employed locally with most beneficial results. The clear-cut issue now is between centralisation and local autonomy. The six State Administrations, three of which consist of State Caucus nominees, are pitted against the Federal Caucus now openly fighting for its own hand. The Opposition in the Federal Parliament has unanimously protested against the certainly unnecessary and probably costly seizure by force of the savings of the people, who to all appearances are perfectly satisfied with the existing system, as to which not a single complaint has yet been heard from any quarter. Probably the Labour Leagues as a whole approve the aggressive annexation of their National members, but the general public assuredly do not. It is to retain their support that Mr. McGowen, Mr. Verran, and Mr. Scaddan are taking the field against their allies in the Commonwealth Parliament. But these care nothing for such protests so long as they can increase their own powers. Caucus methods here, as elsewhere, invariably tend to become anti-Federal. The autocratic authority exercised by its Central Council is always fretting against any division or modification of its despotic lordship over the whole of its members.

LABOUR DIFFICULTIES.

The next three weeks in any event will be crowded with legislative strife and confused efforts to close the seven sessions of our fourteen Legislative Chambers. An audacious endeavour of the Caucus to force the electoral system of the Commonwealth into the shape that best subserves the interests of its own party machine, gallantly fought against in the Senate by a handful of Oppositionists led by Senator **Millen**, will be resisted in the Federal House. There a whole series of measures of a partisan character, including a series of departmental amendments of the Tariff, are waiting to be dealt with. In our own case in New South Wales, the recent unhappy, unwholesome, and unedifying policy is being pursued in the Assembly. The **Speaker** seems as reckless, the Opposition as feckless, and the Ministry as timeserving as ever. The Cabinet is content to continue in office, notwithstanding its public undertaking to appeal to the country. The one extenuating circumstance is that the country, despite the scandals and disorders of the Assembly, appears profoundly indifferent to the course of events. The Queensland Legislature shows a far better record, and even South Australia a more business-like demeanour. Welcome rains, owing to the fortunate intrusion of a monsoon, have visited the north, where they were much needed. Mr. **Mawson** has sailed from Hobart upon his South Polar research expedition, to which, by the way, New South Wales contributes half as much again as the Commonwealth. While the industrial unrest has by no means disappeared, the collapse of the Mount Lyell strike is an enormous relief to Tasmania. This defeat of the dictatorial Unions gives a healthy warning to the many apostles of violence whom they include. At the same time the multitude of relatively inconsiderable and petty disputes, of which one sees evidences on every hand, taken together with the absolute dearth of female domestic servants, persists to the great detriment of innumerable households in Sydney and every other capital city.

THE COMMONWEALTH OF AUSTRALIA.

POLITICAL SITUATION REVIEWED.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 23 1911; Feb. 8 1912.

Any synopsis of the trend of public opinion in Australia during the past twelve months implies some summary assessment of the fortunes of our seven distinct Governments. Those of three States are Liberal and of three Labour. The Federal Government being also in the hands of the Caucus, the balance of power is decidedly in its hands. An examination of the electoral returns makes it plain that this strange condition of affairs is only partially due to the better discipline and steady growth of the ever active Labour organisations. Its victories are owing in large measure to the febleness of party ties and lack of cohesion among its opponents. They have a Conservative wing as well as a Liberal wing to be reckoned with. Both accept the general title of Liberal since their bond of union lies in their assertion of individual freedom as against class coercion and the tyranny exercised by Caucus organisations over their adherents and opponents alike. The contrast in party discipline is as marked as in principle. Take the recent pollings in Victoria and Western Australia as examples. In every case where Labour electors were in a majority the seats fell to them as of necessity. But in a number of parallel instances in which the Liberals had majorities the seats were captured by the Caucus. This was due either to the abstinence of the Liberals or in other cases to their temporary defection from their party owing either to their discontent with the other candidate or with the party policy recently pursued in their State. The discipline of the Caucus permits no such vagaries, and punishes its adherents for abstinence from voting with penalties often cruelly severe. Weaklings or independents are kept under the Labour whip. The Caucus platform is a creed. To doubt it is heresy. To oppose it is a crime.

SURVEY OF THE STATES.

This broad distinction between campaign tactics being kept in mind, British interpreters of our situation will be better prepared to realise how it is that even now it is quite probable that another election in Western Australia might considerably reduce though it could not destroy as yet the great majority gained by the Caucus only a few weeks ago. These Liberal voters punished the Liberal State Cabinet for

errors of commission and omission while to-day the Labour Cabinet is already drifting into disfavour with the same class who helped them into power. In Victoria the other day the Liberals held their own, but the only two seats they recaptured ought never to have been lost. In that State Liberalism reigns supreme, while the Caucus only possesses a small minority of members. In this State of New South Wales the Liberal Opposition is still disorganised and to some extent discredited by the foolishness of its strategy and the folly of some of its representatives. The Speaker, Mr. Willis, is principally responsible for the most painful episodes our Legislature has ever witnessed. Hence though the McGowen Government has conspicuously disappointed the Liberal drifters by its inconsistent tactics and breaches of faith, it is doubtful whether even now it could be ejected by its antagonists under Mr. Wade. Queensland, like Victoria, seems resolutely Liberal, though not by a large majority and at odds with its Legislative Council on the liquor question. Tasmania, with the severe lessons of the Mount Lyell strike, which is not finally settled even yet, will probably remain in the same fold. The one State of which it is difficult to predict the tendencies at the moment is South Australia. There a Labour Cabinet, with a small but solid majority, has come into conflict with its Upper House owing to its inclusion in the Appropriation Bill of votes for the establishment of State brickworks and timber yards intended to compete with private businesses, as well as to supply its own needs. At this moment a dissolution appears inevitable. The result is reckoned doubtful, for the Council is not popular with the Liberal left wing, whose support is essential.

THE LABOUR YOKE.

Taking all the States together, one finds that their representation in the Commonwealth Parliament tells much the same tale as in its six sub-divisions. The Caucus came into power in April, 1910, upon an impatient electoral reaction, largely provoked by the prolonged internecine strife within the Liberal Party, chiefly owing to fiscal differences. This conflict has been, and still is, just as manifest in the Labour Party, but with the all-important difference that under the Caucus this and every other conflict is sternly subordinated to party interests by an iron majority rule. With the Liberals, on the other hand, every candidate has to rely largely upon his own efforts and personality in order to bring his supporters to the poll. Of a Labour candidate nothing is demanded except his adhesion to the platform put forward by the Caucus and complete subservience to its decisions. His personality and qualifications count for nothing. Labour electors go as solidly to the poll for the poorest as for the ablest nominees of their controlling junta. They are banner-bearers and nothing more. The leaders of the party, belligerent Socialists more or less, disguise their ends as circumstances require. The first article of their code is a subordination

of individual aims and actions to the Collectivist dictation of their chiefs. Hence at the 1910 election, owing to the divisions and defections from the Liberal Party, the Caucus swept the polls. Twelve months later they had all the prestige of victory and the power of patronage in their hands. Yet their attempt to destroy the Federal principle of our Commonwealth Constitution and to subjugate the States to a Socialist yoke in a unified central Legislature was overwhelmingly defeated. It is true, therefore, that neither in Australia as a whole, nor even in any of its States is there a majority of the electors prepared to bow to the Caucus yoke; unless, indeed, Western Australia remains as it did at the Referendum, a solitary exception. Even if so the growth of agricultural settlement and practical experience of a Labour Ministry may be trusted to sober its citizens before long. Still, to-day half the States as well as the Federal Legislature have bowed their necks to the Labour yoke. To escape from it the Liberals need leadership and capable candidates. Their programme can be made that of the country as a whole, providing it be energetically expounded and acted upon. Their present appeals appear to be awakening the public, but so far the response to the call for new men and new methods of organisation is slowly and doubtfully expressing itself. How to translate into effective action the slumbering aspirations of our scattered Liberals and to awaken their confidence in their chiefs is the true problem of our political situation.

CONFERENCE OF DELEGATES.

Next month Mr. Fisher will attend the Labour Conference in Tasmania, simply as a delegate among delegates, though the prestige of his position and the assistance of one of his colleagues will lend him exceptional influence. Still, every delegate is there subject to a mandate. They may alter the form of the platform but not its substance. They are only permitted to restate or adapt it to meet any differences in their several instructions. Still, every League in Australia, big or little, every Parliamentary Labour Party, every Minister in a Labour Cabinet will be bound hand and foot by the dictators there assembled, they in their turn being entirely subject to the orders dictated to them by their State organisations. They have no choice of policies, no power of amendment, not even a right to appeal. Obsequious obedience is demanded of them in framing such a restatement of the Caucus ends as may appear most expedient at the present juncture. Socialistic in origin, it will be Socialistic in every line, the only question being how to phrase it in the mildest and most general manner so as to awaken as little alarm as possible. Language will be employed really to conceal their thoughts and the ends they have in view. The sudden and special dissolution threatened in South Australia to determine the authority of the Labour Administration and of the Legislative Council will proceed under the existing "objectives" adopted by the last Caucus Conference. The coming triennial election

in Tasmania may find some of those objectives amended in terms, but if so it will be more with a view to the interests of the Federal Labour Party now in power in the Commonwealth, rather than out of regard for any State. The Caucus enthroned since April, 1910, in absolute mastery over both Chambers of the Australian Parliament, was severely rebuked in 1911 when it sought to enormously enlarge its constitutional domain. Everything else will be sacrificed in 1913 to keep control of the National Legislature and of its overflowing purse. Through these the Caucus hopes to rule the States as well, reducing them for that purpose to subsidiary provinces with a much less extensive self-government than they now enjoy.

MEASURES OF THE PAST SESSION.

On the whole it is perhaps better to offer a rough outline of the whole position in this Dominion at the close of the year rather than to chronicle the very important business that has occupied its Parliament in the closing days of the Session. Yet the measures passed and policy expounded are both of exceptional interest. The new Electoral Bill is probably the most partisan measure ever passed in this country. One of its novelties imposes upon all newspapers or election publications an obligation to attach the name or names of the authors of all leading articles, letters, reports, circulars, or handbills printed between the issue and return of the writ, if they relate to politics. Another requires a statement of all the expenditure of all organisations and persons in connection with the elections. In this fashion the Labour Leagues, whose constant activities combine industrial agitation with political canvassing, hope to cripple their adversaries, without impairing their own energies. A series of tariff amendments, most of them technical or paltry, were brought forward, in the hope of propitiating the Protectionists, who were induced in 1910 to support Labour candidates in Victoria, particularly under promises of immediate and radical alterations of duties, which have never been kept. The gold reserve of a pound for every pound note issued above £7,000,000, provided for by the Act of last year, is already abolished, the backing being reduced to 5s. in the pound above or below that sum. The utmost that the Opposition could achieve was to extract a pledge that this reckless reduction of the security established only a few months since shall not take effect until after the next General Election. In this and in many other vital matters all will turn upon the verdict of the country in 1913.

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