

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



Volume 2: 1902

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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)



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Portrait of Alfred Deakin, circa 1901

(National Library of Australia, nla.obj-137968670)

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Illustrations

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Portrait of Alfred Deakin, National Library of Australia, nla.obj-137968670

The Ministry of the Barton Government taken in 1902/1903, NAA: A1200, L3L13365

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 epublication 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 that of its publication in the *Morning Post*. Where the date of writing was not printed, or was printed incorrectly in the *Morning Post*, it has been added in square brackets on the basis of the list of published letters in Appendix II of La Nauze's edition.³¹

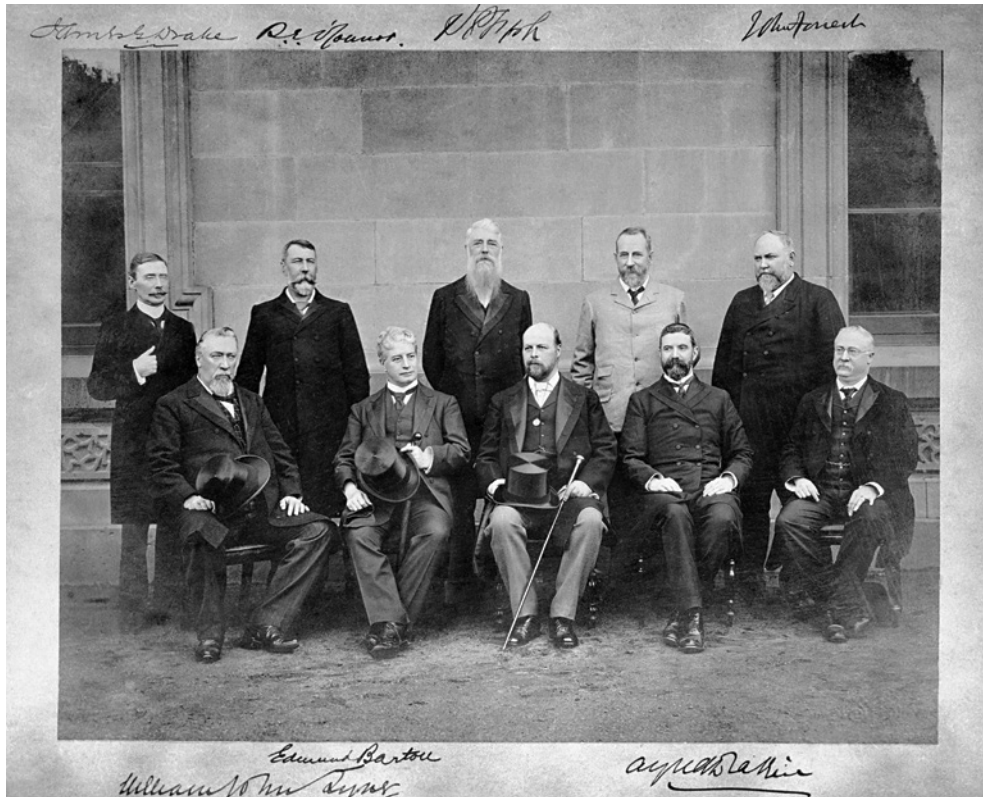
With regard to letters written from 25 March to 17 June 1902, 'there were apparently alterations of Deakin's dates by the *Morning Post*, with some dates duplicated'.³² The corrected/omitted dates are inserted in square brackets on the basis of the list of published letters in Appendix II of La Nauze's edition.³³

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.*, p. 361 and p. 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.*, pp. 295–311.
- ³² *Ibid.*, p. 297.
- ³³ *Ibid.*, pp. 297–98.

— 1902 —



The Ministry of the Barton Government taken in 1902/1903.

Seated (L–R): **Sir William Lyne** (NSW), Minister for Home Affairs; **Edmund Barton** (NSW), Prime Minister and Minister for External Affairs; **Lord Tennyson** (Governor-General); **Alfred Deakin** (Vic), Attorney-General; **Sir George Turner** (Vic), Treasurer; standing **Senator James Drake** (Qld), Postmaster-General; **Senator Richard Edward O'Connor**, (NSW), Vice-President of Executive Council; **Sir Philip Oakley Fysh** (Tas), Minister without portfolio; **Charles Cameron Kingston** (SA), Minister for Trade and Customs; **Sir John Forrest** (WA), Minister for Defence

(National Archives of Australia, NAA: A1200, L13365)

THE NEW COMMONWEALTH.

AUSTRALIA AND THE WAR. FURTHER TARIFF PROBLEMS. MINISTERIAL DIFFICULTIES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jan. 7 1902; Feb. 11 1902.

The Commonwealth begins its second year by no means free from the ailments of infancy. It cannot be said to have cut its teeth, for it has not yet united its State Defence Departments. Nor, if the tariff may be likened to an attack of whooping cough, can the little patient be considered half through that very serious complaint, painful to itself and distressing to its neighbours. The results of the radical treatment adopted to prevent an alien invasion and chronic Kanakaism remain to be seen. Some symptoms are more promising. Pending a hearing of the appeal to the Privy Council in regard to the sealing of ships' stores between coastal ports there is a general acceptance under protest of the new law. Even the Germans have at last consented to cease aggressively defying it, though their reliance is on diplomatic representations rather than on judicial decisions. Their claim is that even if British vessels can be compelled to pay duty on such stores as are consumed in Australian waters no such imposts can be enforced on their ships, which, when on the high seas between Sydney and Melbourne, are held to be outside the jurisdiction not only of the Commonwealth but of the British Empire. Like most other German pretensions in our part of the world, this is asserted in a very autocratic fashion. Mr. Barton has promptly met the demand with an emphatic reply. If any such attempt is made to give foreign vessels an advantage over those, including our own, which fly the British Flag the Federal Government will be prepared to introduce legislation on the American pattern confining the whole trade between Australian ports to ships belonging to the Empire. In this matter the Cabinet is evidently prepared to act with promptitude and vigour.

THE CONTINGENT FOR SOUTH AFRICA.

The continued existence of separate military organisations in each State has caused Mr. Barton, in the absence of Sir John Forrest (who is attending the Governor-General in Western Australia), to call a conference of their commandants to consider

and arrange for the despatch of the promised contingent of a thousand mounted men. As he is spending the short vacation here their meeting has been held in Sydney, and has apparently found plenty of matters requiring an interchange of ideas. It would have been easily possible to have raised twice or thrice the whole number required in either of the larger States, but in order to avoid jealousies it has been necessary to allot a fixed number to each State. The force will consist of nine units composed of a hundred and twenty-one officers, non-commissioned officers, and men. New South Wales and Victoria are both to supply three units, Queensland and South Australia each one unit, and Western Australia and Tasmania a half unit apiece. This division is practically on a population basis. There are, however, two conditions that limit the choice so much that it will not be easy to find even the small levy determined on. Married men are to be excluded, though they may have already served and are free from responsibilities. Australians as a rule enter wedlock early, and this rule excludes hundreds of men in every way suitable. The second condition imposed is that returned soldiers are to have preference, and here, too, the circumstances restrict the men available. The despatch of a further contingent not having been foreseen, those anxious for a second or third dash at the Boers have been leaving for Durban or Capetown by every ship. Hundreds are already on active service under **General Baden-Powell** or in various corps. Those men of experience in the field whose health and family obligations permit them to enlist have therefore been greatly reduced in numbers. In every State there has been a great rush of new recruits eager to bear arms, and often resorting to all kinds of trickery to win the coveted place in the ranks. Some of these will have to be taken. There is no lack of military ardour anywhere. Irregular Cavalry by the hundred can always be raised here at a moment's notice.

PARLIAMENTARY PROSPECTS.

Parliament, or rather the House of Representatives, meets again next week, when the first speech of the Prime Minister will be in explanation of the Ministerial policy in respect to the first Federal contingent. Why was it not offered as soon if not sooner by Australia than by Canada and New Zealand? Public sentiment was almost unanimously in favour of such a step. The great majority of the members are of the same mind, and but for the grave consequences occasioned by the stoppage of public business and the uncertainty that would be imported into the treatment of the tariff, the tardiness of the Cabinet might cost its life. As it is, a summer session is invariably hot-tempered. Mr. **Reid**, after two months' absence, will be back in his place, and any development is possible. Their own supporters have been chilled by their refusal to act except on an intimation from the Colonial Office that our aid would be welcome, while the small minority who from various reasons are opposed to the

sending of more men are just as angered as if they had been sent in the first instance by the cordial and immediate concurrence of the Government in Mr. Chamberlain's suggestion as soon as it was conveyed to them. The Labour Party will, no doubt, be hostile because of the light treatment of the promise given to one of their number that the House should be informed of the Ministerial intention to despatch another contingent before any steps were taken to give effect to it.

The course of action and inaction adopted by Mr. Barton and his colleagues has certainly been as impolitic and tactically unwise as it well could be. They have offended every section of the House and have conciliated none. They have pleased nobody in their own ranks and no following among the electors. For these reasons, among others, the address which he is to deliver to his constituents this week will be awaited with much interest. The incidence of the tariff has been obnoxious to many of his constituents who co-operated to secure his return. The generally antagonistic sentiment of the State, and particularly of Sydney, is having its effect on others, and to appear among them just after flying in the face of public opinion in the matter of the contingent is to render his reception a matter of much speculation. The situation will be better appreciated if it be remembered that, so far as Australia is concerned, the South African has always been a people's war. Lord Beauchamp was perfectly correct in his recent statement, authorised by his personal observation when Governor of this State, that the hands of the State Premiers and Parliaments were forced by public sentiment, which insisted on the despatch of the first and succeeding contingents. The politicians have always been inclined to grudge the spending of part of their revenue outside the country, and are still unwilling to see our young and enterprising men leaving our shores, many settling and some dying abroad. Mr. Barton and his colleagues probably hesitated for reasons of the same character, but again they have reckoned without their masters. The Australian public is as patriotically belligerent still as it has been since the beginning of the war.

THE NEW TARIFF.

Little notice has been taken in these columns of the weary weeks of tariff wrangling which preceded the Christmas adjournment of Parliament. The discussion on individual items was not proportionate to their importance, the details cited by the speakers were local in character, the evidence quoted in regard to them extremely confused, and the decisions given rarely decided on any fixed principle. The task of slowly and painfully plodding through night after night of largely irrelevant debate begins again in a few days, and before the subject becomes lost to sight in a jungle of technicalities, personalities, and digressions, a glance backward may be of service as in a general way indicating the probable trend of the conflict. The

circumstances will not continue precisely similarly, for as month after month passes the position of the commercial community becomes more vexatious. The utter uncertainty that still prevails as to the action of the representatives is enhanced by the still greater uncertainty as to the after possibilities of pruning by the Senate. The most experienced political prophets admit that forecasts of the ultimate shape of the tariff are wholly impossible. Until it is assented to finally it will be open to review and liable to be amended by some sudden reaction among members. All these considerations begin to throw the weight of business influences into the Ministerial scale. "Better any tariff at once than a better tariff three months hence" is the general sentiment among merchants little favourable to Mr. Kingston and less to his policy, but compelled by force of circumstances to wish him through with his great task. In any single State this would prove a powerful factor, but the Commonwealth Parliament seems almost beyond reach, and it is difficult to say exactly what effective support the classes most interested can give to a Government which they dislike now that for their own sakes they hope its proposals may go through.

The British taxpayer, like his brother in New South Wales, will naturally be more perplexed by the tariff discussion than residents in those colonies in which Protection has prevailed. We have both been accustomed to a short and simple list of customs duties, with regard to which the only questions are whether they are fair and what they will produce. Now we find ourselves in the Commonwealth confronted by considerations much more complex and of quite a different character. The number, size, importance, and prospects of local industries of every kind, the hands they employ, the wages they give, the quality of their goods, and the prices they ask for them in and out of the home market, the freights they pay to the seaboard or interior, and what comparison they bear in all these particulars to the conditions of the same industries in Great Britain, the United States, and elsewhere, are some of the vexatious problems to which attention has to be given. There has to be taken into account the extent of the Australian demand, the facts and possibilities of an external trade, whether the machinery employed is up to date, and what proportion of the cost is incurred by the purchase of local products, whose price is liable to be raised against those who use them as part of their raw material of manufacture by the imposition of protectionist or revenue duties. These are, perhaps, the main lines of an inquiry which descends into the differing discounts allowed by wholesale agents of foreign and local firms and ascends to the high realms of international finance and exchange. Out of such a medley of matters, debated for the most part by those who are not experts in any of them, supplied with the unfamiliar material they use by partisans and interested persons who lay reckless hands on statistics to support their own views the fact that any tariff at all emerges from the labyrinth of argument in which each decision is sought is in itself a marvel.

PROTECTION PROPOSALS.

Of course, the main battle has been on the Protectionist items, where the dispute is whether the prices of local goods are or are not higher than those of the imported, and, if higher, how much or little of this is due to the longer hours and better wages paid in this new country. As was to be expected, it is in this connection that Mr. Kingston has been forced to accept some notable changes in his proposals. The woollen mills are to receive 15 per cent. instead of 20 per cent. protection; galvanised and corrugated iron, instead of being dutiable at 15s. and 30s. a ton, are free; cocoa and biscuits have been reduced from 2d. and candles from 1½d. to 1d. per lb.; while hats, which were to pay from 40 per cent. to 100 per cent., are reduced to 30 per cent. henceforward. The duties on common soap and oatmeal come down from 1d. to ½d. per lb. Portable engines, mould-boards, sheep-shearing machines, prints, tents, sails, and some cotton goods, which were intended to pay 15 per cent., are free. The duties on narcotics and stimulants remain almost unaltered, and they are always great revenue getters. The excise duties on these articles are yet to be imposed, but are not likely to increase the protection proposed to local producers. All the other revenue items, such as tea, rice, and similar articles of general consumption, are threatened with decreases in their imposts.

What the total result will be it is impossible to prophesy. The returns from the tariff as it is being collected are woefully behind-hand, and when they do come in will be of comparatively little value owing to the entirely abnormal conditions of trade. So far as can be judged, the receipts necessary to enable the Treasurer to return to the States what they have been calculating on will not be reached. How far they will fall short it is too soon to assess. The Protection granted to local industries will not often amount to 25 per cent. duties, and hardly ever rise above it. This will be a great decline from the Victorian and South Australian standards, and vigorous protests may be expected from them. Queensland, Western Australia, and Tasmania will be left lamenting the necessity for fresh taxation by their local Parliaments, though as to the first two the difficulty should be temporary. Out of the first Federal Budget, therefore, many unsuspected and some undesirable consequences must flow. It will not heal, but rather widen, the breach between the State Governments and Legislatures and that of the Commonwealth. With these vexations, in addition to so many other, fomenting grievances against the Federal Ministers, it appears quite probable that so soon as the tariff is disposed of there may be a union among those discontented with their legislation, their administration, or their personnel, which will try conclusions with them before the Commonwealth Parliament disperses for its first vacation.

THE NEW COMMONWEALTH.

FIRST YEAR'S RECORD.

PARTY STRUGGLES AND AIMS.

PROSPERITY OF THE STATES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jan. 14 1902; Feb. 20 1902.

One of the features in the first year's record of the Commonwealth has been the success of the **Governor-General** in his official capacity, and one of its good fortunes the gradual restoration of his physical health. Our summer heat appears to be preferable to him to the mild winter weather of Hobart and Melbourne. A few months ago he spent his holiday in Northern Queensland in order to enjoy more sunshine than Sydney could afford, and now in our very hottest weather he is visiting not only the capital but the rural districts and the great mining centres of the West. There, owing to the absence of vegetation and moisture, the thermometer runs far past the hundred degrees in the shade, which marks a record in our coastal districts. His tour has provoked a great outburst of local enthusiasm. The devotion to duty which takes him so far afield is fortunately coupled with a distinct talent for public speaking, a sound judgment in touching on public questions, and an unfailing tact in avoiding party issues. In the circumstances it is highly encouraging that he has felt justified in boldly declaring his entire satisfaction with the twelve months' working of the new Constitution. Conscious as he is of much that is necessarily unknown to the public of the trials and difficulties through which we have passed during that period his impartial testimony is of exceptional value.

THE GOVERNOR-GENERAL'S TOUR.

One of the circumstances in which our Government is carried on not yet sufficiently allowed for by our critics abroad is illustrated by his travels and those of his advisers during the short recess. **Sir John Forrest**, who accompanies his Excellency in his tour of the great State embracing one-third of the area of the Continent, has still controlled by telegraph all the defence forces of the Commonwealth from Perth and Kalgoorlie. A journey of some one thousand five hundred miles to the east would be necessary to

take him to Mr. **Kingston**, his nearest colleague, who has directed from Adelaide the customs officers in all the ports of our island-continent. The two Victorian Ministers, together with Mr. **Drake**, have remained at Melbourne, nearly five hundred miles more easterly still, from whence the operations of the National Treasury, of the Law Offices, and the Post Offices throughout Australia have continued to be controlled. Another six hundred miles to the north in Sydney the manifold interests supervised in Great Britain by the Home Secretary are being undertaken by **Sir William Lyne**. Sir John Forrest would require to travel nearly three thousand miles to join his chief, the **Prime Minister**, who has been defending the policy of his Government to his constituents at Maitland, and directing the Department of External Affairs from wherever he may find himself. He has just passed through our Metropolis on his way to Melbourne. **Sir Philip Fysh** remains for the time in Tasmania. The members of the House of Representatives have been distributed all over the Union, some going more than a thousand miles from the present meeting place of Parliament, though half their vacation has been occupied in the transit. If the immense variety of the needs and resources of the widely separated regions visited thus hastily, whose interests have to be studied by their representatives, were present to the minds of Englishmen our social or political problems and methods of meeting them would occasion less surprise. The mere magnitude of the scene of action accounts for much.

WORK OF THE SESSION.

Mr. Barton's speech consisted almost wholly of a catalogue of achievements—legislative and administrative—with the object of demonstrating that the session has so far been fruitful of much important work. As a record it was valuable and interesting, but of necessity not novel. At the outset, by way of warning, he touched on a pertinent and timely consideration when he reminded his hearers of the strong reaction against Federation manifested in the earliest years of the United States. What he had in his mind is obvious. Mr. **Philp** is still fulminating against the Federal Government, and perhaps on that account Mr. Drake was the one Minister who did not return to his own State during the recess. But Queensland has nothing to hope from these tactics. We have to accept all the consequences of the indissoluble relation into which we have entered, and to direct into practical channels the energy which must be idly expended if applied to attacks on the Constitution. The Prime Minister not altogether unwisely plumed himself on the quantity of his legislation. The public memory of public matters is short, work is forgotten as soon as finished, and it is merely the unaccomplished that remains in mind.

Seventeen or eighteen Acts occupy the statute book of the Commonwealth already, half a dozen of them measures of magnitude and three or four dealing with matters of high policy. The exclusion of undesirable aliens and ultimately of the Kanakas, the Customs Bill, with its new impost on ships' stores, and the Postal Department Bill, with its prohibition against the delivery of gambling correspondence and the letting of mail contracts to ships where black labour is employed, are all of them still the subject of heated controversy here and of suspicious examination abroad. If the Prime Minister's claim is that his Cabinet and the Parliament to which it owes its being have not shrunk from the gravest and the most serious problems confronting them, he will find few to challenge him with success. If he is content to point to his tale of legislative bricks, mostly intended to build a wall around the continent against the intrusion of coloured races or of goods which can be made at home, he might easily win a verdict in his favour from those who approve such a policy. He evidently gained the ear of his own constituency, where he was welcomed with warmth, listened to with attention, and applauded with enthusiasm.

MR. BARTON'S POLICY.

For the rest, Mr. Barton's own State, and especially Sydney, is more antagonistic to him than ever, and the bitterness of his many references to our Metropolitan Press betrays his keen consciousness of the fact. It may be admitted that our journals are partisan—where are they not when national interests are being dealt with from two opposite standpoints? It is his misfortune that three of our four "dailies", and those incomparably the most influential, are Free Trade in principle, and always have been. It is impossible that they should approve his tariff, or at all events that half of it which has a Protectionist incidence; but though they push their personalities too far, and are not as fair to adversaries as they ought to be in reporting speeches or interpreting events, when Mr. Barton chooses to follow an opposite course to theirs he must expect to be dealt with from a party standpoint. Complaints only serve to show that the editorial sting rankles.

Mr. Barton was specially anxious to prove that he has fulfilled the promises he made from the same platform nine months ago, and that his policy as it has been applied is beneficial to his native State. He quoted figures to show the multiplication of factories in Sydney, and drew a glowing picture of the future prosperity in store for his fellow-citizens, and especially those who reside in the district which he represents. The proximity of Newcastle, our greatest coal centre, gives its farming population a neighbourly interest in the progress of our manufactures. But the fact remains that neither he nor his party have really gained ground here, that the Opposition has, and always will have, the command of most of the constituencies, and though there is no

active evidence of hostility at present it is simply because there is as yet no means of effectively exhibiting it. Neither the men with whom he is allied nor their measures are acceptable in New South Wales.

THE SOUTH AFRICAN CONTINGENT.

The speech was singularly void of explanations which have been looked for, and cast no new light on the situation. Apparently his reply to the censures passed on the Ministers because of their refusal to volunteer another contingent will be that according to recent precedents he waited for official confirmation of the Imperial need or desire for the despatch of more Australians. It has been generally assumed by the Press that his pledge to inform Parliament before taking action would be more relied on to excuse his delay after the House had gone into recess. He will probably learn next week that neither one nor both of these are deemed sufficient by the people whose ardour resembles that of hounds straining in the leash rather than the cool calculation of necessities, cost, and chances in which the Cabinet appears to have engaged. The rolls for the contingent have been filled as soon as opened, while the number of those disappointed far exceeds the thousand envied men who have been allowed to risk their lives under the old flag. Judging from his remarks at Maitland, the Prime Minister appears more apprehensive of an attack from the small minority, which considers he has gone too far in this matter, than from the majority, which is indignant because he has gone neither far enough nor fast enough to satisfy popular zeal. His eye appears to be on Parliament rather than on the people, and in Parliament on the Labour section rather than on those who sit on the benches behind him. If he assumes that these are his only difficulties he has made a second mistake in this regard which may prove serious to him hereafter.

SATISFACTORY FINANCIAL POSITION.

Australia as a whole is financially in a satisfactory condition. In this State there is a nominal decrease of revenue for the last six months of 1901 compared with the same period of 1900, while in Tasmania there is a decline of £42,000, and in South Australia of £224,000, both deficits of grave local concern if not balanced before next July. Victoria, Western Australia, and Queensland, on the other hand, provide increases, between them bringing up the receipts for the Commonwealth to £14,646,000, an advance of £123,000 over those of last year. The Australasian gold yield for 1901 is about 150,000oz. better than for 1900, and as South African enterprises still languish our gross return will probably be larger than that of any other country in the world. There is a decline in most of the States, but exceptional advances

in New Zealand, and especially in Western Australia, more than make up for them. The yield in Western Australia is so great that it surpasses those of the two next gold producers—Queensland and Victoria—added together—reaching the great total of 1,881,000oz. Taking its revenue and mining increases as indicators, the prospects of the remotest and largest of the members of our Union appear very favourable. She has, like the rest, borrowed somewhat too freely and too summarily, but the enterprises on which she has embarked go far to justify the confidence which she feels in her future. Her surplus of income over expenditure for the half year is £167,000.

WESTERN AUSTRALIAN POLITICS.

Politically Western Australia has still to find herself. The new population attracted by her auriferous resources are now in a majority at the polls, though they are still short of the representation in Parliament to which their numbers entitle them. While Sir John Forrest remained his personality supplied a centre around which moderate men of all shades of opinion were content to rally. But his last sessions were troubled by the influx of new men with more extreme ideas, and directly after he withdrew an electoral storm broke over his party and shattered it to pieces. On his retirement one of his most trusted and able colleagues, Mr. **Throssell**, succeeded to a brief tenure of office. Mr. **Leake**, the leader of the Opposition, displaced him, and, though himself originally of much the same political creed as Sir John Forrest, reflected in his policy the influence of the mining and labour representatives by whom he was supported. After a stormy career he, too, was ejected, and another of Sir John's lieutenants, Mr. **Piesse**, was sent for by the **Governor**. The House was evidently so evenly divided that after carefully studying the position he resigned the task to Mr. **Morgans**, a member from the goldfields, who had associated himself with the Forrest policy. He and his colleagues then faced their own constituencies, where they were so fiercely opposed by Mr. Leake that three of them lost their seats. This was decisive of his hopes.

Mr. Leake then returned to power, whereon his Cabinet was challenged in his own person and that of two of his colleagues, when they went back to the seats they had vacated by their acceptance of office. They all proved fortunate at the polls. The Premier and his Minister for Works, Mr. **Rason**, whose appointment was most questioned, were both returned by majorities of more than two to one. A great deal of personal feeling has been imported during these repeated personal contests which is sure to find expression in the House. Though this is not yet a year old the Government policy is to dissolve it as soon as a measure providing for the redistribution of seats shall have become law.

ATTITUDE OF THE OPPOSITION.

The Opposition seems inclined to adopt a still more desperate programme, and in the belief that the present electoral position is favourable to its interests may seek to avenge itself, and postpone any alteration of the existing constituencies to another Parliament by forcing an immediate appeal to the country. This would appear to be a rash and an impolitic proceeding according to the plain interpretation of recent entanglements which points to Mr. Leake's possession of a stronger support than any of his rivals. The condition of the House probably reflects that of the electors who have not yet definitely grouped themselves according to political principles. Party organisation and Government will no doubt be evolved presently out of the confusion that prevails. Judging by the trend of his policy Mr. Leake will head a Liberal Party, against which a strong body of more Conservative tendencies will array itself under a chosen chief. Western Australia will thus come into line with her sister States in methods and in policy, and so fit herself for the better discharge of her Federal functions.

THE NEW COMMONWEALTH.

AUSTRALIA AND THE WAR.

THE PEOPLE'S LOYALTY.

MINISTERIAL AWAKENING.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jan. 21 1902; Feb. 26 1902.

Australia is drawing a deep breath of relief and the popular aspiration is at last satisfied. The Commonwealth has spoken and acted, its Government and Opposition have united, and their patriotism has been proved beyond all question. One thousand irregulars are about to depart for the scene of conflict, and more are to follow them as the need arises. The current opinion on the situation which is expressed here is that the war should be brought to a conclusion as soon as it is humanly possible to do it without compromise or paltering with the foe. There is no harshness of sentiment towards the Boers, but a deep-rooted conviction that the time for treaties and bargains has long passed. Inexpressible contempt and disgust are felt for the slanderers of the nation and the Army. The real meaning of their calumnies is understood. The deeper the hostility of the Continent becomes the closer New Zealand and these States will draw to the Mother Country. As the splenetic carping of the Pro-Boers becomes louder so much the more emphatic will be the pledges of our faith. As far as the colonies everywhere are concerned it is clear that the Mother Country is never so little alone as she is when she is left most severely alone by her foreign rivals and professing friends. Her "splendid isolation" causes her children to rally round her, and though it is little in the shape of assistance that they are enabled to lend her the strength of their affection is to be measured by the spirit rather than the numerical strength of their battalions.

WAR FEELING IN THE STATES.

Generally speaking, local opinion, as far as it can be collected, reflects almost exactly that of the Mother Country. An immense majority supports the war policy of [Lord Salisbury](#), though the greater number of them would probably be classed as Imperialist Liberals if their local politics were measured by British standards. The

number of those who favour the cause of Mr. Kruger is apparently smaller with us, and certainly their leaders are much less distinguished, than is in Great Britain. Our Press and other criticisms of the conduct of the war are also less severe, though privately and among those who have served in South Africa very caustic comments are common. In public the tacitly-accepted practice is to postpone on patriotic grounds all such animadversions, even if they are merited, and to sink every other consideration until the triumph of the flag shall have been assured. Mr. Chamberlain is not a favourite with many of our Radicals, but as far as the war is concerned his name is acclaimed with cheers by most of them, while their former favourites, Mr. John Morley and Mr. John Burns, are for the time eclipsed.

If Australasian electorates were returning representatives to the House of Commons the whole of their members would be found behind Mr. Brodrick in any proposals he might submit for more vigorous action. They desire peace, but it must be with honour, and therefore of unquestionable permanence and stability. South Africa consists to us of a group of sister States, and hereafter it is to be hoped she will develop into a sister Commonwealth. Her future must be linked with ours and with that of the great Dominion. The cause for which we are fighting is in every sense Imperial.

MINISTERIAL LACK OF APPRECIATION.

So much it seems desirable to say in regard to local opinion in order to make the situation comprehensible, though probably a fair estimate of these points has now been made at home. What will not be realised in Europe, unless it be specially dwelt on, is the absolutely unforced, spontaneous, and universal character of the loyalty which has just found fresh expression here. Our Federal Ministry appears to have had no adequate appreciation of the strength of this impulse until late in the day. The silence of the members of the Opposition suggests that they, too, failed to estimate the forces that had been aroused. The State Premiers, who were more closely in touch with their constituents, or whose responsibility in this matter was light, exhibited a certain amount of energy in pressing for more decided action on the part of the Central Government. Victoria, through her Parliament, manifested her wonted enthusiasm; but in the other States outside the Press the general sentiment found no effective utterance. There was nothing in this recent outburst of loyalty arranged, prepared, or engineered by politicians or any official persons or agencies. In that lies its surpassing value and significance. The agitation for immediate action began below and moved upward. It came from the masses through the classes to the Executive. Only thus could the leaders be given a lesson which they seemed rather slow to learn.

It was the Australian people who provoked the political crisis, the outcome of which has been the resolutions introduced by Mr. Barton, seconded by Mr. Reid, and carried almost unanimously through Parliament amid immense enthusiasm. The people practically dictated them. It is from the people that the recruits are thronging eager for service against the enemies of the Empire on either side of the Orange and the Vaal. When the Federal Ministry offered the contingent it had nothing to offer except its own consent to allow those who were anxious to volunteer to become enrolled. A score of offers on the part of all our Governments would mean nothing and accomplish nothing unless their citizens were willing to come forward and to create the forces which it is their duty to officially accept and transmit.

THE PEOPLE'S ENTHUSIASM.

The administrative effort made is in every sense subordinate, and possesses no initiative. Nothing has been done to tempt our young men to enter the ranks. Neither speeches, bands, nor even voluble recruiting sergeants are employed. The pay offered is much less than most of those who join are receiving for their labour. All that our Parliaments have ever done, or are capable of doing, is to keep a tally and await events. All that our Federal House needed to do in the present instance was to open its own closed doors so as to permit those who have been knocking at them for weeks to come in and register themselves for active service. A simple advertisement is inserted in the local papers notifying the time and place of enrolment, and at once the lists are filled. The boundary rider gives notice at the home station and the teamster to his master. The young farmer lays aside his plough and the youth deserts his business opportunities. These men are individually inspired with the ambition to play their parts in maintaining the Empire. They come without other stimulus or suggestion of their own motion, and often in spite of the pleadings of parents, employers, sweethearts, and friends. They are earnest and their zeal is unbought. This is the most surprising and the most encouraging feature of the movement in this country.

Compared with the popular patriotism the work of the politicians appears to be secondary and almost puny, and yet it, too, has breathed something of the same high character. For the first time since our Federation began a most important act of State has been undertaken in a perfectly patriotic spirit. The policy of the Commonwealth on the most vital issue that can confront it has been declared both by the Ministry and Opposition. They have acted not as hostile factions, but as parts of a Parliament at one with itself and with its constituencies in making a solemn attestation before the world of its trust in and devotion to the Mother Country—none the less a Mother Country because most of those who voted had never known it, but were born and reared under southern, though not alien, skies. For this unanimity the

chief credit belongs to Mr. Reid, since for the sake of the Empire he put aside the ordinary duty which attaches to him and to those who act with him of opposing the Government proposals. The indignant repudiation of Continental calumnies appears, in fact, to have originated with Mr. Reid. The addition made by Mr. Barton is of greater moment and more lasting interest, since it amounts to a public pledge of the continuous active participation of Australia in the war in South Africa. No matter how deeply she may be drawn on for contingents, she will furnish them unflinchingly until the war is ended by the absolute defeat of all who there resist the peaceful acceptance of British rule. Taking together the origin of these resolutions, the manner in which they were evolved, the circumstances in which they were expressed, and the nature of the obligations affirmed in them, their acceptance constitutes the most far-reaching and fateful event in the history of our young Commonwealth.

THE PREMIER'S EXPLANATION.

For this reason they merit consideration in every aspect. The part played by the Federal Ministry will be criticised when Mr. Reid thinks it necessary to do so, for he has formally indicated his intention of censuring it as soon as a fitting opportunity shall present itself. Mr. Barton's defence, so far as he has outlined it, consists of the lawyer-like plea that on the last two occasions on which Australian troops have been despatched they have been requisitioned for first by the Imperial Government, which has indicated the number and character of the reinforcements preferred. He adds that though at the outbreak of the war the spontaneous offers of the several States were called for by the circumstances which then existed, there was, in his judgment, no such emergency during the past month. As one who strongly supported the first offers, he maintained that in the present condition of affairs the proper course was to await communications from those who knew the facts and prospects as to South Africa, instead of obtaining them through the medium of the newspapers. The fact that a large proportion of our returned soldiers, who are now applying again for enlistment, have to be rejected as unfit because their constitutions have broken down under the stress of past campaigns is to be regretted, but Mr. Barton's allusion to it seems scarcely to afford a basis for any other conclusion than that the horrors of war are not to be fully measured by the records of battlefields.

The current theory is that our Prime Minister, like Richard I as Scott depicted him in *Ivanhoe*, is a sluggish though an unrivalled warrior, who rides into the *melée* and strikes home only when thoroughly roused by some special summons. Certainly in the debate on the resolutions his reply was decidedly more spirited than his opening speech. This is customary with him, and is probably the origin of the interpretation now advanced of the ground of his refusal to offer the contingent when Canada and

New Zealand led the way. The fallacy lies in supposing that on this vital question he has acted alone, and in forgetting that several of his colleagues, notably **Sir John Forrest** and **Mr. Kingston**, have never been prone to wait for the spur. In pursuance of a deliberate policy for which they must collectively accept responsibility, the Ministers determined to await Mr. Chamberlain's signal before despatching a fresh contingent to South Africa. That they have now bound themselves to send as many more as may be required has saved the situation, but it will not protect them from the future reckoning of which they have received public notice. It is true that their delay has proved fortunate, since it provoked the protests of the States and awakened the whole people to the necessity of asserting themselves in order to force their representatives to prove their patriotism. But no thanks are due to them on that account. The one thing for which they can be commended—if, as is claimed, it ranked among their motives for the delay—is that by this means they avoided a division of the House, which might have shown that a respectable minority was opposed to them for party reasons, but who would have appeared to strangers to our politics to be opposed to the war.

ANALYSIS OF THE VOTING.

An analysis of the voting shows that of the five men who voted against the second part of the resolution pledging Australia to give any aid that might be necessary to bring the war to a conclusion two did so on the ostensible grounds that they are opposed to all warfare in all circumstances. A third who is equally determined to take no responsibility for any appeal to battle was manifestly a Pro-Boer in this particular struggle. The fourth, **Mr. McDonald**, M.P. for a Queensland constituency abutting on the Gulf of Carpentaria, was the one man who thought it necessary to explain that, though a loyal subject himself, he regarded the ultimate severance of Australia from the Empire as inevitable and desirable. No other hint or echo of such an opinion or of agreement with it was heard from any quarter. One-third of the House did not vote because the resolutions were taken without notice on the first day of its reassembling, and consequently a score of members had not arrived in Melbourne. A few of those present walked out without voting. Probably the maximum strength of the Pro-Boer and Peace-At-Any-Price Parties together does not exceed ten members out of seventy-five. It would have been a smaller total by at least one half if the decision of the question had been put to the constituencies.

Of the six members (counting the one who paired) who opposed the resolution five belong to the Labour section, though its leader and as many of his followers supported it. The one speaker of ability and knowledge who headed them was **Mr. H. B. Higgins**, a leader of the Equity Bar, who represents Northern Melbourne.

He is an ultra-Radical and Home Ruler, who votes with the Labour section, though he is not enrolled in their organisation. A man of exceptional courage and independent thought, he is often found with the small minorities on great public questions. As a Pro-Boer and one of the leaders of the Anti-Federalists in his own State he became unpopular and lost his place in its assembly. It should be noted to his credit that in his new as in his old seat he is a staunch opponent of the borrowing practices in vogue all over the continent. He and, indeed, every single representative who spoke or voted on the question endorsed with ardour that portion of the resolution which condemned with indignation the baseless charges which have been made against the honour of the people and the humanity and valour of the soldiers of the Empire. In all Australia there is no dissenting voice on this point—only an unbroken chorus of confidence and pride in our nation and our Army, whose trials and whose destiny all are so eager to share.

THE NEW COMMONWEALTH.

LORD HOPETOUN'S AVOWAL.

STATE JEALOUSIES.

SOUTH AUSTRALIAN PROBLEMS.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Jan. 28 1902; Mar. 6 1902.

The *Earl of Hopetoun* has created a political sensation. The 26th of January is celebrated annually by the Australian Natives' Association in Melbourne, its home of origin and head centre of influence. It was at this gathering, in our most Imperialistic capital and to an audience overflowing with loyal enthusiasm and martial spirit, that he deliberately, decisively, and dramatically departed from the reserve which he and all our Governors have always observed in regard to current political issues. He did more, for he swept aside the official veil concealing his relations with Ministers, and boldly took his place beside them as responsible with them for the postponement of the call for our first Federal contingent until the Imperial Government should have intimated its willingness to accept Australian reinforcements. This avowal, coming from so discreet, so capable, and so impartial an observer, necessarily informed much better than any other man in the Commonwealth or out of it on all the circumstances surrounding this somewhat mysterious incident, will naturally have a marked effect on opinion and will materially strengthen the position of his Cabinet. But it sets a doubtful precedent, and it may involve dangerous constitutional complications prejudicial to the influence of a Governor-General. That his impulse was manly and generous is admitted as beyond dispute. He had nothing to gain and everything to risk by his avowal; but it would have been better if it had not been made. Emanating from one who has invariably displayed such excellent judgment in all his public addresses, which have been of a high order of merit and have exhibited a sound discernment of his important functions, his utterance in Melbourne carries great weight. But it has at once brought him into the arena of political controversy, into which it is not desirable that a Viceroy should enter.

PROVINCIAL INSTINCTS OFFENDED.

Lord Hopetoun's explanations of the delay take us no farther than those of the *Prime Minister*, whose commendable promptitude in promising another thousand men in response to a second request from Mr. *Chamberlain* contrasts most palpably with his previous hesitancy. Our two thousand men, added to a similar number from New Zealand and a thousand from Canada, should compose an effective force. All are Volunteers—none is a pressed man. They have sprung to arms with an eager appetite for action, and are being despatched with universal acclaim. Yet for all that our curious mixture of patriotism and localism has been once more amusingly manifest. Though this time Queensland and Victoria have been the chief sinners, the same parochial spirit continues to be shown more or less throughout Australasia. The contingent is being provided in two parts—one from New South Wales and Queensland, the other from the remaining States. As we are providing the great bulk of the men in the first detachment, and as it is desirable that they should begin working together as soon as possible, the natural and proper proposal of the military authorities was that the Northerners should join their fellows in camp in Sydney. This, however, offended the provincial instincts of Mr. *Philp* and his Cabinet, who set their faces rigidly against the suggestion on the extraordinary ground that they were entitled to have a separate camp in their own State. The selfishness of the motive is not even politely concealed by any pretence that the same proficiency can be secured if they are kept apart. Jealousy of Sydney, of course, helps to evoke this pettiness, but its Anti-Federal character is the more serious feature. It evidences a determination to put State interests first, no matter how small they may be, and the national reputation second. Mr. *Philp* is quite reckless whether that is impaired by the despatch of a less efficient contingent or not. In Victoria the local shipowners complained that transports were being sent by the Admiralty to convey our two thousand men to South Africa when there are plenty of local steamers available for the task. They pointed with admiration to the action of Mr. *Seddon*, who refused to give effect to the wishes of the War Office, and insisted on chartering New Zealand vessels for the New Zealand men. According to this surprising theory, though the British Government pays for the shipping, we are to choose it and fix its terms.

MR. SEDDON AND THE WAR OFFICE.

Mr. *Seddon* himself, however, is not always as cautious in the use of language as a man of his broad views in his high position might reasonably be expected to show himself. In a new contract for the supply of Army beef the War Office has deliberately permitted the contractors who have large interests in the Argentine to draw an unlimited proportion of their supplies from thence.

It is a blunder, and a bad blunder too, seeing, that both for quantity and quality Australia has hitherto stood in higher repute than that country. We have sent of late almost the whole of the imported meat consumed in South Africa, and that at low prices. Those who purchased and retailed it may have reaped immense profits, but the growers here have not received more than fair market rates. Apparently the powers that be have sought for cheapness alone, and in so doing have done no more than their duty. It is amazing, however, that even officials should have done this at the very moment when Australasia has been offering more troops and depleting its already scanty population in order to assist in finishing the war. The consequence of this most untimely blunder is a deepening of the conviction that official Britain knows nothing of the resources of its dependencies, and cares nothing for their development. Mr. Barton, before the contract was given, had despatched a telegraphic remonstrance against the neglect of our producers and of the interests of the British Treasury displayed by the acceptance of expensive contracts for supplies which could be more cheaply furnished from here. This suggestion was well warranted, and public opinion supported it thoroughly, though it halted when Mr. Seddon, with characteristic impulsiveness and plain speaking, went on to add that "the action of the home authorities in this matter was enough to damp the ardour of the colonies which were sending fighting men to South Africa". He overstated the case. We are used to snubs of this kind from these quarters, but do not on that account blame the nation nor relax our energies, because we are confident that at last justice will be done.

STATE JEALOUSIES.

In the other matters in dispute the Prime Minister's attitude has been equally dignified and correct. He altogether refused to interfere with the Admiralty control of the means of transport of our fresh troops for South Africa. He firmly but quietly informed Mr. Philp that as his military advisers considered that our new recruits ought to be drilled together as much as possible before leaving these shores, he would insist on the Queenslanders being brought here at once. Not a whit ashamed of themselves, the Philp Ministry thereon refused to give their own soldiers the free passage by train to their border which has been invariably granted on such occasions in all our States. Nothing deterred Mr. Barton replied that the contingent was Australian and under Federal control. The fact that a certain strength was accepted from each State was decided on as a compliment to them, but in no way conferred authority on their Ministries to control them or their movements. The men were enrolled everywhere by the Federal Defence Department, and would be under its orders until they left our shores. He requested, therefore, that the directions of the conference of State commandants should be obeyed, even if the Imperial Government were to be charged the railway fares. They are being obeyed accordingly, but the fact

that any such dispute should have been raised is another illustration of the unhappy provincial meannesses and jealousies in many quarters against which Federalists have still to fight. Obviously the State Ministries and Assemblies everywhere are quick to take and willing to give offence to the Commonwealth Parliament and Executive. Another incident has disclosed the existence of a further source of personal bitterness to State politicians. It has been announced that the Prime Ministers of Canada and Australia, the Premier of New Zealand, and all Privy Councillors are to be invited to the Coronation as royal guests. The Premiers of the States will be welcome, of course, if they can present themselves in London, but they naturally cannot be received with the same distinction. At this discovery our own Premier has at once taken offence, and has confided his grievances to the public Press. His fellow Premiers have exercised more discretion, but the first Minister of South Australia has allowed it to be understood that his sympathies are with Mr. See in his protest. It is generally inferred that all the State Governments are much of the same mind. The question of local precedence has already been raised, and will require to be definitely settled by the Colonial Office. Some State Premiers are resolved to demand that in their own territories they shall be placed above the Commonwealth Executive, including the Prime Minister, unless the gathering is of a wholly Federal character. Fortunately we need not go abroad for guidance. On a question of this kind there could be no higher authority than the Governor-General himself, who as Lord High Chamberlain has had unrivalled experience in dealing with such questions. Already it has been noticed in Melbourne that he gives precedence to his own councillors before all others, but it is still contended in New South Wales that, even if this course be followed when his Excellency is host at Government House, at state functions the order should be reversed so far as local Ministers are concerned. The whole matter is personal and trifling, but adds its mite to the many existing causes of difference between the Federal Government and those of the States.

SOUTH AUSTRALIAN POLITICS.

The finances of South Australia are far from flourishing. There will be a large deficit on this year's transactions, and the probability is that when the Federal tariff emerges it will be of such a character as to leave them still more to leeward. The seasons have not been favourable, and the decline in the output at Broken Hill is having a serious effect on the railway revenue. Under this pressure the State has been compelled to do what every other State ought to have done, and must soon do if it is to fulfil the promises made to the people of Australia during the Federation campaigns. People were then assured that the new expenditure involved by the union would be reduced by the savings thus enabled to be made in the cost of State administrations. Events in South Australia would have taken another course if the powerful personality of

Mr. **Kingston** had not been withdrawn into the Commonwealth arena. A weak Government, a weaker Opposition, and a Labour Party holding the balance of power exist there as in the other States, but in a condition of more unstable equilibrium than anywhere except Western Australia. The colour of politics has of late years—largely owing to Mr. Kingston's influence—been more Radical than elsewhere in Australia. The cost of administration under Mr. **Holder** was brought below that of any of its neighbours. The power of the Press in Adelaide, as in every other Metropolis, is dominant. In every respect the State is typically Australian, and as it is the most advanced in legislation it affords perhaps the best concrete illustration in a general way of how all the States are tending.

THE WORK OF THE SESSION.

During the recent session the South Australian Parliament passed a small volume of fresh enactments. Crown lands, pastoral lands, and village settlements all required amending measures. The public servants and licensed victuallers were dealt with as usual according to the needs of the moment, and another of the many efforts to facilitate mining on private property received the **Governor's** assent. More machinery for State loans to farmers was provided, and the inevitable Loan Bill, this time for £820,000, appeared with its motley schedule, in which £510,000 for harbour works was the most conspicuous feature. The social legislation so popular to-day was represented by yet one more Early Closing Act, shortening hours and providing half-holidays for shop assistants. Compulsory vaccination was finally abolished, subject to its revival at need in any districts proclaimed by the Governor in Council. As a first-fruit of the economies consequent on Federation the Agent-General of the colony was lowered in status to that of a general agent with a salary of £1,200 a year. The last vestige of his independence has disappeared. He is now simply an officer of the Treasurer's Department "under the supervision, control, and direction of the Treasurer". He is required "to do all things in the United Kingdom in relation to South Australia that the Treasurer of the State may direct". His term of office is limited to three years, and he may be reappointed only once, while he remains liable to be suspended or dismissed by the Governor at any time. The statute-book of 1901, so far, is typical in every respect. In the last instance it is prophetic of what must generally occur in regard to all agents-general. One Act remains as a first instalment of that inevitable adjustment to the new circumstances created by our union, which every State is seeking to postpone, and will postpone, until public patience is exhausted. In this province alone has it become embodied in a drastic constitutional law.

THE NEW LEGISLATIVE CHAMBERS.

On March 31 both Houses of Parliament of South Australia will cease to exist. A general election will then be held, from which they will come back with diminished numbers. The new Legislative Council will have eighteen instead of twenty-four members; the new Assembly will have forty-two instead of fifty-four. There will be but four Ministers in future instead of six, between whom £4,000 a year will be divided. The whole legislative and executive machinery will have shrunk in size about 30 per cent., though the saving in cost effected will be little more than £5,000 a year. It would seem hardly worth while to have done so much to economise so little were it not for the value of the example given. The real feature of interest lies in a recognition of the curious chapter of accidents by means of which this self-denying ordinance has been passed. The Ministry, in order to prevent so useful a cry as that of "Reform the Constitution" from passing into the hands of their adversaries, brought in a Bill which they made as obnoxious as they fairly could with a view to its rejection. A majority in the Assembly passed it, coupling with the proposed alterations the provisions of the Federal Constitution for the settlement of deadlocks. They were quite satisfied to have cleared themselves and to have rendered its acceptance by the Council impossible. The Upper Chamber, equally determined to keep the cry for itself and to force the Assembly to finally throw out the measure, not only struck out the clauses aimed at deadlocks, but inserted others to which the other Chamber could not possibly consent. So far the play had proceeded just as was intended and all three actors were entirely satisfied with themselves. But then it was that the Fourth Estate asserted itself emphatically. The two great papers united in commanding that the Bill should pass, stripped of the excrescences introduced by each House, in order to cast on its rival the responsibility for its loss. The council trembled, obediently retraced its steps, struck out its amendments, and with them the Federal provision against deadlocks. The Assembly, almost equally intimidated, dared not refuse to agree. The reform was thus carried against the will of all concerned in making it. There it stands on the statute-book a warning of the kind of political miracle that will be required in the other colonies in order to bring their constitutions into harmony with their new position as members of an Australian United States under the Crown, whose national functions have passed from them to the Commonwealth.

THE NEW COMMONWEALTH.

COLONIAL LOYALTY.

EARL OF HOPETOUN'S POPULARITY.

VICEREGAL SPEECH CRITICISED.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Feb. 4 1902; Mar. 12 1902.

The *Earl of Hopetoun's* speech in Melbourne has been challenged in Parliament partly because it affected a party issue, but chiefly because it offended public sentiment. When he announced his endorsement of Mr. *Barton's* delay in offering a Federal contingent for South Africa he offended that sentiment and invited rejoinder. What was said in the House of Representatives was wide of the real grievance, which was neither political nor partisan, but national. The part played in the war by Australia has been prompted neither by consideration of its causes nor by calculation of its consequences in any coherent way. It has been almost purely instinctive, leaping on the instant to action as a son would spring to the side of a parent when danger threatened. Mr. *Barton's* blunder lay in his forgetfulness of this fact. The insults of the German Press and the way they were at once resented by Canada and New Zealand here combined to arouse an indignation only to be satisfied by a sword that leapt from its scabbard. The Cabinet may have had excellent reasons for hesitancy, but if these reasons were as plentiful as blackberries they could not at the time have impressed a people whose mood was an impulse to fling an instantaneous defiance in the faces of all who, whether in Europe or in Africa, were foes to the flag. The Ministry was weighing circumstances and measuring occasions while the public heart was beating high and the popular imagination was aflame with tingling energy. What the public demanded, and at once, was a pledge to the Mother Country and to all the world that its loyalty was spontaneous, its armed help without conditions, and its patriotism as Imperial as that of Great Britain herself.

PLAINTIVE PROTEST.

The resolutions of the Commonwealth Parliament at last gave expression to the universal emotion, and for a time the rising storm was appeased. But when the Governor-General stepped forward out of his official citadel to take his place

beside his Prime Minister the original aggravation seemed revived and complicated. Obviously he had nothing to gain by what was a most chivalrous acceptance of responsibility for a strictly Ministerial act. This consideration told in his favour at once, for it is rare to find a man who courts what most politicians avoid. Even those who resent his outspokenness will soon forgive it, and by many he will be more honoured for his courage. His willingness and, indeed, anxiety to share the blame showered on his advisers will more than atone for his part in the mistake they made. What he overlooked was the inevitable influence of his declaration on political parties. He rehabilitated the Ministry in the minds of members, who repose confidence in his capacity and experience as Governor-General, and by just so much weakened an Opposition justly entitled under our system of government to arraign the Ministry for its conduct in this and every other matter. In one sense Lord Hopetoun may be said to have stepped between the combatants, with the result that all blows aimed at Mr. Barton fell also on the intervener. The very fact that he is so universally respected and trusted makes his intervention the more serious. He has practically discounted in advance the charge of dilatory coldness which would some day have been brought against his present Cabinet. This he was scarcely entitled to do as Governor. To prevent a repetition of such an unexpected and embarrassing reinforcement of the Ministerial ranks at critical junctures Mr. Reid at once brought the incident before Parliament. He did so with every desire not to dwell unduly on it, but in order to warn his Excellency against making it a precedent for future incursions into the domain of party politics. Having conceded so much, the leader of the Opposition would have done better if he had ignored the particular language employed and had confined himself to a simple declaration of the constitutional principle that the Governor-General, like all other Governors, should stand apart from and above the arena of Parliamentary strife. Lord Hopetoun is too popular to be attacked, and, indeed, the mere appearance of censuring him is fraught with certain risks which no doubt Mr. Reid had well considered. Some comment was imperative, and if he did not adopt the best means available much is to be excused to him because of the difficulties of his position. He indicated his intention of withdrawing his motion even while moving it, and thus reduced his speech to one of plaintive protest and deprecation.

VICEREGAL UTTERANCES.

Mr. Barton's position, though exactly the converse of Mr. Reid's, was not without its embarrassments. He avoided some of these by subtlety. There were, he said, two kinds of utterances open to the holder of a Viceregal office—the official, for which his advisers were responsible, and the private, that ought not to be discussed. This was neither. The Ministers, though quite innocent of any prompting or even knowledge

of the Earl of Hopetoun's intentions on this special occasion, were perfectly prepared to regard them as official and accept responsibility for them—an absolutely safe challenge in the circumstances. Mr. Barton admitted that the remarks made by his Excellency could not be classed as private since they dealt with a public matter, but suggested that as an Imperial officer the Earl of Hopetoun's approbation of the Ministerial action in regard to the sending of troops was independent and presumably proper. He further contended that the despatch of the contingent having been endorsed with practical unanimity throughout Australia his comments at the time they were made could have no longer any party colouring or influence. Ingenious as this line of argument was it convinced no one, for it left the main issue untouched. The Federal Parliament is just as jealous of its privileges, whether real or imaginary, as any of our provincial assemblies, and when, as in this instance, it was hinted that their prerogatives were being infringed members at once united to repel the supposed invasion. The mischief of Mr. Reid's motion was that it gave some of his followers an opportunity, of which they did not fail to take advantage, of pressing the complaint much further and making it more personal. Ministerialists, with or without reservations, were of one mind with them that the Governor-General had overstepped the constitutional line drawn traditionally around his office. On that there was no division of opinion. Nothing could come of the debate except this chorus of comment. The praise of the Governor-General, included in every speech, was another and a very significant testimony to the success he has achieved in his high office. The people are sincerely attached to him, and in that his safety lies. But, in spite of this gratifying evidence of the harmony subsisting between the representative of the Crown and those over whom he rules, the incident conveys a practical lesson. The Earl of Hopetoun must now be convinced that, however unfair outside criticism may appear to him, he had better preserve unuttered his approval or disapproval of the administrative acts of his Ministers, especially when these are challenged by the sentiment of the country.

“THE MAILED FIST”.

The House the night before had shown itself equally sensitive in the construction put on a very simple action of the Minister of Defence. The Premier of South Australia, desiring to give all the *éclat* possible, arranged for a patriotic meeting about to be held in Adelaide in support of the policy of the British Government in South Africa. He then telegraphed to Melbourne for authority to allow the local Militia and the men enrolled for the new contingent to parade and take part in the gathering, at which it was also proposed to bid farewell to those who were about to depart for the war. Sir John Forrest consented, but to his evident astonishment was at once put on his defence in Parliament when the leader of the Labour Party denounced the

permission given to the military as a means of packing and overawing the meeting and of using the power of his department to distort the free expression of public opinion in the interests of a partisan policy. Mr. Reid and the Opposition speakers at once joined hands with the Labour members in order to harass the Government on so congenial a topic. The dangers of militarism and the possibilities of Caesarism were dwelt on as gravely as if the debate were proceeding in Berlin or St. Petersburg. Having aired their eloquence members were content with their solemn prophecies of possible consequences arising from the use of the "mailed fist" in political controversy. The contingents for South Africa are popular enough for anything to be permitted to them just now. Hence, what might have meant a serious attack on the Ministry in other circumstances came to be considered merely a means by which the intolerable dreariness of the tariff debate might be postponed for a few hours. It will be postponed and prolonged as far as the Opposition can manage until it shall have wrecked the Cabinet. The Government and its scheme of duties, or what is left of them, will then be passed together.

POWERS OF THE COMMONWEALTH.

The Commonwealth having been created by statute, and this having been superimposed on a series of statutes under which the colonies of which the Union is composed have been established and maintained, the first obligation of both is to determine their respective constitutional boundaries. The task is precisely that involved in a delimitation between rival Powers, except that instead of being geographical it is legal. We have as yet no High Court to which such issues can be remitted, and remain as heretofore under the jurisdiction of the courts of the States with an appeal to the Privy Council when, as in the case of the duty on ships' stores, we have come into actual conflict with anyone. On other points in dispute, of which there are many, we are much less advanced. Cases cannot yet be stated for judicial decision, and, indeed, in most instances we are only beginning to understand where differences exist. The first intimations of these usually arrive when official opinions of the Federal Attorney-General obtain publicity. From those so far elicited it is plain that Mr. Deakin is taking the largest views of the powers and immunities of the Commonwealth. Our municipal bodies have learned with alarm that according to his dictum they can no longer rate properties belonging to the Federal Government, but can only make the ordinary charges for services rendered, such as the supply of water or the removal of sewage. The State Treasurers find that according to another dictum the salaries of all Federal officers are to be free from income tax, and that no stamp duties will be recognised on transfers of property to the Federal Government or on any of the transactions of its departments, as, for instance, the money orders and notes issued by the Post Office. Coupling these claims and many others of a like

nature with the daring proposition for acquiring almost all the properties taken over from the States under the Constitution Act by a process of book entries, it may easily be comprehended that there is a steadily rising discontent, not only in New South Wales but in all the States, against what are considered the extravagant encroachments of the Commonwealth.

THE AUSTRALIAN COLONIES AND JAPAN.

Still in these matters we can look to our existing tribunals, to the future High Court, and, as a last resort, to the Privy Council for a just determination of our legal position. There are, however, other questions on which the Federal Attorney-General has given equally decisive opinions on which our courts cannot be called on to pronounce. One of the most important of these relates to an agreement entered into by correspondence between the Queensland Ministry and the Government of Japan just prior to the establishment of the Commonwealth. A treaty between Great Britain and Japan providing for freedom of intercourse between the two countries adopted some years ago, with an option to the Australian Colonies to come in, was accepted only in Queensland when rejected in all the other States. Special arrangements were made under it by Mr. Philp's predecessors by which all classes of Japanese except labourers were granted free access to Queensland. In regard to Queensland Sir James Dickson finally agreed by letter that the number in the colony in 1900, some three thousand or four thousand in all, should be the maximum allowed to land under a system of passports, which has so far, in the judgment of the Queensland Ministry, worked satisfactorily. Mr. Deakin's opinion has not, been published, and, of course, will be no more than an opinion then; but he has publicly admitted that he holds the agreement under the treaty to be void and the treaty itself no longer in force as between the Commonwealth, to which the obligations of Queensland have passed, and the Empire. It might be hard for the other States to be obliged because of the union to accept the very treaty provisions they had all refused, but on the other hand the sudden withdrawal of Queensland might appear unfair to Japan. Fortunately, the statesmen of that progressive country have not evinced any desire to encourage the emigration of their countrymen to foreign parts, and it is understood that they agree that the arrangement made with our Northern State shall now be taken to be terminated. This is a fair settlement for Australia. If sanctioned it will remove a cause of difference which might have provoked a misunderstanding between Great Britain and a friendly Power whose interests elsewhere have so much in common with ours. The incident in any case makes it plain that the status granted to our Commonwealth is such that the exercise of the authority entrusted to us may lead to international friction unless its employment is carefully supervised.

THE NEW COMMONWEALTH.

LABOUR POLITICAL POWER.

QUEENSLAND'S PROBLEMS.

INDUSTRIAL ARBITRATION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Feb. 11 1902; Mar. 21 1902.

The Labour Party dominates Australian politics; though, strictly speaking, it is not a party at all, its origin is not political, and it comprises only one class of those who live by their labour. Its influence is everywhere, and if it were what it pretends to be it would be all-powerful. Practically our whole community lives by its labour and might claim enrolment in its ranks, and even if only those who work with their hands were accepted they would command large majorities in every constituency. As a fact the voters of the working classes are but a minority in each State and in most electoral districts because only a fraction of the "workers" are rallied under the banner of labour. What makes their authority paramount is that they alone have a political creed which inspires a religious fervour in its devotees, while their loyalty and discipline are exemplary. There is also the only real organisation which is campaigning persistently and consistently in the field of public affairs. The lax, timid, divided, and spiritless operations of the orthodox "parties" make them an easy prey to this phalanx of earnest and dauntless propagandists. The wonder is, indeed, that they are not already absolute masters of State and Federal legislation and administration.

The reason why the Labour Party does not reign is that it imposes so many limitations on itself that it represents merely one class—that of manual labourers, and among these practically those who are employees. These enter into politics to achieve their own social ends for their own advantage. Employers are in effect ostracised, even though they work side by side with their men, and are naturally allied with them. Their representatives must themselves have been wage earners and continue to be subject to their control. They thus pursue their special interests so indefatigably that they give the cold shoulder to the working farmers, the minor shopkeepers, and the masters of small workshops, both in town and country. The dearth of conspicuous ability among them is due to the narrowness of their aims. On the other hand this has its compensations, since the few men of character and capacity who win their

way out of their ranks find ready to their hands a mass of followers more amenable to control than are the more active-minded men who are rising above the wage-earning class into a state of independence. Necessarily, therefore, our trade unions constitute the principal factors in their organisation. The motive power of the movement is economic, a natural desire for higher pay, shorter hours, and easier conditions of existence for the employees of the State or of private enterprise. These ideals cannot be realised by the great bulk of them, but they live in hope, and are stimulated by sympathy with others, whose position can be actually or apparently benefited by their co-operation. Socialists of the European pattern are few, but almost the whole of the Labour section are avowed supporters of the extension of governmental functions wherever possible. They emerge in the strife between Conservative and Liberal politicians ostentatiously indifferent to their principles or shibboleths, bent only on securing for their own class the solid advantages that can be secured through them. The result is that with all their limitations they are powerful enough to hold the balance of power in nearly every State and in the Commonwealth Parliament.

LABOUR POLITICS IN NEW SOUTH WALES.

The Political Labour League of New South Wales, which has just concluded its annual conference here in Sydney, opened with a paean of rejoicing from its **president**. "Never before", said he, "has the party been stronger than it is to-day ... We have no internal disputes. No session of Parliament now closes without seeing some of our 'planks' placed on the Statute-book." He pointed out that in two years they had secured Early Closing, Old Age Pensions, and an Industrial Arbitration Court, and then summarised the situation in two emphatic boasts: "A party that can show such a record stands pre-eminent above all others in the country. As a Labour Party we have made greater progress than has been made by any such party in any other country". The first assertion is true, and the second needs but an exception in respect to New Zealand to be true also. The president proceeded to name as the immediate aims of the league in this State womanhood suffrage, free education, a State clothing factory for the supply of uniforms for its employees, and State smelting works for the development of our resources in the shape of iron ore. He concluded by asserting that "there is no power in this country which can prevent us achieving justice for the workers". Having in view the Ministerial Party of Protectionists and the Opposition of Free Traders, though neither of them possesses or ever can possess again any opportunity of affecting the fiscal issue permanently transferred to the Federal Parliament, this statement is at present true also. There is once more a movement on foot in Sydney having for its object a rally of all the interests affected by State Socialism, though judging by past experience little is to be hoped from it. In Tasmania alone the representatives of labour are in a hopeless minority. They largely

control the legislation of South Australia, Western Australia, and Victoria, though in each the Ministry is nominally independent. Mr. Barton has grievously offended them of late by his refusal to fall into line in support of some of their pet projects. In the Commonwealth Parliament they are quite strong enough to eject him from office, and appear to be likely soon to exercise their option.

PROSPECTS IN QUEENSLAND.

Queensland, oddly enough, is the theatre on which the aims and character of the Labour section have been most conspicuously displayed, for in this State alone have they risen to the dignity of a party, constituting, apart from any allies, the direct Opposition. Their position is chiefly due to the bitterness engendered during the great strike of 1890–1, when the shearers took up arms against the authorities and formed shearers' camps in order to intimidate their employers—the handful of “squatters” who owned the vast flocks of sheep in each district—into granting their terms. For a short time it seemed as if lawlessness might prevail, for a few painful weeks the owners and managers of stations found their property and even their lives in danger. The Government boldly grappled with the situation, called out the Militia, and overawed the rioters. Peace has reigned since then, even in the remotest West, but the action of the Ministry consolidated the wage-earning classes to such an extent that they have commanded two-fifths of the representation in the State Assembly. Their strength in recent years has been greatly increased by their adoption of the White Australia policy more than by any other article of their programme. A general election will take place in March next, at which, though this issue also has passed to the Federal Parliament, it will continue to be their chief reliance. They may well exult in the tactical blunder of Mr. Philp, by which this most attractive cry has been left to them. During his recent dispute with the Federal Ministry he informally appealed to electors of his State to reverse the decision given by them at the Federal elections less than a year ago. They will not be allowed to forget this. If he succeeds in his object the Prime Minister will certainly pay no heed to the local verdict, and will have constitutional authority for ignoring it. On the other hand, Mr. Philp's failure at the polls would confirm the Commonwealth in its Anti-Kanaka aims and would perhaps also imperil his own Ministry. It is therefore just possible that a Labour Ministry may take office in Queensland. Once before it did so for twenty-four hours, and probably its reign would again be short if Mr. Philp were overthrown.

THE PREMIER'S MANIFESTO.

In his Address to his constituents at Townsville the Premier, who always attacks and can continue to attack the Barton Government without injuring himself with his supporters, emphasised his former folly by attacking Federation. When he insisted that the strongest advocates of union have been bitterly disappointed in nearly every State he had at least some warrant for the statement, though when he went on to add that "many, perhaps most, of them, would be glad to see the union dissolved", he merely called attention again to the fact that his chagrin is solely due to the exclusion of coloured labour, a circumstance which is not helpful to him now. As the union is indissoluble such declarations are of little practical value. Mr. Philp was well within his rights in affirming the necessity for the State Governments to keep intact the powers secured to them, to resist all attempts to abridge them, and to refuse any invitation to surrender the least of them. He thus made public in plain language the resolution arrived at by all the State Ministers and Parliaments long since, as has been frequently explained in these columns. Admitting his hostility to the Commonwealth legislation against the Kanakas he promises to endeavour to obtain more favourable terms for the sugar planters from Mr. Barton, though, of course, he is perfectly aware that his requests in the circumstances are bound to be disregarded. He wisely accepts the Immigration Act as far as it applies to non-European races, and discounts his previous utterances to some extent by explaining that in regard to the Pacific islanders he simply sought for a longer term for their stay in the plantations. The manifesto on these points is a diplomatic one, and but for the gratuitous threats previously made against the Commonwealth Executive and its administration of the legislation against which he fought this official utterance would have satisfied his followers without arousing the fears of his foes.

QUEENSLAND'S FINANCES.

On the financial future of Queensland Mr. Philp was perfectly sound. Its debt of £38,000,000 means a yearly interest bill of £1,500,000, of which no less than £1,000,000 requires to be taken out of the general revenue. In these circumstances the necessity for postponing indefinitely all but the most necessary and absolutely reproductive works, for reducing the number of Ministers and members, and for economising generally were properly dwelt on. In the next breath he was promising, perhaps for electioneering purposes, light railways to agricultural centres, the purchase of large estates for the purpose of cutting them up into farms, and offering inducements to shipping so as to obtain cheap ocean freights. The possibility of fresh taxation was indicated in the customary general fashion. In the plain common

sense character of these proposals and in the confidence felt in him as a capable administrator lie Mr. Philp's indisputable claims to public support. His colleagues are, with perhaps two exceptions, men of no more than average capacity, but as a Cabinet they inherit the reputation of the "continuous Ministry", which, under one leader or another, has held office for the past ten years. A business man first and politician afterwards, a fair debater, but no orator, a clear-headed citizen without affectation, egotism, or undue ambition, Mr. Philp holds his high office by virtue of character and experience. He has few, if any, personal enemies and very many loyal friends. Queensland will go far before she finds a Premier better fitted for the arduous days of change into new conditions which have now commenced in earnest.

"CONTINUOUS MINISTRY" AND LABOUR PARTY.

Making allowance for their defects both leaders and followers among the Ministerialists bear favourable comparison with such of the Opposition as have made themselves known beyond the borders of their own State. Ten of the thirteen representatives of Queensland in the Federal Parliament having been taken from the front-rank men of the Labour Party, that party faces the new campaign much weaker and under presumably less efficient chiefs. Then, again, it is governed by an impracticable code of rules compelling all its candidates to adopt a cast-iron programme, and to blindly obey the majority of those who are fortunate enough to be returned. There is still on the party the shadow of the extreme ambitions and violent methods as disclosed during the great strike which almost became a rebellion ten years ago. Hundreds if not thousands of electors, who for one reason or another have lost faith in the Ministry, will recoil from recording their suffrages for Labour candidates. If they manage here and there to return a man independent of parties it will be in the teeth of both sections. The effort to create what is called an independent Opposition has often been made, and has as often failed. It is being renewed already only to fail once more. Mr. Philp relies, and with reason, on the plural voting which is allowed under the electoral law to enable him to snatch by narrow majorities some seats which would be lost to him on the votes of residents alone. At present he has thirty Labour members arrayed against him, and he hopes to reduce that number. Any increase which is likely to be secured by them would at the worst be no more than sufficient to compel another of those reconstructions which have periodically taken place in the "continuous Ministry".

THE ELECTIONS.

Though more interest is being taken in the Queensland elections than heretofore, in Sydney our knowledge of their prospects and conditions is very imperfect still. The separateness of each State of the Union, even from its nearest neighbours, and their mutual indifference to each other's political developments remain, though under the union for the first time we are gradually being forced to realise our unity. The chief cause of this new sense of responsibility is to be found in the advance of the Labour Party everywhere. The similarity of its aims and methods, and above all its predominance in the Federal Parliament, are awakening a deeper interest in its fortunes in the politics of other States than has hitherto obtained. Our Industrial Arbitration Act has set the employees in most of our trades and callings humming like hives of bees in preparation for the opening of the new court before which an apparently illimitable list of trade grievances is to be unrolled. Mr. Justice Cohen and his two elective colleagues are about to take their seats on its bench, from which they would not rise for years if called on to dispose of the cases already promised. A similar institution is demanded by the Labour Party in Queensland, and it will soon be sought in all the other States. For the rest it must be admitted that the Labour programme differs little from that of Mr. Philp, except that it is opposed to further alienation of land, and favours the establishment of State sugar and flour mills—two projects which are little likely to find acceptance in the country. The Farmers' Union platform, like that of the Ministry, omits any reference to industrial arbitration, but is filled with proposals tending directly to the advantage of its own members. It might almost be asserted, therefore, that the issue as now presented to the electors of Queensland is one of men and not of measures. The popularity of State intervention in all fields of business and production may be judged by the prominence accorded to proposals of that character in all the programmes. The Labour Party in this respect is only one step in advance of its rivals, and if it were in power it would achieve little more than it would when Mr. Philp returns to power. It is the economy, efficiency, and continuity of policy which he promises that constitute his chief claim for the renewal of public confidence which a majority of the people of Queensland are expected to grant him. For all that his defeat, if it were to occur, though it would mean so slight a change in policy, would usher in stirring times, and prove an ominous portent for Australia as a whole.

THE NEW COMMONWEALTH.

CORONATION CONFERENCE.

UNITY OF THE EMPIRE.

ANGLO JAPANESE TREATY.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY. Feb. 18 1902; Mar. 25 1902.

Imperial issues still engross the attention of Australians. The despatch of the first half and the organisation of the second half of the Federal contingent has focussed interest on the relations between the Commonwealth and the Mother Country. The treaty with Japan has revived the problems of the Far East and our interest in them. The Coronation is attracting much attention, not merely as a great ceremonial of special significance at the present time, but also because of the conference between the British Government and the representatives of all its dependencies which is proposed to be held in connection with it. This means much, for it tends to establish the practice of such consultations. It was the *Marquis of Salisbury's* first Ministry that introduced the system of Imperial Conferences, and it was with high anticipations for the future that he himself inaugurated the first, held in 1887. Its chief task was the shaping of an Australasian agreement to bear a share of the cost of naval defence in these seas. The second conference was that which was summoned on the occasion of the Diamond Jubilee of the late Queen in 1897. The prominent feature of that gathering for us was Mr. *Chamberlain's* warning against our proposed legislation for the exclusion of coloured races from this continent. The third conference, which will meet this year, may find it necessary to reconsider the existing scheme of Australasian naval defence, but in all probability the vital matter to be debated will be that of the development of closer trade relations within the Empire.

IMPERIAL CONFERENCES.

The calling of such a conference recalls, by its very nature, the greatest and most difficult task of contemporary statesmanship—the creation of the political machinery which shall enable the unity of the Empire to be effectively exercised. The danger of every such attempt is a risk of creating prematurely some new form of government

which might gall or confine the ever-expanding energies of outlying dominions such as ours. Still, the time is ripe for further discussion of the prospects of our more intimate association with the Executive, if not as yet with the Legislature in London. The drawing together of the race, manifested here of late as an active principle in politics, discovers a strong tendency towards Imperial integration, of which advantage should be taken in every possible way. What is hoped for is a fuller co-operation. What is dreaded is an undue centralisation of authority easily capable of being over emphasised to the detriment of those who are at a distance. For the present such conferences afford one means by which, without apprehension, the collective governing intelligence of all parts of the Empire can be brought to bear on the intricate problem of organising a great World Power. This seeks to embrace not only in the home land but also in all but one of its largest dependencies vigorous representative institutions strongly assertive of their own powers. Public opinion here is strongly in favour of these informal assemblages of the leading men of the inner and outer lands under that Crown which is still the best symbol of their solidarity of sentiment and aim. But the conviction gaining ground among us is that until closer commercial ties are secured Imperial Federation is not likely to advance much beyond the stage already attained.

UNION WITH THE MOTHER COUNTRY.

The main project is too vast to be settled out of hand and too thorny to be roughly grappled with by anything approaching coercion. Yet events make steadily towards it. The South African cable to this country is complete, while that by way of Canada and the Pacific is to be finished during the year. We shall then possess three separate lines of ocean communication with Downing Street, by the aid of which close touch can be kept with the Commonwealth on all subjects capable of being discussed briefly by reason of the mutual understandings which already obtain. This understanding is acquired and maintained largely by the direct personal intercourse of the Governor-General, as an Imperial officer, with his local advisers, but in many cases needs to be supplemented by face to face communication between the Chief of the Colonial Office and the statesmen who speak for their distant peoples over sea. Such councils of politicians so far as they go are excellent in order to arrange for joint action on matters of common concern, but, as has been so frequently insisted, the real union of the Empire lies deeper and can support a much less casual and even a constant union. It is a union of hearts—a union of the hearts of the masses, who also wish to play their part and take their share. Their attachment moves them to desire for themselves and in their daily businesses more frequent and direct relations of every kind with their own kith and kin. From them, instead of from foreigners, they wish, as far as may be, to buy, to them they seek to sell, and with them they prefer to share the prosperity of all mutually-profitable trade.

DIFFICULTIES TO BE OVERCOME.

Everyone recognises the difficulties to be overcome. Canada has accorded a special preference to goods from Great Britain, which has cost her the most favoured treatment in the markets of Germany, but as her whole exports to the Continent are less than £1,000,000 a year the increase in the duties she would pay if all Europe followed suit would not be serious. Australia, on the other hand, has an export business already of over £15,000,000 annually, which is rapidly growing. An extra percentage on this amount might easily mean the total loss of markets in which we are being hard pressed by Argentina. Again, foreign imports to Australia have increased with startling rapidity, and now amount to upwards of £10,000,000 a year. Unless British merchants exhibit more enterprise, and their Governments more sympathy, these inroads on the purchases of their most lucrative customers will continue to be pushed farther and become more difficult to control. The effect of the Commonwealth Tariff is expected to be a still bolder invasion from the United States and Germany. Elsewhere we do relatively little business. Our intercourse with Canada is but fractional and not likely to increase, though South Africa has afforded us a timely opening for some time past. Few of our products are sold to India. In brief, the bulk of our business in all branches has been, and still is, with the Mother Country, and there seems no sufficient reason why it should not be retained there. Our foreign trade of £25,000,000, and the natural increase to be expected in our imports as we grow, are surely worth having. Even a small preference in British markets would mean very much to us and to Canada also. It would compensate us for the loss of the Continent. A practical proof of the pecuniary advantages to each other afforded by what is called inter-Imperial trade would be, so it seems to many here, an admirable adjunct to the patriotic love and pride that bind the Empire together and make its fortunes one.

THE ARMY CONTRACTS AND SUPPLIES.

Whether or not Great Britain is prepared to interfere with the free course of her trade with the rest of the world, there can scarcely be a doubt but that the supplies required for her Armies and Navies might be drawn from her dependencies without loss to her exchequer, and to their decided advantage. When Mr. Seddon, the outspoken Premier of New Zealand, lately protested against the provision in a meat contract for South Africa that permitted supplies to be drawn from South America. He went on to add that such favour to foreigners at the expense of Australasia was a poor recompense for the sacrifices recently made by us. This ungraceful confusion of our patriotism and our pocket interests was at once repudiated by Mr. Barton and several of our State Premiers. It is everywhere felt that neither the business transactions of your departments nor our assistance in a national war can be considered from that standpoint. We do not sell our sons for commissariat contracts.

In the same spirit, the charge made in this State of three per cent. commission on the local expenditure of War Office funds for the last contingents recruited for them has been indignantly censured by our taxpayers and refused both by the Commonwealth and some of its States. The revelation that the War Office has actually been making New South Wales pay an even higher percentage on its outlay of our funds in England for ammunition and armaments has come on us as an equal surprise. The people realise that one official meanness of this kind does not justify the other, especially as ours was committed while war was raging. Yet with all those allowances our loss of the South African meat contracts is generally resented. The fact that alternative tenders were called for, but only one set of them practically admitted into competition, is deemed extraordinary. The successful tenderers are already suspected—perhaps quite unjustly—of taking steps to make it appear as if the supplies here were either inadequate or unduly expensive. Both of these representations have been directly challenged by Mr. Barton in the telegrams which he has been sending to the Colonial Office. It is probable that this whole question of contracts and supplies will be raised, among others, at the forthcoming conference.

THE SOUTH AFRICAN PROBLEM.

In the meantime two great patriotic meetings have been held in our two largest cities. Both of them were crowded to the doors, and were unanimously enthusiastic in their declarations of loyalty to and their sympathy with and confidence in the British cause in South Africa. Owing to a question of precedence between Mr. O'Connor, Vice-President of the Executive Council, and Mr. See, our Premier, the Federal Ministry were unfortunately unrepresented at our monster meeting. This was commented on unfavourably, while the attendance of Mr. Barton at the Melbourne meeting was also objected to as a slight on his native city. Of course, he is tied to the sister Metropolis at present during the sittings of the Federal Parliament, but none the less the incident has told against him. His speech and the address which he delivered to the first detachment of the Federal contingent that left our shores were fervid, forceful, and provocative of great applause because of the breadth of the Imperial sentiments expressed in them with much felicity of phrase and energy of deliverance. He is at the opposite pole of thought and aspiration to the "Little Englanders" as well as to the Pro-Boers. The war, he declared, was just in origin and merciful in conduct. It could only be concluded by a peace which must be assured for some time after its establishment under a mixed civil and military administration. When the fidelity of South African citizens to the Empire was established self-governing autonomy should be granted to them without delay. In the meantime rebels were not to be better treated than loyal subjects. When they became loyal they would be accorded the same privileges that Australians were proud to enjoy. In the future we must take

all necessary steps to prevent another such cataclysm on any of the great trade routes of the Empire. These, it should be noted, are the sentiments of our people as a whole expressed with equal firmness by the Prime Minister of the Commonwealth and by all the States of which it is composed.

EFFECT OF THE ANGLO-JAPANESE TREATY.

The sensation produced by the publication of the Anglo-Japanese Treaty has extended to this part of the world, where, indeed, it possesses a special importance. Our new allies are the one Asiatic people whose resentment at our restriction of immigration might have had serious consequences. They possess a powerful Navy, a highly disciplined and well-armed Army, an admirably equipped transport service, and are nearer to our northern unoccupied coast than any of the Great Powers. In these circumstances we may well congratulate ourselves on the fact, which has just become public property, that only a few days since, though in entire ignorance of the new treaty signed in London, the Commonwealth Government had, of its own motion, arrived at an amicable understanding with Japan as to the termination of the agreement made with the Colony of Queensland. This provided for the admission of Japanese labourers into that State not exceeding three thousand two hundred, the number resident within its borders at the time it was made. By an excess of departures over arrivals this total has been reduced to about two thousand six hundred, and will continue to decline year by year. Since the agreement all labourers have been admitted under permits issued by the Queensland Government, and all the Japanese Ministry required was that such of the permits as had already been given should be honoured by the Commonwealth. This reasonable proposal only meant an addition of some two hundred and eight more immigrants before the Federal Act is rigidly applied. Of course, it was at once acceded to by Mr. Barton as a "fair, considerate and courteous proposal", and thus the difficulty which might have become serious was averted just in time. The Ministry have good reason to rejoice over this settlement, and may be pardoned if they also plume themselves on the resistance they offered to the amendments in their Immigration Bill, which would have been more offensive to the Japanese than those actually adopted. Then again, though our commerce with the Far East is small the policy of the "open door" in China, which is buttressed by this treaty, may hereafter prove of value to us. The popular feeling in Australia is in no sense Pro-Russian. The Japanese are greatly admired, though the presence of their labourers among us in numbers has always been regarded with an apprehension bred of a knowledge of the far higher capacity and energy displayed by them than by other Asiatic races. In every aspect, therefore, the new treaty is welcomed in Australia.

THE NEW COMMONWEALTH.

ATTITUDE OF NEW ZEALAND.

THE FEDERAL CAPITAL.

TOUR OF INSPECTION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Feb. 25 1902; Apr. 1 1902.

The Commonwealth can consider the choice of a site for its future capital without concern as to any opinion on the point that may be entertained in New Zealand. As readers of the *Morning Post* were informed many months ago there is no prospect, immediate or remote, of any movement on the part of the Maorilanders towards a partnership with the Australian States. Their commission appointed to inquire into the proposal reported emphatically against it. Neither its Ministry nor its Parliament has displayed any desire except to uphold its finding, nor has any popular agitation arisen to challenge it. Still, it is of interest to us to learn why our nearest neighbours, so closely related and so similar in all ideals, methods, and principles, religious, social, and political, should resist the temptation to enter a Federation of such magnitude and promise for the purpose of making it greater. Of course, if they did they must sacrifice a portion of their self-governing independence and face the consequences of being in a hopeless minority whenever the interests of the mainland were combined against theirs. This we knew already, just as they knew that no disputes of any gravity on which such a geographical division of votes would occur could arise in regard to any but very minor issues. It is not a question of profit with them. The gains from the point of view of defence, commerce, and the development of maritime communication would any one of them have much more than balanced any losses due to their separation by twelve hundred miles of sea. The real reason why they remain aloof is not to extract better terms, but because their sentiment of independence and pride in the destiny which they foresee for themselves distinct from ours would not permit them to sink their identity in any predominantly Australian union.

FEARS OF NEW ZEALAND.

Sir John Hall when passing through Sydney last week was frank enough to supply some valuable information explaining the attitude of his colony which has hitherto been lacking here. It seems that the first fear entertained in New Zealand was that we might choose a tariff which would not be sufficiently revenue-producing to enable New Zealanders out of their share of the receipts to meet their current needs without fresh taxation. This, Sir John confesses, has been almost dispelled by Mr. Barton's proposed duties. His apprehension that in consequence of Australian competition the manufactures of New Zealand would have suffered may have been genuine, but that this should be brought about by the greater cheapness of our production and the lower wages paid among us is somewhat absurd. If any difference of the kind has existed in our favour our Arbitration Court and the Victorian Wages Boards may be trusted to remove it without delay. Sir John admits that many of the farmers would be glad to have free entrance into our markets, but he considers this advantage insufficient to justify so great a change as would be involved if New Zealand became one of the States of the Commonwealth. That this should be his opinion is the more significant because he belongs to the Opposition. Apart from his Imperialism and Protectionism he is opposed to Mr. Seddon on most of his policy. The fact is that there is not a man in the front rank of public life in his colony who favours Federation. He himself is absolutely opposed to it chiefly because as a very old politician he can remember the Federation of his own people when they lived under one central and several Provincial Governments and Legislatures for some years. Their experience of the dual control was unsatisfactory from every point of view, and though there are those who complain that the system had not a fair trial, or perished because of its abuses, the almost universal verdict is that it was bound to be a failure because built on unstable foundations.

THE POWER OF THE PURSE.

The feature of New Zealand history recalled to Sir John Hall's mind was the persistent quarrelling between the local and the central Governments which greatly prejudiced and impeded the conduct of public business. He was too polite to point his reminiscence by any illustrations drawn from our present discords, but the constant outbreaks of pettishness from Mr. Philp in Queensland, the sulky silences of our own Mr. See, and the summoning of another conference of Premiers now being arranged by Mr. Lewis, of Tasmania, are so many parallels just to his hand proving the existence of a precisely similar state of affairs among us, though our Parliament has not yet concluded its first session. Federal and State Legislatures are already at daggers drawn, and only await the signal for the struggle which has been so often foreshadowed.

Again, with the ripe wisdom of a statesman, Sir John Hall laid his finger on the determining factor in the contest that he witnessed in his own home, and evidently expects to see repeated among us. In New Zealand, as here, the central Government controlled the customs, and though for ten years our States are to receive three-fourths of the receipts from this source, the time will come when, as in Maoriland, the Federal Parliament will be able to take all that it needs for itself, while the local treasuries will be obliged to content themselves with any balance that may be left. There, here, and everywhere the power of the purse is supreme in the political arena. Its possessors soon master all who are associated with them. In New Zealand this supremacy of the central Government led to the suppression of the Provincial Legislatures and the reversion to the unified Constitution which now obtains. Sir John Hall did not draw the inevitable conclusion already advanced in these columns, but it is plain that the same course of events will ensue in Australia. Sooner or later the Commonwealth will have the States financially at its mercy. As our visitor laconically observed, "Two dogs cannot feed out of the same dish". When it is one big dog against six much smaller whelps the proverb will still apply. While the contents are first at the disposition of the biggest and most hungry eater there will be short commons for the remainder. They will soon be dependents in every sense of the word.

THE FEDERAL CAPITAL.

New Zealand excluded, the site of our Federal capital is already a question of great interest to all the States except Western Australia. The nearest place proposed is two thousand miles from Perth, so that the addition of a few hundred more is a matter of indifference. Queensland might prefer a situation to the north of Sydney, but it is generally recognised that the number of members returned from Victoria, South Australia, and Tasmania negatives its hope. As [Sir Richard Baker](#), the President of the Senate, has stated the actual choice will soon be narrowed down to the sites south of Sydney, though Bathurst and Orange are still in the field. The Constitution requires that the national territory on which the capital is to be erected shall be situated in this State, shall not contain less than one hundred square miles, and shall not be within a hundred miles of Sydney. Some fifteen country districts are eagerly seeking to establish superior claims to the distinction, though Mr. [Oliver](#), the highly competent officer who conducted an exhaustive inquiry into their merits on behalf of the Government of New South Wales, has narrowed the numbers to four. These are Bombala, which, considering the future, he places first, Orange and Yass bracketed together as second, and Tumut, since added apparently instead of Yass because of its better water supply. The shore of Lake George, a large brackish sheet of water, as nearer to Sydney than its dangerous rivals, is naturally favoured by us as an alternative to Orange, since either of these centres must look to Port Jackson for outlet to the

sea. Bombala, Tumut, and Lake George are all among the ranges to the south of Goulburn. Tumut, the most westerly, is far inland. Bombala, only forty or fifty miles from the Pacific and a hundred and fifty miles further south than the other two, is the most dreaded, for it has a beautiful bay of its own at Eden close at hand.

THE TUG OF WAR.

Up till now the selection of the site has been used in Parliament merely for political purposes, Mr. Barton and Sir William Lyne anxious to prove that they are hastening it as much as possible, and the Opposition conducting guerrilla attacks on them for alleged dilatoriness. The public men in this State have regarded these manoeuvres with tepid placidity. A public meeting held in Sydney for the purpose of urging on a final determination was attended by less than five hundred persons. The chief speakers were Mr. Want and Mr. Ashton, two prominent Anti-Federalists, and the burden of all the speeches was a suspicious jealousy of Victorian intrigues for the prolongation of the stay of the Federal Parliament in Melbourne. The Constitution provides that it shall sit in that city until it removes to its own soil. Our natural effort is therefore to hurry its migration as much as possible, and next to bring its permanent home as near as possible to Sydney. The tug of war will come when the decision as to the particular location of the capital has to be made. That is still far off, and the sole reason why the matter has cropped up at all just now is the sudden despatch of as many of the Senators as could be induced to face the ordeal of a continuous journey of nearly three thousand miles through New South Wales. The tour lasted twelve days and nights, during which the much-enduring politicians were supposed to inspect the most desirable places suggested for the coming capital. Why this enterprise should have been undertaken so suddenly no one knows. It is true that the Senate had no particular business in hand, though soon it will have too much when it begins to be engaged on the tariff. Ministers no doubt sought to occupy their time, and also to demonstrate their energetic resolve to leave Melbourne at the earliest moment. At all events after two or three days' preparation nearly a score of Senators was launched into space on special trains and coaches to commence a Parliamentary search for the most attractive site for their future political home.

POLITICAL EXCURSIONS.

Trips of this kind are familiar everywhere in Australia, though probably quite unknown in Great Britain, and uncommon even in the United States, where occasionally a commission is charged with an investigation which demands the visiting of distant parts. The cost of tours with us has always been borne by the

Treasury, and Ministers acting as hosts have been only too ready to claim credit with members by the lavish hospitality displayed during these peregrinations. In addition to this the people of the places *en route*, having a lively sense of favours to come, and recognising the visitors as possible benefactors capable of distributing among them such boons as railways, roads, water supply schemes, public buildings, and grants of money, naturally seek to create favourable impressions on their guests by banqueting and entertaining them to the utmost extent of their resources. The consequence is that everything possible is done to make these hasty journeys pleasant, by the multiplication of conveniences and creature comforts. Tedious and wearisome as they often are members attend them freely, nothing loath to pose as dispensers of bounties and rulers of rural destinies in remote regions to which perhaps nothing less would tempt them. Political excursions of this kind are common in every State, but nowhere more frequent or more strategically conducted than in New South Wales. Sometimes they are little more than prolonged picnics, but as a rule those who undertake them earn their privileges.

EXHAUSTING JOURNEY.

Assuredly it was no pleasure excursion which the Senators undertook last week, when they spent six nights, one after the other, in the train, retiring late to rise early, and spending all their daylight hours under public pressure. They were harried by perpetual interviews and deputations, exhausted by long drives in sweltering heat and through blinding dust storms, and jaded by the enforced climbing of hills to view tracts of country which the inhabitants insisted on their inspecting. Few of them were enabled to complete the extensive programme prepared for them. As a physical effort the tour was trying. Those who endeavoured to assimilate the information poured in on them by remorseless residents and eager advocates of the places visited must have accomplished a mental feat of no ordinary character. There was a furious debate all day in the Federal Parliament because Bathurst had not received its share of the attention of the visitors, and there must be many more before any actual selection is made, if justice is to be done to the task. The building of a brand new city in the wilderness, with indefinite prospects of expansion, has excited the aspirations of all our architects, civic engineers, faddists, and projectors generally. Possibly for the last time in British history a new capital is to be reared as a whole, and as a new creation on virgin soil according to designs yet to be agreed on, which the ambitious hope shall include all possible provision capable of being made in the light of sanitary science for social convenience, architectural impressiveness, and aesthetic charm. Whatever the result may be, and however parochial the selfish struggle for the site becomes, such an ideal is bold enough to awaken our whole community to an eager interest in its realisation.

THE NEW COMMONWEALTH.

AUSTRALIAN PERILS. DROUGHT, DEBT, AND PLAGUE. NEW POLITICAL PARTY.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Mar. 4 1902; Apr. 8 1902.

Australia's deadliest enemy is the drought. It is the want of a sufficient rainfall that renders its vast interior in parts a desert, and almost everywhere unfit for close settlement. Population is confined to the coast for no other reason than that the track of Antarctic storms follows its sweep eastwards from South Australia to Victoria, Tasmania, and the southern parts of New South Wales. Our own sea-fed uplands enjoy plentiful supplies, but two-thirds of our territory and the whole of Queensland are dependent on the monsoon showers that visit us from the north. At Port Darwin and many other districts along Torres Straits there are regular and profuse tropical downpours, but the further inland we go the more precarious becomes the rain. There are supposed to be alternating cycles of plentiful supply, but their coming cannot be foreseen and their duration has been but imperfectly determined. Our *Government Astronomer* has a theory that we are stinted eight years out of nineteen in this State. The only present comfort in the doctrine is that this is the eighth dry year we have had, and consequently the good seasons ought now to begin and continue. So far there are no signs of relief. Last month not one place in the State received its average rain, and over half its area not a drop of rain fell. There can be no doubt that our inland districts are suffering terribly. The destruction of thirty million sheep and of more than five hundred thousand cattle in this State since 1895 tells its own tale. We have had no summer rains at all. The gloom which was lightened by the fine rainfall of April, 1901, and a lighter one six months ago has deepened ever since. It is now plain that, so far from our trials being over, we are facing another twelve months' cumulative losses, want, and depression.

DROUGHT AND DEBT.

Bad as the situation is it may soon become much worse. Those who "only England know" cannot conceive either the extent or the severity of the scourge. Ignoring the condition of the unsettled region of practically permanent aridity in the centre of

the continent a traveller through the vast area of occupied country from the Gulf of Carpentaria, embracing the bulk of Queensland, of New South Wales, of South Australia proper, and the Victorian Murray plains north of the Dividing Range would traverse some hundreds of thousands of square miles flayed of its natural skin of herbage, stripped of all nourishing grasses, the courses of its creeks or rivers dry, its water storage long since disappeared, and its wells in many parts exhausted. He would find its "runs" almost deserted or else tenanted by wasted flocks and herds subsisting at great expense to their owners when they are rich enough to give them artificial food. The considerable oases even in this blighted belt where more fertility obtains, large as they are in themselves, are steadily shrinking, and sink into insignificance amid the immense horizons of withered waste in which they lie. The Riverina and Western district farmers are in despair, and their Victorian neighbours are in little better plight.

DRASTIC EXPEDIENTS REQUIRED.

Unless the autumn rains arrive in time to charm the winter grasses out of the soil before the frosts begin we shall approach the verge of a catastrophe that even the thriving condition of our more fortunate tracts will be unable to sustain. New South Wales and Victoria are flourishing so far as their receipts from Federal customs are concerned, but, as has been anticipated, Tasmania and Queensland are heavily in arrears. In Queensland Mr. Philp, by many promises of retrenchment and economy, is endeavouring to make up for an extravagance of expenditure in recent years which has hardly been exceeded in any other State. As he is believed to be more likely than his opponents to give effect to this policy he will have the solid support of all vested interests. A State with such unmeasured resources is certain to recover before long, but in the meantime drastic expedients will be necessary. In a lesser degree all the Eastern States will find themselves more or less in the same position. Drought and debt are our two most grievous burdens, and it is due to the first that the second becomes so grave during these recurring seasons of devastation.

SYDNEY'S INADEQUATE WATER SUPPLY.

During what may soon require to be styled a national calamity the fortunes of even so great a city as Sydney, the New York of Australia, are less worthy of note. But, at the same time, it is desirable to dwell on them, not merely because of the importance of the place, but chiefly because it is necessary, in order to paint a true picture of the Commonwealth, that the town life which is so marked a feature of its development, and is, indeed, inordinately paramount in its influence, should be appraised at its proper value. The distress over our enormous Western pastoral plains or the steady progress of the more favoured districts along the ocean are touched on but cursorily

in our newspapers, though the products of these lands furnish the mainspring of our commerce. The possible shortness of the water supply in the capital occupies columns. All our citizens are concerned lest in two months hence we should be obliged to pump the water on which all households rely for health and comfort. There is an indignant outcry at the prospect, and a contemplated expenditure of a quarter of a million in order that the residents of North Sydney may not run short. This outlay on the Metropolis is profitable enough to prevent complaint, since its natural growth has made such extensions essential from time to time. We have not yet, and are not likely for some time to have, a water supply such as is required and enjoyed by many American cities, but the promptness with which it will be secured when once the public are convinced that it ought to be provided will furnish a striking contrast to the comparative neglect of the demands of the interior for sufficient schemes to preserve the health of its inhabitants and the lives of their stock.

DAY OF NATIONAL HUMILIATION.

The population of Sydney exceeds that of the whole afflicted region, besides which it is concentrated and is under the immediate eye of Parliament. The result is that our splendid capital enjoys all the advantages and pleasures of civilisation to a degree fairly comparable with even the great cities of the Old World, while our dwellers in the outlying West endure much greater deprivations of the necessities and of the comforts, amusements, and luxuries of modern life than their fellow-farmers and graziers in Europe and in most parts of the United States. The tide of migration to the towns in your hemisphere, strong as it is, is not as strong as that which exists here, because the contrasts between civic and country life are deeper, and the temptations of the civic life are more irresistible. Last week a day was set apart for national humiliation and prayers for rain, the need of which is felt, though by no means equally, all over New South Wales. When the rain comes the rural interests will have to be content with what Providence does for them. But the Metropolis, while joining in the thanksgivings, will insist on measures being taken to prevent any future discomforts by increasing our storage of water and multiplying the facilities for its distribution. The squatters on the Darling and the Murrumbidgee will probably be no better provided for when the next drought comes. In these circumstances pastoralists' and agriculturists' pursuits become almost as much a gamble as gold mining.

ANTI-PLAGUE MEASURES.

It is true that Sydney's pride has been somewhat dashed of late by the recrudescence of the bubonic plague, though it occasions as little real anxiety as the outbreak of small-pox appears to create in London. We are far from flattered, however, to learn

from the lips of a competent authority that it is fostered here among "slums" distinctly worse than those now existing in Whitechapel. We have been accustomed to point to the relative antiquity of our capital with feelings of satisfaction, but the inheritance left to us from days in which ventilation was ignored, overcrowding was unforbidden, drainage was primitive, and sanitary considerations were left to individual caprice is no longer appreciated. The partial nature of the reforms instituted under pressure of the visitation which lasted during the first half of 1900 has now been revealed. Happily the present phase of the epidemic is far less serious than it was two years ago, though as colder weather approaches it may become more acute. Preventive measures are being vigorously adopted. This week there is to be a new crusade against rats, on whose heads a capitation reward of threepence has been placed. The satire of our prevalent disposition to rely on the authorities to do everything for us has nevertheless been most conspicuously exhibited by the frequent requests of indifferent householders that officials should be sent to kill the rats infesting private dwellings. An inspection of byways and back lanes has led to many unpleasant discoveries of squalid and decaying rookeries, musty and unwholesome in all their surroundings. The municipality has had the power to cause their destruction for many years, but has rarely, if ever, exercised it. Under pressure of popular indignation it is probable that we shall now find these quarters of its domain in which the plague has appeared partly rebuilt and generally cleansed. The most unpleasant feature of the situation is the wide area over which the patients are spread. Melbourne so far has but a single case and Adelaide none at all, but the constant communication between the capitals subjects them all to a common danger from which only patience and pains can deliver them.

DANGERS OF ASIATIC IMMIGRATION.

Australian antagonism to Asiatic immigration has once more been proved to have substantial grounds by the discovery that we owe to these invaders the creation in the very heart of Sydney of the foulest centres of infection. The acting Government medical officer points out that an area that was thoroughly cleansed two years ago, and which has since been occupied by Chinese has been altered by them in such a fashion as to make it a breeding place for all kinds of disease. The buildings on it have been extended by one device or another until their yards have disappeared. The tenements have been transformed into human warrens, without light or ventilation, in which Mongolians and others have been densely packed under conditions that are utterly insanitary and pestiferous. Only one Chinaman has become infected so far, but it is notorious that they thrive under conditions that are fatal to Europeans. Thus, in spite of all supposed precautions, our unwelcome guests have reproduced foul-smelling replicas of the fever-breeding dens of Peking and Canton from which the original bubonic germs are believed to have been brought to us. From such nests of vermin

and from neglected drains the unseen death emerges to strike down those who are less inured to contagion than the Chinese, though they live in cleanliness and comfort. Brisbane is having a similar experience to our own, but a milder one, and in both places it is from the hovels where the coloured races segregate that the poison seems to emanate. The best Asiatics are irremediably foreign in their domestic habits and practices as in their indifference to all sanitary precautions. Leprosy in Queensland and cancer in other States have been attributed to contact with them. Theirs, too, are the opium smoking dens and the fan tan gambling saloons that are so obnoxious to the police. The racial dislike universally felt for them is fed by contributory considerations of this kind to which British at home are strangers. Here they help to increase the cry for their social and political ostracism as dangerous elements. It may be that we can parallel all their failings without going outside our own borders, but as these are not the same as ours they are more visible and less excused.

TAXPAYERS' ORGANISATION.

So many previous attempts to resist the Labour Party have failed that the latest effort begins under the shadow of their failures. At the same time it must be admitted that never before has there been so great a need or so unanimous a response in New South Wales. The council of the new body consists of well-known men of business, most of whom are associated with other bodies of a commercial or professional character, and is thus an organisation of organisations. It includes bankers, merchants, exporters, pastoralists, shipowners, farmers, engineers, contractors, and shopkeepers, and is therefore thoroughly representative of the property and business interests of the State. Its manifesto is plain, but sound and discreet, and its title, "The Taxpayers' Union", is itself an apt indication of its aims. Economy is its first watchword, and the unhealthy condition of financial affairs owing to our over-borrowing is properly condemned. The aim will be to cheapen administration, to refuse fresh impositions, and particularly to oppose all socialistic legislation. The keynote of its policy is the encouragement and protection of private enterprise, and the resistance of all encroachments on it by State agencies. The new programme of the working class leaders, with its claim for the establishment of Government coal mines and clothing factories, will be stoutly fought. In fact, the Labour Party and its members are openly challenged to try conclusions with a body of men who, judging by the moderation and firmness of the speeches made at the inauguration of the union, ought to be fully capable of conducting a political campaign. This means a great political struggle for supremacy, which, whether entirely successful or not, must, if continued, do most valuable and important work, even if it accomplishes nothing more than to bring into the field the power properly exercisable by capitalists and employers. It will succeed if it can only balance the long and fruitful supremacy of those whom they employ, who have taught them excellent lessons of the political possibilities of discipline, loyalty, and perseverance.

THE NEW COMMONWEALTH.

AUSTRALASIAN EXPANSION. WESTERN PACIFIC PROBLEMS. NEW IMPERIAL CENTRE.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Mar. 11 1902; Apr. 17 1902.

The Commonwealth has taken its first plunge into the troubled waters of the Pacific. British New Guinea has been formally transferred to its care, and constitutes its earliest dependency. Henceforward, pending Federal legislation, the **Governor-General** will take the place vacated by the Governor of Queensland, and will control it under the advice of his Ministers as if it were a Crown Colony in his charge, directly instructing his deputy, Mr. **Le Hunte**, as to its administration. The Constitution provides for, and the Colonial Office has urged, this assumption of external authority. We have already made ourselves financially responsible for this possession, so that our acceptance of its practical management is a necessary consequence of the policy of the Government which was lately submitted to Parliament and approved by both Houses. Beyond ourselves no one has exhibited any interest in what is, of course, only a rearrangement of duties and powers within the Empire. But when the **Prime Minister** in quite a casual way informed Parliament of the terms of a proposed new contract with the local steamship company which carries our mails to and from the New Hebrides, it was at once evident that no mere household readjustment but a serious departure was intended. Here we are, then, stepping beyond our present bounds. The Constitution expressly empowers us to deal with the relations of Australia with the islands of the Pacific, and whatever that may mean our position and commerce are a sufficient warrant for it, apart from the opening up of closer communication with the groups over which the British flag flies as well as with those that are outside the Empire, but in which, as in this case, there are substantial British interests to be conserved. More than this has been done and much more is implied. Another new chapter in Australasian expansion has been begun, every line of which will be scanned with eagerly hostile interest in France and elsewhere. It will tell a story of undoubted natural growth. There has been a contract between New South Wales and Messrs. **Burns, Philp, and Co.** for a bi-monthly

service to the New Hebrides and the Solomon Islands for some years. This is being replaced by a fresh agreement of a different nature, of much more extensive influence, and with a scheme of colonisation attached probably of great importance.

WESTERN PACIFIC BLUNDERS.

Whatever the future may have in store, it is to be hoped that the chapter of official blunders committed in the Western Pacific has been closed for ever. If the representations from the colonies had been acted on five-and-twenty years ago there would be no German New Guinea; while the Carolines, Marshalls, and New Hebrides would all have been British. The nearest, largest, and, minerally, richest island, New Caledonia, reminds one of a still earlier oversight, while Fiji and Tonga are ours to-day, more by good luck than by good management. The High Commissioner for the Western Pacific has never yet justified his title. British trade has been hampered by humane restrictions on the sale of firearms and liquor and on the employment of Polynesians that are not imposed on its subjects by any other Power. While the Consuls and visiting warships of France and Germany have been vigorous in their efforts to find a footing for the settlers and goods of their nations a much more tepid assistance has been lent to our own people by Downing Street and by the naval officers in these seas. The New Hebrides were ours by every right. The self-sacrificing labours of British missionaries and an expenditure of many thousands of pounds from mission funds had at last made them safe for white men to inhabit when French troops were landed, and their cession was all but agreed to fifteen years ago. Only the angry protest of Australia prevented a wanton sacrifice.

FRENCH AGGRESSIVE ACQUISITIONS.

Since then they have been subject to a nominally joint control under which the weight of official authority has been against British interests. Constant attempts have been made to secure their annexation to New Caledonia. Several French companies—subsidised by the Republic, at one time to the extent of £16,000 a year—have openly endeavoured to attain that end, and but for their incurably bad business tactics they would long ago have ousted our settlers altogether. Owing to persistent extravagances and a rigid adherence to routine observances the French New Hebrides Company has lately gone into liquidation for a second or a third time. An unsubsidised Australian company which was formed fifteen years ago shared the same fate after spending £25,000 of its own money, though it left an inheritance of one hundred thousand acres of land, which is now in the possession of Burns, Philp, and Co. The French have claims registered to no less than one million acres, including strategic

areas, which have been chosen so as to command the best harbours. They are still pursuing a policy of aggressive acquisitions by obtaining the private proprietorship of all eligible sites with a view to practically disposing of the question of sovereignty. The crying evil of the situation is, and has been, the want of a competent tribunal to settle the scores of conflicting "titles" of one kind and another to the same blocks. Many of these claims are based on extremely questionable "purchases" from natives, who dispute the boundaries, areas, and sometimes deny the whole transaction on which foreign ownership is asserted. Nothing could be more unsatisfactory or more prejudicial to the progress of settlement than uncertainties of this kind. They assist to aggravate the relations between Europeans and the islanders, and keep the missionaries employed in fruitless wrangles about property, to their own loss and the embitterment of their intercourse with the whites around them.

APPEALS TO THE COLONIAL OFFICE.

The Commonwealth Government has been appealing to the Colonial Office for many months for the appointment of a joint tribunal to decide on land claims so as to secure something like fixity of tenure and validity of title. But nothing has yet been done. The French meanwhile have been improving their position every month, taking advantage of the chaos which it is their interest to prolong until they have constructed claims of some kind to all the lands that are desirable and available. Both Governments have selected official "residents" in the group, but so far their appointment has altered nothing. Men-of-war visit the islands periodically, but here also the interests of the Empire have been neglected or sacrificed. The joint control is no control of the ambitions, designs, and practices of the French, though it effectually prevents British pioneers from resisting their devices or even protecting themselves. No wonder that Mr. Barton has been forced to intervene. He and his Government had incurred a special responsibility, because the tariff which they are imposing bids fair, unless modified, to drive the export trade of the group to Noumea or elsewhere. True, it has aroused an ardent desire in the copra and banana growers to become citizens of the Commonwealth, but this is not possible at present. They must find a market in New Zealand, or the prospects of payable cultivation are gone unless they send their products to French ports, where already special fiscal temptations are offered them. The situation has thus become critical, and its solution is now rendered more urgent than ever.

TRADE WITH THE PACIFIC GROUP.

The existing New South Wales contract with Burns, Philp, and Co. provides for a steamer leaving Sydney every month for the New Hebrides and the Solomons alternately. The new Commonwealth arrangement adds to this a monthly visit by a smaller boat to all the ports in the New Hebrides, with a bi-monthly extension to the Gilbert and Ellice Islands. The trade of these remoter groups is at present monopolised by the Germans from their harbour at Jaluit in the Marshall Islands. They allow no British ships to call at any of their islands without permits and other conditions that are practically prohibitive of trade, while they are themselves enjoying at our hands the same privileges in the Gilberts, Fiji, and elsewhere as are granted to our own ships. How long would such a disability be permitted to remain unchallenged by the Foreign Office in Berlin? The greater frequency of the calls to be made hereafter by the new steamer throughout the New Hebrides ought to greatly assist in their development even apart from the novel condition attached to the agreement that Burns, Philp, and Co. are to throw open the whole of their 100,000 acres to British settlers at nominal rents on long leases. The one condition is that applicants must possess the £100 to £200 necessary for starting a plantation and buying the small cutters that are indispensable, because all communication is by water. The settlers will even be carried passage free to their new homes, for the company look forward to reimbursing itself by the carriage of the produce—coffee and maize, as well as indigenous tropical fruits are already grown in quantities. A few hundred energetic men seeking their fortunes in this fashion would soon transform the commercial conditions and political complexion of the New Hebrides. With some preferential treatment in the matter of customs duties they should thrive abundantly. Once the islands are Anglicised in spirit and Australianised in their immediate relations the designs of those who seek to make them an appanage of New Caledonia will be defeated. Of course, the Federal Government takes no responsibility for the land grants, and has given no pledge of tariff concessions, but its project, if properly matured and followed up, appears to be a statesmanlike effort in the interests of the Empire.

THE TREATMENT OF SETTLERS.

There is one respect in which the novel legislation of the Federal Parliament may prove very advantageous to the New Hebrides. At present British planters there are dependent on the labour they obtain at their doors and find themselves under constant surveillance when employing them. As a rule, the native races will not work regularly and sometimes not at all at or near their own homes, so that only those

planters flourish who are able to import the hands they need. This the French do freely to their profit, while our settlers suffer under disabilities from which there has hitherto been no escape. If they needed more labourers they had small chance of obtaining them while the Queensland Government recruiting boats were sweeping all available villages. The immediate diminution and early stoppage of the Kanaka immigration into Australia will leave the islands from which they have been coming in some degree open to the New Hebrideans. Then, if the Federal Government exercises the power of deportation which has been included in its statute, it will probably find a certain number of "boys" who will not dare to return to their birthplaces after years of absence, or who may prefer the life of earning to which they have become accustomed. These trained men will seek the new plantations where their services will be very welcome. Some of them may be needed in New Guinea, and thus the prosperity of that territory and of the New Hebrides would be assisted ultimately by the self-denying ordinance against coloured labour that the continent has imposed on itself.

UNREST IN FIJI.

Fiji continues in a state of unrest. The labour engaged on the plantations now consists mainly of Hindoos, though formerly large supplies of work-people were obtained from the neighbouring groups. Numbers of the white residents who are unable to find representation or secure the acceptance of their views in the Legislative Council are spasmodically agitating for annexation to New Zealand on terms somewhat more favourable than those under which the adjacent Cook and Hervey groups were recently united to that colony. Mr. Seddon has vigorously encouraged the opposition to the existing administration in Fiji because he is more than willing to aggrandise his State by expanding the area of its sway. There, too, the Commonwealth tariff is making itself felt to such a degree that it is likely to become a question in Suva whether they would profit most by seeking admission into the Union or absorption by the rich colony which boasts itself the Britain of the South. Thus in one way and another the Federation of Australia is found to have created a new Imperial centre whose influence is being felt at distances of thousands of miles throughout the whole of the Western Pacific.

THE CABLE TO VANCOUVER.

The actual laying of the cable to Vancouver has begun, and its completion is promised before the close of the year. We shall then be brought into closer contact with the Dominion and with the United States, while we secure an entirely new

eastern route of communication with the Mother Country. Besides the branch line to New Zealand, the points with which we shall soon be in direct telegraphic contact will be Norfolk Island, Fiji, and Fanning Island. From these places we shall come into rapid touch with the events and developments of many groups and interests at present remote. The new cable of the Eastern Extension Company by way of the Cocos to Cape Colony which has just been made available for business marks another invaluable connection to the west. The first will link us to the great Dominion whose federation furnished us with the beacon light by which we steered in attaining our own union. The second will connect us with South Africa where the third great British Federation will some day arise, baptised in our nation's blood that has been spilt in order to assert the "crimson thread of kinship"—for we have helped to save the Mother Country from being despoiled of the matchless privileges that belong to citizens of the Empire everywhere.

The greatest problem then presented will be the organisation of a Federation of Federations vaster still. In the meantime it is plain that immense as is the territory within the Commonwealth its sphere of influence is far more extensive still, and that sparse as our populations are their numbers are sufficient to enable them to play a dominating part in this far quarter of the globe.

THE NEW COMMONWEALTH.

QUEENSLAND'S ELECTIONS.

CABINET CHANGES.

ELECTORAL INNOVATIONS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Mar. 25 1902; Apr. 29 1902.

The Queensland elections fulfil exactly the forecast that was framed for those columns a month before their occurrence. Mr. Philp remains in power with a reduced majority, the Labour Party having deprived him of three followers, and the Independents remain as they were. In his own constituency he had an overwhelming victory, which he well deserved. Townsville is his, as he is Townsville's, and each is properly proud of the other. Elsewhere his supporters achieved some almost equally decided successes, and they have every reason to rejoice at their advance in popular favour. There were also several seats that it seemed hopeless for Ministerialists to contest, such as Charters Towers and Gympie, which, when fought gallantly, showed that they contained very considerable minorities, whose presence in the strongholds of the Labour Party must be a source of apprehension to its representatives. Mr. Philp's following extends right through the State, and its strength is greatest where the population is largest, in the southern districts. The men who sit behind him will be superior in all respects to the Labour members who confront them. They have the advantage in social standing, in education, in political experience, in business training, in general capacity, and, in fact, in everything except discipline and solidarity. Mr. Philp's promises of economy, retrenchment, and cautious administration is the one possible policy. He himself is the only possible Premier. He has just conquered his adversaries at the polls, and if all other considerations were ignored his position would appear to be a strong one. As a matter of fact, it is weak, not only weaker than when he went to the country, but sufficiently precarious to make his political prospects in the new Parliament anything but pleasant.

QUEENSLAND'S NEW PARLIAMENT.

In the first place, though the "tick" attack on stock is long over, the drought continues. Good rains have fallen in a few districts, but the great bare, brown plains of the west remain unwatered. There is no real relief to the distress obtaining over the stricken areas on which our trains depend for their freight. It has already cost us £630,000 in railway revenue alone. Nature is still severely parsimonious, and any State Treasurer must needs follow her lead. This will be a painful process though necessary, and few of his rivals will envy Mr. Philp the work that lies before him. They will not fail to remind him that, relying on his luck, he has himself made no adequate provision for lean years, but, on the contrary, has plunged into greater extravagances than his predecessors. The consequence is that the shock to the community of this change of front will be much more sudden and sharper than it ought to have been. He must himself bear the burden that he has recklessly increased. In the next place, he has seriously lost ground in the constituencies as a whole. Some of his staunchest friends have forfeited their seats, and several others have regained them by narrow majorities, while many who have been accepted as allies are of doubtful allegiance. Mr. Philp closed last Parliament with a staunch majority of fourteen out of seventy members, exclusive of Speaker and Chairman of Committees, whose votes are not available in committee. He begins his new Parliament with a much less reliable majority of ten. This means, having regard to internal dissensions, that he will require the full strength of his following to be maintained at all times in readiness for emergencies, a stress that the Ministerialists are not likely to be able to endure unless kept constantly at high pressure. He claims to have a working majority, and it is no more when taken at its best. The "Continuous Ministry", with one brief interval, has enjoyed a triumphant and overwhelming supremacy during the whole of its prolonged life. There is now no more prospect of its continuance.

ANALYSIS OF THE RETURNS.

An analysis of the returns reveals the existence of many undercurrents or personal influences inexplicable by critics in the other States. The total vote does not disclose any reaction against the Federal Government on account of its anti-Kanaka legislation. The Labour Party, though it has lost some of its ablest men, is still strongest in the north, where its greatest single success of the election was achieved when it won both seats for Maryborough, and one of its most unexpected defeats for the single seat at Cairns. Ministerial gains were apparently due mainly to the attractive bids made for the farmers' vote in the shape of light railways and the purchase and subdivision of large estates. Seven-tenths of the half million people in Queensland reside in the south, including three-tenths in Brisbane and its district. It is here that the Ministerial

forces were best under control, though the National Liberal Union, created as a counterpoise to the Trades Hall organisation of the working classes, was more effective everywhere than any previous political association of the kind. For the first time all the elections were held on one day, and thus the attention of the Labour leaders was more confined to their own electorates than when the contests were distributed over two or three days. With all these advantages and all the prestige attaching to the Government the fact that it lost three seats more than it gained shows how hardy it was pressed. Unquestionably Mr. Philp's own indiscretions are partly responsible for this result. His threats to make the employment of black labour a test question, though afterwards withdrawn and explained away, had done their mischief. Such a purpose was repudiated by many of his own followers, and indeed a number of those who have been elected are openly adverse to some of his colleagues and some of his proposals. Another of the many reconstructions to which the Ministry that was founded by **Sir Samuel Griffith** and **Sir Thomas McIlwraith** a decade since has had to submit appears to be one of the possibilities of the situation. Though Mr. Philp remains in the saddle his seat is not nearly as secure as it was before he flouted public opinion on the Kanaka and Japanese questions.

VOTING ANOMALIES.

The votes recorded in Queensland last week must necessarily give a somewhat different verdict to that expressed at the ballot-box at either past or future Federal elections. Some thousands of plural votes were cast, to which several State members owe their seats. These are forbidden under the Commonwealth Constitution. Again, the manner in which the local rolls are compiled has been a constant cause of complaint. Representatives of the State in the Federal Houses have been deprived of their votes on the ground of absence from their homes. It is but natural in these circumstances that they are the loudest in their demands that a new Commonwealth system shall be introduced for the protection of their rights at Federal elections. But for such actions on the part of Queensland officials the session in Melbourne would have closed without the consideration of legislation on the many contentious issues that are involved in an Electoral Bill. At present six different practices are authorised in the six States, so that, of course, anomalies abound. At the same time no visible injury has resulted, and the need for uniformity has not been sufficiently marked to call for action, especially at a season when Parliament is already so overloaded that it cannot hope to close without undergoing a great sacrifice of measures. The Inter-State Commission and Defence Bills are already doomed. The Senatorial contest for half the seats in that Chamber is not due until the end of next year, but the tacit alliance between the Cabinet and the Labour Party is close enough to lead them to bring forward a complementary pair of proposals dealing with the whole matter in the drastic fashion which appears to be characteristic

of the first Federal Government in every field of its operations. One of the experiments proposed in this instance is absolutely revolutionary, and others, considering the area to which they are boldly applied, are almost as sweepingly fundamental in character.

MALE AND FEMALE FRANCHISE.

The Commonwealth is prepared for female franchise. South and Western Australia elect both their Federal and State members by its aid, and but for the Legislative Councils it would have been operative in this State and in Victoria as well. Our experience in this regard accords with that of New Zealand, which is that women who go to the polls share the opinions of their male relatives to such an extent that no perceptible change in parties or in policies takes place when they are allowed to express their wishes through the ballot box. There are a number of people who have the strongest objections in principle or by prejudice against this enlargement of their sphere, but, on the whole, the attitude of the great bulk of our electors is one of indifference. The Bill for adult suffrage now before the House of Representatives will probably pass without more than an academic debate. In some States all men vote, in others only those with a small property qualification, in a third class all men and women can vote merely on the ground of residence. Hereafter over the whole of Australia every man and woman who is a born or naturalised subject of the King, and who has been six months in the Commonwealth, will be entitled to vote at all Federal elections. Furthermore, personal attendance at the poll will no longer be necessary for anyone living more than five miles from a polling booth or who is absent from home on election day. In such a case a ballot paper will be provided which can be filled in through any post-office. This is a distinctly wise innovation, taking into account the immense extent of some of the constituencies. An area as large as Great Britain returns a single member of the House of Representatives; whole States, one of them nearly as large as Europe, excluding Russia and Scandinavia, choose their Senators as single electorates. Most women would undoubtedly prefer to vote in this fashion, so that from their point of view also the departure is commendable. Parliamentary institutions, as Great Britain knows them, are being strained in many ways to meet the novel circumstances of Australia. Its vast spaces, uninhabited wildernesses, and scanty population are the direct causes of this particular development.

IMPROVED ELECTORAL METHODS.

The next novelty is the introduction into single-seated constituencies of the "contingent vote", varied but slightly from the Queensland method, which has been in force in that State for some years. The advantage which it confers on an elector is

that it allows him to mark the order of his preferences among the candidates by the figures 1, 2, 3, 4, instead of simply voting for the man he most values. When any candidate obtains at once an absolute majority of the votes polled, that is, when he is marked No. 1 by more than half of those who voted, he is declared to be elected without further calculation. But, if, as is often the case, when there are three or more aspirants for one seat they all fall below that number, then the papers of the candidate who has received the lowest number of first preferences are distributed among those who are above him according to the second preferences marked on them. This process is repeated if necessary until some candidate reaches an absolute majority of the votes polled. It is possible to imagine cases in which the successful man might have been surpassed on a mathematical computation of all the preferences on all the ballot papers, but in practice the numbering is found to be a great improvement whenever the votes of electors are divided among a number of rivals. The contingent vote accepted by the Senate is likely to be equally approved by the Representatives.

ELABORATE SCHEME OF COMPUTATION.

Ordinary Senate elections will require the return of three Senators and extraordinary elections of six. To discover exactly which three or six would be the popular choice if it could be measured with scientific exactitude the Government have introduced a most elaborate scheme of computation based on the representation of minorities principle first propounded by *Hare* and warmly eulogised by *John Stuart Mill*. The preferences are marked, the lowest candidates are excluded, and the votes cast for them are transferred as in the “contingent vote” calculations that have been just described. But there is a “quota” fixed which is taken to represent the number of votes out of the total recorded which ought to return a candidate. On attaining this “quota” not only is the candidate declared to be elected, but any votes recorded for him over and above that number are distributed among the yet unsuccessful competitors in the same proportion as that in which his supporters would have distributed them if all their preferences as marked were reckoned. There are also two entirely new features introduced on the recommendation of *Professor Nanson*, of the Melbourne University, allowing electors to erase the names of those to whom they most strongly object, and if none of their numbered preferences is used authorising the counting of their votes for one of the candidates whose names they have left both unnumbered and unerased on their ballots. These are treated as if bracketed equal, so as to meet the cases of voters who recognise their inability to discriminate exactly between those men whom they place after their preferences but before their aversions.

PROPOSED THEORETICAL CHANGES.

This remarkable combination of devices for seeking to discover the real mind of all the electors involves the counting of each elector's vote for one candidate only, no matter how many present themselves or are numbered by him, and for this reason is bitterly attacked from all sides. Even its opponents admit the system to be a most admirable mathematical assessment of the wishes of the people as to the personnel of the Senate, but most men of long political experience oppose it. Many allege that its very success in presenting a photograph of the precise wishes of every voter in every quota would inevitably lead to the return of a number of men who are first favourites with particular coteries and would be absolutely destructive of the party system on which our form of Government is entirely dependent. It is doubtful if the project will be adopted in the Senate, and its prospects are more doubtful still in the Representatives. There are local reasons for this. The block vote as it at present obtains gives the Senatorial control of New South Wales to the Free Traders and of Victoria to the Protectionists, the majority in each State carrying the whole of the seats and leaving the minority—no matter how strong—without representation. A union of the strongest party in each of these States in opposition to the plan will be fatal to its adoption. Still, it will remain one of the most interesting objects in the museum of political curiosities. It has been labelled the Hare-Droop-Clark-Gregory-Nanson system because it has been built up by the addition of three Australian complementary provisions grafted on the original idea of Hare as modified by Droop. Its claims are almost wholly theoretical. The only experience of the **Hare-Clark** portion of it has been derived from Tasmania, where it has been discarded after six trials on the rather insufficient grounds that in each instance the same result would have been obtained if the preferences had none of them been marked. In this State, at all events, the present "block vote" appears to have resulted in five out of our six Senators being elected by seventy-five thousand voters, while a hundred and seven thousand voters divided their favours so widely that they only returned one Senator, while fifty thousand papers were rendered informal in the process. Some reform of the existing system appears to be necessary, and it is unfortunate that so far politicians appear to have been unable to find it.

THE NEW COMMONWEALTH.

GRAVE FINANCIAL CLOUDS. FAIR TRADE OR PROTECTION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Mar. 27 1902; May 6 1902.

The Commonwealth owes nothing to luck. Ever since its establishment its States have suffered from one permanent and many intermittent calamities. A pitiless drought has persisted for years past. Welcome showers are now falling on our coast highlands and those of Queensland, but the great western belt lies still scorched and wasted without any relief to the prolonged thirst of its plains or its perishing flocks and herds. The plague lingers among us and in Brisbane, though Melbourne has escaped with one case, while Adelaide and Perth have remained free from invasion. Business continues dull, partly because the inland retailers are all crushed by the drought, while City operations are still clogged by the speculative overstocking that was undertaken in anticipation of the Federal tariff. But for the huge outlay of Government borrowed money, which last month reached £700,000, and the stimulus afforded by the extensions of premises undertaken in consequence of the new duties, we should also be badly off in the Metropolis. Financially the whole horizon north and south is very cloudy. The only silver lining to be detected is itself a failure. For the first time a small local three per cent. loan of £250,000 offered by the State of Victoria at a minimum of 94 was not fully applied for. The £74,000 balance was taken up the day after, but the warning remains; and even the undiscerning are commencing to realise that settling day is at hand.

FEDERAL EXPENDITURE.

Federation, which was widely discussed everywhere and authorised by immense popular majorities, was accepted mainly on political grounds. As far as the financial issues involved were debated they were only considered as between State and State. The cardinal fact that the constitution of the Commonwealth implied a radical revolution in the position and prospects of every State was very little apprehended. Those who did foresee the transformation and endeavoured to arouse their fellow citizens to an appreciation of the risks they were running were mainly to be found in

Sydney. Under Dr. MacLaurin, and by the aid of our statist, Mr. Coghlan, they made a gallant struggle, but the label of provincialism which was applied to their views, and in some degree was justified by their manner of enouncing them, prevented their warnings from being accepted at their true value. Federation means the subordination of the State treasuries, their dependence on it for the constant supplies of cash received at the Custom House, and the creation of an overshadowing competitor for loans. Again, one of the motives for union was to reduce State expenditure and thus diminish the cost of the new Federal establishment as much as possible. But the last thing in the world to be palatable to State politicians is the diminution of their own importance by a decrease of State expenditure that is customary in a country where railways, roads, bridges, and water supplies are all undertaken at the public expense. They have been able so far to ignore the change in their circumstances, and in this State they have been spending more lavishly than ever. Nowhere except in South Australia, under special and unexpected circumstances, has any attempt been made to adjust the States to the new condition of affairs. The severity of the drought and the consequent decline in railway revenues, in production, and in purchasing power seem likely to force on the change that all are seeking to postpone. The tide of public feeling in favour of economy is steadily but surely rising, even in New South Wales. Danger signals such as were repeatedly given in these columns last year are at last being recognised in some States by both the Press and the public.

INTERFERENCE WITH CUSTOMS.

The final incident in the tariff debate furnishes a striking illustration of alarming possibilities in the way of Federal interferences with the customs, which would bring about an immediate crisis in the States. One-fourth of the total revenue that is received from duties is allotted to them under the Constitution, but there is no condition imposed as to the gross amount to be collected by this means. The assumption always has been that the electors for the Commonwealth and for the States, being the same persons, would not permit their national representatives to cut down these receipts below the point at which they would suffice to keep the State treasuries in funds, at all events until the local Parliaments had time to prepare to meet their new obligations. It was part of the policy of Mr. Barton to secure them this interval for rearrangement, and in the meantime to raise enough to save even the smallest States from the necessity for heavy taxation immediately. The Budget presented by Sir G. Turner was shaped on this plan, and the tariff proposed by Mr. Kingston would certainly have more than amply carried it out. Relying on this reasonable scheme the States have delayed dealing with these difficulties, some of them taking the initiative in hostile criticism of Federal expenditure while making no effort to prune their own. Months ago it was pointed out in these columns that

the Labour Party considered itself free from the responsibility for the financing of the States which both Ministry and Opposition admitted, and that if any section of the supporters of the two great parties were to break away the most serious situation would be created. The prediction was fulfilled last week, when the Radical section of the Opposition, headed by Mr. Reid, assisted by men of similar sympathies usually acting with the Government, united with the Labour section to defeat the duties proposed on tea and kerosene. They thus robbed the States of about half a million of revenue at a moment when none of them is able to bear the loss.

GOVERNMENT DIFFICULTIES.

The Government will doubtless endeavour to reverse this verdict, but its prospects of success are not encouraging. It is the deliberate aim of some members to deal the States a severe blow in order to bring them to a sense of their dependence. Mr. Philp's unfortunate outbursts of temper have rendered the Labour section all too eager to increase his disasters, no matter what the cost may be. Others desire to see direct taxation of a drastic character forced on the continent. The necessities of the taxpayers are treated as if they were merely those of their Governments, though all will suffer, and suffer much, if this reckless policy be pursued. We shall be £200,000 and Victoria £150,000 poorer than our Treasurers calculated if tea and kerosene are admitted free, as now proposed by the House of Representatives. The two States could face the deprivation, however, at all events for this financial year, without undue alarm. Until the Federal tariff these goods were imported free into Western Australia, where there would be a very inconvenient deduction from the large income she has been enjoying if they were now dropped. Her revenue is none too much, considering the great enterprises in which she has embarked. The remaining States would all be in a sorry plight. Drought and the decline in the mining traffic from Broken Hill taken together will probably imply a deficit in South Australia of £175,000, which would be raised to £230,000 if these remissions be persisted in by the Federal Parliament. In that event, and if rice be also relieved from duty, as is proposed, the Treasurer of Queensland does not hesitate to say that it "means nothing less than ruin". The drought has starved their revenue to such an extent that the loss of another £100,000 would be most burdensome. Last year's deficit was over half a million, and for the present twelve months it will be worse even without more misfortunes. Tasmania, not from the same causes, but chiefly owing to other reductions in her tariff returns, will, with this fresh loss, probably be £120,000 to the bad when her yearly balance is taken. This to a State whose revenue is less than three-quarters of a million, and whose taxes are relatively heavy, threatens an even worse position than that of Queensland.

GRAVE FINANCIAL SITUATION.

It may well be wondered, bearing in mind the gravity of the financial situation, how so remarkable a decision was reached by the House, and it needs an intimate knowledge of Australian politics to reply. In the first place the duties on tea and kerosene are not protectionist, because neither the one nor the other is yet produced here. The vote had no fiscal significance to them. True they were "revenue duties" to which the Free Trade Party have always been pledged. The impost on tea was included by Mr. Reid in his last Budget, when, greatly to his chagrin, the Labour section in New South Wales succeeded in reducing it in spite of his utmost efforts to the contrary. This time he paired against it on the ground that Sir G. Turner's estimates showed that he could afford to spare the receipts from these sources. Of course, this is altogether ignoring the Federal aspect of the situation and the needs of the less populous States. The gross revenue obtained has to be distributed according to the proportion raised in each of them. Those that are in the greatest straits rely most on these duties, and it is these whom Mr. Reid mocks with the consolation that their more prosperous sisters can thrive without such imposts. As a fact his object is to win back the Labour section from the Ministry at any sacrifice. He takes his tune from them, even though it is absolutely Anti-Federal. Mr. Barton, ductile as he is deemed to be, at all events always stops short of such "slimness". The Free Trade following more particularly attached to Mr. Reid joyously followed his lead in giving a vote imperilling the finances of several States.

THE DIVISION LIST.

An analysis of the division list is instructive. It shows that taking the chief parties, omitting the Labour section, there was a majority of seven Ministerialists in favour of the duties and a majority of nine Oppositionists against them. This sufficiently indicates the general character of the combination on each side. The extent to which State ties were ignored is shown by the fact that Western Australia and Queensland by their representatives declared for free tea by five to one and five to four respectively. Victoria gave a majority of two for the duty, and New South Wales a majority of three against it. Among the Protectionists eight more supported than opposed it, while the Free Traders among themselves gave about the same majority against the duty. The honourable exceptions were Sir W. McMillan and a dozen of his associates, who rallied to the Ministry, but in vain: a solid Labour section, seventeen strong, carried the day by a majority of two after prolonged debate. The composite character of Australian parties, the instability of majorities, and the suddenness with which members change sides in the Federal Parliament are well illustrated by this scrutiny of the numbers. Such a situation could scarcely arise in the Mother Country or in

Canada under any stress. Our Ministers could not make it a party question seeing that a third of their own following was adverse and a somewhat smaller fraction of the Opposition was friendly. To Mr. Reid's help they were justified in trusting after his election promises, and if they had obtained it would have won easily. The merchants of Sydney are already expressing their resentment at his want of loyalty to the principles on which they have always elected him. They have forgotten how recently tricks of this kind succeeded in the State Legislatures. It was hoped that the Commonwealth would make our politics less partisan, but the temptation to trip an opponent, even at the public expense, is apparently as irresistible now in the larger as it was in the smaller sphere.

THE PROPOSED HIGH COURT.

The Judiciary Bill introduced last week possesses all the distinctive qualities of the important measures of the Federal Government. It is drawn on a great scale and with a bold hand, as if its authors were ambitious of saying at once the last word on this important matter. The draftsmanship of *Sir Samuel Griffith* is acknowledged to have furnished the substance of the Bill, which was afterwards subjected to the criticism of *Sir Josiah Symon*, late chairman of the Judicature Committee in the National Convention; but its spirit and purpose are plainly Ministerial. The assistance of these eminent lawyers may afford some guarantee of the technical trustworthiness of the workmanship, though as to its scope it must be remembered that they are Federalists as ardent as Ministers themselves. It is not in any way surprising, therefore, that we should be proffered a thorough-going scheme for the immediate establishment of a High Court of Australia, at a cost approaching £30,000 a year. The prevailing sentiment of the Press, and even of the legal profession generally, appears to be that this is going too far and too fast. Parliament is not likely at this period of the session to undertake the review of its eighty clauses, many of which appear unnecessarily cumbrous and complex to the lay critic. An alternative proposition is that if a High Court be essential it might be constituted of the Supreme Court judges or Chief Justices of the States. The appointment of four new judges with salaries of £3,000 a year, and a Chief Justice at £3,500, appears to be extravagant in face of the decline in legal business in most parts of the continent. A general impression is that we have already more judicial machinery to hand than we are making use of, while Senators as a whole seem to be satisfied with existing benches. The law does not afford an attractive outlet for the taxpayers' public contributions, in addition to the large fees grudgingly paid by successful or unsuccessful litigants.

DECISION OF PARLIAMENT.

The *Attorney-General* made no secret of his aspirations when introducing the Bill. He asks for a court of such eminence that it shall attract suitors from the State Courts, for all of whom it provides a new place of appeal, and he hopes that it may prevent business from being sent to the Privy Council, except where important principles are at stake. The grounds on which he urged the House to pass the second reading were that an Australian tribunal was an absolute necessity if the powers and privileges of the Federal Parliament were to be protected against encroachments from the States, or those of the less populous States guarded against the aggressions of the Commonwealth. Mr. Deakin took a lofty view of its functions, insisting that its frequent task in the present and for the future will be to decide as to the validity of Federal and State legislation. A court of the highest character was, in his judgment, an integral part of the federal system accepted by the people. Without such a safeguard of the compacts of the Constitution and an impartial interpreter of its meaning it would never have been accepted by them. No “scratch court” of State judges could be taken as a substitute. Federalists would be false to their trust if they did not without delay approve the completion of the Commonwealth by the creation of a judicial arbiter of national standing whose duty it was to preserve our several law-making institutions in working harmony. Members lent a friendly ear to the suggestion that their authority should be carefully conserved, and were evidently not unwilling to enhance the impressiveness of the Central Government by means of this fresh agent of its supremacy, but there was a strong disinclination to disburse so considerable a sum for the benefit of a profession that is not popular. There was also an uncomfortable doubt whether or not the power once granted might not someday be employed to curb the Federal Legislature itself and thwart some pet project of its representatives. In the circumstances, while warmly applauding the Minister’s speech, the majority appear to have tacitly decided not to pass his measure until it has been closely examined, and probably curtailed to more modest dimensions.

THE NEW COMMONWEALTH.

AUSTRALIAN RIVALRIES. WRESTLE FOR MASTERY. PROBLEMS TO BE SOLVED.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Apr. 1 1902; May 12 1902.

Who shall be master—the States or the Commonwealth? Our Constitution divided the political power of Australia between them, but it left quite open the question of ultimate supremacy and, indeed, assumed that there would be nothing of the kind. The Federal domain was carved out of that of the States at the popular behest and against the wishes of their Administrations and Legislatures. This has first to be effectively occupied, and then must either continue to grow at their expense or the Federal Parliament must consent to an invasion of its prerogatives. Under our conditions either one or the other must rule. In certain disputes no doubt the Privy Council with the High Court will define with legal precision the exact inheritance of each under the Imperial Act establishing the Union, but much more remains to be settled, and by other means. A new boy at a public school has his place in class allotted to him, but he must win his way among his fellows outside and attain his real rank among them by fighting for it. So the Commonwealth could only make its authority good and could only extend it by force. Ever since its inauguration fifteen months ago it has been asserting its rights as against those of its component colonies, who had enjoyed up till then a practical independence. The trial of strength has proceeded quietly, but with steadily increasing stress and strain, until at last it is about to culminate in an open wrestle for mastery.

FEDERAL AND STATE JEALOUSIES.

In the first instance there have been encounters between the Federal Parliament and individual States on particular proposals. The Ministry and Legislature of Queensland sought for the indefinite retention of Kanaka immigration, Mr. Philp and one or two members associated with the sugar planters personally visiting Melbourne to plead their cause. They failed so utterly that not a handful of supporters could be rallied in

the House, and a barely respectable minority in the Senate. The next State that met in open combat was Tasmania. Mr. Lewis, supported by a majority of his Legislature, protested in vain against the refusal of the Federalised Post Office to carry to Hobart the remittances from all parts of the continent of those who desired tickets in the great "Tattersall's" lottery established under a local law. The electors of the island are apparently equally indignant at what they consider to be a Federal invasion of their self-governing rights, for they have just returned to the House in place of the late member, who was adverse to the lottery, a new representative who is heartily in favour of it. Yet the House of Representatives for its part is even more unanimous against allowing the Post Office to be made a means for continuing in Tasmania the gambling which has been prohibited in every other State than it was in putting a period to the introduction of Pacific island labourers from the South Seas. Other complications are now brewing.

CONFERENCE OF PREMIERS.

Some months ago a conference of State Premiers met at the invitation of Mr. Barton to discuss the proposal made in his Property Acquisition Bill to pay the States for the properties taken over from them by the Federation with the Customs and Post Office. He offered something very like a mere book entry. Naturally enough, they declined to accept it or anything less than cash. They had expended large sums of borrowed money on the buildings and works of the transferred departments, and would still be required to pay interest on them. Why should they retain the liabilities when he took the assets? Incidentally they commenced to discuss other questions in which their joint interests were being affected by Federal aggressions, and to concert measures for united and systematic resistance to each and all of them. Nothing was finally agreed then, but it was understood that the conference would assemble again at the end of last year, and the Prime Minister was lately requested to call the State Premiers together. This, however, he distinctly declined to do. If the Premiers chose to meet he would be happy to receive any representations or lend any assistance they might desire, but his Ministry was not prepared to meet them officially or on an equality as if the transaction of Federal business belonged to any other than Federal representatives elected for the purpose. His Cabinet and those of the States might properly consider together the completion of bargains between the Commonwealth and the States as such, but could not expect to discuss in the same fashion any legislative or administrative matter within the powers of the Federal Parliament. Considerably disconcerted by this reminder of the difference of their spheres of action the Premiers, who had hoped to constitute themselves an Advisory Board to the Commonwealth, have not been able to rally since this polite rebuff. A great deal of correspondence has passed between them and a number of dates have been tentatively

fixed, but so far no definite appointment has been made. The conference will meet before long, and will not be the last at which an attempt will be made to patch up an alliance, offensive and defensive, between the States' Parliaments and Cabinets as against the Parliament and Cabinet created by the union between the electors of all the colonies in the Commonwealth.

STATE MINISTRIES DIVIDED.

The weakness of any such combination lies in the circumstance that on many matters the State Ministries are hopelessly divided among themselves. Queensland alone wishes to retain Kanaka immigration, Tasmania alone is anxious to preserve "Tattersall's" sweeps, just as in the tariff scramble South Australia alone seeks for a protective duty on salt, and Victoria on matches. All the remainder are in each instance antagonistic. It is therefore on few subjects only that organised action of the States is possible, and even in these instances the final word lies not with their Cabinets but with the electors of Australia as a whole, and with the majority in the Parliament representing them. The vapourings of the Premier of Queensland, the polite protests of Mr. Lewis, the laments of Mr. Butler, as Treasurer of South Australia, or of our own Mr. Waddell, are of no avail. Power has departed from them, and they are just discovering the fact. They might have been lulled in their repose a little longer had not the policy of pinpricks instituted by Mr. Philp assisted to hasten the inevitable, and to tear away the mask that concealed his impotence and that of his fellow-Premiers. States in the great Republic are not overpowered by Congress, because their direct taxation is sufficient for their own needs, while the Provinces of the Canadian Dominion enjoy under the British North America Act fixed annual subsidies from Ottawa. Their finances are thus solely under their own control, and their independence is safeguarded against aggression. In addition to this, both States and Provinces are practically free from debt. Neither undertakes the many risks of State railways, waterworks, or the many minor enterprises which the Australian Colonies have provided for their citizens at public expense. The Australian States have thus incurred liabilities the annual interest on which absorbs more revenue than they have been accustomed to raise, or are likely to raise, by direct taxes. They are therefore dependent on receipts from the customs, which are now out of their hands, to pay their way; in other words they are dependent on the Commonwealth. It is true that for ten years to come they are entitled to a certain proportion of the duties collected by the Federal Department, but this is already insufficient to maintain their existing establishments. After the decade they will be able to claim nothing as of right, and must be content with any amount the Federal Parliament chooses to spare them. Subject, therefore, to the consent of the voters of Australia, the independence of our States is doomed.

FINANCIAL NECESSITIES.

The importance of the refusal of the House of Representatives to impose duties on tea and kerosene is that for the first time it demonstrates to the astounded politicians of the States the flimsy financial foundation on which they have been resting. Mr. Barton's election programme last year was properly Federal in its provisions, and so far was it endorsed by Mr. Reid that the several local treasurers had come to rely on its general acceptance as a matter of course. They had counted without the Labour Party, without Mr. Reid's defection for strategic purposes, and without the Protectionist dislike to merely revenue duties. The shock received has consequently been sudden and severe. The reflections it has begotten have been most uncomfortable. Assuming the Senate to accept the policy adopted by the House, every State budget will require to be revised. Their financial years will close on the 30th of June, with a quarter's loss on two of their chief revenue-producing imports. The prospects for next year will be still more alarming. Mr. Barton has announced that, should experience demonstrate the failure of the reduced tariff to meet the necessities of the less populous States, he will again propose those imposts or some substitute for them. But should he submit them they need not be passed. He has been defeated now, and may be equally unsuccessful then. It will not be safe for the States to count on any addition to their incomes. They must cut their coats according to their cloth as it is now diminished. All that the Prime Minister's promise does is to introduce an element of embarrassing uncertainty into their calculations, which must be the despair of prudent, and may be made the apology of reckless, treasurers.

THE FEDERAL CRUCIBLE.

The Federal Parliament—if its Chambers agree together—having tasted the sweets of supremacy—will not consent to finance the local treasuries except for value received. If it provides money for the States it will exact tribute from them in some shape. As the power of the purse in Great Britain established by degrees the authority of the Commons, it will ultimately establish in Australia the authority of the Commonwealth. The rights of self-government of the States have been fondly supposed to be safeguarded by the Constitution. It left them legally free, but financially bound to the chariot wheels of the central Government. Their need will be its opportunity. The less populous will first succumb; those smitten by drought or similar misfortunes will follow; and, finally, even the greatest and most prosperous will, however reluctantly, be brought to heel. Our Constitution may remain unaltered, but a vital change will have taken place in the relations between the States and the Commonwealth. The Commonwealth will have acquired a general control over the States, while every extension of political power will be made by its means and go to increase its relative superiority.

Anticipations of this kind, even if premature, have their uses. They explain many incidents otherwise irrelevant and point the direction in which the current of events is now sweeping. The political circumstances of Australia are singular and its developments are persistently misinterpreted by misleading analogies. Our economic situation differs absolutely from that of the United States or Canada in their earliest years or at the present time. Doubtless, our history like theirs will prove progressive, but it will be by different paths. When our droughts are dissipated or provided against, when our tariff is passed, and when necessary reductions of public expenditure have been insisted on, we shall have at least as favourable prospects before us as they had when they set up housekeeping. But in the meantime we have to pass through the Federal crucible, from which we shall emerge with our States subordinated and with their institutions and political parties transformed, in some cases almost out of recognition. The process has already begun, though scarcely anyone seems to be aware of it. The narrow prejudices, the petty jealousies, and miserable envies of our days of division have to be gradually crushed out under the play of the Federal forces that were created by union, but at present they exist and require to be allowed for.

PROBLEM TO BE DEALT WITH.

Take as an illustration the spirit in which one of the greatest problems of practical import is now being played with among the States with whom the main task of solving it still rests. It is a scandal that the waters of the Murray, the one great stream of South-Eastern Australia, should after all these years remain unutilised. Every year while the snow melts or the rain falls the river pours down in floods, often spreading far across the country on each side of its channel, flowing down to the sea untapped and unstored. Annually in summer and early winter it falls to such low levels in its bed that even the flat-bottomed barges carrying cargoes to and from the interior sheep stations of our wide western plains are unable to be floated. The control of navigation has been parted with by the States, so that the Commonwealth has now to be counted with, but they alone retain the right of constructing weirs in order to prolong the period during which the stream is navigable. They also retain the right to draw off reasonable supplies for irrigation, but as the river touches the territories of three of them, though only in South Australia, having both its banks under the same jurisdiction, its use for this purpose is impossible on any considerable scale without a preliminary arrangement between them. Divided political interests, coupled with the familiar tardiness of settlers in all innovations on old methods, account for the prolonged neglect of proper measures for the conservation and distribution of water in these arid areas. The recent drought—now for the time happily broken up by copious autumn rains, except in that very western district—has at last, after years of privation, driven some of the residents on our southern border into the kind of action customary in all such matters

in Australia. A conference at Corowa, a village on the Murray, gave a great impetus to the Federal movement when it appeared to be flagging some years ago. Following this precedent another conference has been called for this week to consider the best means by which the Murray waters can be turned to some account.

IRRIGATION AND NAVIGATION.

There are no insurmountable physical difficulties to be confronted. Colonel Home, R.E., an officer of large experience of Indian engineering, reported on the projects, and endorsed their practicability five years ago. A weir at Albury, to cost £100,000, with a storage reservoir higher up, whose construction was estimated at £300,000, would enable 40,000 cubic feet a minute to be sent through Riverina by an artificial canal to Deniliquin, one of our important south-western centres of pastoral and agricultural settlement. Another 40,000 cubic feet a minute could be diverted from the same spot southward into Victoria to fill a great artificial lake situated at Waranga, near Murchison, where by far the largest masonry weir south of the line is now distributing the waters of the Goulburn over the spacious valley of the same name. From the Waranga basin the Murray water, or what was left of it, could be sent by canal to Hopetoun, one of the chief townships of the eastern Mallee, the driest district in that State. South Australia would receive no benefits from these systems which, without distributaries, would cost three or four millions sterling. One of her chief aims would be the locking of the great New South Wales tributary, the Darling, and of the Murray itself in its lower reaches, so as to draw to her railways the river-borne woolclip of our western lands. Another, and more ambitious undertaking in her own territory would be a deepening of the mouth of the river, enabling ocean steamers to enter and load directly from the barges. The interests of irrigation and navigation, though capable of being combined and served by the same works up to a certain point, are diametrically opposed beyond it. Their reconciliation is possible by means of a compromise, but it will not be easy to persuade the residents of our parched plains to part with a single drop of the Darling water when once they have learned to appreciate its value as a substitute for the often missing rains.

THE PRACTICAL AND THE POLITICAL PUZZLE.

The practical puzzle, however, stands second to the political. South Australia's interest is that as little as possible of the flow of the Murray and its feeders should be absorbed, in order that traffic may be encouraged along its course, and that the largest supply should be available for diversion in her domain. New South Wales and Victoria have an exactly opposite interest to that of their partner, and in a less decided degree to each other. Our boundary line is the Victorian bank of the Murray, whose

stream therefore lies wholly within our jurisdiction, except that certain rights of navigation are preserved to Victoria. Any use of the Murray waters made by that State is viewed with jealousy by some of our Parliamentarians, while a still narrower but not uninfluential section is tacitly hostile to any expenditure on works in our State or out of it that are likely to increase the population and enhance the prosperity of the Murray Valley. That country is already tapped in several places by Victorian railways less than half as long as those connecting it with Sydney. Its development under Inter-State Free Trade must therefore directly tend to the advantage of Melbourne, whither most of its trade will inevitably find its way, though we shall fight for it by means of reduced railway rates as long as we can. In these circumstances no equitable arrangement from a geographical point of view will be endorsed here. Terms will be insisted on by our provincialists which the sister States cannot accept, and are not intended to accept. The whole enterprise is to be blocked if possible.

CHANGES OF FRONT.

Mr. See, good easy man, when he accepted the Corowa invitation thought of it as an ordinary country visit, involving nothing more than vague promises without date or guarantee of fulfilment. But when he found that Federal Victorian and South Australian Governments were all to be represented, and that something approaching a definite plan of operations was to be submitted, he shrank back in alarm, intimating that pressing engagements would prevent his visit. At this desertion Mr. Barton and Mr. Peacock promptly cancelled their acceptances, while Mr. Jenkins plaintively invented the reason of his sudden change of front. Cornered diplomatically and unexpectedly saddled with the whole of the failure of an important interstate meeting on a matter of extreme interest and urgency, Mr. See was obliged to withdraw his excuses, and once more promise to be present, with the remarkable explanation that he knew nothing of the subject of the conference. His backing and filling assisted to advertise the gathering, while at the same time his extraordinary excuse publicly emphasises its political perplexities. It is doubtful if any of the States concerned will agree to remit the settlement of the question to the Commonwealth, unless it were simply to give effect to a bargain between them complete in all its details and meeting with Federal approval. Such a bargain appears impracticable on the part of this State unless on impossible conditions. We have reached a deadlock. Those who criticise the divagations of the Federal Parliament with scorn have reason to note how entirely incapable even three of the States are of arriving at an agreement in regard to a plain practical undertaking offering splendid prospects of permanent advantage to large portions of their territories. The Commonwealth may not work without a prolific crop of frictions, blunders, and heart-burnings, but at all events it does work and, as reiterated experiences prove, is palpably the one and only way in which the States can be brought to act together. *Aut Caesar aut nullus.*

THE NEW COMMONWEALTH.

ANTI-FEDERAL TACTICS.

THE FREE TRADE CAMPAIGN.

“PLUNGING” POLICY RESULTS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Apr. 15 [?] 1902; May 20 1902.

Australia politically was endowed with union rather than with unity. For this there can be no reproach that is not shared by all of us, since it was just this distinction which our Constitution makes, and was intended to make; nothing more was possible, and this was difficult to secure. Certain subjects were set apart on which we were to act as one people. This was the domain of the Commonwealth within whose range we were to be united once and for all. Beyond this area the States were left legally free to enjoy as much diversity as they desired. It was anticipated that in all probability the area of union would be extended hereafter with the assent of the States whenever and wherever it became clear that national legislation and administration would be more effective than local legislation and administration—that is to say, in cases in which uniformity was profitable. Within the Federal sphere there was to be unity, and without it there was to be diversity. Neither the central nor any local Government was to trespass on its neighbour's domain; they were to operate together, but on one another only by invitation, influence, or example. Each was to remain a separate agency of the popular will controlled by the whole nation in the one case and by segments of it within State boundaries in the other, but without any direct or recognised authority over each other.

FEDERAL GOVERNMENT AND THE STATES.

Consideration might have suggested, as experience is now proving, that though the Legislatures and Executives of both Governments might appear to be related only by their common dependence on the same electors, whether voting in one or in several groups, they must of necessity act and react to some extent on each other continuously. It was our effort to combine national ideals with State independence that led to the creation of two Houses on a different basis—the Representatives

numerically reflecting the opinion of the continent, while the Senate accords equal representation, without regard to population or area, to all the States. But even this device has failed of its effect. The elections indicated and the session has since demonstrated that all these careful preparations have fallen far short of their aim. Members of the House exhibit strong allegiance to their States, and have often proved themselves only too ready to deal with the matters before them on provincial instead of national lines. Only New South Wales and Victoria are able to compel consideration here. On the other hand, the Labour section in the Senate ignores State boundaries altogether when they conflict with its particular principles and propaganda. The combined effect of these circumstances is to strengthen the more populous and subordinate the less populous States, since the less populous ones are not only outnumbered in the Representatives, as was natural, but lose more than half their strength in the Senate, where they were expected to be strongest. The Federal majority dominates both Houses more than was foreseen.

UNITY OR DIVERSITY.

As the popular House, which was to preserve unity, is in the hands of those who act chiefly as members of a union, and are careful of their own States, while its fellow Chamber, created to protect the union, is prepared for unity on all questions of a democratic nature, the balance designed in the Constitution is disturbed. We have come very close to the simple rule of the majority of the electors without any check from the States. When to this is added the apparently unsuspected control that the Federal Parliament possesses over the finances of the States, as explained at length last week, it will be seen that the situation evolved is absolutely novel, and bids fair to defeat most of the anticipations cherished regarding it. There was always a section of the Federalists in Victoria whose theory was that the existence of responsible government after the British model would tend to cause the House of Representatives to overshadow the Senate, and ultimately lead to the subjection of the States to the will of the Federal majority. But these men were few, and they spoke with bated breath so as to avoid alarming their Federal allies elsewhere. The general conviction has been that we possessed two systems of government, which at need could be separated by water-tight compartments so that injury to either need not seriously affect the other. This illusion has gone, or is going fast. We are one people with one destiny, as [Sir Henry Parkes](#) wished, but it is a surprise to find that destiny placed almost unreservedly under the control of the electors of the Federal Parliament, as if no States existed.

FREE TRADE OR PROTECTION.

The revelation is now complete. Whatever haziness or uncertainty existed as to the inner meaning of the rejection of the revenue duties on which the less populous States depend has been removed by Mr. Reid, whose temporary freedom from professional engagements has enabled him to resume the leadership of the Opposition in the House. He arrived in time to take part in the discussion on another purely revenue duty proposed to be levied on cotton goods. Admitting that some concessions ought to be made so as to avoid inflicting too great and too sudden a loss on the less flourishing States, he announced his willingness to agree to five per cent., as a maximum levy in this instance. Sir G. Turner, on behalf of the Government, made a strong appeal on Federal grounds for at least seven and a half per cent., referring specially to the depleted Treasuries of Tasmania and Queensland, which are severely impaired already by the refusal of their accustomed dues. Mr. Reid's answer was emphatic. Instead of apologising for his vote against the tea and kerosene duties he gloried in it, while even Sir William McMillan, either constrained by his leader or consenting to the inevitable, now appears willing to abandon them, though he supported them when they were lately proposed. The antagonistic attitude of the Free Trade Party to its former policy of revenue duties is now plainly defined. Sir Edward Braddon and his two Tasmanian followers, Mr. Solomon, of South Australia, Mr. Paterson, of Queensland, and perhaps three or four sympathetic Federalists may respond to the Ministerial appeal out of consideration for their State Treasuries, but the Opposition as a whole has finally thrown in its lot with the Labour section. Between them they are strong enough to compass the defeat of any remaining proposals for revenue duties except to a small amount. The one hope of the States is now in the Senate, and Mr. Philp, with customary heedlessness, has hastened to proclaim his reliance on that body to reverse the decision of the Representatives. This it cannot accomplish without risking the rejection of the whole tariff, and thus creating a political crisis grave enough to try our new Constitution to the utmost. It is to be hoped that the chapter in our history describing the future contest between the two Chambers will not be opened at such an inauspicious moment and in such an unfortunate manner, injurious alike to our private commerce and public revenue.

CHANGE OF FRONT.

The change of front of Mr. Reid and his followers, though undertaken without warning and without reflection, is justified by him with astuteness. Ministers have avowedly raised the duties in many instances in order to encourage local production, and just so far as they succeed they necessarily diminish importations and the customs receipts on them. He therefore refuses to help them to make up the revenue

by other duties on goods that cannot be produced here, which otherwise he would have supported. His object is to compel them to choose between protective and revenue duties, instead of relying on one to supplement the other according to their policy as originally propounded by Mr. Barton at Maitland. In this way he rallies his Free Traders against their own scheme of revenue duties with the cry that at any cost their principles must be preserved. His next equally ingenious and more significant defence brought him into close touch with the Labour section and with the growing feeling in the States in favour of economy. The lavish expenditure approved by their Governments afflicts him with horror. He is satisfied that local Legislatures cannot be trusted to retrench except under the pressure of irresistible compulsion, and declares that the Federal Parliament becomes responsible for their extravagances while it too liberally supplies them with funds. Two of his closest followers, Mr. Cook and Mr. Wilks, did not fail to put their intentions into plainer and less diplomatic language. They announced to the obvious delight of the Labour section a scheme of action amounting to a practical abrogation of State rights, control of their Budgets, and reform of their Administration, not from within by the free choice of their electors, but from without at the dictation of the Commonwealth. In other words, the Opposition declared war against the State Parliaments and Executives in the name of the Federal electorates and on behalf of Australia as one political entity. Except as constituencies for the Senate the States are to cease to possess the independence which they have believed to be conserved to them by the Constitution. Union is to be lost in unity.

MR. REID'S NEW CAMPAIGN.

Such a programme is utterly Anti-Federal in spirit and in purpose. But it is also a breach of the voluntary agreement made by both parties on the hustings that the first Federal Budget should be specially framed so as to avoid any dislocation of State finances. Mr. Reid is quite justified in fighting for Free Trade with any weapons that may come to his hand, and he will also be doing excellent public service by insisting on local as well as Federal economies. What is indefensible is his breach of his own platform pledges and those of his associates that they would to the best of their power safeguard the State Treasuries during the early years of the union. The struggle between the elected authorities of the central and local Governments as such was not to be avoided, and their competition may even prove in the end to have been advantageous to those whom they both represent. But the first gun should not have been fired in this Parliament or on this quarrel, and Mr. Reid knows it well. The key to his action is provincial and not national. He might have kept his promise to the States if only Mr. Barton had come in his line of fire. The recollection that Tasmania, Queensland, and South Australia must suffer severely would surely have held his

hand. But when he found his old opponents in New South Wales, Mr. See and his colleagues, would be wounded as well as the Prime Minister, the temptation became more than he could bear. They put him out of office, and he could now effectively injure them. His Federal scruples were ignored, and he took his revenge the more gladly because none of those in power is his friend. The Governments of New South Wales, of Victoria, and of South Australia are all Protectionist and all hostile to him, and he has no concern with any of the others. The greater their difficulties and those of the Commonwealth Ministry the more opportunities there will be for him. To harass them and at the same time purchase the support of the Labour section he has therefore commenced his new campaign from a fresh basis, the result of which will be felt for an indefinite period, and will modify to an as yet incalculable degree the developments of Australian politics. Nothing so fundamentally causative or prolific in future possibilities has occurred since his Royal Highness the Prince of Wales started our first Federal Parliament on its high career.

GREAT PUBLIC IMPROVEMENTS.

As far as this State is concerned Mr. Reid's action is likely to be wholly beneficial, and were it not for the disastrous consequences to our neighbours our gain might reasonably be pointed to in mitigation of his breach of faith and their consequent loss. Our people have always been slow to move and patient of abuses, but the condition of our Treasury is at last beginning to be realised. The frankness of Mr. O'Sullivan, the Minister for Works, has greatly assisted to bring the matter to a head. He takes every opportunity of publicly explaining with parental pride the policy by which, since Mr. Reid was put out of office, the public expenditure has been multiplied in every direction. £4,500,000 is being spent in Sydney for the resumption of wharves and the erection of a new central railway station. Fourteen railway lines have been commenced and a number of them opened for traffic. Where formerly £450,000 was laid out annually on roads and bridges three-quarters of a million is now spent. According to him we are only on the threshold of greater schemes for water supply, harbour works, dredging, building and improving our means of communication, which are to be undertaken far and wide by men who will be paid not less than 7s. a day as unskilled labourers. So vast a prospectus of public investments has rarely, if ever, been submitted even in this country of large ideas as to the outlay of money borrowed abroad. The projects of Sir Julius Vogel in New Zealand and of Mr. Gillies in Victoria shrink by comparison. What our burden of interest would be per head by the time it was completed Mr. O'Sullivan himself dare not attempt to reckon.

MOVEMENT OF RESISTANCE.

This policy of plunging is announced at a moment when we are still far from free from the drought and its destructiveness. Our wheat yield is 1,500,000 bushels less than that of last year; livestock is woefully diminished, as well as our exports of butter, tallow, hides, and meat; mining is depressed, and trade still awaits the settlement of the tariff. Our condition represents that of the rest of the Continent. The same conditions generally obtain, and in some cases the losses are relatively heavier. Our population shows no increase worth mentioning, and though our revenue returns are high it must be recollected how much they are being magnified by the arrival of our loans in the shape of imports paying toll to our customs. We cannot afford the O'Sullivan ideal. Our day of reckoning would be unduly hastened by it. The public is slowly coming to that opinion, and the movement of resistance, of which the Taxpayers' Union is the chief expression, is attaining large proportions. Mr. Reid has the wit to observe this, and the cleverness to prove on the Federal platform how closely he is keeping in touch with Sydney opinion. The difficulty is that in Australia State enterprise is the only enterprise permitted to be employed on a great scale or for great works. When it is curtailed there is nothing in the way of railway construction, water conservation, canalisation, or kindred means of developing the interior that is allowed to proceed. The Corowa Conference, which has just closed in very exultant style, has produced an agreement for an official expert inquiry on the part of New South Wales, Victoria, and South Australia into the best means of utilising the waters of the Murray, and dividing them between the three territories. It is extremely unlikely that any proposal that is acceptable to each State will be devised, and the question of financing so great an undertaking will remain to be faced. Droughty years have taught us how much we need it, but their starved revenues help to make its execution problematical. That want of pence which always perplexes public men everywhere is to-day the chief consideration both in the States and in the Commonwealth. The repudiation of revenue responsibility to the States by the House of Representatives marks the beginning of the end, and hastens it beyond all expectation.

THE NEW COMMONWEALTH.

DROUGHT DESOLATION.

DEMAND FOR REFORMS.

RETRENCHMENT MOVEMENT.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Apr. 15 1902; May 23 1902.

Public affairs in Australia were never more dependent on its physical conditions than they are to-day. Any faithful picture of them must dwell rather on the black background of drought and debt than the narrow foreground filled by political events and Parliamentary figures of note. A belt of mountains runs from the Gulf of Carpentaria roughly parallel with the ocean down the whole east coast of the continent through Queensland and New South Wales, and then turning westward in Victoria traverses that State, reappearing after a break in South Australia. Along those ranges and between them and the sea refreshing rains have fallen during the autumn, though in the north they have been very light in many portions. Inland, on the other side of the ranges, showers have penetrated through the foothills to the edges of the plains about them, but beyond this favoured narrow region the whole of the interior now stretches in one unbroken waste. The tales that come from this desolation are inexpressibly dismal and depressing. In Queensland permanent waterholes are dry, so that even the native trees beside them are now perishing. The scanty supplies of water which remain are fouled by dead stock and wild animals to such a degree that in some outlying districts the aborigines themselves are struck down with typhoid engendered by their putridity. There have been seasons as dry before, but never within the memory of the oldest settlers so prolonged a series of rainless years. Winter approaches fast and unless a copious downpour, coupled with mild weather, supervenes there will be no grass until the spring. Never was so black a prospect to be confronted by the pastoralists and agriculturists who have made their homes on the high tablelands and vast plains beyond the comparatively shallow strip of fairly-watered coast lands, between three thousand and four thousand miles in length.

CRITICAL POSITION OF THE COUNTRY.

In the track of drought come deficits in the public accounts of the States as well as ruin to hundreds, and perhaps thousands of graziers and farmers—Queensland and New South Wales still depend on their land revenues which naturally wither away fast—when keen-edged winds without moisture continue after parching years until they sweep their tenants from the soil. The stock disappears, there are no harvests to be reaped, and as a necessary result the railway returns which, next to custom duties, supply the largest and steadiest contributions of cash to our Treasuries dwindle too. The purchasing power of the territories so affected goes down to a minimum, and this, again, affects freights from the seaports and trade in them. But the railway departments remain manned for the most part by permanent officials whose services cannot be dispensed with at will nor their salaries reduced. The debt incurred for constructing the lines remains, there are no reserves against exceptional times such as these, and the interest on the debt falls, therefore, as a direct burden on the taxpayers just when they are least able to meet fresh demands. Our State administration, at no time economical, appears, in such circumstances, relatively more extravagant than ever in proportion to the services rendered. The people at large at last begin to feel how great are the responsibilities they have incurred by borrowing, and how deeply they have pledged themselves to their creditors by their lavish investments in public works. Their deficits mount up faster and loom larger at the same juncture, until they suddenly become aware that a crisis is on them, which compels them to act.

THE ELECTORS' DISPLEASURE.

The first outbreak of the electors' displeasure takes the time-honoured shape of reprisals against its former idols. Our legislators, who are ordinarily credited with the possession of almost supernatural powers of miracle working by means of Acts of Parliament, are now dragged down from their eminence and trodden indignantly under foot. Their numbers are counted, their emoluments calculated, their errors of omission and commission set to their account. Economy is demanded with the greater vigour, because it has been so long neglected and postponed. The first retrenchment insisted on is to be made at the cost of the offending Parliamentarians. Fourteen Legislative Chambers, seven Ministries, seven hundred and fifty members, and an army of attendant officials are not unnaturally deemed too numerous for the necessities of our time and people. It may be admitted that their duties, including, as they do with us, the direct management of railways, the indirect control of industries, and the general supervision of the lives of our people are of greater complexity, and demand more continuous attention than the tasks of representatives elsewhere where so much more is committed to private enterprise. The real gravamen of the charge against them at

such a time is that business matters under their custody are not dealt with on business principles, that money is wastefully spent, and that the pockets of the taxpayers are less studied in Government ventures than the wishes of the particular people served by them and the comfort of State employees. What is now being demanded far and wide is a reduction in the number of members and in the cost of our Legislatures. Thus far there appears to be a consensus of opinion. But it will be necessary to go very much farther in order to make up a sum of savings in any degree sufficient to put the State Budgets on a safe footing. This no one appears to know how to do nor to whom to look for the desired reformation. The experiment of putting our railways under independent boards has been tried and condemned by the majority. Under political control they are just as much censured. To charge the lowest fares and freights, pay the highest wages, employ none but men who are working short days, and who are secure against any dismissal not authorised after an elaborate trial by a qualified tribunal, and then expect to make our systems pay, including lines constructed for political reasons, is surely to hope too much, even from the most earnest Parliaments.

DEMAND FOR RETRENCHMENT.

To-day the cry for retrenchment is raised everywhere because the drought is universal. Queensland feels the pinch most. In stock alone it has cost her three million five hundred thousand cattle and fifteen million sheep during the decade. Last year this loss landed her with a deficit of £500,000, and this year probably she will be £400,000 to the bad. In the meantime Mr. Philp has been acting as if nothing unusual were occurring. He now finds himself irresistibly forced both to reduce the taxes and to borrow at the same time. A reduction of salaries and wages in the public service is already threatened, and various proposals for raising money are being passed in review. An income tax would yield little more than dividends already pay, and a land tax is not expected to make up a third of the forthcoming debit balance. It is doubtful if either will be imposed. But money must be had, and as it is thought that London might not prove too favourable £530,000 of four per cent. Treasury bills are being offered in the eastern capitals. His last local loan was clumsily handled, and its precise subscriptions were not made public, so that the actual measure of public support accorded to it has not been made known. Reticence in this regard probably means that too much of it was derived from the Savings Bank funds. The position of Queensland need occasion no alarm, because of her immense natural resources of all kinds. The Labour Party is still in a minority, and is likely to remain in opposition for an indefinite period. Mr. Philp's supremacy, or, rather, that of his party, is assured, though all his difficulties, beyond those arising from the abnormal seasons, are of his own creation. They might have been avoided by economy, foresight, and judgment. Three or four good seasons will cause them to disappear. The recuperative powers of this great State are enormous.

CONDITION OF SOUTH AUSTRALIA.

South Australia, which is now in the throes of a dissolution for her two greatly reduced Chambers of Legislation, is in an equally serious condition. The drought has been accompanied by a diminution in the output and purchases from the Broken Hill mines, which, though situated in this State, do all their business with Adelaide or Port Pirie by the only railway with which they are connected. Their customs revenue under the Federal tariff is greater than it was last year, but for all that she regrets and resents, as she well may, the loss of the duties on tea and kerosene. Her expenditure has risen in spite of a falling revenue, and while the last balance disclosed a deficit of only £22,000, the Premier Mr. *Jenkins*, anticipates that on the 30th of June there will be another debit of £120,000 staring the authorities in the face. The true gravity of the situation lies in the fact that the ordinary sources of revenue have all been freely employed already. The income tax may be increased by bringing down the exemptions from £200 to £100 a year. Stamp and probate duties may be made slightly more productive, but there is not much to be gained from any of these. The road vote can be discontinued, the redemption of loans fund can cease to be fed, and the pruning knife used to some extent on the public service. But when all is done that can be done without imposing excessive burdens it will be no easy task, after finding the interest on £27,000,000 of borrowed money, to provide for the development of South Australia proper. The taking over of the northern territory by the Commonwealth seems to have been indefinitely postponed. In the meantime the Treasurer has been paying his way by means of Treasury bills at three per cent., of which altogether £1,150,000 have been sold in London and here within the twelvemonth. No sufficiently thorough scheme of grappling with her responsibilities has yet been formulated by any of her public men, the ablest of whom have found a more congenial field in the Federal Parliament, where they have taken high rank in both Houses. Thrifty as South Australia has been she will need to be thriftier still before her finances are righted.

THE OUTLOOK IN VICTORIA.

In Victoria we have the familiar features—drought, debt, and borrowing, though the first and consequently the last of the three have been less severe than with her neighbours. She has just raised £250,000 in Treasury bills. There may not be a deficit this year, in spite of the introduction of old age pensions and the loss of the duties on tea and kerosene. The winter promises fairly well over most of the agricultural areas, and the general outlook is not disquieting. The vital problem is the management of the railways, overloaded as they are by unpayable lines and inefficient control. Whether the annual heavy loss on the system is due to incompetent officials or to political interference with them, to undercharging customers or to overmanning the

staff, is open to discussion: probably to some extent all these factors assist to that end. One encouraging circumstance is that the movement for financial reform appears to be stronger and more insistent in this State than in any other; so widespread and so influentially supported is it by all sections of the Press that its success is confidently counted on. It may be taken for granted that the number of members of Parliament will be reduced and that the expenses attendant on legislation will be curtailed. But though there is no reason to suppose that retrenchment will stop there, it is very doubtful if it will deal effectively with the departments. Until the railways are made to pay their way, or at all events to come within a reasonable distance of doing so, the financial troubles of Victoria cannot be considered to be at an end. A Royal Commission is inquiring into their present condition, and in all likelihood will close its sittings with no better fruit of its labours than that of similar bodies who have inquired into the question before. How to make State railways self-supporting is a question that has not yet been answered conclusively anywhere in Australia.

NEW SOUTH WALES RESOURCES.

In New South Wales, since the days of Mr. Eddy, we have had reason to be contented with our railway administration. The addition of the lines lately constructed or now in hand, coupled with the devastations of the whole of the western area, embracing two-thirds of the State, will soon put a less gratifying balance-sheet before us. Our customs revenue flourishes far beyond expectation, though it, too, will be sure to decline if we cease to borrow, and cease we assuredly must to avoid disaster. The Opposition is at last recognising that the finances afford it its best ground for attacking the Ministry, and Mr. Lee has somewhat repaired his drooping reputation by the vigour of his recent criticism of them. Allowance must be made for rhetoric when reading his declarations that the Treasury is empty; that the consolidated revenue, £374,000, is overdrawn, though relieved of £250,000 due for redemption purposes; that the General Loan account is in debt £1,800,000, and that a new loan is imminent. Our last borrowing cost us £8 18s. per cent., and if, as he protests, we shall require £7,000,000 to enable us to complete the payments due for the resumed wharves, for which £14,000,000 is claimed by the owners, and on authorised public works our Treasurer has a very serious task. Like Queensland we can point to our resources, and also to the rapid development of Sydney industries, and to the general soundness of private undertakings unaffected by the drought. What we lack in State politics is leadership, prudent adjustment to present circumstances, and patient attention to details of administration. On the general policy to be pursued all parties might agree, and with mutual concessions undertake to give effect to it by degrees, proceeding at a reasonable pace. The Taxpayers' Union has arrived at the right time, and if our public men respond to its efforts an excellent beginning may be made to the good work. Our Parliament, like its fellows in

other States, has been depleted by the departure of its chiefs to the Federal stage, and hence the first search we are called on to make is for men who are fit to replace them, and who are capable of restoring order in our finances. Neither Mr. See, the Premier, nor Mr. Lee, the Opposition leader, has yet convinced the country of their competence to accomplish the reforms which all admit are becoming more urgent every day.

POSITION OF THE COMMONWEALTH.

The Commonwealth, being nothing more than the sum of the States, is, of course, immediately affected by their distress. They have already borrowed £3,800,000 this year, half of it locally, and thus have made their straits generally felt. The Commonwealth suffers when they suffer, and it finds the drought just as emphatic and unpleasant a spur to economy. The refusal to accept the Ministerial proposals for duties on tea and kerosene which was adopted by Mr. Reid for party reasons, and largely because it had been proposed by the Labour Party, who wished to force direct taxation on the States, is already proving most embarrassing to the Federal Parliament itself. Even those who supported that remission and who refuse to reverse their action are finding themselves pressed by the situation, are willing to support minor revenue duties, and are anxious to decrease expenditure. Financial safeguards will be insisted on here as in other States. A striking illustration of this changed temper was furnished by the discussion on the Bill under which Mr. Barton asked for authority to spend £35,000 in celebrating his Majesty's Coronation. Of this sum £26,000 was intended to be devoted to the despatch of two hundred and fifty mounted men who had served in South Africa as representatives of Australia in the military procession to Westminster. All but a handful of Labour ultras applauded the project, yet with one accord the speakers, including the most ardent loyalists, busied themselves in devising schemes by which an adequate representation might be more cheaply obtained. After a protracted debate they reduced the amount by £10,000 on the understanding that this should provide for a hundred and fifty men, and with the suggestion that other Australian veterans in Great Britain might be allowed to swell their ranks. The £2,000 set aside for the expenses of a team of riflemen to compete at Bisley was struck out altogether on the ground that only men who had fought under the flag merited a place at the public expense in the procession of the King. The closest scrutiny was given to every item of the schedule, and while both Chambers by overwhelming majorities approved of the proposals as an essential demonstration of loyalty and Imperial unity, hardly a voice was heard advocating further outlay. The prevailing sentiment was that we should pay for the sending of more troops to South Africa to finish the war rather than indulge in any ceremonial celebrations except such as were on the simplest scale consistent with Australia's presence among her sister colonies in London. The new temper of the Federal Parliament is in itself indicative of the new temper of the people and their resolution to insist on economies far and near.

THE NEW COMMONWEALTH.

FIRST NATIONAL TARIFF.

FISCAL PROBLEMS.

MINISTERIAL DANGERS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY. Apr. 22; May 29 1902.

The confusing and apparently endless *melée* surrounding the preparation of the first Australian tariff is drawing near to its conclusion. The shadow of its uncertainties still lies across all our commerce, and in every case in which the duties are capable of reduction limits imports to short supplies. But it is just about to leave the House of Representatives in the shape of a schedule of thirty pages attached to a Customs Act of two pages, consisting of a few covering clauses. This represents the net result of the prolonged labours of members which were commenced in October last, and were continued with only a month's interregnum at Christmas until now. Through dreary thickets of conflicting business interests and over interminable deserts of wordy warfare they have won a toilsome way to a respite, whose length will be dictated by the time occupied in the Senate in reconsidering the results arrived at with the popular Chamber. By far the greatest task of the Federal Parliament—the most intricate, the most elaborate, the most vexatious—has been dealt with at last; not finally, but its main features are unlikely to be disturbed. With varying fortune, but with unvarying regularity, a frittering struggle over details and a shameless repetition of stock fiscal arguments has proceeded until to the public the whole debate has become a nightmare—as oppressive, mysterious, and unintelligible as the last battle of Arthur in its Tennysonian version.

CHARACTER OF THE SCHEME.

The character of the tariff, as introduced, was composite and in a sense self-contradictory. It was Protectionist in parts at the expense of revenue, and revenue-producing in others at the expense of its Protection. It was an ambitious endeavour to harmonise six conflicting State schemes of duties in one national tariff, five out of the six Customs Acts having been shaped to favour local industries. This in itself was a

sufficiently ambitious design beset by innumerable difficulties, but when, in addition, the whole plan had to be subject to the artificial financial conditions imposed by the Constitution it became a sheer impossibility to realise any one of these diverse aims. To begin with its operation as a money-making instrument, the tariff has to yield at least four times as much as the Commonwealth spends on its own administration. Three-fourths of its takings are to be returned to the States, and to be distributed among them in proportion, not to their needs, but to the revenue collected in each of them. Thus the gross amount of the customs and excise duties had to be measured by one standard, while its division among the States was by another standard wholly unrelated to the former. The tariff has to be uniform, and to be applied in the same way all over the continent, yet many of its duties are chosen out of consideration only for some small part or parts of it. Under such incongruous requirements nothing could be expected but an incongruous product. Expectation was in no way disappointed.

THE MINISTERIAL PATCHWORK.

The Ministerial tariff was a patchwork whose only justification was derived from the fact that it sought to raise revenues ample for the Commonwealth obligations, and also sufficient for the needs of the least prosperous States by means of duties which should preserve the industries established under similar protection in Australia. It leaves the House of Representatives falling short of two out of the three ends proposed. The sufficiency of the Federal revenue was assured in any case, and even under the revised tariff it will be much larger than its expenditure. The minor States will be left to fight their way as best they can under a scheme of duties in which there is scant recognition of their necessities. The protected industries, except in a few instances, find themselves compelled to face outside competition with a good deal less advantage over importers than the Government intended. A number of our small manufactories will probably disappear altogether. The others must rely on the extended market of the Commonwealth and the greater suitability of their wares to colonial necessities. Against British competitors this has always counted, and continues to count, but it affords little vantage against either American or German importers. These send samples of any Australian goods of superior adaptability back to their own makers, who are soon able to place precisely the same article on our market, and can generally undercut the local factory at its own door. The consequences of such diminution of employment as may follow from these fiscal changes will to some extent increase the losses occasioned to South Australia, Queensland, and Tasmania by the lopping away of the tea and kerosene duties in the first two States, by the still unbroken drought, before whose devastations all other leakages sink into insignificance. They had little financial hope in these States, and they now see taken away from them even that which they had.

FISCAL STRIFE.

On the other hand, to those who have elastic customs receipts more is being given. New South Wales and Western Australia have falsified the Treasurer's anticipations by far exceeding the income he had assigned to them. Mr. Reid calculates that for the year ending on the 30th of June next Tasmania will be £80,000 and Queensland £120,000 behind their customs and excise takings for 1900. For them, as for all the States, the revenue from duties on Australian products has gone, though they still receive credit for the duties on imported goods transmitted to them through their neighbour's ports. They all lose for a quarter of the year their tea and kerosene duties. Yet taking the States as a whole he puts down the customs total for the Commonwealth at £2,500,000 more than that of 1900, of which £1,600,000 extra would be received in this State, and he contends that Sir George Turner is to get £1,000,000 more than he anticipated. This the Treasurer stoutly denies, and altogether discredits the conclusions of the Opposition leaders on the ground that they are prepared simply to encourage the Senate to further tampering with the tariff. Mr. Reid advises Senators not to attempt to make small alterations, to generally accept the work of the House, bringing down only the highest duties, and, above all, refraining from any attempt to re-impose that on tea. Should his advice be accepted we shall still be far from any cessation of our fiscal strife.

MR. REID'S PROGRAMME.

This State and Western Australia can look forward with comparative indifference to any result likely to be achieved. Victoria may suffer, and must do so, if Mr. Reid's programme be carried out. All the remaining States are already losers by reason of the amendments which were made in the House, and they may fall in for even worse treatment yet. Mr. Reid has bitterly summed up the situation in a violent condemnation of "the huge burden of taxation" represented by the gross returns which have been already received. It is true that in New South Wales the Federal tariff has almost doubled the yield from the customs, and it naturally cuts him to the heart to see his opponents in the enjoyment of an overflowing exchequer. But he again significantly emphasises his contention that the plethora of revenue returned fosters extravagance in the local Governments, steadily ignoring the fact that he and his following are making the unequal operation of the tariff more unequal still by their method of reducing it. The minor States have been caught between two fires, their best sources of revenue being some of them sacrificed by the Ministry for the sake of Protection and others by the Opposition in the name of Free Trade. The Government would have overfed the prosperous States so as to provide a sufficiency for their less fortunate neighbours. The Opposition has preferred to cut down the surpluses of the rich and to increase the deficits of the poor.

THE LABOUR POLICY.

The tariff as amended is now passing to the Senate, where all the States have equal representation. The House has of necessity been dominated by the big battalions of members from New South Wales and Victoria, but in the Second Chamber the two States together are in a minority. Were it not that the Labour Party has a policy of its own they, though containing two-thirds of the population of the Commonwealth, would have been confronted with a two-thirds majority of Senators from the other four States. Such a majority might easily have insisted on reverting to the Ministerial design of financing the weaker brethren in the Union through their present straits, though in doing so a much larger revenue would be raised and distributed among them than some had any legitimate need of for ordinary expenditure. Four out of six Queenslanders, two out of the West Australians and Tasmanians, and one of the South Australians are regular members of the Labour section, and, in addition, Senators *Matheson* and *Smith*, of Western Australia, are dependent on their support. The eleven votes which have thus been withdrawn from the twenty-four belonging to the four outlying States leaves them in a minority in a Chamber which otherwise would have been under their control. The local treasuries have little prospect of relief from the Senate, though obviously they are intent on lodging an appeal for better terms. The intention of the framers of the Constitution was that it should safeguard their rights, and much lurid prophecy was current as to the consequences of conflicts between the two Houses when the interests of the people as a whole came into collision with those of the less populous States. If such a battle ever takes place it will not be on this tariff or until the Labour section ceases to act apart.

THE RIVAL FORCES.

In the House Protectionists were in a majority, though some of them were almost indistinguishable from the Revenue Tariffists by whom they were opposed. In the Senate the Free Traders are dominant, though some of their number are scarcely to be separated from those who support duties for the encouragement of local production. The tariff as Mr. *Kingston* promulgated it would probably have been radically attacked in the Senate, but, as it has emerged from the Representatives, is likely to meet with a much more favourable reception. Should the Labour section be satisfied by the remission of the duties on tea and kerosene, and the Senators from the minor States prefer to retain the revenue from Protectionist imposts rather than see the gross yield further reduced Mr. *O'Connor* would have a comparatively easy campaign. But there are five of the six Senators from this State, and perhaps as many more from the others, who are united in their determination to break down as many of the obnoxious Protectionist barriers as possible, and who will dwell on the fact

that the minor States would reap a richer harvest from the increased imports which would flow in if the duties on them were at a lower rate. This will mean a lively and perhaps protracted series of committee engagements with some such surprises as have occasionally occurred in the House, where the rival forces were also very evenly balanced. Two or three absentees or a point of pique on the part of a little knot of men who may be indifferent to the particular issue before them have often there, and may at any moment in the Senate, result in alterations of the Government proposals, which in their turn will lead to fresh adjustments elsewhere. With parties so imperfectly organised, with so many varying cross currents from interests affected, and with unforeseen influences from without temporarily disturbing the course of business, the shape to be given to the tariff by the Senate is at present mere matter of vague conjecture.

PROSPECTS OF THE TARIFF.

The really serious probability is that in this connection the Senate will be strongly moved to make its first bid for power. No matter by what incidents or accidents it may be led into adopting specific duties or exemptions, once it has formulated the decisions of its majority there will be a powerful party in the Senate who will be resolute to insist on their acceptance by the House and will be prepared to keep on insisting to the bitter end. Opportunities for dispute will be plentiful. Under our Constitution a measure of this kind may not be amended by the Senate, but the Bill may be returned to the House with suggested alterations, and unless these are turned into actual amendments by the Representatives the Senate has the legal right to reject the whole scheme. This process of suggestion may dwindle into a formal channel for fruitless protests, or it may become in effect a power of amending money bills under a polite disguise of deference to the old doctrines of the superior financial authority of the popular Chamber. Whether it shall be a nominal or real control of the House remains to be proved. The tariff affords the first and one of the very best means of testing the question. It is a measure which must be passed, and ought to be speedily made law. There will at last gather behind it a great pressure of popular opinion in favour of its adoption in almost any form so that the Senate will be in a splendid position to insist on its own terms. Whether or not it can constitutionally suggest the increase of duties is already disputed, though its right to advise reductions is universally admitted. Should, then, the Senate see its way to obtain the reimposition of the duties on tea and kerosene or propose some fresh duties in substitution, the trial of strength between the two Houses will at once begin. So far any actual breach between them has been avoided, though with difficulty, by diplomacy and address. It will be remarkable if this first session closes without the shock of a crisis, occasioned by the development of a fundamental dissidence in their views as to their respective rights and powers.

MINISTERIAL PROBLEMS.

The House of Representatives is in one sense ready for any fray. Jaded by its twelvemonths' toils and exasperated by the complicated character of its tariff work there can be little wonder if the temper and patience of its members become exhausted as well as its energies. No one is pleased with the schedule of duties as it stands. They are too low for the Protectionists, too high for the Free Traders, and too ill adjusted for the Revenue Tariffists and minor States. The Ministry is blamed by all, as any Government would have been in the same circumstances. Mr. Reid condemned it on the ground that it had never really given way in a single instance until it was clear that it would be beaten on a vote. The "ultras", on the other hand, censure even Mr. Kingston for his abandonment of some of the highest duties. The minor States are angry with the Ministers for their unexpected defeat on tea and kerosene, while the Labour section complains that in proposing duties on those articles of general consumption they have shown too much consideration for State Treasuries and too little for the masses. It has been more than once stated in these columns that the Ministry could hardly survive its tariff, and it now appears quite likely that it will not live even so long. The House is likely to vent its displeasure on it soon, and will still remain in an ugly mood should the Senate see fit to challenge its financial supremacy. The session has been too long, its tasks too great, and its discordances too numerous. There are no real parties or party lines yet established. Without stability, without a full comprehension of its own differences, and without a true spirit of compromise, the Federal Parliament has flung itself on its work so feverishly, and persisted with it so unrelentingly, that it has ceased to be able to realise the natural limit of its powers. It has had no leisure to note the changes which have taken place around it, and in its own responsibilities largely in consequence of its own labours. No wonder that it is getting out of hand. Before reaching its first prorogation there is much more for it to do and to endure, and it will occasion little surprise if that comes stormy and angry like the rest of its career.

THE NEW COMMONWEALTH.

DROUGHT AND DISTRESS. FEDERAL FIELD FORCES. ORGANISATION FOR DEFENCE.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, May 6 [Apr. 29] 1902; Jun. 12 1902.

The drought continues over the inland area, which has suffered most, and is in direst need of rain. Seasonable showers have fallen along the coast ranges, and here and there have drifted some little distance beyond. Speaking generally, however, there has been no relief, and the tales of distress accumulate with the prolongation of the dry weather. By means of the railways fodder is being poured into the interior, where many stock-owners are spending hundreds of pounds a week merely to keep a remnant of their flocks alive. Their purses cannot long endure the drain, nor can the enfeebled animals be maintained indefinitely even by the ruinous expenditure involved. Eight months have followed one after another without any moisture, and this after seven preceding years of inadequate supply. The outlook is heart-breaking. It is not alone the pastoralists who are compelled to resort to an extravagant outlay in the endeavour to supply the missing rainfall. The dairy farmers of several of our wettest districts are driven to similar expedients, and men are paying as much as £40 a week for artificial foods. Mine owners are buying water, and though the railways are carrying supplies and removing starving stock at the lowest rates the distress is intense. Mr. *Sawers*, M.P., whose knowledge of the needs of the country districts is exceptional, considers that there is not more than two months' supply of fodder available in Australia. Even the cane crops of Queensland are threatened. The losses likely to be incurred may be measured in millions.

PARLIAMENT AND THE DROUGHT.

In such conditions it was natural that the subject should be considered in the Federal Parliament, where a demonstration was made by the Free Trade Opposition in favour of the remission of duties on fodder. Mr. *Kingston* declined to be moved. Western Australia, he said, has not suffered, and parts of Victoria and Queensland are anxious

to supply the wants of the less favoured districts. According to one Queensland member the farmers in the south-east are even now unable to find a market for their produce, and he quoted the local prices to show that lucerne hay and chaff were all obtainable there at normal figures. But the freight charges by rail thence to New South Wales would be considerably more than the sea freights from New Zealand, whence we have always been accustomed to import agricultural products. The problem which exercised the Minister was how to grant a concession to the droughty States by concessions which must apply to all. He could not assist the Northern States without injuring Tasmania, Victoria, and Western Australia—which are in better circumstances in their own markets, as well as in the opportunity of supplying those of their neighbours. He contended that it was for the States affected to vote back the duties to their farmers and graziers, since it was their Treasuries which received the proceeds collected by the Commonwealth. In this way New South Wales, not absolutely needing the large excess that her customs is yielding, could assist her own citizens without diminishing the income of her less fortunate neighbours. Mr. Kingston quoted a precedent for such a concession from his own State of South Australia. But there was no reality in the debate. Those who asked for the permission knew that they could not get it, and the Minister suggested a remedy which he was well aware would not be applied. The incident helps to show how embarrassing the new conditions of union appear to be to the communities, which have hitherto been free to meet their own necessities in their own way. Unfortunately, frictions of this kind are for some time inevitable.

MR. BARTON'S POSITION.

Take the case of New South Wales, whose cherished fiscal policy is being reversed, whose representatives in the House are in a minority, whose territory is being devastated by drought, whose Press is being deprived of free postage, and whose capital has ceased to be a free port. Can it be wondered that we are in no pleasant mood as to Federal affairs generally? For party purposes the responsibility for all these misfortunes is saddled on the **Prime Minister** and his two colleagues in the Cabinet who represent this State. Nothing but the personal popularity of Mr. Barton with his own profession, with the university of which he has been one of the most brilliant sons, and with those who share his political views could have enabled him to maintain any hold on his native city and State, where at the polls he is in a hopeless minority. To some extent he gains the sympathy of those who disagree with him because they resent the petty tactics resorted to by his official opponents. His departure for London was made the occasion for a banquet to him in our great Town Hall, which its promoters attempted to divest of all partisan character. Still, Mr. **Reid**, who was invited as leader of the Opposition, curtly refused to attend, and allowed his

determination to be made public as a warning to his supporters. His newspaper allies defended this ungenerous course, explaining that as Mr. Barton had not yet been present at any mass meetings of Sydney electors to defend his policy, but had merely addressed them at functions attended by invited guests, it somehow became the duty of his opponents not to take part in a gathering of that kind, even though it related to an Australian mission. The unchivalrous notes thus struck may help to explain to those who are beyond the seas the narrowness and parochial spirit in which our politics are pursued.

THE IMPERIAL CONFERENCE.

The demonstration was nevertheless a great success, embracing men of all opinions. The Prime Minister was received with immense enthusiasm, for, though he has obvious defects as a party chief he invariably appears at his best in the more congenial task of national leadership, and never fails to rise to important occasions. He possesses that dignity of demeanour, that breadth of view which enable him to represent our larger aims, to impress them on the public, and to inspire those with whom he is associated. Like *Sir Henry Parkes*, he subordinates details to principles, bringing to the study of any subject presented a cultured and matured mind, combining quickness of apprehension with judicial breadth of view. He will be in his element in the conferences to be held in London consequent on the Coronation, and has already expounded with much force and felicity his view of the task devolving on him. His authority is consultative only, being derived from his own position at the head of the Government and from his knowledge of the ideas of his colleagues on the questions to be discussed, but for all that in such matters as he is called on to consider he will speak for the Commonwealth. All the speeches at the banquet except his own were impaired by animadversions on the absence of the Opposition leaders. Mr. Barton took and kept a higher tone, pleading for a wider recognition of the obligations of nationhood. Certainly no one is better entitled to appear as the apostle of the Federal idea here or abroad. He will have a fine field for its enunciation when he reaches Downing Street. The fruit of the first Imperial Conference of 1887 was the Australian Naval Defence Acts of the several States. A proposal for a British Zollverein was discussed on the motion of Mr. *Hofmeyr*, of Cape Colony, but postponed, as any decision then would have been premature. In 1897 Mr. *Chamberlain's* remonstrances led to the adoption of the education test for the exclusion of undesirable immigrants, but it had no other practical result. The conference of 1902 will be occupied with many subjects, but probably the most important results will be achieved by the reconsideration of the problems of 1887, Australian defence, and the possibilities of developing trade within the Empire.

AUSTRALIAN DEFENCE.

As far as our defences are concerned we have at last commenced to reconsider them from a Commonwealth standpoint. Sir Edward Hutton, our first Australian Commandant, occupied for some years a similar office in this State, where his fearlessness, energy, and ability were warmly recognised. A colonial of much experience who has lately seen active service in South Africa, he has always displayed marked organising ability, possessing, in addition, a very valuable faculty for expressing himself forcibly in speech and in writing. A memorandum of his considering our risks by sea and land, and the best means of meeting them, has been laid before Parliament, and generally approved by the Press. At the outset he lays stress on the fact that in Australia as much as, if not more than, in the Mother Country, the first line of defence is naval. We cannot be invaded in force unless the Fleets of Great Britain have been destroyed, nor are we even liable to the raids of swift cruisers unless her floating armaments have been first evaded. At present we contribute to the squadron maintained in these seas a fraction more per head than Austria–Hungary or Japan expend on their sea forces. Canada does not contribute at all. The alternatives before us are either to be satisfied with increasing our subsidy and removing the limitation imposed on the free disposal of the vessels on this station, or to supply men as well as money, gradually endeavouring to build up an Australian naval contingent, and perhaps in course of time an Australian Navy. The opinion of Admiral Beaumont is greatly in favour of the first-mentioned development and adverse to the second, but there is a strong body of local opinion in favour of the introduction of an Australian element into the Imperial Navy, or forming a branch of it. The forces of judgment make for the first, and of sentiment for the second scheme. With us sentiment is likely to prevail.

COMMONWEALTH TROOPS.

The land forces of the Commonwealth now consist of close on thirty thousand men and sixty guns, of which seventeen thousand are Infantry, six thousand Cavalry, and three thousand Artillery. Sir Edward Hutton proposes that the peace establishment shall be maintained at its present strength, and at about the same annual cost, but be divided into two distinct parts. The first would be composed of fifteen thousand garrison troops, with thirty field guns and guns of position, eleven hundred Cavalry, three thousand five hundred Artillery, and nine thousand Infantry, devoted to the defence of our seaboard cities. The second would include a field force of fourteen thousand men with thirty-six guns, four thousand six hundred Cavalry, eight thousand Infantry, and six hundred Artillery, all of them in the highest degree of training, the most complete organisation, and the latest modern equipment. These would be available at any point. In time of war they would be augmented to ten

thousand mounted men, two thousand seven hundred Artillery, twelve thousand Infantry, and three thousand four hundred Engineers, and others. This would give a total field force of twenty-eight thousand strong in addition to the garrisons, making forty-four thousand men in arms when our defence is placed on a war footing. Much requires to be done in the way of equipment, especially for the Field Force, and probably £500,000 must be spent before our land Army can be pronounced up-to-date. There will need to be a readjustment of the permanent corps and a considerable reconstruction of the Militia, better instruction for officers and staff, schools of instruction, and, if possible, a military college after the model of West Point (U.S.) and Kingston (Canada). The rifle clubs which are so popular in all the States are spoken of by the general with guarded commendation, but the cadet system, especially in Victoria, is enthusiastically praised. These adjuncts to the Regular forces help not only to encourage and train valuable recruits but to maintain the popular character and attraction of our citizen Army.

THE WAR FEELING IN AUSTRALIA.

On the whole, it is plain that we have not only extensive military resources but that we have already in existence fairly efficient State contingents of no mean proportions. We have a slightly larger percentage of our population enrolled than Canada, and we spend more than twice as much on them, though New Zealand is more liberal still. Parliament is usually inclined to be cheeseparing in its expenditure on defence, and it is only the martial spirit of the people that ever pushes on their representatives to its liberal treatment. Judging by a condensed summary of the article which Mr. Wood, our Professor of History in the Sydney University, has contributed to an English newspaper, and which has been telegraphed back to us, he adds another to the list of learned men who are unable to look beyond their libraries. His residence in this State for the past ten years appears to have left him in ignorance of the plainest facts of the situation, and as much immersed in the doctrines of the Manchester School as when he left Great Britain. No one here has questioned his sincerity or qualifications for the lectureship he fills, though his Pro-Boer extravagances have made him a target for a good deal of invective. He cannot claim to be speaking from his own experience when he alleges that "a very great minority" agrees with him. His one success was at a caucus meeting of trade unionists; but neither he nor any of his allies have been able to carry a single public meeting of any importance, in Sydney or out of it, to obtain the countenance of a single public man or journal of the first or second rank, or to secure signatures of any number or weight to the petitions he has been industriously distributing. The failure of the knot of sympathisers with Mr. Kruger to obtain even a hearing, much less an assent to their doctrines in New South Wales has been so absolute that only the blind fever of partisanship can explain his delusion.

PROFESSOR WOOD'S MINORITY.

According to the telegram Professor Wood's "great minority" consists of the Irish, the Labour Party, and the shearers and "rouseabouts". If the first were omitted there would be no justification for including the Labour Party or that subdivision of them engaged in the interior. The Irish antagonism is undoubtedly accentuated by hostility to Mr. Chamberlain and obedience to the call of its leaders in the British Parliament, but even among them it is difficult to decide whether the majority is for or against the South African War. Our most conspicuous Irishman in Federal politics, Mr. R. E. O'Connor, has been a staunch and outspoken defender of the justice of the British cause from the firing of the first gun, while their most popular leader in State politics, Mr. O'Sullivan, Minister for Works, is an avowed and eloquent Imperialist. A large majority of the representatives of the Labour Party in both Parliaments has voted for the contingents, while those among or associated with them particularly dependent on the shearers' votes—Mr. Watson, Mr. Spence, Mr. Page, and Mr. Poynton—have been solidly on the same side. These facts are not to be denied. Moreover, the electors are not less but more ardently British than the politicians, and have pressed them on from first to last. The contingent now forming finds volunteers crowding in as freely as they did two years ago. Hundreds are being rejected in every State. The love of adventure undoubtedly exists among them, as the professor says, but "the monotony of bush life", alleged as a contributing cause, exists rather for those who look at it from the remoteness of a university common-room than for the sturdy roughriders to whom its freedom and perils constitute an unconquerable charm. Mr. Wood's opinions are his own, and are likely to remain so. They are not of Australian growth. He brought them with him, and he will take them away again. However well he may know the dead past in the pages of his text-books, he obviously knows nothing of the living present or of the people among whom he sojourns. Just now he is entitled to a good deal of sympathy, as his motives and meanings are being rather cruelly caricatured by those loyalists who dissent from his opinions. Yet his own portrait of his adopted country and of the Imperial instincts of his race is itself a ludicrous caricature for which it is not easy to apologise.

THE NEW COMMONWEALTH.

FEDERAL ECONOMIES. STATES' RIVAL INTERESTS. RESULTS OF THE TARIFF.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, May 6 1902; Jun. 16 1902.

Gales and storms have lashed our coasts, but the drought continues, flocks dwindle, and with them the hopes of a winter recovery. Our western country lies blighted and seared out of recognition, and in Queensland the sheep are fast being obliterated on the withered plains. All the trials and all the losses to which we have had to submit hitherto are as nothing to this. Its effects are widespread and must be lasting. Yet the revenue in this State and in Western Australia persists in mounting, remains stationary in Victoria and South Australia, while Queensland and Tasmania continue to suffer. The Commonwealth itself is financially sound, is living well within its means, has no debts, and has a plentiful supply of cash for all its purposes. The total cost of the Union to its citizens at present is only fourteen-pence per head. The probability is that under the uniform duties now proposed its income will increase. Whatever monetary troubles there are belong to the States and the States alone. Their Treasurers have plentiful occasion for anxiety, for they have heavy obligations to discharge, and everywhere their constituents are indignantly demanding retrenchment. To them, and perhaps to some others, it may seem as if **Sir George Turner** were resting on a bed of roses. As a matter of fact, State difficulties mean Federal difficulties, for they affect the same citizens and depend on the same conditions. The Commonwealth expenditure is bound to increase, and it has already a considerable, though unascertained, debt for the departmental properties of the Customs and Post Office which it has taken over. Though it has at its command one-fourth of the duties which it imposes every penny it spends is jealously scrutinised by the States, who now realise that whatever sums it disburses are taken out of what would otherwise be their money. The Commonwealth revenue altogether amounts to nearly £11,000,000, and, except £2,300,000 from the Post and Telegraph Office, the whole of it is derived from customs. Its financial future depends on what the duties ultimately authorised will yield. From the department of the Senate it is evidently still quite uncertain what their contribution will be.

THE GOVERNOR-GENERAL'S EXPENSES.

In the meantime there is no mistaking the resolute determination of the Federal Parliament to insist on economies. The Coronation celebration outlay was lowered £10,000, and now a Bill proposing £8,000 a year for the maintenance of the *Governor-General's* establishment has been cut down to a lump sum of £10,000, which was tendered as a recognition of the special expenses involved in the royal visit last year. The verdict of members was that his Excellency was spending far more than he received or than his position required in the discharge of unofficial obligations, which they henceforward decline to recognise. Mr. *Barton's* appeals for a broader conception of viceregal duties and public responsibilities were deliberately rejected. It was unmistakably intimated that all that was expected from Lord Hopetoun was the advantage of his counsel and experience as head of the Australian Executive and representative of the King in his relations with Parliament. His was a political office only, and provision was made for the discharge of official duties alone. There was no need for a second residence in Sydney unless the State of New South Wales chose to pay for it, and there were no claims for public hospitalities which members were prepared to endorse. Praise of their Excellencies was plentiful, and many eulogies were uttered on their tact and generosity, but the purse strings were not relaxed on that account or any other. A Spartan simplicity of habit and diet was foreshadowed in Government House, where "plain living and high thinking" are to reign henceforward without alloy.

REDUCING THE EXPENDITURE.

The sharp shears of retrenchment, far from being laid aside after such achievements, were employed even more remorselessly on the Defence Estimates. With great astuteness *Sir John Forrest* insisted that the proposals submitted were of an interim character, and that all were inherited since they consisted merely in a combination of the appropriations which have hitherto been authorised in the States. Our Commander-in-Chief, *Sir Edward Hutton*, has not yet been able to blend or reorganise the State forces, and he cannot do so until a Federal Act is passed by Parliament. Members were prepared to excuse the Minister and the General for the figures submitted, but none the less inflexibly they demanded immediate and drastic reductions in the annual expenditure. *Sir Edward Braddon*, acting leader of the Opposition, proposed that £200,000 should be struck off the total in Committee of Supply, leaving to the Government the responsibility of deciding in what directions the economies should be made. The gross cost of our forces being under a million sterling a year, of which £106,000 is paid towards the Imperial Navy, this proposal meant a diminution of the yearly vote by upwards of twenty-five per cent. The

Labour section would abate no jot of this demand, attacking in their customary fashion the larger salaries and all allowances made to officers. Representatives of the minor States aimed simply at making Federal savings, which would be divisible among the local Treasuries, while the Ministerialists and Opposition alike fulminated generally against the growth of "militarism". As a result, the Minister was obliged to promise that next year the cost of his department shall be £130,000 less than for the twelve months just expiring, the necessity for fidelity to his pledge being burned into his recollection by an adverse vote of the committee. As a consequence of various votes something like £150,000 a year has already been struck off the proposed expenditure of the Commonwealth, though the estimates are not yet half through.

THE TREASURER'S FORECASTS.

The continuously high returns from customs go to show that the Treasurer's forecasts will be exceeded, and that further tariff reductions can afford to be made. The discussion on details in the House, by its very length, confused the public as to the real nature of the situation to be faced and of the means to be adopted for meeting it. The speech in which Mr. O'Connor introduced the Customs Bill into the Senate removes most of the obscurity, since it summed up the present position and prospects with lucidity and brevity. Everyone may now comprehend just where we are financially and what we may expect if the scheme of the Representatives be accepted. Incidentally the attitude advised for the Senate in respect to the first Australian tariff was outlined with the same perspicuity and boldness. The Minister considers that the Chamber of which he is leader possesses an ampler power over taxation than any of the second Chambers of any of the States, but submits that it would be tyrannous to use it indiscriminately, or even without the fullest recognition that the Customs Bill introduced by him represents an immense amount of labour and innumerable compromises in the House of Representatives. The Senate, if it stands on its legal rights under the Constitution, can reject the whole schedule of duties or can insist that it should be recast in a great variety of particulars as the price of its assent to the Bill. Mr. O'Connor argued that to do so would be as egregious an abuse of authority as if the Governor-General were to veto it after it had received the assent of both branches of the Commonwealth Parliament.

TARIFF PROBLEMS.

The sound commonsense of the Vice-President of the Executive Council led him to lay great stress on two facts. His first insistence was that the microscopic task of testing the Government duties separately and singly had been discharged once

and for all and ought not to be attempted again. His next contention was that the community was weary of the commercial uncertainty—prolonged already for nearly three-quarters of a year—and would prefer to know without delay the conditions under which importation and manufacture are to proceed rather than to wait months longer in the hope of improving some of them. He dwelt effectively on the responsibility of the Senate to appreciate the difference between its task in dealing with a finished schedule fashioned deliberately after the most elaborate examination of all its parts and that which confronted the House when the brand-new Cabinet composition was first submitted with some hesitancy even in the minds of its authors. By this ingenious method Mr. O'Connor contrived to argue that the duty of the Senate differed from that of the House, not because of any distinction in their powers, but by reason only of the contrast in the situations in which they were placed. He was careful to appeal to their practical judgment and to their good will, without even a hint that they were constitutionally limited in any way in their absolute freedom of choice or action. His plain aim was to persuade them to judge the tariff as a whole, to suggest the fewest possible alterations, and not to insist on any that would delay or imperil it.

FINANCIAL INTERESTS OF THE STATES.

Though the complex position in which the Commonwealth is placed, partly by the necessity of adopting duties uniform over the whole continent, and partly by the financial conditions imposed under the Constitution, have been often explained, it is probable that they are even now little realised at home, since they are but partially understood here. To begin with, the dependence of the several States on revenue derived from customs varied immensely. In New South Wales we have been content with 27s. a head, while £5 15s. 7d. has been welcomed in Western Australia. In our case duties yielded only one-sixth of our income, while Tasmania depended on them for nearly one-half of her total receipts. An uniform tariff that would have suited us would have given the Union less than £5,000,000, while one drawn on the Queensland basis must amount to nearly £12,000,000. This irreconcilable hostility of the financial interests of the individual States meant in any case the acceptance of a tariff that would surfeit some and starve others. From this unhappy commencement of our national career there was no escape. The objurgations hurled at the Ministerial proposals would have been showered from the same sources on any others that could have been framed. The first tariff, whatever it might be, was doomed to general denunciation.

EFFECT OF THE NEW DUTIES.

The exact result of the duties as they have been, and now are, adopted will, according to the calculations of the Treasurer, leave only two States actually in arrears in present circumstances. New South Wales will receive for the year ending on the 30th of June next £926,000 more than in 1900; Western Australia, £165,000; Victoria, £81,600; and South Australia, £44,000 more. Queensland and Tasmania are the losers, the first being £280,000 and the second £110,000 behindhand. But for the drought the great northern State would have had nothing to complain of, so that after all the little island whose customs revenue was so important to its Treasury is the only sacrifice to the new condition of things. Of course, on the other hand, her people as consumers will enjoy great remissions of taxation. Sir George Turner's figures are very different from those which Mr. Reid inconsiderately adopted a fortnight ago, but as we have now only three months of the twelve to run the probability is that the Treasurer's forecast will be approximate to the actual results. At the same time he has to confess that his calculations seven months since have been falsified by experience. The duties as first proposed in the House would have meant nearly £1,000,000 a year more, and possibly a quarter of that amount extra in the present twelve months. In spite of the reductions recently made he was £300,000 under the mark in Western Australia, and £350,000 under for New South Wales. His expectation now is that he will have £8,587,000, of which the States will get not only three-fourths of the net receipts but also upwards of £400,000 that the Federal Parliament might have appropriated to its own ends, but which it has preferred to see flow into the local Treasuries. If this balance could have been paid over to the two of them at present in straits the customs deficits of Queensland and Tasmania could both have been liquidated without delay. This is not possible under the Constitution, which, though it inaugurated a Legislative Union, at once made its financial completion a matter of time, and keeps it merely in the position of a trustee of the customs revenue of each separate State for the first ten years at all events.

POSITION OF THE FREE TRADERS.

Senator Sir Josiah Symon crystallised the position in one of the brilliant passages of the speech, in reply to Mr. O'Connor, which he made as leader of the Free Traders in the Senate. He said any excess of revenue will go back to the States, but not to the right States, that is, not to those who need assistance. Mr. Pulsford put the same point again, though in a more provincial manner, when he asked why New South Wales should be overtaxed for the benefit of Tasmania and Queensland. He would sweep away even revenue duties if he could, relying entirely on direct levies on the people. Both representatives of the Opposition criticised the duties included in the

Bill before them individually with great elaboration and Mr. Pulsford at inordinate length. From these utterances it appears as if the Senate intends to renew the weary examination of the items already discussed in detail with unconscionable iterations in the House. This means that it will only be after spending enough time to keep Parliament altogether some forty weeks in the wilderness of fiscal controversy that it can hope to see the promised land of recess. Just now the House has adjourned till the end of May in order that its members may visit the proposed sites for the capital favoured in this State. When they return the Senate will only be commencing its committee criticism of the tariff, and it is doubtful if the House will receive it back even in June. If the Opposition policy now outlined be pursued, the Customs Bill will come before the representatives in a much altered shape, with duties and revenue alike reduced. This will involve the reopening of the most disputable issues, and hence a contest between the two Chambers. The sole consolation is that the full retrenchments of our expenditure will have been determined on by that time, and that the Government will be able to face the situation with adequate information as to its needs and sufficient experience of the tariff to form a trustworthy estimate of its resources. The end of the session may still be remote. At last the States will learn their fate, and though the Federation will be amply supplied for all its special needs it is to be feared that several members of the union will be hard pushed financially. No tariff can cure the drought or counter-balance its destructiveness. It has scorched the Commonwealth and shrivelled the States' income, public and private, far too severely to be met by any political measures.

THE NEW COMMONWEALTH.

IMPERIAL DEFENCE.

TRADE RECIPROCITY SCHEMES.

THE POLITICAL ATMOSPHERE.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, May 13 1902; Jun. 21.

Australia's area is always impressive. A fortnight ago Mr. Barton bade farewell to Sydney, a week ago to Melbourne, and yesterday to Perth. He is only just out of sight of the shore of his native land, though were he to turn back he must travel continuously by land and sea for a week before arriving at his home and birthplace in this city. The Melbourne banquet tendered to him by the Mayor of the city, Sir Samuel Gillott, was an imposing function, at which he spoke in his customarily cautious fashion of the objects of his mission. One of its chief aims is to consider better methods of Imperial defence, and it is evident that this means on the naval side an advance in our present subsidy to the British Squadron in these seas. We now contribute £106,000 a year, and shall probably increase the sum by a third. Australia's land and harbour forces together will cost nearly three-quarters of a million more. But if we were to put on our taxpayers the same burden that is borne by their fellow-subjects in Great Britain in order that we might equally share in the outlay on the Imperial Services we should need to multiply their present obligations five times over. The £4,000,000 extra required of us being Commonwealth expenditure could only be raised during the next ten years by imposing new customs duties to yield £16,000,000, of which £12,000,000 would have to be returned to the States. As the amount anticipated to come from the tariff, over whose details we have been contending so long, is only £10,000,000, a sum ample for the general needs of the continent, it is plain that no plan could be devised which would yield £26,000,000. Direct taxation, the one means by which our State Treasuries are able to supply their wants, is barred to us because the present Federal Parliament is pledged not to trench on it. Any considerable increase of indirect taxation is impracticable. The financial bonds of the Constitution fetter our freedom of action in these and in all other directions. At a time of depression like the present the tendency everywhere is to curtail rather than to expand expenditure.

DEFENCE OF THE EMPIRE.

Imperial defence is a question of the pocket, and so in most aspects is the problem of preferential trade relations within the Empire. Our assistance in the first is limited by the revenue-producing capacity of the Commonwealth tariff, while the second must depend for its effectiveness on the manner in which that tariff can be modified so as to discriminate against foreign importations to the advantage of the products of our own soils. The peoples under the flag of Great Britain pay for its maintenance in differing degrees, but they all cheerfully contribute men and money in time of need, and naturally will continue to do so more willingly the more prosperous and populous they become. Here an Imperial policy is always possible. If all the emigrants from the Mother Country could be settled within the confines of the Empire its greatness would be built up much more rapidly than it has been while the largest stream of its best blood has been flowing to foreign countries. Its capital has been distributed at least as liberally even among South American Republics as among Canada, the Cape, or Australia. The grain and meat grown by those who have sent their sons to South Africa compete there and in London on equal terms against food supplies from nations who, so far as their citizens have acted at all, have sent recruits to our foes, encouraging them to defame and defeat the Union Jack. At present there is no commercial nor financial advantage secured by the Empire to any of its members. All fiscal theories apart, it is plain that its unity and progress are not promoted by the neglect of all these means of self-preservation and self-development. We make no distinction between those who establish our authority at home and those abroad who seek to destroy it. One of the easiest and fairest methods of financing the Imperial Armies and Fleets, and that which is most favoured by colonial opinion, would be by tolls levied on foreign imports only or to a greater degree than on those exchanged between the different countries of the Empire. A tariff which would develop Canada, Australia, and the Cape rather than Russia, the Argentine, and the United States, which would foster our Indies, East and West, as against other tropical regions, and secure to British manufactures an advantage in all of them by comparison with Germany would represent a national policy in the truest sense of the term.

IMPERIAL TRADE RECIPROCITY.

Opinion here, so far as it can be gauged, is almost unanimously in favour of immediate steps towards inter-Imperial trade reciprocity. The popular impulse is mainly patriotic in origin, though self-interest, as always, is a permanent and potent influence operating in the same direction. In the sphere of politics the project is sought to be utilised for ulterior ends by opposing fiscal parties. Free Traders view it askance unless it is to be carried out by reductions in existing duties of a Protectionist character. Protectionists,

on the other hand, welcome it as a lever by means of which those very duties could be raised, being retained unaltered against British goods, with an extra levy added on all arriving from foreign ports. This partisan strife might delay a settlement, but not for long. Once a fair proposal was made the electors may be trusted to sweep away all factious strategies which may be interposed by particular sections. On this, as on every other issue, it is loyalty that has the final word. There are no small number of Australians who are quite willing to subordinate their own or their States' advantage to that of the Mother Country, whose prestige and power are always and everywhere their first concern. There is another section at the opposite extreme, which is rarely disloyal, but which is practically indifferent to everything except local gain, whether at the expense of Great Britain or the Commonwealth. Between these extremes, and uniting them by insensible gradations of sentiment, lie the vast bulk of our people, whose blood sympathy is strong and whose shrewd business instincts, coupled with a solid appreciation of the benefits of union under one flag, dictate our policy. To them the defence contribution is a matter of amicable arrangement from time to time. In their judgment our responsibilities should be adjusted to our capacity to bear them, subject to special efforts in face of special demands. Preferential trade relations appear to them to be valuable accessories to our other ties, naturally and mutually profitable. They can only be adopted cautiously and gradually adapted to the immensely varied conditions of production and exchange throughout the Empire. This they regard as a practical matter, which is capable of being practically dealt with to some extent at once.

“NATURAL DEVELOPMENT”.

As to the possibilities of a political organisation of a closer kind than now obtains a very similar attitude is general among us. It could scarcely have been better expressed than by the phrase which has just been telegraphed in which the *Marquis of Salisbury* defined the situation at the *Primrose League meeting*. The “tremendous destiny” that awaits the Empire if patiently allowed its “natural development” captivates the imaginations and stirs the pulses of millions of Britons across the seas. “Legislative interferences”, or attempts to force on any “mutual arrangements of subordination”, as the Premier then warned you, would only retard the accomplishment of this work. If the voluntary spirit in the co-operation which is at present proceeding be allowed to express itself without restriction it will surely tend to take on itself, if only by means of its own precedents, a steadily-increasing coherence and fixity of character. This same later convulsion of energy, such as lately knit together all the distant dominions on the Boer invasion of Natal, would probably solidify into a form of unity, permanent so far as may be then possible without cramping freedom of growth or staying the continuous assimilation of fresh elements of stability. Australians who regard their Asiatic fellow-subjects with apprehension as immigrants are at the same time sensible

of the importance of British dominion being maintained in the populous peninsula relatively so near to us. Their point of view is no doubt determined by their situation and by a keen sense of their own interests. But even our narrowness requires to be remembered since there are many local prejudices and preconceptions of the same nature, but of differing kinds, to be overcome elsewhere before a thoroughly Imperial feeling can dominate the great self-governing dependencies, so as to bring them exactly into line with each other and with the parent State. Imperial Federation, like that between our own States, can only rise by degrees, and even more deliberately, above clashing factions, partisan aims, internal jealousies, and external differences. Few here doubt its ultimate triumph. Mr. Barton will speak for us in London, as he has spoken here, urging a closer union to be consummated by degrees as public opinion permits, and as experience of joint action in ever enlarging spheres may dictate.

CABLE COMPETITION.

The additional matters which it is the Prime Minister's mission to discuss in London are many and various, some of them affecting ourselves only, others affecting portions of the Empire. Our relations with Canada will be considered with the representatives of the Dominion. The Pacific Cable, in which we are jointly associated, is to be opened at the end of the year. The Eastern Extension Telegraph Company has been preparing for competition with the new comer by making contracts with four of the States, under which it will be enabled to open its own offices in our principal cities, and have the use of special wires for its own business. Queensland and Victoria have refused any such concession in their own territories on the ground that it is inconsistent with the partnership into which they together with this State have entered as owners of the new cable to Vancouver. Great pressure has been put on the Federal Government to induce it to concede the same advantages to the company for Australia as a whole which it has already acquired in this State, but the Cabinet, though anxious to have one agreement for the continent, has steadfastly declined to bind itself for more than ten years. The company presses for twice that period. The whole question of the conditions of the cable competition about to be inaugurated will therefore be discussed in London. The situation is complicated by the circumstance that Queensland, New South Wales, and Victoria are part proprietors of the Pacific Cable, while the remaining three States are not so interested, and, indeed, are attached to the rival company which has so long enjoyed a monopoly in this part of the world. It would be difficult to find a subject on which all the States of our Union have common interests. In almost every instance they are in direct conflict or believe that they are. Administration and legislation alike are liable to be strangely deflected in the endeavour to attain working compromises.

THE SHADOW OF THE DROUGHT.

One calamity they all share, though not in the same degree. Western Australia has enjoyed a good season, but is not in a position to export agricultural products. Tasmania is doing a thriving business in her small way with the eastern mainland, the whole of which still lies under the shadow of the drought. Light rains have fallen in many districts, but nowhere yet has there been anything like a sufficient supply. From the Gulf of Carpentaria to the Southern Ocean the pastoralists are condemned to see their flocks disappearing. Pitiful tales are published of the massacre of thousands of lambs in order that the mothers may have a chance to survive. Fortunate are those who are able to artificially feed them for a little longer, though, owing to the lack of green food, their milk is so poor that the young ones can hardly be expected to survive. It will be months before we can estimate the full extent of the disaster that has befallen the four eastern States. It will be years before their pastoralists can hope to recover. Over thousands of square miles of the interior, once carrying millions of sheep, there is now not one left alive. Some few flocks are being fed on favoured spots in the hope of the long deferred change in the weather. Ministers in this State promise all kinds of concession, and foreshadow large expenditure on water supplies and light railways, by which stock can be carried away should such seasons recur. But at present the whole outlook is darkened by the reduction of immense districts formerly flourishing and fruitful into dreary wastes whitened with the skeletons of the unfortunate animals who have died a lingering death by dried-up watercourses, exhausted lakes, and on the now grassless stretches of barren plains.

DRASTIC ECONOMIES.

As a consequence the political atmosphere is everywhere overcast. Every Administration in the States, and that of the Commonwealth, too, is being put on its trial. The Queensland Executive is commencing to fulfil its promises of economy by dismissals of public servants; that of South Australia, which has just survived the shock of a general election, is about to follow in the same path. The *Leake* Cabinet in Western Australia has laid its retrenchment proposals before its Assembly, and on Saturday last Mr. *Peacock*, Premier of Victoria, followed suit by taking his constituents into his confidence as to his future intentions. In that State savings were enforced after the bursting of its land boom and the banking crisis of 1893, which it was supposed would have prevented the need for another application of the pruning knife, but it seems that this thriftiness was relaxed on the eve of Federation, and a deficit of £230,000 is anticipated this year. There is to be a reduction of Parliament by nearly a third and drastic economies in every department. The probability is that the Ministry will not survive to carry out these proposals. New South Wales

is beginning, though tardily, to feel the force of the example which has been set on every hand around us. The reform agitation is gathering force, and we too shall soon be drawn into the vortex of retrenchment. It is not possible to indefinitely postpone our day of reckoning. The drought will not be denied, its depredations are in all men's eyes, and the popular discontent which it has provoked will scarcely be satisfied until at least some Ministries now in power have been offered up as victims in expiation.

THE NEW COMMONWEALTH.

GOVERNOR'S RESIGNATION.

FEDERAL RESPONSIBILITY.

FINANCIAL STRUGGLES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, May 20 1902; Jun. 28 1902.

Consternation is the one word that best describes the mental condition of Australians generally on hearing of the resignation of the *Governor-General*, for this is what his recall at his own request means. That he should have been hurt at the manner in which his princely discharge of the ceremonial and social duties of his position had been received by the House of Representatives was anticipated; that he should at once proportionately curtail his lavish expenditure was expected, but that he should take the decisive step of entirely severing his connection with the Commonwealth seemed quite beyond the bounds of possibility to the great bulk of our citizens. The intelligence would have been received with incredulity had it not have been announced in the Senate by the *Vice-President of the Executive Council*. Even then it imparted a shock so sudden that those who heard it were apparently unable to express their sentiments. But when once the truth was realised newspapers without distinction of locality, politicians without regard to party, and the people of all classes and creeds united in an outburst of sincere regret. An absolute unanimity of sentiment prevailed through all the scattered communities that go to make up our union, blending them for the time in a chorus of expostulatory pleading. Showers of sympathetic letters and telegrams beat on Government House. Even Sydney and Melbourne forgot their rivalry. One topic absorbed conversation in the streets and leading articles in the Press. All tongues and all minds appeared to be employed on the same questions—Why should Lord Hopetoun resign? Could he not be induced to reconsider his determination? Would not Parliament hasten to retrace its steps? Could no influences be brought to bear which would retain our popular Viceroy?

THE GOVERNOR-GENERAL'S RESIGNATION.

It soon became plain that the step could not be retraced, and that the parting must be speedy as well as final. It was not possible for a man of Lord Hopetoun's rank and spirit to allow his retention of office to be made a matter of personal bargain with the Legislature. The intimation that in future his salary was intended to cover all his expenses except those of a strictly official character was deliberately given to him by the House on general grounds. He could not permit it to be withdrawn out of personal regard for him, nor accept as a favour to himself what he deemed to be attached by right and of necessity to the exalted position which he occupies. His decision once taken was, therefore, irrevocable. The only particular left in doubt was the date at which he should take his departure. Go he must, and without any delay that was not absolutely compulsory. As this became manifest the tide of public feeling changed and set strongly in the direction of self-reproach and remorse. The unfailing urbanity of their Excellencies under all trials, the consistently high quality of the utterances of the Earl on important public occasions, his geniality and frankness in society, the gracious courtesy of the Countess and the modest distinction with which she fulfilled her trying functions were all recalled to memory. Few, indeed, of those who have represented the Crown oversea have ever reaped so rich a harvest of appreciation, confidence, and admiration as the Governor-General and his beautiful wife have enjoyed during the past week. Either the course or consciousness of Imperial affairs or both seem to have affected our whole race during recent years or else we at the Antipodes are more susceptible than our fathers, for certain it is that the open emotion which is supposed to be forsworn by Anglo-Saxons has again dominated us everywhere when realising the loss we are about to sustain.

THE MINISTERIAL PROPOSAL.

The next popular impulse has been to hold someone responsible, and to seek for an expiatory victim whose sacrifice might appease the insurgent discontent of the hour. First, of course, the wrath of a disappointed people fell on its Executive, on whom Mr. Reid and his Opposition allies gleefully proceeded to fix the blame for the whole contretemps. It has since transpired that more than twelve months ago the Cabinet undertook to propose £8,000 a year as a fixed allowance towards the inevitable outlay on the Governor-General's establishment. Yet the measure was not introduced until the last moment before the Prime Minister's embarkation for London, and it was proceeded with hurriedly, without proper opportunity for its public or Parliamentary discussion. Mr. Barton then made the best fight possible, but was grateful for being allowed to avoid the total rejection of the measure and to accept £10,000 towards the expenses incurred by Lord Hopetoun during the royal visit. Had he grappled with

the question earlier it is now contended that he might at least have secured £4,000 or £5,000 a year, and thus have rendered it possible for his Excellency to remain. His colleagues will bear more of this presently. Then Parliament comes in for its share of censure for its niggardliness, all parties having made it plain that at no time and in no circumstances would they have assented to the Ministerial proposal. The Labour section, as usual, has the one clearly-defined policy laid down. There ought to be no allowances whatever outside the £10,000 a year salary. Mr. Reid, on the part of the Opposition, hastened to bow to this decision and to accept it as part of his own programme, qualifying it only by a vague reference to probable consideration on the estimates to an undefined amount. Everywhere responsibility is sought to be evaded. Ministerialists taunt the Opposition and the Labour section with having occasioned the fiasco, but as a fact they were all alike, acting under the influence of the retrenchment movement now sweeping over the continent. Even the Press cannot escape its share of criticism, not a single influential journal having ventured to support Mr. Barton's Allowance Bill. They too only discovered too late that it meant the loss of Lord Hopetoun's presence. The mutual recriminations of those who were concerned in the blunder are not pleasant to contemplate. They are certain to be renewed when the House of Representatives resumes its sittings next week.

MR. CHAMBERLAIN'S SUGGESTION.

When the Governor-General was first appointed Mr. Chamberlain promptly suggested that the States should make provision for the cost of his establishment, as it was apparent even then that our Viceroy must be involved in great expense if he were to periodically visit their capital cities. In Sydney we recognised the justice of this proposal, and a Bill was passed through all its stages in a single night making provision for our share of an extra £10,000 a year. Melbourne, however, being assured of his Excellency's presence while Parliament was in session, was so much less eager that its proportion of the contribution was refused by the Victorian Assembly, largely, it is true, for local party reasons. No other State took any action. When the consequences of the ill-advised parsimony of the Federal Legislature became apparent it was Mr. See who at once proposed to the Premiers' Conference sitting in this city that they should now revive and accept Mr. Chamberlain's original suggestion, but again he found himself unsupported by his allies. The pinch of the present bad season is being keenly felt in every State, and in face of the agitation proceeding in all of them for the curtailment of public expenditure none of the Ministers dare undertake fresh liabilities for a Federal Government House. The Premiers were content to pass a resolution of warm appreciation of his Excellency, and to express a hope of the realisation of which they had no expectation. The drought is responsible for much

private ruin and suffering and for much public loss and privation, but so far its most conspicuous consequence is the sudden deprivation of the Commonwealth of a Governor-General possessing the whole-hearted confidence of its citizens.

THE FINANCIAL BAROMETER.

The next most striking illustration of the pressure put on the whole of Australia by the apparently never-ending prolongation of our water famine is supplied by the Conference of the Premiers just terminated. A few months since most of them were breathing fire and slaughter against the Commonwealth. Mr. Philp, judging by his occasional outbursts of spleen within the last few days, came to Sydney in that temper fully prepared for aggressive action of any and every description. He met a group of more astute politicians who have stronger reasons for keeping in touch with their constituents just now since their general elections are to come while his is just safely over. All of them are confronted with the contagious fever for retrenchment which has been generated everywhere. When men's ears are filled with incessant complaints from all parts of the interior pitched in the one monotonous key of despair, and when everywhere the financial barometer is falling under the depression foreshadowed for our staple rural industries by reason of the rainless autumn, all the energies of the State Executives are concentrated on meeting the emergency in their own affairs. They are compelled to devise plans to meet it, and as a first necessity to revise their own Budgets from top to bottom. Consequently they assembled in the mood to multiply their requisitions for money on the Federal Treasury, but not desirous of challenging constitutional strife on other points, though they had so often threatened it while relying on better times. It was, in fact, a chastened and somewhat crestfallen gathering which met in Sydney last Thursday, whose members were more preoccupied with their immediate local difficulties than with the future relations of the States and Commonwealth. Their sittings were brief, their decisions were rapid, and their resolutions were friendly, or accompanied by friendly declarations towards their Federal over-lord. The political shrewdness and business ability displayed in their determinations is one of the few encouraging signs of the times.

PREMIERS AND THE COMMONWEALTH.

The professions of amity towards the Commonwealth expressed by the Premiers mean no more than an uneasy recognition of its power and the possible popularity it may attain which would prove a source of further power. Of the eleven resolutions they carried only one regarding the handling of explosives relating to the States alone. The remaining ten, with a significant exception, were all financial.

That one declared the establishment of a High Court to be a matter of urgent necessity from their point of view. No doubt a chief motive in their support of even this apparently unrelated proposal was their need of some authority which was competent to determine disputes of financial importance between the Federal Government and the State Treasurers. All the rest were directly aimed at pounds, shillings, and pence. The Commonwealth was invited to concede free telegrams to the Queensland Meteorological Bureau, which is proposed to be closed shortly for reasons of economy, to undertake the cost of the lighthouses, light-ships, beacons, and buoys about our coasts, which is at present falling on the States, and to pay any losses incurred by any of them in consequence of the cancellation or alteration of any of their agreements as to cable rates by the Federal Postmaster-General. All State Railway Commissioners were instructed to agree to a scale of charges for the carriage of men and goods for defence purposes, and it was resolved that every local Treasury should at once render the accounts which are current in connection with the departments transferred to the Federation at its inauguration. A reciprocal use of each other's officers by the central and local Governments was formally approved, subject to agreements as to their control and remuneration. All these decisions related mainly to matters of administration, and will resolve themselves into comparatively simple questions of time and money. They all point to practical arrangements more or less to the advantage of the States, who are therefore united in advocating them.

FEDERAL POLICY CHALLENGED.

The Commonwealth policy was challenged in three particulars. The most vital was a protest against the Ministerial proposal to cancel almost the whole of the claim made by the States on account of the properties taken over by the Commonwealth with the transferred departments. Mr. O'Connor sought to authorise the writing off of an equal amount per head of the population of each State from its accounts against the Federal Government in this regard, paying only any balance which was due to those States in which the outlay had been above the average per head over all of them taken together. In somewhat guarded terms the States, excepting New South Wales, also declared against Federal duties on goods imported by State Governments, and expressed a preference for bonuses. Finally, with one voice they insisted that the public works of the Commonwealth could be most efficiently and cheaply superintended and executed by their State Departments instead of by the Federal officers, for whose appointment provision is made on *Sir William Lyne's* estimates. The first of these resolutions affects some £10,000,000 at least. The second would enable the States to avoid large annual payments of duties, to purchase more cheaply from abroad than private persons, and to require the Federal Treasury to find the money necessary to sustain local production against the free imports of any State administration. In the third instance the States

desire to avoid reductions in their own overmanned departments, and to turn an honest penny by charging for the services of their officers in constructing or repairing Federal buildings within their borders. It is safe to say that not one of these will be conceded without a struggle, and perhaps a long and bitter struggle in the first two instances. The question is who is to tax the people in order to pay interest on the value of the transferred properties at present used by the Commonwealth and paid for by the States. The next question is whether the customs revenue of the Federation is to be subject to the right of the States to import without restriction or contribution. Much depends on the victory in these instances.

PROSPECTS OF THE STRUGGLE.

In entering on the struggle the Commonwealth is undoubtedly the stronger political power. Nothing short of its own legislation or of an adverse judicial decision as to its liability to pay for the properties can bind it. In the field of finance it has an equal superiority. It can wait while the States cannot. It is not by any means a misfortune that the spending power of the Federal Treasurer is shackled by constitutional limitations for a decade, nor that the present House of Representatives is under a self-imposed limitation on its otherwise unlimited power of taxation. It is good generalship for Federalists to hasten slowly to the assumption of their full responsibilities. The States are in the meantime compelled to pare down their establishments and to diminish their legislatures in numbers and dignity. The co-operation in the cry for retrenchment of those who are suffering from the bad times and of those who call for the fulfilment of the promises that savings in State expenditure should accompany the transference of State legislative and administrative functions to the Union makes it irresistible. It compels the States to cripple themselves before they encounter the overshadowing Federal Parliament.

THE NEW COMMONWEALTH.

DROUGHT AND DEBT. INTER-IMPERIAL TRADE. FINANCIAL REFORMS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jun. 3 1902 [May 27]; Jul. 11 1902.

Monotonous as the inevitable references to the persistence of the drought must be, its immense area, its unprecedented duration, and the deadliness of its many consequences, direct and indirect, are so much the chief factors of the situation that it is impossible to ignore them. What it means in the way of loss and misery to thousands and tens of thousands it is almost impossible to calculate, and the untold sufferings of the millions of stock that have perished in its unrelenting grip beggar all conception. The whole of the eastern interior is whitening and withering. May has passed without rain; should it come now it will be too late to foster the winter grasses, while if it is postponed the ploughing, already overdue in the south, will be still further delayed and its extent diminished. Our *Minister of Lands* has just concluded a cross-country tour through the west of New South Wales, which but a few years back was heavily stocked and fast developing. He has travelled five hundred miles without seeing a living sheep. Even the wildlife of the plains has perished. A fertile and flourishing region has become one vast desolation. In Queensland also there has been no relief. Its western sheep stations are marked by bleaching bones. Its great cattle runs are being fast depopulated where they lie beyond reach of coastal showers. Victoria thrives to a certain extent on the large supplies of fodder which her farmers are selling to those of our pastoralists near her border who can afford to continue artificial feeding, but her own northern districts are arid, and even her usually well-watered western lands are fast losing their verdure. Tasmanian agriculturists are reaping a rich harvest, but her supplies are too small to satisfy the demand from the mainland. Never since the colonisation of the continent has such a drought so petrified our inland life.

EFFECTS OF THE DROUGHT.

The full effects of the catastrophe remain to be seen. Already it is powerfully influencing State and federal politics, and is beginning to make its mark alike on public and private finance. Trade is bad, both north and south, business is restricted, and the outlook is gloomy. The whole Commonwealth must feel the pinch this year and long afterwards. This means that the merchants of the Mother Country must prepare to find us less satisfactory customers than we have been. They still command our markets. In spite of the inroads of foreign goods pushed by more enterprising and versatile competitors, Great Britain sends us nearly three-fourths of our imports. Only one country within the Empire, India, and one country outside it, the United States, buys more from the British Isles than we do, though both of them are very many times more populous. We are far the best consumers per head of British products, and with a little more attention or some fiscal encouragement would be better still. During the last decade British imports to Australia have declined by £37,000,000, or 13 per cent., while those of the United States have advanced 34 per cent., and those of Germany 150 per cent. These increases are chiefly due to the greater adaptability of their manufacturers, and in the case of Germany to the heavy subsidies which are granted to German shipping, which is steadily multiplying in our waters, and is fast securing the absolute supremacy of the Chinese seas. Even as it is, you ship us £431,000,000 yearly from British ports. If your rivals were less favoured by their national policies and by the comparative want of initiative exhibited by your exporting houses there is no reason why we should not even with bad times continue to be at least as profitable to you as last year. But if no greater energy is exhibited the vigorous inroads of American and German wares, coupled with the partial paralysis of our pastoral and agricultural industries, must considerably diminish our Inter-Imperial trade.

AUSTRALIAN IMPORTS AND EXPORTS.

In 1901 our exchanges were on the whole satisfactory. Reckoning inter-State transactions our trade figures were the largest ever known. Our imports drooped a little, but exports increased so much that in the exchange we saved and earned altogether £3,300,000 more than in the previous twelve months. Under our State tariff in force for the first nine months we were, of course, by far the largest importers among the States, and the largest exporters also by about the same extent—chiefly in wool. Queensland imported £1,000,000 less, and exported nearly £500,000 less than in 1900, which indicates that she is the least prosperous of the group. Western Australia, which is at the top of the list, increased her imports by £500,000 and her exports by £1,600,000, of which three-fourths consisted of gold. We may hope to

see this splendid result maintained for 1902, but the Australian wool clip, owing to the drought, must be far less in quantity, and much of it inferior in quality, so that without a marked rise in prices our income cannot but fall. The absolute destruction of the many improvements that our settlers have been obliged to neglect year after year has also to be allowed for. It will take our western country several seasons to recover, and Queensland still more. Even with favourable conditions the stocking up of the interior must be a work of time. An interval will be needed to restore confidence to investors in the possibilities of the dry areas. Many of the most daring and capable will have been crushed out during the terrible experiences through which we are passing, and the remainder will have been profoundly discouraged. A climax is rapidly approaching—the depression is becoming universal. All the elasticity, the courage, and resourcefulness of the Bushmen will be needed to resuscitate the “runs”. In the meantime the whole of the Commonwealth sympathetically and financially suffers with them.

REVENUE RETURNS.

Judging by their balance-sheets our leading financial institutions are doing well in spite of all these adverse surroundings. There is little in the revenue returns to indicate any serious decline. All our important cities seem to be busy and progressive. Nevertheless, it is impossible to believe that healthy conditions obtain or that these hopeful appearances can be sustained. If the States had not borrowed £30,000,000 during the last two years and a half a very different state of affairs must have prevailed. They cannot hope to draw on you to the same extent during the next thirty months, and yet their need of supplies is likely to be more instead of less. Our own State is assuredly the most adventurous of all. In September London lent us £4,000,000 nominally at £94, and now we have absorbed £3,000,000 more at £94 10s., both bearing 3 per cent. The first loan returned about £91 10s. net, while the second is expected to yield a trifle more. The manner in which our last venture was received when placed on the market was most encouraging and gratifying, though a much better price was secured in 1898. There is certainly nothing to show that we are losing favour with investors. This is fortunate, for very soon we shall be borrowing again, and we cannot afford a rebuff. The purposes to which the money of these last loans is to be applied are but vaguely defined. The Darling Harbour resumptions have been kept in the foreground, but other and less promising “public works” are manifestly being constructed out of these funds. Our indebtedness, therefore, mounts upward, and will persist in mounting while our Parliaments are permitted a free access to Lombard-street and an unchecked expenditure of the funds which they acquire from its coffers. Our creditors have nothing to fear, for the liabilities, whatever they may be, can, and will, be punctually met. It is the taxpayers

in Australia who require to be reminded that in four years this State has raised £10,000,000 abroad, and that we now pay more than two-and-a-half millions a year in interest. Those whose pockets and properties must meet this constant drain will soon find themselves in sore straits unless they become sufficiently resolute to put a stop to this perpetual mortgaging of the future.

THE TAXPAYERS' UNION.

Our Taxpayers' Union has been formed none too soon, and might have proved an ineffective body even now had not the drought driven it on until it bids fair to become a financial reform movement such as is convulsing State politics in Victoria. Among our neighbours the agitation began in a remote country township called Kyabram, a little village without any other distinction than that of possessing half-a-dozen hard-headed men, who set to work to appeal to their fellow-citizens against the supine neglect of local politicians to adapt the State to the altered circumstances consequential on federation. The Peacock Ministry proposed to remit the adjustment of the State Legislature to its new conditions to a Convention elected by the people for that purpose. This scheme having been rejected, the whole question was adjourned, and apparently when it was revived it was to deal directly and chiefly with a change in the powers of the two Houses so as to weaken the veto possessed by the Victorian Legislative Council, whose functions are to review and revise the measures transmitted by the popular Chamber. The Kyabram reformers insisted that financial reform must come before that of the Constitution, and that it must begin with Parliament itself, whose members were to be reduced to forty-six for the Assembly and twenty-three for the Council, and five Ministers in the Cabinet. The Ministry then offered to come down to an Assembly of sixty, a Council of thirty, and a Cabinet of six. But if their followers will agree to this, which is doubtful, the friends of the Kyabram platform will not. The session which has been opening in Melbourne will witness the commencement of their struggle. Our Premier, under similar pressure, at last consents to fulfil his election pledges so far as to reduce the hundred and twenty-five representatives in our Assembly to ninety-four, and to fill no vacancies in the Council until it becomes proportionately shrunken. But he adds as a condition that the whole proposal shall then be sent to a Referendum. The Opposition rejects such a compromise with scorn. Eighty members in the Assembly and half that number of Legislative Councillors would suffice in their judgment. The country resounds with the public meetings called to insist on one or other of those schemes.

THE REFORM PROGRAMME.

The fact that in all the States except Queensland and Western Australia a considerable diminution in the size of the State Parliaments is now practically assured must not be accepted as by any means exhausting the programme of the reformers or the necessities of our situation. Far more can be saved by retrenchment in our public services and very many times more in interest if loan moneys were sparingly obtained and devoted only to absolutely reproductive and necessary public works. We each possess our railways, and in New South Wales these are an asset of immense importance. They, roughly speaking, pay for themselves, and are, in addition, of incalculable value as a means of internal development. Sanguine patriots among us maintain that they are to-day worth not simply what they have cost us, but all that we have borrowed abroad, including the millions spent on less useful undertakings. That such a highly-coloured assumption should be accepted at all is an evidence of the general sense that the State ownership of railways is so conspicuous a circumstance on our financial horizon as to dwarf all others to our sight, though elsewhere it scarcely receives due recognition.

AUSTRALIAN STATE RAILWAYS.

The cardinal fact is that our debts are not, like those of Old World nations, unqualified burdens, whose compensations, whatever they are or were, cannot now be measured by any annual receipts earned for their respective budgets. Australia's State debts, on the other hand, are balanced in the case of the railways by huge daily contributions derived from the passenger and freight charges collected from a section of the public for services rendered. Our liabilities, therefore, are not to be contrasted off-hand with those of the Mother Country, Canada, or the United States, where railways and water supply schemes are either private or municipal property. With us all belong to the electors. Even the electric tramways of Sydney belong to the State and not to its Corporation. Like most of our railway lines, they pay handsomely and are sure to continue to pay. In a word, our debts are also investments; they have the usual risk of investments, but at all times yield enormous revenues to our State treasuries. The one peril in Australia generally, and in New South Wales in particular, is that we may push our investments too far and too fast. For the time they may become, in part at all events, true debts. Certain railways may not return revenue enough even for working expenses. In such a case they are bad debts indeed; for we have to pay this deficiency, besides interest on the money which has been borrowed for their construction. It is thus that drought and debt go together. The first robs our railways and casts the obligation on the public purse of supplementing their wages sheets as well as of providing for our debenture-holders. We need to watch

our investments so that they may not become debts. True, we minimise the effects of the drought by carrying stock and fodder at the lowest possible freight rates, and thus mitigate the disaster to pastoralists in a way that no private railway company would emulate, but even this concession requires to be made on business principles. Deducting the value of our reproductive assets from our total debt we find it dwindling to reasonable proportions. It then is capable of contrast with the debts of other parts of the Empire. At the same time the risk taken in our investments cannot be left out of account. In bad seasons they augment our interest burden even while they enable us to assist those of our citizens who are confronted with disaster. Hence drought and debt will always be inseparably associated in Australia.

FEDERAL RESPONSIBILITIES.

The Commonwealth has as yet no debt of its own, though it will soon make its debut on the local market. It is to be hoped that its borrowing will be on sounder and more cautious lines than those which have been followed in the States. The House of Representatives has so far leaned decidedly to the side of economy. The cutting down of the expenses of celebrating the Coronation, the Governor-General's allowances, and the annual outlay of the Defence Department are illustrations of recent occurrence. The Senate is apparently of the same mind. Certainly it has not hastened to criticise the train of events which led up to the unexpected resignation of his Excellency the [Earl of Hopetoun](#), apparently because it shrinks from approving a higher scale of viceregal expenditure. After all, the Commonwealth, as it consists only of the States taken together, is in a sense responsible for all their debts, since it has to recognise their existence and make allowance for them in formulating its own policy. It can only borrow on the security already pledged for them. There is, therefore, already in existence an Australian debt of sufficient magnitude, though it is divided into and guaranteed by its parts instead of the whole. Probably the Federal Parliament will one day formally accept the States' loans as its own. It is not likely to do this until their future borrowing has been restricted or prohibited. The taxpayers cannot afford to face a central issue of bonds over and above those of the States and their municipalities, for which they require to provide. Turn where one will, these are the reflections which at present dominate the public mind and dictate both Federal and State policy. Our politics everywhere, the actions of our seven Governments and Legislatures, and the tone of opinion throughout Australia are absolutely governed at present by the financial stress whose poles are debt and drought.

THE NEW COMMONWEALTH.

PEACE REJOICINGS. RAVAGES OF THE DROUGHT. FEDERAL RESPONSIBILITIES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jun. 3 1902; Jul. 17 1902.

Australian emotion has found another outlet in the proclamation of peace. Everywhere the joy bells were ringing, impromptu hastily-summoned patriotic meetings were held, every hamlet and settlement gave itself up to rejoicings, and our whole people seem to be inclined to forget all the months of waiting and watching that have now expired.

When the *Earl of Hopetoun* leaves us by way of Brisbane for Canada he will be succeeded by *Lord Tennyson* as Acting Governor-General. After the permanent appointment to that high office has been made he, too, will return to the Mother Country and not to South Australia, where a new appointment will be necessary. We shall then have among our State Governors none but men who have accepted office under the new condition of things created by the establishment of the Commonwealth. Prior to Federation the colonies were mutually independent, and their Governors, little kings within their own domains, were subject only to the Colonial Office. Now they live perpetually under the shadow of an over-lord, whose presence in their capitals at any time reduces them to secondary personages, and whose Australian authority dwarfs and circumscribes them at all times in the public eye. The unflinching tact of the present Governor-General has enabled him to impose his authority and maintain it without friction during the present transition period inaugurating the subordination of the States. His successor will find his path made easy for him by the progress he has already effected towards a readjustment of the responsibilities of permanent State Governors. He will also find it much smoothed now that the local Lieutenant-Governors have come to an end of their several regencies. It has been a more prickly task for Lord Hopetoun to deal with them, since the provisional and temporary character of their tenure has made them sensitive to every necessary change in the old order of procedure under the suspicion that it is being occasioned in consequence of their own want of status rather than because of the entrance of the Commonwealth on its supremacy. Australians need have no other feeling than that of pride in their Chief Justices as such or as holders of the dormant commission of Lieutenant-Governors. *Sir Frederick*

Darley, Sir John Madden, Sir Samuel Griffith, and Sir Samuel Way have attained their eminence solely by their own abilities and exertions, and have discharged their viceregal duties admirably. None the less, the next Governor-General will escape many of the minor anxieties and petty cares which have attended Lord Hopetoun's establishment of proper relations with his interim junior colleagues in the States.

ABLE AND POPULAR GOVERNORS.

In New South Wales we have been extremely, though not exceptionally, fortunate in our Governors during the last twenty years. The Colonial Office can be congratulated without reservation on its choice of men for Australia generally, and for this State in particular. Lord Loftus, Lord Carrington, Lord Jersey, and Lord Beauchamp constitute a group of conspicuously able rulers, whose characters and qualifications afford the most striking contrasts, but whose successes have been uniform. Our neighbours have been equally fortunate, for Lord Hopetoun, Lord Loch, Lord Brassey, Lord Lamington, Lord Kintore, Sir Henry Norman, Sir T. Fowell Buxton, Sir William Robinson, and Sir Robert Hamilton have represented types no less original and personalities as influential. Our separated condition has been the means of endowing us with a series of political mentors in every way fitted for their posts, though no two of them were fitted in just the same way. It is a remarkable testimony to the wealth of the Mother Country in men of governing capacity and experience that she should be able to supply to her Australian Colonies so strong a body of men drawn from different classes and walks of life. All of them proved that they were able to adapt themselves without shock or jar to the delicate duties, social and administrative, devolving on representatives of the Crown, which were much more arduous than is generally supposed in our new, unsettled, and fast developing communities. In those days our country seemed to be far more remote than it does now, it was less understood and appreciated, and less easy to advise from Downing Street. The effect produced on our public life by the influence and example of Governors so well chosen must have been incalculable. None of them interfered unduly, not one of them was unpopular, all were respected, and many of them were the objects of general affection and esteem. The pages of our history headed with their names can be read with the greatest gratification in the Mother Country from which they came and in the daughter colonies over whose growth they presided with wisdom.

MILITARY AND NAVAL EXPERTS.

The new order of things has brought with it a new class of Governors suited to the less extensive sway but possibly more specialised functions which are now attaching to their office. We have already had distinguished soldiers like Sir Henry Norman

and one late Lord of the Admiralty, Lord Brassey, but never before has there appeared to be any significance in their selection. The new regime has apparently commenced by the application of a principle favourable to the Services. *Sir Sydenham Clarke*, *Sir Arthur Lawley*, and *Sir Herbert Chermiside* are all military men, and our new Governor, *Sir Harry Rawson*, is a vice-admiral. It may be that the restriction of gubernatorial salaries, and consequently of expenses, has operated to encourage the substitution of retired officers for young Peers or for men who have won laurels in some branch of the diplomatic or public service. The effect is that, though the care of our defences has been altogether remitted to the Federal Government the Government Houses of the States will be filled with military and naval experts whose advice would be of great value in times of emergency. Whether intended as a compliment to the martial spirit of our people or with prevision of our lack of trained advisers in the event of war, the new arrivals have all been warmly welcomed, and they are establishing themselves in public favour. Our new Governor landed a week ago, amid the spontaneous enthusiasm of many thousands of people who had assembled to welcome him of their own accord, besides those who attended in virtue of their official standing. It was a genuinely popular demonstration of loyalty and of greeting, accorded because the new-comer was his Majesty's representative. In the few days that have passed since then *Sir Harry Rawson* has made a most favourable impression by the individual manner in which he has accepted the congratulations tendered to him. The brevity, bluntness, and directness of his responses have a quarterdeck flavour which is grateful to Sydney people, with whom the Navy is always the national bond and symbol. He bids fair to become a striking figure, even in our picturesque line of Governors, and to establish himself as a favourite from the outset with that potent political factor "the Man in the Street".

SIR HARRY RAWSON'S DUTIES.

The vice-admiral may be excused if he requires a little time in order to grapple with the true inwardness of our situation. The wealth of Australia is still a text on which homilies are delivered everywhere, but he hears on landing nothing but a chorus of lamentation because agriculture, dairying, sheep farming, and cattle breeding are all declared to be in the course of rapid destruction by what will be remembered for many years to come as "The Great Drought". That the credit of New South Wales stands deservedly high in London is manifested in most indisputable fashion by the tenfold subscription of our last loan, yet the session of Parliament he has just opened commences with a speech from the *leader of the Opposition* in which he declares that the loan account and public account are both heavily overdrawn, and that the condition of our finances is altogether unsound. He enters a city whose splendid public and private buildings, set off by the peerless natural beauties of hill, cliff, and bay, around which they are reared, exhibit a marvellous spectacle of commercial

activity and developed civilisation, while at the same time he reads in our newspapers that for many weeks past we have been cleansing ourselves angrily in order to dislodge the bubonic plague. Its hold and hiding-place is among our slums, out of which it sallies to seize occasional victims in the heart of the Metropolis or in their homes in its thriving suburbs. He will find it difficult to distinguish in Parliament between the policy of his advisers and that of their opponents, except that in the matter of retrenchment and the reduction of the number of members, the "outs" are naturally more eager than the "ins." Let him cast his eyes across the Murray into Victoria and he will discover a still more confused medley of political factions in its perturbed Assembly equally agitated by the same problems, which are discussed under cover of a want of confidence motion against Mr. Peacock. To the north a similar situation is developing itself, except that Mr. Philp's pruning knife is already being applied in the departments. He will be surprised to see the sparsely peopled coast of a great continent which is urgently in need of a larger population pouring a steady tide of its youngest and most enterprising sons into South Africa and shutting out every coloured immigrant who attempts to set foot on its shores. The contradictions of Australian life may well appear to a newcomer to demand close study of its conditions and an intimate knowledge of its people. Even then they are not readily explained.

IN THE TRACK OF THE DROUGHT.

First and last, he needs to realise our physical conditions. The drought centre of the continent lies west of a line dividing it from north to south into equal portions. The absence of any regular rainfall worth measuring makes a great desert patch of the heart of Western Australia. Encircling it, narrow in the west but bulging largely in the east through South Australia into our extreme western borders, comes an arid belt within which an average of five to ten inches of rain produces a fair grass supply in good years. Around this again is a relatively narrow radius, including our west and that of Queensland, the north-west corner of Victoria, and the coasts of South and Western Australia, where from ten to twenty inches renders agriculture possible, but profitable only if the moisture comes at the right seasons. This, unfortunately, it often fails to do, but on the whole this area flourishes if worked with circumspection. The next circular belt has twenty to thirty inches annually. It follows the same general contour, but this strip is mainly confined to the east and north. Here, where the drought rarely comes, it has now persisted for eight years. The last belt is very broken; it is hardly visible in the west, where it touches only a patch at Cape Leeuwin, it broadly follows the tropic north and north-east districts, and then runs down the whole eastern coast range until it breaks short off in the western district of Victoria. Even within this favoured half-moon, where over thirty inches is averaged, "The Great Drought" is now making its mark. The farmers' stacks of hay and the middleman's stores of grain have

mostly melted away, and the balance is being held for high prices. As the stockowners who can afford to keep their sheep alive on purchased foods are involved in crushing expense they are naturally rebelling against the duties imposed in the recent Federal tariff. A most representative meeting has been held in Sydney, at which our **Minister of Lands** expressed his sympathy with the pastoralists, though he inclined to believe that they must look for help to the State Legislature. The Commonwealth Ministry, when pressed, undertook to consider what remedial means could be devised within the Constitution to meet the crisis, and communicated with the State Premiers with a view to co-operative action. Mr. **See** and Mr. Philp promptly replied, urging the repeal of the grain and fodder duties, whereon Mr. **Jenkins** and Mr. **Lewis** as promptly objected. Our Attorney-General, Mr. **Wise**, is to visit Melbourne to consult with the acting Prime Minister, but after the objections of South Australia and Tasmania all that can be hoped for is an agreement with the Federal customs, by means of which New South Wales and Queensland can provide in some degree for the necessities of their sheep-owners.

THE GOVERNOR-GENERAL'S EXPENDITURE.

The recall of the Governor-General led to long and acrimonious debates in both Houses of the Federal Parliament, but it cannot be said that the facts elicited throw much light on its causes. What Ministers have not explained, and probably cannot sufficiently explain, was their dilatoriness in introducing the Bill they had promised making provision for his establishment, and the tactless fashion in which it was submitted. It appears to be admitted everywhere that it would not have been passed in any circumstances, but its rejection might have been managed so as not to appear in the light of an affront to his Excellency. The suddenness of Lord Hopetoun's withdrawal points to his sense of the summary and inconsiderate way in which he was called on to curtail his future expenditure on his establishments. It is proposed to recoup him all his outlay up to the 1st of May, but thereafter his allowance for official expenses will be limited to £7,000 or £8,000 a year in addition to his £10,000 salary. The next occupant of the office is not likely to be treated more liberally, though we are promised that an exact agreement on the point will be arrived at before his appointment takes place. Unquestionably the whole incident leaves a nasty taste in the mouth which is not to be removed soon. Without intending to be mean, Australia seems to have been acting meanly, and, with every regard for our Viceroy, to have encouraged the impression that he was not appreciated. Since the announcement of his departure a unanimous chorus in his praise has gone up from every corner of the continent and every party in Parliament. He has responded with chivalrous assurances that he cherishes no complaint against his Ministers, Parliament, or anyone. But the stain is felt as a wound for all that.

THE NEW COMMONWEALTH.

FINANCIAL REFORM.

NEW SOUTH WALES DISPUTES.

THE INDUSTRIAL CHARTER.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Jun. 18 [10?] 1902; Jul. 21 1902.

A general view of Australian affairs discloses a certain political unity begotten by the pressure of the movement for economy everywhere. Queensland and Tasmania are maturing their schemes of savings prior to the meeting of their Parliaments, while South Australia, the general election under her new Constitution over, is also considering ways and means. These, the least prosperous of the States, have been the first to be compelled to take the unpalatable draught which their fellows are reluctantly pouring out. Underneath this similarity of situation many minor contrasts are concealed, and we ourselves are often so little acquainted with the actual meaning of the march of events beyond our borders that any testimony from one part of the continent requires to be carefully limited by its location. Mr. Peacock's Ministry has fallen in Victoria, ostensibly on the ground that he continued his administration with colleagues whose resignations were in his hands since last year, but really because the movement for retrenchment has begun to dominate the Legislative Assembly. Our own Ministry is certain to survive the shock of an attack on similar grounds, though the tactics of their opponents are largely responsible for the failure of the onset. Our expenditure needs curtailment quite as much as that of Victoria, and we must come to the same resolution to diminish it, postpone it as we may. In Western Australia the Ministry is evidently preparing for financial trials by heavy increases of the railway rates, coupled with proposals for reducing the cost of their public service. This attempt to take time by the forelock is strongly deprecated by Mr. Nanson, the leader of the Opposition. In a very able criticism of Mr. Leake's policy he dwelt on all the encouraging features of the situation as if he expected them to be permanent. In each of the States the agitation for financial reform has assumed a different face, and has met with a different fortune, though it can scarcely avoid coming ultimately to the same conclusion in all of them.

FEDERAL POLITICS.

In Federal politics the disturbing element of most potency and strangeness is the principle of Federalism. Our Commonwealth, confessedly hybrid in character, since its grafts on the State rights doctrines of the United States an Executive of the British pattern, as the result of yoking these conflicting powers is finding for itself a line of advance distinct from that of either of its forbears. Mr. **Kingston's** tariff, for instance, if introduced in Washington would not have become effective in any way until the President's assent to a measure approved by Congress had made it law. In the meantime speculation would have run riot, affected by each alteration made in the schedule of suggested duties during its passage through both Houses. At Westminster fiscal changes are always protected by the Constitutional practice under which new duties are collected at the customs from the moment they are announced in the Commons. This Executive action, taken in anticipation of Parliamentary authority, is afterwards validated by Act. The interval between the announcement and the authorisation by law of the new duties being always brief the opportunity for market operations is consequently very limited. The way in which both these procedures are deflected under our Constitution affords a most instructive illustration of the revolution which is capable of being accomplished under old forms and names in our exceptional situation.

FISCAL CHANGES.

Mr. Kingston took care to strengthen his position before introducing the tariff by providing in his Customs Act that no action could be brought against the Government in connection with the collection of the duties which he submitted to Parliament until after the close of the session in which they were dealt with. This has sufficed so far, but Mr. **Justice Hodges**, of the Victorian Bench, has decided that it does not enable an importer who was charged with defrauding the revenue to be found guilty of a criminal offence, because the money collected by the customs in accordance with British practice could not be said to be public revenue since its payment was not required by any Act. This decision has already been followed in one of our minor courts, and promises to produce a plentiful crop of litigation. These and many other difficulties arise because the Tariff has been in suspense already for more months than it usually is days in Great Britain. Practices which work well for a short time and with relation to a few duties work ill and occasion much friction, whereas in our case a host of imposts are levied on traders for the best part of a year without any other warrant than that of the Executive Government. We are assured that the proceeding is quite regular and constitutional, but its irksomeness is undeniable. It is not as if the same duties were payable from first to last or finally settled after a few

days' delay as in the Mother Country. Australian commercial operations have been hampered since last October, and may continue to be hamstrung until October next. No fiscal trial of this duration has been experienced outside the United States, nor even there for such a period and with such constant changes.

REVISING THE TARIFF.

For five weary months the House of Representatives struggled with Mr. Kingston's schedule of duties. It came into their hands designed to reduce sufficient revenue to keep the State Treasurers in funds and to avoid any destruction of such local industries as had been effectively developed under the protective policies of the States. When it left the House it was considerably curtailed in its revenue-producing power, the States being left to their own resources to a much larger extent than had been intended. The protectionist duties were also amended in detail. Immediately the House determined on a change effect was given to it at all the ports of the continent the next morning. The whole of this period was marked by mercantile unrest and misgivings on the part of the manufacturers. The Senate then took up the task, and for the past three months has been painfully revising the Tariff which had been approved by the House of Representatives. The Free Traders, being in a majority, are fighting every duty possessing a protectionist incidence. At the same time the Senators, though the States are their special constituencies, exhibit almost as much indifference for their local Treasuries as their associates in the popular Chamber. To all appearances the Tariff to be returned to the House will contain more departures from the scheme that reached the Senate than the representatives made in Mr. Kingston's original draft. One contrast is that by the Constitution the Senate is limited to preferring requests for amendments, instead of making amendments themselves, and, therefore, no action has been taken to give effect to their proposals at the customs nor will be taken until the House accepts them or some of them. Pending that event their requests remain in suspense, but are advertised to the public. They are, in consequence, the basis of trade speculation as are the items of a Tariff Bill in the United States, and apparently they are likely to remain a temptation to importers for some time yet.

THE "RECORD SESSION."

The Federal estimates for the year ending with this month are now all but passed by the House, though last week Sir George Turner brought in his twelfth monthly Supply Bill in advance of it.

The reason for this curious proceeding is in order to obtain funds and to close accounts with the States by the 30th of June. The Appropriation Bill, which must come on its heels, will contain practically nothing that is not already authorised in some of the Supply Bills, but being open to the criticism of the Senate may not pass soon enough to enable the Treasurer to provide for his officers in remote parts of the continent. The unexampled position into which we have drifted is marked by the facts that during this session there have already been passed accounts for eighteen months of Federal Government, that it has lasted for more than a year, and is yet far from the conclusion of its labours. It has already crammed into its records and on its Statute-book as much as our State Parliaments usually accomplish during their three years of life. Its "Hansard" consists of upwards of 13,000 printed pages, and still the tide of discussion sets steadily on. The physical strength of many of its members has been strained not only by the prolonged sittings but by journeys of many hundred miles made weekly to and from their homes. Their mental resources are attested by the volume and variety of their legislation, and still more by the magnitude of the subjects which are dealt with, in spite of the fact that the conditions under which the work is being done are by no means the most favourable. In every aspect this session is becoming that object of admiration to our sporting populace—a "record breaker".

INDUSTRIAL ARBITRATION.

At the close of last year the apathy in New South Wales during the passage of the Industrial Arbitration Act was noted with surprise, and a forecast was then hazarded that this piece of legislation when brought into play would contain many surprises for the classes who accepted it after but a perfunctory struggle. The tribunal under it was constituted a few weeks back and has just delivered its first judgment without even yet producing in our journals or elsewhere any adequate appreciation of its significance. It is in truth and in fact, as was asserted in these columns six months ago, a "social revolution". One must suppose that we are quite ripe for the new regime, or its initial action would at least have led to some challenge of the principles of the measure, exposed as they are with the utmost plainness in this judicial summing up, heralding a new era in which freedom of contract will be unknown. A stranger opening his newspaper would have been justified in assuming that we had become too accustomed to interventions of the kind to consider them deserving of comment. In the space set apart for law reports there appeared one morning the simple heading: "Court of Arbitration. (Before Mr. *Justice Cohen*, president, and Messrs. *W. D. Cruickshank* and *S. Smith*, members.) The Newcastle Wharf Labourers Union (claimant) v. the Newcastle and Hunter River Steamship Company, Limited (respondents)." Then followed a reserved judgment with nothing to distinguish it

from those which were printed in the same issue in ordinary litigation, from which it was separated in character by a great gulf. It marks an important epoch in the industrial history of Australia.

JUDGMENT OF THE COURT.

The judgment itself is far too long to quote, though it is of the greatest interest throughout, even to laymen. Some of its most conspicuous determinations merit a passing notice. The employees of the company prior to the passing of the Industrial Arbitration Act struck more than once for better wages and shorter hours. They were members of a trade union, and as such are now required to appeal to the court instead of striking. The company, not having paid its shareholders 6 per cent. for the past ten years, found itself obliged since the Act came into force to reduce expenses. Instead of continuing to give casual employment to unionists at a shilling per hour, or eighteen pence beyond ordinary hours, it offered 48s. a week for any service up to sixty hours, with overtime beyond that period at one shilling per hour between 6 a.m. and 6 p.m., or eighteen pence at other times. The union men refused this offer, and were promptly replaced by non-unionists, who have done the work required on these terms for the past two months. Much to its surprise, the company found itself compelled to justify its action before the new court. There was no contract broken, £2,000 a year was saved by the new arrangement, and some saving of the kind was obviously necessary in the interests of prudent management. A clearer case could not have been submitted, nor a clearer judgment given. The company is ordered to discharge its present hands, with whom it is satisfied, and who are satisfied with their treatment. They are turned out on the world to shift for themselves until they too become unionists. The union that formerly provided the labour is to have its members re-employed at the old rates and holidays obtaining under the "casual" system, which they refused to forego in April last. They are to have a monopoly of the company's work in future, except so far as they fail to provide all the hands required whenever they may be needed. The company is told without any hesitation that if it desires to make savings it will require to adopt some system distributing them over all associated with or interested in it. It must cheapen its management expenses and reduce its dividends in about the same proportion that it lowers the wages of its men. Whatever conditions existed in its service or that of any other employees at the passing of the Act are therefore practically stereotyped, and can only be amended hereafter by permission of the court.

EMPLOYER AND EMPLOYED.

Hitherto the law has only been concerned to insist that all contracts between employers and employed shall be honestly fulfilled on both sides. Henceforward the law itself imposes a contract arising out of the mere circumstance of employment, and forbidding its alteration except by mutual consent. As the president plainly stated the situation: "Parties may still make their voluntary agreements, and may mutually agree to vary or cancel them, but so far as employer and employed who come within the scope of this Act are concerned, existing terms and conditions of employment cannot be disturbed at the will of one party only ... This court is the sole arbiter of the fairness or justice of any proposed alterations in existing terms and conditions of employment." This is the new charter, not of liberty, but of industrial obligation imposed in New South Wales on the whole community. That section of it which neither employs nor is employed may be disregarded, for it is small indeed. Startling as it is in itself, perhaps the indifference with which it was accepted in Parliament and is now obeyed without protest by those affected is more amazing still. Private enterprise as far as master and servant are concerned disappears. Their relation is tacitly defined by an unwritten compact assumed to be in the public interest whose enforcement puts all businesses under the supervision of a State tribunal from whose "equity and good conscience" there is no appeal.

THE NEW COMMONWEALTH.

RELIEF FROM THE DROUGHT.

FEDERAL AND STATE ACTION.

AUSTRALIAN LOANS.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Jun. 17 1902; Jul. 26 1902.

Hope springs once more with the first winter rains, which were never more needed, never more welcome. It is true that so far they are partial and light, but they have broken the monotony of the dry weather that has afflicted us so long, and already men are beginning to plan, in trust of the future, how best to repair the ravages of the past. A few months since, when timely showers were spread over the arid area, it was thought that the end of the lean years had come at last. Men paid high prices for sheep and stocked up rapidly, merely to find the promise vain and the investments lost. The only flocks preserved are those whose owners can afford to buy artificial foods for them. Many a score of sanguine and adventurous "squatters", as they are still styled, owe their utter ruin to their confidence that the cycle of dry years had passed. We may be deceived again, but so far the season has been mild, and in patches of country, especially where forest sheltered it, the young grass is beginning to appear. Should the frosts delay a little longer they will be able to go on in those districts until the spring. Unfortunately the area thus favoured is relatively so small that the burden of our graziers is scarcely eased, and by no means lifted. The drought has not yet passed. It is only a promise of relief that has come, and for most of them it comes too late to avert calamity.

EXTENT OF THE RAINFALL.

The territory refreshed is not that which has suffered most. The rainfall has followed the usual track of storms from the westward, enriching the southern angle of Western Australia, the more settled districts of South Australia and of Victoria, the whole of Tasmania, and our own long line of coastal ranges and uplands. Inside this half circle there has been over the larger tracts of plains a variable succession of showers too transient to do much good, and only prized as harbingers of better visitations. Taking

the favoured region as a whole it is all farmers' country. The fall will be greatly valued by them, since it enables and encourages ploughing, and furthers the germination of seed already sown. The south-eastern corner of Queensland benefited to a very small extent, and its immense pastoral areas not at all. The farmers are still waiting for the monsoon rains from the northward, rather than in hopes of the westerly downpour that occasionally drifts to them across the central desert lands. The sheep and cattle runs there, as with us, remain wastes. Hundreds of square miles of country have relapsed into wilderness absolutely untenanted and wholly barren. There will be no lambing to speak of this season. Such ewes as survive are, as a rule, too weak themselves to rear their young. The throats of thousands of their offspring have been cut to save their mother's lives. They are also too feeble now to be removed to such places as still possess grass. Owners are fast exhausting what credit they have in the desperate effort to maintain them alive. The financial institutions that after such a time as this have become the real proprietors of the great bulk of pastoral properties are themselves subject to severe strain. It cannot cease too soon. The coast belt and its farmers may revive rapidly if we have a wet and a genial winter. The interior, overstocked by eager seekers after wealth, and insufficiently improved by them, has a gloomier outlook. The drought has not only slaughtered the stock and exhausted the resources of its settlers, but has terribly crippled the limited companies supporting them.

STATE ASSISTANCE.

A good deal has been done by the States, and particularly by New South Wales, to mitigate the trials of the men who have been hit. Rents have been remitted, stock has been carried by rail at low rates to the hill country where grass could be obtained, and fodder has been conveyed to those who could afford to purchase it for greatly diminished freights. Naturally the Opposition sought to induce the Federal Government to lend its aid, and strongly urged that the duties recently imposed on grain and hay should be temporarily suspended in order that larger quantities should be made available to purchasers and a greater proportion of their flocks saved. At first a favourable ear was lent to their representations, a deputation that went from Sydney to Melbourne received a sympathetic reply from the [Acting Prime Minister](#), and shortly afterwards Mr. [Wise](#), our Attorney-General, conferred with him on the best course to pursue. But in the meantime it became plain that there was a conflict of interests within the Commonwealth. New South Wales and Queensland were good customers for their neighbours, and were only too willing to sell them their surplus stocks at the high prices now ruling. South Australia and Tasmania, officially, and Victoria, unofficially, protested against any invitation to Chili and the Argentine to supply our demand by hurrying cargoes across the Pacific in competition with their

farmers. The Federal Ministry thereupon declared that as only two States asked for the remission while three opposed it, the Commonwealth ought not to take action at all, since it must make the concessions everywhere if it did so anywhere. Mr. Deakin explained that to remit duties in two States only would be an unconstitutional discrimination, and he suggested that the only remedy was for those States which were affected to themselves relieve the necessities of their stockowners. They receive the duties collected, and can disburse them at their pleasure. Of course, they could have done this without asking the consent of the Federal Government, and our Premier did not fail to say so. Further concessions for the carriage of food supplies for stock have since been made by our Railway Commissioners, though the condition of the finances in Queensland does not permit much liberality. After all, therefore, the duties remain, and are certain to remain. A considerable majority of the House of Representatives supported the Government when our Free Trade members challenged their inaction. The farmers have won. The pastoralists will get no remission of the imposts on farm produce.

THE GOVERNOR-GENERAL'S EXPENSES.

Ministers were also successful in obtaining the consent of the popular Chamber to the vote necessary to discharge the obligations incurred by the Governor-General on the faith of their promise to introduce a Bill providing for his establishment and entertainments. The result is, therefore, that Lord Hopetoun has received all that he had been led to anticipate up to the beginning of last month, when the House laid down its doctrine of retrenchment. He has had, in addition to his salary of £10,000 a year, £10,000 to defray the cost of his hospitality to our royal visitors, and £5,000 towards the maintenance of Government House. The official expenses in connection with his duties have meant about £8,000 more for the eighteen months of his residence among us. The total expenditure in connection with the Governor-Generalship for that period has been about £40,000. The Commonwealth outlay on the inauguration and the visit of their Royal Highnesses was £80,000 more. That of the States was probably half as large again, so that a quarter of a million sterling was added to the Australian Budgets for the ceremonials connected with the formal initiation of our Union. This is a considerable sum, cheerfully paid by our citizens and recalled without regret. It was solely owing to the unpardonable procrastination of the Federal Ministry that the relatively small portion of the gross amount paid to or on behalf of his Excellency was voted in circumstances which led to his resignation. Had this perfectly unnecessary incident been avoided, Lord Hopetoun would have probably remained for some months longer, or, at least, have retired in a more graceful way. Parliament has shown every disposition to treat him honourably.

PROVISIONS FOR THE FUTURE.

For the future, however, it has been made plain that quite a different conception of the duties of the King's representative is to prevail. He will have his £10,000 a year to spend as he pleases, one or two Government houses will be found for him furnished and rent free, with a few attendants for the official rooms, and probably a private secretary, at a cash cost to the Commonwealth of about £6,000 a year. Taking the rent into consideration his salary may be reckoned as equivalent to £20,000 a year. His Excellency's railway travelling, office and other expenses will be provided for in one way and another, estimated at £5,000 a year more. This will give a total annual outlay of £25,000 incurred in connection with the office, and sufficient for purely official expenses. To maintain an establishment on the scale introduced by Lord Hopetoun, and to entertain as lavishly as he has done, would imply that its occupant would layout something like £10,000 a year in addition from his own purse. Of course, this is impossible for most of the noble men qualified to fill such a post, and is repugnant to the self-respect of our people and Parliament, who have no desire that his Majesty's representative should spend more in Australia than he receives from its revenue. We are henceforth to expect a political and not a social leader, whose public responsibilities alone are to be deemed duties, and whose residence among us is otherwise to be on the footing of a private gentleman enjoying the society of his selected friends. Should any public festival or royal visit, or similar occasion present itself, it will be met by a special vote for the specific purpose. The Viceregal Court, the round of princely festivities, and the display at all important gatherings which were long ago foreseen and pictured by [Sir Henry Parkes](#) as being among the consequences of Federation are all to be foregone. Retrenchment is the watchword of the day, and it has begun with the most conspicuous figure in the Commonwealth.

NEW SOUTH WALES POLITICS.

It cannot be said that this wholesome if unpleasant principle has yet struck root in the Parliament of New South Wales. Though our Ministry was returned pledged to economy, it has shown itself resolute to resist any real reduction of expenses, and particularly of those associated with Parliament. The Opposition tabled its vote of censure on the Address in reply, supporting it boldly, but vaguely, with the encouragement of the Metropolitan Press. The debate which ensued was unreasonably prolonged, wandering widely over the whole field of current politics. Its upshot was a triumph for Mr. See, a majority of not less than thirty-nine votes, and another link in his alliance with the Labour section. His following is heterogeneous, but so is the minority opposed to him; his generalship consists mainly in following the wishes of his party, but so also does that of his rival, Mr. [Lee](#). There is little stability in the

House except in the Labour ranks, where it is enforced by a strict system of penalties. The fatal mistake of Mr. Reid in forcing the Free Trade issue on a Parliament impotent to deal with any such issue, and in which he himself had no place, has hopelessly disorganised our State politics, and though efforts are made from time to time to find a new basis for a fresh departure the attempt so far has failed. Whatever the Taxpayers' Union may accomplish in the electorates it is palpably powerless in Parliament. It seeks a reduction of the number of members in the Assembly to seventy-eight; the Government propose ninety-four. The first would mean that forty-seven seats would disappear, the other thirty-one. There is no guarantee that the Ministry are in earnest even in regard to the ninety-four. Its scheme, if adopted, is only to be put in force after a referendum, so that if it cannot be defeated in the House it may be assailed again at the polls. Should it become a party issue there, as it probably would, its success might still be made problematical.

AUSTRALIAN LOANS.

The contrast between the politics of a new country like Australia, of a vast area under development largely by means of public money, and an old country like Great Britain, relying for its improvements wholly on private enterprise, could scarcely be more effectively illustrated than by some passages from last week's debate. If an attack were made on the Treasury benches by leading members of the Opposition in the House of Commons on the ground that the expenditure under the estimates had been grossly unfair, because mainly confined to districts represented by Ministerial supporters, a very novel feature would be introduced. The British elector would be startled, indeed, if in reply Mr. Balfour read out a list from which he showed how many tens of thousands of pounds had been spent by the Government in the constituencies of Sir Henry Campbell-Bannerman, Sir William Harcourt, Mr. Asquith, Mr. Morley, and their associates. Yet this is exactly what has just happened in Sydney. Without counting the cost of railways made or remitted for consideration our Minister of Public Works declaimed with great gusto the names of a score of his opponents in each of whose constituencies sums varying from £8,000 to £71,000 had been spent during the year. He pointed with pride to the fact that he had only disbursed £3,500,000 of borrowed money during the last three years, and he made it his most memorable complaint against his adversaries that they had built six railway lines, which between them were now involving the Treasury in a loss of £150,000 a year. These admissions taken together throw a flood of light on our peculiar politics and our constant resort to fresh loans. Free from corruption as we are and even from its suspicion, the dangers of our situation arise from the curious circumstances of our growth. We are really a joint-stock company as much as a State. Our Government builds all railways, bridges, court-houses, and roads. Consequently the struggle of

every representative is to secure the greatest number of these advantages and the most costly for the benefit of those who return him. The Administration always has the strongest temptation to extravagance, because by this means it can easily help to keep its party together and maintain its popularity. No one is interested in the same way or to the same extent in fighting for economy. Even the Opposition dare not push its official demand for savings too far. Its members can be placated by grants for their districts, for their voters insist on their obtaining them. The marvel is, under such temptations and with the opportunities for wastefulness thus created, that our finances are not in a far worse condition. They are bad enough and are not mending, nor are they likely to be mended soon. Who is to undertake the thankless task of retrenchment while our almost illimitable resources keep our credit so good in London, and encourage those who have it at their command to exploit the future unduly for the sake of the present? Posterity is to bear the burden.

THE NEW COMMONWEALTH.

FIRST FEDERAL LOAN. POSTPONED TO AVOID DEFEAT. STATES' FINANCIAL POSITION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jun. 24 1902; Aug. 2 1902.

A jaded Federal Parliament, weary with more than twelve months' sitting, and with the constant travelling to and from legislative duties exhausting its strongest members; a jaded Ministry, two of its chiefs away in Europe, and one or other of the remainder generally absent from ill-health occasioned by the unremitting strain of administration added to their duties in the House; a Commonwealth whose commerce has been hampered for twelve long months by a projected tariff still in course of fabrication, while its primary industries have been blasted by a drought whose destructiveness is only beginning to be mitigated; a group of States whose politicians are seeking to resist the inevitable reductions which are required to pare down the extravagances of their former establishments, built up while they were independent of each other in policy and obligations—these are the conspicuous conditions of Australia to-day, and they are none of them satisfactory. Some such experience as we are now undergoing was doubtless inevitable. It very largely represents the price we have to pay for the reorganisation of our political mechanism on a national basis. The remainder is due to a long series of unfavourable seasons. Only a people of elastic energy and marked self-confidence could encounter such trials without losing heart or temper. There is much distress now, and will be more. Those who suffer complain. The rest of the community soberly and solidly plods on its way, absorbed in its own affairs, engrossed with the task of conquering the adverse circumstances at present surrounding them.

TARIFF PROBLEMS.

In the Senate the tariff is debated day after day, and there are few of its meetings that pass without adding more requests for a reconsideration by the House of the items it has approved. The Free Traders have a small majority, and use it steadily to enforce their views. The Government is in a minority and would be ousted from office at

once if the stronger party in the Second Chamber had its way. As it is it harasses Ministers as much as lies in its power, and having not only numbers but more than an equal array of debating power, it takes the offensive whenever it is possible to do so. Mr. R. E. O'Connor, the resolute and self-restrained Minister, refuses no challenge, and on occasions dauntlessly carries the war into the enemy's country by way of reprisal. Beside him Sir John Downer and Senator Playford, of South Australia, have proved to be the hardest hitters and most gallant combatants, keeping the bridge beside their leader in much the same spirit as Horatius' companions did—at all events in Macaulay's ballad. On the Opposition benches Sir Josiah Symon, also of South Australia, a master of forensic eloquence, has come into frequent collision of late with the champions from his own State and their chief. At his back he has a formidable group—Mr. Millen and Mr. Gould, of New South Wales; Mr. Clemons, of Tasmania; Mr. Matheson, of Western Australia; and sometimes Sir Frederick Sargood, of Victoria. But for the Labour section, which, though acting apart, distrusts the Opposition more than it does the Ministry, and whose ablest speakers happen to be Protectionists, the party struggle would soon be over. As it is, ties in the voting are frequent, and majorities of one or two the order of the day, though, until the divisions are actually taken, it is usually hard to say with whom success will lie.

This equality of forces makes for delay, while the Senate, under the stress of constantly close wrestling, small as it is, and decorous as it has been, now too often resounds with impolite personalities and heated insinuations. There, as in the House, the tediousness of strife over Tariff details, has led to a loosening of all party bonds and a weakening of discipline. The schedule of duties is not yet much more than half reviewed. An adjournment over Coronation week has come as a welcome interlude to all the combatants.

THE GOVERNMENT QUIVER.

With the Representatives, where the strain of the session has lasted even longer and has proved still more severe, the effect of the prolonged tension has become disastrous. It is two or three months since Mr. Reid was present in Melbourne, and of late his lieutenant, Sir William McMillan, has also been frequently absent. Sir Edward Braddon, next in command, having been driven to follow their example, the Opposition has been left practically leaderless and with only a handful of supporters during several recent sittings. These would have been hazardous tactics but for the fact that the Ministerialists were almost as few in numbers, and those were out of hand with sheer weariness. It has been in vain that Ministers have plied whip and spur; they could obtain no response to any stimulus within their control. Measure after measure has been brought forward to tempt the House to resume its labours. All have been so

carelessly or roughly handled that to have persisted with them would have involved too many risks. Even the Electoral Bill, for which the Labour section is most eager, could not maintain the attention of a sufficient majority to make any progress. This was the last arrow in the Government quiver and when it, too, missed its mark there was nothing for it but to cry a halt. Last Friday it was with difficulty that a quorum could be got together at all. Accordingly, after obtaining Supply, the House was adjourned for a month in the event of the tariff not having been sent back from the Senate before that time. In that unlikely occurrence the Speaker has been empowered to recall members to their duties, and to the crowning contest of the session. The two Chambers have then to agree on the schedule of customs duties to be finally adopted—that of the majorities of the Protectionist House or of the Revenue Tariff Senate.

THE FEDERAL LOAN VOTE.

No more surprising political event has occurred since the establishment of the Commonwealth, than the reception accorded to the Bill for its first loan. The colonies have so long depended on their borrowing for the funds necessary to their development that the influx of capital from abroad, though drawn at irregular intervals, has been regularly obtained and universally depended on. One of the recommendations of the Union to our citizens was the prospect of borrowing more freely and more cheaply on the collective credit of its States. It was assumed, both by Mr. Barton and Mr. Reid at the general election that resort would be had, as usual, to the London market for the money requisite to construct reproductive works connected with its transferred departments. Sir George Turner mapped out the financial future of the Federation on that assumption from the first. His Budget contained the customary list of works to be debited to loan account, and was passed at the time with but little indication of disapproval, though with some notes of warning criticism. The proposal was at last formally made to a thin House last week and after a discussion, the burden of which was antagonistic, had to be postponed to avoid either an actual or virtual defeat. Never in the history of Australia has a Bill for borrowing been set aside in such circumstances. One can hardly exaggerate the significance of an occurrence so unforeseen and so entirely at variance with the whole trend of our past policy. The new departure appears to be genuine in motive and free from party aims. It looks like the enunciation of a new principle.

POSTPONEMENT OF THE BILL.

The circumstances surrounding this remarkable incident convey no real explanation of its origin. There has been no effective change of opinion in the States. Their politicians are still eager to tempt investors to buy their bonds. No one could

question the security proposed to be offered, embracing as it would all the assets of the Continent. There was not much question as to the objects to which the proceeds were to be applied. The whole outlay was to be in connection with the Post and Telegraph Office, a great commercial and revenue earning department. The largest items of expenditure were for the purpose of bringing its telephone systems up to date, and of providing a special connection between Melbourne and Sydney. All of these are in a sense reproductive works, providing for the necessary extension of undertakings for whose use the public pay. Even if such of them as replaced old offices by new buildings of a permanent character might not in themselves imply any marked increase of income, they were necessary adjuncts. The amount to be asked was £1,000,000, of which only £660,000 was to be expended within the next twelve months. It was to be raised locally, and to bear interest at three per cent. The price to be realised was expected to approach par. In the circumstances, therefore, the whole transaction appeared to be unexceptionable, whether from the business or the political point of view. How, then, was it that the representatives of the same electors, who seem to favour loans in their several States, should have united to resist this most attractive Bill for our first federal borrowing?

TRUE SOURCE OF THE REFUSAL.

The Labour section, strangely enough, has of late years been as hostile to loans as it has been reckless in its demands on the revenue for old age pensions and high wages for State employees. But its graver motive in resisting this particular loan was avowedly in order to avoid the relief to the States on which *Sir George Turner* dwelt as his chief plea for its authorisation. The Commonwealth does not yet spend the fourth of its net customs receipts to which it is entitled by law. If it employed the sums that it now returns to the States but might retain, it could construct the works mentioned out of revenue. This would mean that in addition to the expenditure by the Federal Treasurer of £158,000 in this State and at its expense he would need to keep back £238,000 more for such of those works as are in New South Wales. This would deplete our local treasury by precisely that amount and thus greatly increase Mr. *Waddell's* embarrassments. Victoria is to have a deficit of £400,000 this year. If the postal and telephone services in that State are to be improved wholly out of revenue she will be £212,000 worse off next year than her Parliament expected. A similar deprivation would mean £86,000 to Queensland, £66,000 to South Australia, and £26,000 to Tasmania, or £178,000 altogether over and above the £120,000 already retained for similar purposes by the Federal Government. The position of the last group of States, already financially serious, would thus be rendered more acute. They would be obliged to retrench more deeply and tax more heavily. These tasks might have been sympathetically lightened, as they hitherto have been, by Federal

co-operation. Though outside the Labour section only the Radical followers of Mr. Reid openly acknowledge it, the instinct of antagonism between the central and the local Parliaments prevented this, and will soon prevent all other accommodations of the kind. This is the true source of the refusal to grant Sir George Turner his loan. Victorian and South Australian Ministerialists protested on the ground of economy, but for all that take the same attitude in this regard as the Opposition and the Labour section, with the full knowledge of what it means to their own citizens. Only the more considerate on either side are now willing to study the local treasuries. The majority turn their thumbs down whenever the States are at their mercy.

THE "BRADDON" CLAUSE.

Quite incidentally the local treasurers have had another confident misconception shattered by a few words from the Federal Treasurer. The "Braddon" clause requires the return to the States of three-fourths of the receipts from customs, and this has been locally construed to mean that each State could calculate on at least 15s. in the pound of the takings on the goods consumed within its borders. Sir George Turner announces that this division relates to the total customs of the Commonwealth and that each State, though subject to that deduction for Federal expenses, is also liable to have its 15s. in the pound invaded by demands from the Postal or Defence Departments, now beyond their control, whose local expenditure dictated by the Union will be debited to the States individually for the next five years at all events. To Queensland, which has been lavish in its outlay, and is now suffering terribly from a drought still unbroken, except along the coast, and to the other colonies similarly affected, this may prove another cause of grievance. Appeals against the Constitution are vain, and would probably be vain in any case. It is needless to reiterate the often repeated interpretation given in these columns of the inner meaning of the multiplying political incidents that point to this conclusion. The majority in the Federal Parliament means to insist on all its rights as against the States under the widest reading of its charter. It will spend £600,000 that might come to them rather than borrow itself. The Ministry has proposed both in its tariff and in its financial policy to temper the wind to the weaker among its members, but the Opposition and the Labour section together have been too strong in the one and may be too strong in the other. A tariff in which the interests of the States are ignored and a Federal public works policy carried on at the expense of their revenues must be coercive in its consequences. The dominating authority of the Commonwealth may be resisted by its strongest members, but the weaker must go to the wall unless the electors for whom both act think fit to interpose.

THE NEW COMMONWEALTH.

ATTACHMENT TO THE KING. IMPERIALISM IN THE STATES. CORONATION HONOURS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jul. 1 1902; Aug. 13 1902.

The news of his Majesty's illness has excited the profoundest sympathy among all Australians. The same spontaneous indications of popular feeling followed as are remembered to have occurred during his former critical illness at Sandringham. The public attachment to the Sovereign was manifested in scores of ways throughout the continent. All celebrations were promptly adjourned, and where the holiday proclaimed was not revoked it became a day of apprehension. The gloom everywhere manifested was in itself an unimpeachable testimony to the sincerity of the emotion pervading all classes and conditions. There was once more an absolute unity in the sentiments and prayers of the people of the Commonwealth. The King's reign, though brief, has been long enough to concentrate on him the loyal affection of his subjects under the Southern Cross.

NO "REPUBLICANISM" IN AUSTRALIA.

Canon Dalton returned from the royal tour with the discovery, among others, of a certain note of "Republicanism" in Australia, whose vague description has occasioned not a little amusement among us. He was a little right in his perception but hopelessly wrong in his interpretation of the characteristic that had attracted his attention. Democratic we are indeed, not in the narrow party sense of American politics, but in the true meaning of the word, endowed under our Constitution with the broadest of franchises and accepting faithfully the rule of the majority. But, no matter what the definition adopted, "Republican" we are not, either in the American or any other sense. Every practical test rejects such a presumption. Those who favour the system of government connected by that title do not constitute 1 per cent. of our electors. It would be difficult to diagnose the precise tendencies of so tiny a minority, but they are probably all separatists whose ideal is an Australian rather than

a British United States. The anti-monarchical feeling among us is even more difficult to put under the political microscope, so infinitesimal are its proportions. The most noteworthy feature of this small section, taken as a whole, is that it is recruited mainly from colonists as distinguished from the native-born. Except the few who have been brought up Pro-Boer Home Rule all-levelling ultras, and who inherit the antagonisms of the old world, there are no young Australians associated with what could be correctly styled a "Republican" policy.

RELATIONS WITH THE MOTHER COUNTRY.

There was a time twenty years ago when the revolutionary fraction was decidedly larger and more influential in politics. The Sydney *Daily Telegraph* and *Bulletin* were then its potent mouthpieces and the Australian Natives' Association its hope. Now only the *Bulletin* remains constant to the early faith which it preached so as to attract the annoyance of Mr. Rhodes, and its influence in this direction has been destroyed. The Australian Natives' Association, as it is usually styled, has become entirely loyal, though not conservative. These changes have been paralleled with you. Formerly the Colonial Office sought to interfere too often in our domestic affairs. It appeared too remote and unsympathetic to awaken confidence, while it was understood to view our aims at territorial expansion and the liberalising of our institutions with disfavour. With the dying out of the older generation of embittered Colonists there has been a gradual disappearance of most of the aggravating methods of Downing Street. Mutual confidence between the Mother Country and her Australian dependencies has since been restored, largely because of the frank consistency with which the federation movement was supported by both of your great political parties. To-day with us the Separatists are practically extinct. The handful who remain are associated with the Labour section, many of them influenced more by the desire to oppose all that their opponents cherish or to shock respectability rather than from any vigorous hostility to the silken-ties of our subordination. Some of the Labour leaders are intensely loyal, and the great bulk of its following could never be properly classed as "Republican". Enjoying as we do the utmost freedom of political and social development—under the protecting aegis of the British name and Navy it would be strange indeed if we were not loyal. The enforced and unflagging enthusiasm with which the masses spurred on their representatives and offered themselves for enlistment in support of the Mother Country in the South African War ought to have been sufficient to satisfy our clerical critic that his nomenclature was most misleading. Australia is neither Republican nor Separatist as a Commonwealth or in any of its States.

LOYAL INDEPENDENCE OF THE PEOPLE.

What the Canon probably perceived but misdescribed was the marked independence, assertiveness, and self-reliance of the crowds who welcomed the Prince and Princess of Wales. He was possibly repelled by a sometimes ostentatious, though often unconscious, exhibition of irreverent familiarity. The same qualities distinguished our contingents in South Africa, but in no way impaired their loyalty or efficiency. They are temperamental, bred of the conditions of colonial life and experience on the diggings or in the bush, where such class distinctions as survived the voyage to our shores were speedily extinguished by the all-embracing *camaraderie* enforced by an almost absolute equality of circumstances. This freedom of manner, with its absence of outward tokens of respect, implies nothing at all in the shape of destructive theories or disloyal opinions. The royal visit, though not without some amusingly embarrassing ebullitions of unconventional freedom, was not marred by a solitary incident in which offence was intended or received. Nor does Colonial loyalty stop there. The Governor-General and the Governors of all the States enjoy a similar immunity from anything like antagonism, open or covert, or of any kind. These representatives of the King are everywhere welcomed and honoured as such. Every loyal occasion is celebrated and every loyal toast drunk with more enthusiasm here than in Great Britain. Portraits of Edward VII and Queen Alexandra are to be found in many thousands of cottages in crowded cities and in the far-off solitudes of the interior. Australians, far from being Republican, are probably prominent among the peoples of the Empire in their attachment to the Throne.

UNITY OF THE EMPIRE.

The late Queen Victoria during her wonderful reign left an indelible and deep impression on the imaginations of her distant subjects. She came at last to embody an ideal of sovereignty in which the woman and the ruler were blended in such a manner as to kindle a chivalrous devotion in the hearts of both the savage and the civilised peoples under her sway. The politics of the Mother Country have always been familiar to us. The fortunes of [Beaconsfield](#) and [Gladstone](#), of [Lord Salisbury](#) and [Mr. Chamberlain](#) have been followed with intense interest and enthusiasm by tens of thousands of admirers whose suffrages could never be cast for them. But, on the other hand, they have also had among us battalions of opponents fired with partisan enmity and desiring to compass their defeat. The unity of the Empire was not expressed through them and could not be represented by them. They were party chiefs. The one absolute symbol of the unity of the race and of the nation has been the Crown, and consequently it is to the Crown that the outlying dominions have always turned as their closest and most enduring bond of patriotism. The royal veto exercised on our

legislation has been rarely employed, and when it is exercised is recognised as that of the constitutional advisers of the Crown. Under present conditions the Imperial Government is then felt to be, above all, a British Ministry responsible only to its electors and not to us. Our own Ministers are described in the Federal Constitution as his Majesty's Ministers of State, and it is through them that we look, in theory at all events, directly to our Sovereign. Until Imperial federation becomes organised we shall continue to retain our special relation as fiefs of the Crown. It may seem idle to dwell at length on so many obvious commonplaces as these, but such an epithet as that employed by Canon Dalton travels far. Unless corrected from the spot it might breed misconceptions which, because of the semi-official position he occupied, it would be difficult to eradicate. Except in a restricted social sense there is no "Republicanism" in Australia. On the contrary, we possess some ties to the throne and person of the King that are our own and almost indigenous.

COLONIAL ACCEPTANCE OF TITLES.

Take another set of evidences of the same characteristic. Twenty years ago the acceptance of titles by our public men was regarded rather as a mark of weakness, and the "Colonial-made gentleman", as the C.M.G. was described, was the butt of many jests. The wise and judiciously restricted distribution of these honours, coupled with the steady growth of Imperial sentiment, has entirely changed the current of popular opinion. Then it was considered somewhat perilous for an active politician to be so distinguished, and it would have been deemed fatal to a democratic leader. Now there is no such apprehension, even on the part of the Radicals, whose most trusted chiefs have been decorated. Indeed, it is now generally recognised that to have been selected for the K.C.M.G. is an additional political as well as social advantage. Hereditary titles have been rarely conferred, and the few instances in which colonists have been thus exceptionally favoured have not fulfilled the reasonable expectations entertained with regard to them. The prefix "Honourable" attached to members of our Ministries—Federal and State—and of our Upper Houses is eagerly sought after, and always strenuously insisted on. While there is no appetite for military designations such as satirists have described in the United States, there is everywhere a keen desire for those marks of distinction which are to be acquired by service in our Militia or in any civil capacity—municipal, educational, or political. Our democracy is by no means iconoclastic or indifferent to the awards of merit, or unwilling to recognise degrees of distinction.

HONOURS FOR AUSTRALIAN STATESMEN.

The list of Coronation honours just published has afforded an apt illustration of the general feeling on the subject. The *Earl of Hopetoun* has been inundated with congratulations from those whom he is about to leave on the more exalted rank which he is about to occupy. In a lesser degree all our local celebrities whose names appear among the fortunate are recipients of similar compliments, both from friends and opponents and the whole Press. Local jealousies have, of course, been carefully studied, as well as personal fitness in every instance. We are all gratified in New South Wales to find our premier position as a State emphatically signalled by the allotment to us of a double proportion of honours. Sir Edmund *Barton* takes the rank of a G.C.M.G., *Sir John See* a K.C.M.G., *Sir Henry MacLaurin* a Knighthood, while Mr. *Fosbery* is made a C.M.G. The Federal Speaker, *Sir Frederick Holder*, two other Premiers, and the *Queensland Attorney-General* have the K.C.M.G. Two Presidents of State Legislative Councils are knighted. Every State has been remembered, and in all the choice made is such as to need no explanation or apology. There is but one melancholy incident associated with the occasion. Mr. *George Leake*, the Premier of Western Australia, was to have received the Order of St. Michael and St. George, but having succumbed to a sudden attack of pneumonia was buried on the very day which was to have been made memorable by the Coronation. His loss will long be felt in his native State, whose public affairs he enriched by his trained legal mind, and his high sense of honour and his cheery good-fellowship endeared him to all parties. His was the not uncommon case in the colonies of a man whose political evolution gradually separated him from the friends and associations of his earlier years, though without losing him their regard. The necessities of constitutional government placed him in opposition to *Sir John Forrest*, with whose Conservatism he was in close sympathy, though it kept him out of office until his rival left the field. By this time he had become the leader of the Liberal Party and the independent ally of the Labour section, including the gold miners. He was a gallant political warrior, winning and holding office by his courage and strength of character. Yet he was never so absorbed by its cares as to lose touch with his professional practice or his interest in the busy work of development in a young country. A personality such as his made him a natural leader, and the centre of many varied subdivisions of opinion. He was loved as well as esteemed, a faithful friend, and a warm-hearted man of the world, whose sagacity and ability premised much to the future of his State.

THE NEW COMMONWEALTH.

DROUGHT AND REVENUE. OFFICIAL RETURNS ANALYSED. FEDERAL RESOURCES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jul. 8 1902; Aug. 15 1902.

To make clear the Australian position one must begin, as usual, by recognising that it embraces many contradictions, and proceed by distinguishing, not merely between States, but, particularly at the present time, between our wet and dry areas. All New South Wales and all Queensland beyond their coastal ranges and outside of Riverina still suffer from the blight of the most disastrous drought the continent has ever known. Whether it is the severest that has ever been experienced is still matter of contention, but it is certainly the worst that has been fully recorded. Light rains are general at the moment, but far from adequate. At the beginning of the last century there was a phenomenally rainless period, but the sufferers then were the aborigines and wild animals. This century sees the same territory smitten with the same curse, to the utter ruin of many hundreds and the distress of thousands of settlers, accompanied by the destruction of unnumbered flocks and herds. The latest estimate issued with some authority by the Stock Owners' Association, is that the 63,000,000 sheep in this one State ten years ago are now reduced to 25,000,000. This loss of 38,000,000 sheep has to be added to the much smaller but still considerable decreases occasioned by the same cause in Queensland and elsewhere. The drought reigns in the eastern interior, where its terrible sway over a vast region is illustrated by whitening bones and desiccated hides.

REAL EXTENT OF THE DROUGHT.

Alarmist accounts appearing in some newspapers magnify these facts disproportionately. The immense relatively well-watered and thickly-populated coast belt is ignored, and the good seasons of Tasmania, Southern Victoria, and the south-western district of Western Australia are omitted from their pictures. Each of these States suffers more at present from the dullness of its mining industry than from agricultural or pastoral losses. When the demand for the removal of the grain

and fodder duties was revived in Sydney last week **Sir John See**, who has personally an expert knowledge of the commercial conditions of this particular class of business, at once pointed out that our demand for artificial foods was being supplied by importations from southern farms on whose produce no duty is levied. His Government is now carrying these supplies over our railways for next to nothing, and is prepared if need be to carry them free. Prices for all commodities are higher than they were, but not so exceptionally high as to call for further action. These high rates are paid by us to our fellow citizens who have reaped better harvests this year than for many previous seasons. It is not often that the tillers of the soil in this country are able to earn more than a fair subsistence, and their prosperity to-day requires to be taken into account in any appreciation of the circumstances of the Commonwealth.

NATIONAL COMPENSATIONS.

Notwithstanding such national compensations, the pastoralists of New South Wales and Queensland may be forgiven if, like Job, they seat themselves in the ashes and refuse to be comforted. Theirs is, after all, the main industry of the Continent, and our dependence on it has never been sufficiently recognised by the townspeople, who command a majority in Parliament. Two-thirds of our exports and perhaps one-third of our annual profits come from this source. Its losses are and will be widely felt, and must take a long time to repair. But, going south again to our own Riverina and beyond it into Victoria, we find those graziers who have escaped the ravages of the drought are, like the farmers, pocketing much larger profits than usual because of the great increase in the value of stock. Meat is at British prices, and those who have beasts fit to kill are consequently flourishing, and are likely to flourish. Notwithstanding the diminution of our live stock, we are offering tens of thousands of breeding cattle to replenish South African farms which have been wasted by the war. In a word, while the plains are barren and deserted for want of grass and water, many thousands of square miles of hill country are fruitful and thriving now, and are preparing energetically to meet the demands of the coming season. While it is hardly possible to exaggerate the consequences of the drought where it obtains, it is preposterous to speak as if it embraced the whole of Australia. After all, it is confined to a part of the east, and that the least peopled and the least improved.

THE REVENUE RETURNS.

The next distinction to be insisted on is between our present and our future. An easy triumph over the pessimists might be won by those who profess to dispose of the gloomy reading of our prospects of production by a reference to the revenue returns,

which have just been published. These returns show that every State has received more than the **Federal Treasurer** had estimated, and the Commonwealth as a whole £400,000 more than his last calculation allowed, though that was greatly in advance of his first forecast twelve months ago. What is more, every State shows an increase of its gross revenue. All of them are saddled with deficits, but these are due entirely to the extravagance which has long been characteristic of their financial administration. For instance, in this State we have received from customs £1,000,000 more under the Federal tariff than we received last year under our State duties, £186,000 more than our Treasurer expected, and nearly £500,000 more than Sir George Turner anticipated when he framed his Budget nine months since. With his more sanguine views, Mr. **Waddell**, having assumed that he would close the year with a nominal credit balance, received nearly £200,000 more than he looked for, and yet, in spite of it, was £236,000 behind. No doubt £152,000 of this amount was due to special war and plague expenditure, but even then, with all the warnings of the drought before him, he was unable to keep his expenses within his income. We cannot hope for anything like rigorous economies in this State until the public prove themselves much more keenly alive to the consequences of neglect than they have yet done. But there is apparently no disputing the official figures or their import. They seem to refute once and for all the apprehensions expressed as to the condition of our finances. Like the last loan floated in London they testify trumpet-tongued to the soundness of our credit.

EXAMINATION OF THE FIGURES.

But the drought is not a myth notwithstanding these returns. The explanation is that it has not yet affected our income as seriously as it will affect it from henceforward. We have yet to pay its bills. Its influence on business is only now commencing to declare itself. When we discharge the debts it is creating we shall actually realise the magnitude of the catastrophe, and not till then. The year's totals just published are not to be relied on for other reasons. The first three months' collections at the Customs were made under the State tariffs, which are now abolished, and under the special circumstances of pressure attending mercantile operations conducted in anticipation of the immediate imposition of Federal duties. The next three months represents the collections under the tariff as proposed by Mr. **Kingston**, in which gradually alteration after alteration was made, some of them, such as the removal of the proposed duties on tea and kerosene, having very seriously depleted its receipts. Then during the last three months there has been the uncertainty among importers as to the final shape which the schedule of duties will assume when the numerous "suggestions" of the Senate for further reductions are considered by the House of Representatives. It is scarcely possible to draw any decided inference from the returns which have just been published, and even an examination of the revenue on unaltered

items during the last few weeks or months affords nothing like a firm basis for prediction as to the future. A careful examination of the Federal Treasurer's figures, while it certainly demonstrates his present possession of ample resources, really throws very little light on the financial year which opened on the 1st of July.

THE SUGAR REVENUE.

To begin with, the customs returns for Western Australia at present include duties on the products of other States at the same rates as formerly, because her local tariff has been kept in force by a special clause in the Constitution. But this peculiar privilege of hers is to be lowered by 20 per cent. from October next should the Federal Customs Duties Bill become law. In spite of it her imports from the rest of Australia are growing, and will tend to increase more rapidly as her duties against the rest of the Commonwealth decline year by year. Her revenue will therefore decrease in the same proportion. Then again, the very large revenue derived in Victoria from the £6 a ton placed on imported sugar will necessarily be whittled away as fast as the Queensland planters enlarge their production. Their sugar, which is grown by the help of Kanakas, pays only £3 per ton excise, so that if this were shipped to Victoria in sufficient quantity to meet her wants she would lose half her receipts from this source, since she would then be credited only with the excise paid on the quantities she consumes. Again, sugar raised by white men pays only £1 per ton, and if, as is anticipated, the southern part of Queensland and the northern river flats of New South Wales become able to supply the south with all they require, the Victorian, Tasmanian, South and West Australian returns from sugar must all sink to one-sixth of the sum they at present yield to the local Treasury. From typical illustrations of this kind it may be gathered how problematical the customs income of the Commonwealth and the States is, and must be for some time to come. We are still far from having reached a normal Budget in either case.

SIR GEORGE TURNER'S POLICY.

Australia is extremely fortunate in her first Treasurer, Sir George Turner, whose training during a long term of office in Victoria has given him a thorough grip of our finances. Having to cope in that State with a period of grave depression with its concomitants, retrenchment and economy, he accomplished his painful task without flinching and to the satisfaction of the public. Clear-headed, sober-minded, of unwearied industry, devoted to details, scrupulous, painstaking, and frank, he has now the entire confidence of Parliament and the Commonwealth. Feats of finance, daring enterprises, or brilliancy of rhetoric are instinctively avoided by his matter-of-fact intellect.

He has an open mind on all questions, but invariably decides according to the dictates of caution and conscience. His unimpassioned style and prudent reasonableness in debate are coupled with a conciliatory demeanour and thoroughness of exposition which disarm antagonists. There is nothing in the remotest degree revolutionary in his habit of mind, yet he never shrinks from the necessities of his policy, even when they demand drastic remedies. He represents the ideal of the average business man so well that he has become their trusted representative in a Cabinet which is mainly composed of lawyers, though he is himself a successful member of the same profession. While not standing out among the most conspicuous he has proved to be one of the most useful members of the Ministry. The mistakes which were made in his first estimates were discounted by his warning that in the absence of reliable data they were necessarily guesswork. He has made no mistakes in financial policy so far.

FEDERAL TREATMENT OF THE STATES.

The Government has endeavoured to be loyal to the States, and until now it has succeeded fairly well. It was legally entitled to have retained out of its £11,304,000 revenue one-fourth of its customs collections of £8,900,000. Instead of so doing it has restricted its own expenditure so as to return to the States much more than they could have demanded. The New South Wales Treasury thus received from the Commonwealth an extra grant of over £300,000, Victoria received nearly £200,000, South Australia £120,000, and Western Australia about £50,000, allowing for £200,000 raised under its special local tariff. Queensland alone obtains £30,000—less than three-fourths of her customs receipts—because her post office cost her £110,000 more than it earned in addition to the £185,000 spent on defence. For these deficiencies the Federal Government is in no way responsible. This year a great reduction is to be made by its officers, with Mr. Philp's approval, in her military and naval expenditure, so that her accounts may be balanced better twelve months hence. All depends on the House of Representatives. Should it refuse to sanction a loan for reproductive departmental extensions the States will be shorn of the surplus hitherto returned to them. They will all be driven into deeper difficulties. Their deficits for the year ending on the 30th of June amounted to more than £1,000,000. But for federal bounty they would have reached £1,500,000. Their revenues this year are not likely to equal those which were received during the last twelve months. They must either save £2,000,000 annually or see themselves become more and more involved, in spite of the gains accruing to them under federation. So far the Federal Parliament, under Sir George Turner's guidance, has been thrifty and in some respects penurious. The extravagance, heedlessness, and improvidence have been exhibited by the States, equally unwilling to recognise the change in their circumstances brought about by the creation of a central administration or to confess their financial dependence on the national Parliament.

THE NEW COMMONWEALTH.

POLITICAL SOCIALISM. INDUSTRIAL ARBITRATION. SCOPE OF THE TRIBUNAL.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jul. 15 1902; Aug. 23 1902.

How far the developments of the Mother Country and her dependencies are proceeding on parallel lines it must be left to the future to disclose. Yet on this parallelism we must depend for mutual comprehension. The extent to which the Canadian, South African, or Australian Briton differ from their kin in the old home of the race and from each other in consequence of the profound differences in their surroundings must also remain matter for speculation. Indeed, even when comparing the peoples of our several States, one seems already to distinguish characteristics which, like those of the Northern States of America, the Southerner, or the Western pioneer, commence to mark us off one from another according to the part of the Continent in which we live. Because we are adaptable we grow different. Without considering such issues too curiously, it is sufficient to note that they suggest the continuous necessity for at least partial explanations of our many novel devices in legislation and administration. We continue to employ the same names and to repeat the same phrases as are current in England in regard to policies and practices which are no longer identical and are often opposed. The distinctions are important and need to be insisted on.

PARTY NAMES AND MEANINGS.

In several of our States the Liberal is the Protectionist Party, and in all it embraces those who favour State interference, while Conservatism with us invariably includes those who resist it. A National Debt in Europe is rarely directly represented to any great extent by State-owned interest-earning assets. Practically all Australian debts are so represented, and to an indeterminate and varying degree, therefore, are not debts at all. Evidently in such case either English nomenclature must be set aside altogether or revised if we are not to multiply misunderstandings. There should also be constantly

borne in mind the consequences of our public investments. The Post Office everywhere is a Government venture, but we add railways, waterworks, and the proprietorship of immense areas of public lands to the cares of State. Political Socialism with us is to this extent a reality, while with you it is little more than a theory. That is our present position. What our policy may be a few years hence it would be hard to say. Our institutions are young and relatively plastic, possessing comparatively but small power of resistance to change. We are without the fixed forms of opinion and usage which, with their traditions, make so much for the stability of public life in Great Britain. The earliest colonists brought with them as their best heritage its constitutional spirit and methods of self-government, its business practices and social observances. All of them remain, but all of them have been or are being transformed as they become adapted to our national characteristics and to their entirely novel environment. It would be strange indeed if during a period of transition such as this and with a susceptible young people we should remain unaffected by our opportunities. We find ourselves, though a small and scattered population, in secure possession of vast domains remote from Europe and America, whose wide margin of virgin possibilities, rapid exploitation of unforeseen resources, and temporary disruption of class ties encourage the employment of expedients extemporised according to the occasion. We have become bold experimentalists, on whom the solidifying forces of the past find but intermittent place, and for whom precedents often exist, only to be acclimatised out of recognition.

STATE SOCIALISM IN INDUSTRY.

Considerations of this kind prepare the thoughtful mind for our new departures. Nowhere has our peculiar situation permitted a greater or graver departure than in the steady extension of State Socialism into the industrial sphere. In New South Wales we have the recent acquisition of the Darling Harbour wharves and preparation for the establishment of a clothing factory, in which the employees are to be public servants engaged in the manufacture of uniforms for their fellows who are engaged in other departments. A State coal mine and State ironworks are under discussion. Our local government is, therefore, enlarging the sphere of its operations to such an extent that the attempt of the Federal Parliament to retain the power of collecting duties on all goods which it imports has a practical justification. Our State, so it seems, may some day become a trader on its own account, carrying its own coal in its own ships to its own factories, from which it could supply its thousands of employees as if it were a co-operative society. If we lead the way our neighbours are sure to follow, and perhaps even the Commonwealth may ultimately be forced into the same path. We are not without object-lessons of the results to be expected. Taken as a whole, the Australian railways do not pay dividends; they fall a little short of earning interest and working expenses in average years. Yet they have a monopoly of this class of service, and if their

political managers were strong enough they could always have their rates adjusted so as to pay their way handsomely. If with all these advantages they fail to make profits it is certain that those avenues, now being invaded by Government, in which private competition is possible, will offer much less lucrative results for public investments.

TRADES UNIONISM.

But private competition itself is now assailed. Trades unions, the hot-beds of State Socialism, are more influential in Australia than they are anywhere else in the world. Probably our employers are better organised against their aggressions than elsewhere, though, of course, these voluntary associations have nothing like the unity and force which are possessed by the great trusts of the United States. Perhaps the most powerful combination of employees on the continent is the Australian Workers' Union, which includes the great majority of the shearers and station employees in the eastern States. Its counterpoise, the Pastoralists Union, is, if not the strongest, one of the very strongest combinations of employers. The strife between these bodies ten years ago in the outlying parts of Queensland, when the men outnumbered their masters and those who supported them by more than ten to one, almost approached the character of a civil war. Quite recently they have met each other again, and, according to the contrasted circumstances of two States, in very different fashion. The Factories Act in Victoria only applies to specified occupations and places, and does not include sheep shearing. In Melbourne, therefore, representatives of the two unions met in conference, and discussed their mutual grievances patiently and without acrimony for several days. The outcome was an agreement as to wages, hours, and other conditions of employment, which was apparently quite satisfactory to both. The vexed question of "freedom of contract", or, in other words, the right of the employer to engage men outside the union if he chose, was, indeed, expressly evaded. The Pastoralists declared themselves to be under no obligation to the contrary. The shearers formally asserted their right to work for whom they like. The important point is that, having thus satisfied their platforms, they did come to a practical arrangement, which will prevent both "strikes" and "lock-outs" for some time.

THE ARBITRATION COURT.

In this State the same parties, in order to try conclusions, are obliged, under our new law, to submit themselves to our arbitration court. Before so doing a preliminary question was raised of the greatest interest and importance. The theory of our Arbitration Act is that there should be but a single industrial union on each side, the one representing all employers and the other all employees in any particular

calling. To secure registration as “the” union is, therefore, a vital matter. Naturally the employers are all in one camp, but two bodies tendered themselves on behalf of their employees, the Australian Workers’ Union, with its history of a quarter of a century and thousands of members, finding a rival in the Machine Shearers and Shed Employees’ Union, a mushroom body of small dimensions alleged to have been created by the employers for the purpose of challenging the formidable Workers’ Organisation. This it did, and without deciding as to its *bona fides* Mr. Justice Cohen seized the opportunity to teach an astonished public precisely what any union may and may not do to control its members. When the Labour Section invoked the aid of this tribunal it was probably without any suspicion that the long arm of the law could be extended to revise its articles and to refuse registration to their unions until these were amended according to its decree. Yet this is what has happened, to the evident amazement of the employees affected.

THE JUDGE’S RULING.

The Judge was far from taking a narrow view of the scope of industrial unions, whether established by masters or men. Each of them might publish a newspaper, and deduct from the annual dues of its members in payment of their subscription to it. If this journal, as did that of the Workers’ Union, included black lists or other libellous matter, they as shareholders must be prepared to face their responsibility for damages in the ordinary Courts. Their paper could discuss political questions and advocate any legislation it pleased. Any union could establish a political fund, as in the case of the Australian Workers’ Union, where the levy was one shilling a year per member. On the other hand, it must not penalise its members by fines if they voted or worked at Parliamentary elections for other candidates than those which were selected by the labour caucuses. A union must not seek to disqualify in any way those who had formerly resisted it, nor must it penalise those in its ranks who accept work under a contractor or who purchase shearing machines, though both of these practices were sought to be forbidden. Such are some of the conditions which are now judicially imposed on trade organisations. Until the Australian Workers’ Union complies with these requirements its application for registration has been set aside. As to the main question, we have yet to learn whether the rates accepted in Victoria are to be adopted in New South Wales. The Court will decide that question when both parties are properly before it. In the meantime it is plain that the new or minor organisations, whether of employers or employees, must be absorbed. The doors of the old unions have been opened to those which have hitherto been excluded, whose political freedom has also been guaranteed to them after they shall have entered. To a certain degree the machine shearers’ organisation has achieved the object with which probably it came into being.

MR. WISE'S EXPECTATIONS.

Having coerced the employers and their workmen into two great unions in each business the expectation of Mr. *Wise*, the author of the measure, is that these will arrive at agreements by mutual concession, registering them with the Court without otherwise invoking its interference. One such arrangement has already been made, but whether it will prove to be a solitary instance or the harbinger of more treaties ensuring industrial peace remains to be seen. Troubles have already broken out at some shearing-sheds in this State, since the Victorian compact is not binding beyond the border, and it is doubtful if the differences between the disputants can be brought before the tribunal this season. When a determination is arrived at it will be not easy to evade or alter it. No such condition of affairs obtains beyond Australasia, and always supposing the Act to be maintained and enforced it must necessarily deepen the gulf which is dividing us from the Old World. We may still speak of private enterprise, of the liberty of the subject, of industrial independence, and of freedom of contract, but each of these phrases will have quite another meaning in Australia to that which it possesses elsewhere. It would be almost impossible to trace all the modifications which this class of legislation must itself make, and must enable to be made, in our social and political evolution. If we continue to advance at the same rate and in the same directions that we are now going towards State Socialism and the control of the industries remaining in private hands it will soon be impossible to present a faithful picture of Australian life to English readers without the aid of a special lexicon. It will require perpetual interpretations of the familiar language employed in the older world to describe the ordinary features of everyday business and politics here. We seem just now to be going off at a tangent, and though no doubt we shall be limited in our excursions by the hard necessities of commerce and revenue, it will require a considerable reaction to take us back into the old paths.

THE RETIRING GOVERNOR-GENERAL.

The primitive condition of public affairs and the immaturity—to use no harsher term—of our political manners have just been painfully manifested at the expense of the *Governor-General*. Such an incident, which would have been impossible at Westminster, illustrates in another direction the indefensible practices which are capable of being employed as political tactics among us. The country was startled last week when Mr. *Reid* explained from a public platform that he had just suggested privately to the Ministry that they should offer the first High Commissionership of the Commonwealth to Lord Hopetoun. Apparently he overlooked altogether the fact that, however high and honourable such a post might be in his eyes, it could scarcely be rendered worthy of the acceptance of a nobleman who has held much higher

positions both at home and in the Commonwealth. Apart from this consideration the amazingly indecorous and indiscreet publicity given to a proposal of such a delicate nature, which the Cabinet had not been allowed time to consider, and of which his Excellency was totally unaware, indicated unmistakably that the object in view was not to secure so eminently desirable a London representative for Australia, but simply and solely to strike a blow at the Government. Mr. Reid sought to embarrass and to further discredit Ministers in their relations with the Governor-General, whose departure to-morrow serves to remind everyone of the dilatory blunder which was made in respect to his allowances, and which is the immediate cause of his leaving us so soon. As Leader of the Opposition Mr. Reid acted astutely, but any advantage which he gained over his opponents was obtained at the sacrifice of his obligations to the representative of the Crown, whom he saddled with all the responsibilities of appearing to be a candidate for an office which he would not accept in any case, and which he could not decline, because it was not proffered. His Excellency escaped as well as he could from the unpleasant predicament in which he had been placed for party purposes by declining to listen even to his advisers or to express to them any opinions on the proposal or its possibilities. He thus tactfully relegated the whole matter into oblivion, scrupulously refraining from any complaint against Mr. Reid, as he has against the Government, because of its previous blunder. Yet if there be nothing for which he need thank either side in politics he has at least reason to appreciate the universal expressions of popular regret at our loss which have been showered on him from every part of the continent. Nowhere has he been more impressively honoured than in this State and in this city. New South Wales alone voted him the allowance which Mr. Chamberlain suggested two years ago, and Sydney alone has kept its Government House at his disposal, though he has been compelled to remain for the whole of his term in Melbourne.

THE NEW COMMONWEALTH.

FINANCIAL PRUNINGS. FEDERAL AND STATE POLITICS. CONSTITUTIONAL REFORMS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jul. 22 1902; Sep. 2 1902.

When the **Earl of Hopetoun** was sworn in at Sydney as Governor-General it was in the presence of tens of thousands of eager spectators assembled from all Australia and beyond it to witness the celebration of the birth of the Commonwealth. **Lord Tennyson**, his successor, took the same oaths as Acting Governor-General at Melbourne last week before three or four hundred invited Victorian guests assembled in the great hall of Parliament House. The contrast between the two ceremonies is expressive of the change which has passed over the Commonwealth during the past eighteen months. Like Lord Hopetoun we have “dreamed our dreams”, and have waked, as was natural, with a certain sense of disappointment. The scene has shifted from the lofty regions of the ideal to the ordinary levels of workaday life, with its thronging cares and contests. We are descending rapidly from poetry to prose. Our first Governor-General may be said to have taken with him all the decorations and display and some of the anticipations that splendidly surrounded the inauguration of our national existence. No man could have been better fitted for the part he had to play in it. But we have sobered since then and revised our estimate of his high office, stripping it too hastily, but not unkindly, of its festal trappings. The stately ceremonial was fitting, but it has been completed. Now that the fete is over we are once more obliged to resume business. We have paid the bill, and are shouldering the necessary task of earning a living in the old way.

LORD TENNYSON.

Lord Tennyson is almost unknown in New South Wales, though he and his wife have certainly established an excellent record in South Australia. Judging by repute, he differs in many respects from his predecessor, whose tastes were sporting and whose abilities were diplomatic. He is literary, artistic, physically strong, and of a

masterful disposition. Such a letter as that in which the Earl of Hopetoun bade adieu to Australia would be impossible to our new Viceroy; its note of pathetic personal sentiment and vibrant emotion, gracefully phrased, would be foreign to his nature. The few words he uttered on assuming office were curt and manly, and gave promise of a practically vigorous *régime*. He succeeded by virtue of a commission issued some time since to himself, and failing him to Sir Arthur Lawley, who, after a very short stay in Western Australia, has accepted a more active appointment in the Transvaal. That State will be distinctly the poorer for his loss, since he has proved his quality unmistakably. The misfortune is that such translations as his are likely to become more frequent than they have been. Men qualified to represent the King in these States are not too numerous. Those who succeed do so by demonstrating their capacity to undertake more arduous duties. Lord Rosmead and Lord Loch won their spurs with us before they were entrusted with the more onerous responsibilities of South Africa. Now Sir Arthur Lawley has followed them to the same perturbed country.

EFFECTS OF FEDERATION.

The effects of Federation on the status and functions of State Governors are only just beginning to be realised. Yet a struggle similar to that which has been proceeding between the Commonwealth and the local legislatures has been carried on in a politer fashion behind the decorous veil that conceals from the public all communications of a personal kind passing between the Governor-General and the State Governors. Without heat or disloyalty, but with resolute determination not to part with any tittle of their authority for want of protest, the State Governors have from the first been banded together with the intention of confining the newcomer within the strict limits of his higher rank. Our local Lieutenant-Governors have been, as might have been anticipated, even more zealous and sometimes less discreet in their attempts to maintain the privileges of their temporary offices at their highest possible power. Fortunately there has been no serious clash of interests so far, and the minor differences of opinion that have arisen have been disposed of without bitterness by the tact of Lord Hopetoun and the good sense of his colleagues in the States. The task of acting as supreme arbitrator between them on the points raised has been discharged by Mr. Chamberlain with equity and firmness. As we now see but one conclusion was possible. The trend of events and, more slowly, an appreciation of the new situation created by Federation have pronounced so decidedly against provincialism that almost without a struggle worthy of the name the issue between the Governors and the Governor-General has been settled.

THE GOVERNORS OF THE STATES.

The reason is not far to seek. Governors of the States, though still capable of rendering extremely useful service, have felt their hold on public opinion steadily diminishing. The respect paid to them was their chief distinction, and this they derived from the fact that each was in his own domain the King's chief officer. They were honoured on that account as intermediaries and not because of their personal achievements or general duties. Now that all boundaries within Australia have been swept away and a Governor-General has been selected, who is overlord everywhere, the local Governors are found to have lost their *raison d'être*. Wide as our area is, so truly are we one people that it is not wide enough to admit to popular acceptance even two representatives of his Majesty, much less seven. The six are being steadily, though insensibly, ignored. The Governor-General is now regarded exclusively as the one Viceroy both in the States and in the Commonwealth. The political and social functions which are required of the head of the local Executives can be sufficiently well discharged by men locally appointed, though some time must elapse before the climax is reached. The days of State Governors properly so called are numbered, and their heritage has been given to another.

CURTAILMENTS IN THE STATES.

The reform movement is also responsible to no small extent for the decrease of the prestige of the office of Governor. It has been calculated that Australia spends upwards of £100,000 a year on its seven representatives of the Crown, and suggested that it would be wiser to adequately provide for one rather than stint half a dozen. At the same time it is plain that this specious argument is not to be trusted as a pledge of generosity even to one, seeing that the Parliaments, who save by such curtailments in the several States, contribute nothing more on that account towards the Governor-General's expenses. These are determined by the Federal Houses without regard to the economies effected or proposed to be effected in the States. Their mood is anything but relenting. Last week the Senate considered the exemption passed by the representatives making all goods for the official use of the Governor-General and State Governors free of duty. The attack on this very inconsiderable concession was not made by the Labour section, though the amendment had its hearty support, but by *Senator Clemons*, of Tasmania, one of the leaders of the Free Trade Opposition. *Senator O'Connor*, on behalf of the Government, appealed in vain to his supporters to resist the amendment, being defeated by the very unusual majority of fifteen votes in a Senate consisting of twenty-three members. There is no hope that a Chamber in this mood will deal any more liberally with the allowances about to be fixed for future

Governors-General. So far Lord Hopetoun's implied protest against the reductions already insisted on appears to have been of no avail. Irrespective of party lines, both Houses have committed themselves absolutely to this retrenchment.

PARLIAMENT AT WORK.

The Parliamentary season has opened, and the States are now clattering along their local political highways with renewed energies after their annual recess. The Federal Senate, in the hope of a brief adjournment, is at last disentangling itself from the innumerable coils of the Tariff schedule, while the House of Representatives, after a breathing interval of a month, is preparing to deal with the crowd of "suggestions" resulting from its yoke-fellows' debates. The interminable strife between the Protectionist Government and the combined revenueists and Freetraders opposed to them, though it has long passed out of sight of the "Man in the Street" in a cloud of petty details, is at least understood as to its main purport. Shall we preserve or sacrifice the industries dependent on duties previously imposed in the States? Shall we collect from our seaboard Customs sufficient to meet the needs of the Federal Departments only, or shall we weigh the wants of the States and adjust our impost as far as possible in the interest of the weaklings? The Ministerial policy is to keep the industries we have, and if possible to add to them while raising enough on imports to ease the local treasuries over the pressing difficulties which have been occasioned by the establishment of federation. On the other hand, the Opposition deems the only industries worth saving to be those which can survive the shock of foreign competition, and, following the lead of the Labour section, has decided to force the States to undergo the same severe but healthy regimen of self-dependence. Their prospects are, if anything, improving. Mr. Reid has been conducting a very successful campaign in the country districts of Victoria generally against the Ministry and particularly adverse to its tariff. There has always been a strong Free Trade remnant in that State to whom his vigorous and humorous rallies are imparting fresh courage. Its fruits will be visible at the next election.

PARTY MANOEUVRES.

To follow the six State Parliaments through all their vagaries would be beyond the scope of any except the professional student of party manoeuvres. Broadly speaking, they may be divided into two classes—those which are economising and those which are not. Of these last there are but two—New South Wales and Western Australia, the most prosperous and progressive States in the Union, who, because they are escaping the present pinch of want, mainly by short-sighted financing, are devoting

themselves to the ordinary subjects of Australian legislation—their lands, railways, and public servants. **Sir John See** has a majority behind him, which, though pledged to Parliamentary reductions, intends to postpone as long as possible all such unpleasant self-sacrifices, and to make them as few and as light when they are undertaken as the pressure of public opinion will permit. Judging by present indications we shall accomplish little in the way of savings. In Western Australia the new and popular Premier, **Mr. Walter James**, commences his administration with a majority as large as those which rendered **Sir John Forrest** able to achieve so much during his prolonged reign. But there is nothing like the coherence or cohesiveness that then obtained in the curiously composite phalanx behind Mr. James. He is new to responsibility, of a fiery if not hasty temper, and of advanced ideas. His spare, slight figure makes as marked a contrast to the physical bulk of the former Premier as his policy and tactics are likely to afford when measured against the deliberate habit of waiting for popular sentiments to ripen which helped Sir John Forrest to go with the tide from first to last. In the West, as in this State, the financial trial, though delayed, cannot be avoided.

BOLD POLITICAL PROPOSAL.

Among the remaining States whose one common condition is that of shortness of cash, perhaps the boldest political proposal comes from Tasmania. **Sir Neil Lewis**, its Premier, has evidently been studying Canadian precedent to some purpose. He has met the reform proposals, which aimed at diminishing the existing Chambers to such tiny proportions that the Legislative Council would have included only ten members on its roll, by a counter proposition for the substitution of a single Legislative Chamber of thirty members in place of the existing two. His willingness to allow them to be elected on two distinct franchises could be but a temporary arrangement. A marked difference in the electoral qualification of members sitting in the same House could not be expected to endure. The **Irvine** Ministry in Victoria has taken the less adventurous course of proposing to adopt the provisions of the Federal Constitution for joint sittings of its two Houses, the Assembly elected as now by manhood suffrage, while the council would be chosen in future on the ratepayers' roll. The increments of all branches of the public service are to be stopped, their hours somewhat lengthened, and the numbers of members of both Chambers reduced by nearly one-half. **Mr. Philp**'s scheme for Queensland is not so thorough, its stoppage of increments being limited to two years, and its collateral reductions and taxes promising comparatively smaller advantages. The great size and natural wealth of the State is evidently relied on as of old. In South Australia, the political pruning having been completed, there are now a series of other endeavours, under debate to make both ends meet. The Northern Territory is a dead weight on its treasury, which no such hopeless project as that of a transcontinental railway to be constructed by

foreign capital on a land grant basis is likely to relieve. Sound as its financial policy always has been, its territorial ambition has outrun both the discretion and the means of its people. In each of these four States satisfactory progress is being made in the direction of administrative economy, but the policy of retrenchment must continue and be pursued farther and longer than those who are charged with the care of their public affairs appear to understand. The drought remains, its ravages will take years to repair, the control of the Customs has gone from them, and yet their expenditure proceeds as if these grave conditions could be ignored.

THE NEW COMMONWEALTH.

“WHITE AUSTRALIA” POLICY.

TARIFF DIFFICULTIES.

LEGISLATIVE DISPUTES.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Jul. 29 1902; Sep. 4 1902.

Even a Chinese play of the most fashionably romantic character could scarcely bear comparison in duration with the great fiscal drama which has occupied our Parliamentary stage for the past ten months. The curtain is only now about to rise on the third act of the piece in which, according to tradition, the action should reach its climax. Its first act consisted of the minute reshaping given to the Government proposals by the House of Representatives. The second act has exhibited an almost equally prolonged and detailed criticism of the same character in the Senate. Last week in haste—one might almost surmise in a fit of impatience or of deadly weariness at the protracted party warfare, full of ambushes and surprises, that has been proceeding for many months—its members with a desperate effort broke through their bonds and escaped. They have been allowed a formal fortnight of holiday, though it is expected to be three weeks before they resume business in earnest. The interest of the fourth act when the tariff comes back to them will depend on the reception that their proposals meet with in the House. It is improbable that the play will end there, nor can it be predicted as yet whether the inevitable fifth act will discover a prosperous or a fatal finale.

TARIFF DIVISIONS.

It must be admitted that the party demoralisation and general disorder apparent in the House during the last stages of its tariff debates were repeated in the Senate. In both the physical and mental strain proved more than the combatants could endure with equanimity—and in both it was the majority that suffered most. In spite of Mr. Kingston's appeals the Protectionist ranks were cleft and his schedule shattered in many places under the severe stress of the last weeks in the House. Sir Josiah Symon's absences from the Senate, owing to his professional engagements in Adelaide, were

even more disastrous to his followers than Mr. Reid's months of practice in the Sydney courts. It is a misfortune that our Ministry of lawyers is opposed by legal leaders of the Opposition in both Chambers, who are compelled to attend to their briefs in their own States. Senator Gould is not as efficient a chief in the Senate as Sir William McMillan has shown himself to be in the House, and consequently the Free Trade Party went to pieces badly in the closing hours of the session. Revenue Tariffists like Sir Richard Baker definitely broke away, and at last Senator Gould himself, with another colleague from this State, engaged in an open duel with the rest of their party, whose attack on the tobacco industry, chiefly centred in Sydney, was resisted by them with much heat. While unseemly scenes of this kind divided the majority, Senator O'Connor, the able and masterful Minister in charge of the Bills, took advantage of their rout to defeat attacks on the 30 per cent. customs duties on boots, which was always regarded as among the most obnoxious Protectionist imposts, and finally to pass the Excise Bill without a single amendment. This last coup, utterly unexpected and most injurious from a party point of view, actually left the honours of the field in respect to the tariff in the hands of the Ministry, though practically it has always been in a minority, and even with the assistance of the bulk of the Labour Party it has been rarely fortunate enough to do more than divide the votes equally.

THE EXCISE ACT.

From the public standpoint the passage of the Excise Bill, though it relates to only a few items, is of considerable moment. The articles affected—stimulants, narcotics, starch, and sugar—are largely revenue-producing, and though the Protectionist incidence of the duties on imports of these classes of goods in the Customs Bill will remain uncertain until it is passed, it is not sufficiently important to deprive the fixity of the levies on local production of its good effect. Ministers were prompt in securing the Governor-General's assent to the measure, and on the same day issued their regulations under it at a special Executive Council. The most significant feature for which these provide is the rebate of £2 a ton granted to those planters who have employed only white labour in the cultivation of cane during the present season. Owing chiefly to the drought the sugar crop this season promises to be small everywhere, and partly on the same account the quantity in the cultivation of which coloured labour had no share will be relatively small. In this State the success of the Ministerial policy has been complete. Our fields have always attracted a large proportion of white men, and the whole of the seventeen thousand tons of cane expected to be cut will have been produced by European labour alone. In Southern Queensland the estimate is that 16,000 tons more will be made available under similar conditions. This means a loss to the revenue of some £66,000 and a displacement almost to the same extent of Kanakas and Hindoos. The White

Australia policy of the Commonwealth Parliament is now in full swing. After next year no more Pacific Islanders can be introduced. Those who elect to remain and are allowed to do so will be moved northward. The stimulus of the rebate will lead to a steady substitution of white workers up to the degree of latitude yet to be determined, beyond which the industry cannot be maintained profitably without black labour.

REDUCTION OF DUTIES.

The Excise Act may yet stand for some time by itself on the Statute-book awaiting the arrival of the larger measure which is its complement. The Customs Bill schedule if revised as the Senate desires would be altered in more than a hundred places. By far the greater number of these alterations relate only to specific exemptions from duties of small classes of goods of no value. The noteworthy changes do not much exceed a score, though in some instances each of these affects several items. They are serious and will be gravely debated, though none of them singly could be considered revolutionary. The most provocative aim at reducing the duties on mining and other machinery from 15 per cent. to 10 per cent., on hats and caps from 30 per cent. to 25 per cent., and on a number of agricultural products, cheese, bacon, and the like, in varying degrees. These reductions are certain to be resisted, and particularly the last, on the ground that during the present exceptional season these very duties have compensated farmers in the wet districts for the smallness of their harvests by keeping prices up. They will be as warmly attacked on the ground that in normal years they are meaningless excrescences on the tariff. But these duties, even as they are, have not succeeded in shutting out supplies from the Argentine. Shipments of maize from that country are now being offered at much lower prices than those now ruling for the local product. Our settlers who are just landing in the New Hebrides will thrive despite the tariff for the next few years if the rates can be kept as high as at present. Even the drought, deadly as it continues to be to us, is not without its compensations.

PROSPECTS OF A SETTLEMENT.

The representatives are not likely to accept the principal modifications suggested, and the question will then arise how far the Senate will give way, and on what proposals it will stand firm. If the items are dealt with on their own merits there is every reason to hope that a reasonable settlement will be attained. The most dangerous contingency would be presented by a conflict between the two Chambers based on antagonistic claims to supremacy. Everywhere in Australia such duels are familiar. They have been frequent in all the States, but nowhere are there so many temptations to this kind of

strife as in the Commonwealth. Its written Constitution contains a general definition of the powers entrusted to each branch of the Legislature sufficient to enable the Senate to claim an authority which is not possessed under any charter by any Second Chamber known to the English-speaking world except its namesake in the United States. Over ordinary legislation it is expressly endowed with rights co-equal with those of the House, and even over financial measures its sway is little less. But it cannot originate the latter, and it cannot amend either appropriation or taxation bills. What it can do is to request the House to make the amendments which it desires. If the Senate is not satisfied with the response received to its suggestions it can reject the measure altogether. This was the great compromise of the Convention, earned by a narrow majority only, but at last accepted as the one possible means of satisfying the ambition of the House for financial superiority and the resolution of the States to limit this power of the popular Chamber as much as they could.

CUSTOMS BILL STRUGGLES.

Just how far the compromise means anything has yet to be decided. The Customs Bill will afford the first opportunity for a trial of strength. The precedents about to be established will have high authority, because they are the earliest and because of the importance of the Bill out of which they may arise. For the representatives to concede all that the Senate asks would render its requests equal to amendments, while to refuse all would be equivalent to rendering the constitutional concession an empty form of words. It may be taken for granted that there will be a discriminating acceptance and rejection. The merely verbal alterations requested will be made and some minor duties diminished. But beyond that not much is likely to be surrendered. The Protectionists cannot yield the chief remissions of duty asked for, nor can the Ministry invite them to make the sacrifice. A sop to Cerberus is all that is to be anticipated. On this principle the House is sure to stand firm, and that is to resist increases of duties wherever proposed. Those requested are few, slight, and almost without exception designed to avoid anomalies, but they are for all that conspicuous enough to attract attention. Those who put their faith in the financial mastery of the popular Chamber, and who are never weary of declaring that the Senate, being ruled by a majority returned by the less populous States, represents only a small minority of the people, will assuredly oppose to the full extent of their influence any minute increase of taxation on the authority or at the instance of the Second Chamber. Strife on these grounds would be bitter, and quite possibly calamitous. Ministers are certain to steer as far away from these particular rocks as possible, for if the current prove too strong for them, and they are driven on this contention, they can hardly hope to escape the shipwreck of their measure.

ANOMALIES OF THE TARIFF.

The dominating influence likely to avert such a catastrophe is that of the commercial interest which is already much affected by the uncertainties arising out of the tardy progress of the Customs Bill. The tariff is not at all to the liking of our Sydney merchants, but they would prefer this or any other rather than the constantly changing scheme of duties from which they are now suffering. They have other trials, too, from which they seek relief. The chairman of our Chamber of Commerce has borne public testimony to the admirable draughtsmanship of Mr. Kingston in his Customs Act and the other Statutes associated with it, but at the same time he complains in the strongest fashion consistent with politeness of his administration of these measures. It has always been the custom in the States to allow obvious blunders made in passing entries to be excused, or if they were of a suspicious character, to punish them privately by appropriate fines. Mr. Kingston, autocratic as he is in temper, will not trust himself or any of his officers to decide whether a mistake has been accidental, harmless, or culpable. All alike are sent to the courts and everyone responsible for them is fined publicly, sometimes by very reluctant Benches, obliged so to do by the severity of the law. There have also been great delays in the removal of anomalies in the interpretations of the tariff current in the various States owing to Mr. Kingston's energetic determination to secure uniformity by personally deciding them all himself. The consequences of his Draconic infliction of penalties and assumption of the entire responsibility for decisions on the many problems arising at all Australian ports have aggravated importers and those who are associated with them into a frenzy. The Minister, however, remains unmoved.

THE NEW COMMONWEALTH.

IN THE GRIP OF THE DROUGHT.

TROOPS RETURNING.

EMPLOYMENT PROBLEM.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Aug. 5 1902; Sep. 16 1902.

The monotony of references to the drought faithfully reflects the monotony of its persistence. Our winter rains are falling lightly and only on the highlands. The immense Australian steppes which stretch from the Gulf of Carpentaria to beyond the Murray and from the coast range on the east right across the continent are lying absolutely barren. In many parts of these there is no wish for showers at present. If they came they could not bring grass while the frosts are prevalent, and would help to diminish the fast-dwindling flocks of sheep too feeble to face wet and cold together. But unless the rains come in a few weeks the settlers "out back" will be faced with yet another season of suffering and loss. Many more of them will sink beneath their load of misfortunes and great tracts of partially-improved country will go back into wilderness. Most of it is already depopulated. There will be no spring in these regions, and summer will come only to scorch an empty desert, containing here and there on its most favoured patches little groups of grim, much-enduring graziers and farmers waiting for the long-postponed beginning of a fresh cycle of fruitful years.

GLOOM AND BRIGHTNESS.

A shearers' strike is being added to our troubles, but drought is the dominating factor of the whole situation. Its disastrous effects, apart from everything else, are felt in every sphere of business and walk of life. Yet, so much admitted, it is plain from the last files of British newspapers that have reached us that its relative importance is greatly over-estimated by them. It is forgotten that with us the dearth of rain is always more or less in evidence. There are almost always areas of insufficient rainfall somewhere. Cycles of deficiency are periodical, and our people are accustomed to face them. The present drought surpasses all its predecessors both in extent and in persistency. But after all it is localised, and great as are its realms of desolation they are not Australia.

Millions of acres are watered and grassed still, and what would be regarded anywhere else as immense flocks and herds are pastured on them. Though our mines, as a whole, are not flourishing, mainly for want of proper financing or modern appliances, our gold yield is larger than ever. Silver, lead, and copper ventures are depressed because of the fall of prices, yet they still afford employment to thousands. The ploughed area this season will not be much less than last year, and the farmers may reasonably anticipate high prices for their crops. The sugar cane cut will be smaller, too, but owing to the generous policy of the Commonwealth, adopted in order to secure the employment of white labour, the planters will not only escape the ruin that has befallen their West Indian *confrères* but will receive a full return for their investments. Town industries are well maintained, and in Sydney are flourishing under the impetus imparted by the new tariff. These counterbalancing considerations have their manifest effect. The customs revenue is often taken as a fair test of a people's prosperity. This State has been hit harder by the drought than any of its neighbours. Yet last month our receipts from customs were higher than they have been ever since the colony was founded. The Australian total was also the highest on record. Side by side, therefore, with the tale of loss and misery that comes from the interior, we have prosperity on the seaboard.

THE SIMPLE SECRET.

Australia is big enough to make great gains as well as great losses at the same time. This is the simple secret of our condition, overlooked by those who, whatever their knowledge of our circumstances may be, unconsciously measure our continent by insular standards of area and modes of production. They cannot judge even New South Wales without misconception, because that colony so far exceeds the dimensions of Great Britain. Queensland is much larger and Western Australia larger still. With reasonable government these three States, because of their vast natural resources, must before long surmount their troubles. They stand in need of political reformation and are laggard in economies. South Australia has secured these, while Victoria and Tasmania are taking steps to the same end, but in the meantime, being less favoured, all three are in a condition of suspense. The drought is now affecting the northern part of Victoria more than it has done hitherto. Her recent loan in London, though only for a million, was offered at too high a figure, and consequently was coldly received. The reduction of the duties under which some of her industries have lived has decreased employment for the time. As in Tasmania and South Australia, the farmers who live in wet districts are flourishing, and there is no danger of retrogression in any of the States. All three are soberly administered and have commenced their retrenchments sagely, but the natural result of these is that there is less elasticity in their business and finances than is customary in Australia.

A stagnation in the Southern labour market has been brought under notice by the unhappy position in which our soldiers find themselves on their return from the war. The situations they left have been filled and there are few fresh openings to be found.

RETURNING SOLDIERS' DIFFICULTIES.

A deputation waited on the *acting Prime Minister* in Melbourne last week, and stated its case frankly. The members of the deputation said they had no desire to leave Australia, and indeed were prepared to work for much lower pay than was offered in South Africa, of whose climate and conditions they spoke with unanimous disapproval. But there was apparently no work for them in the country, owing to the drought, or in the cities, whose wage funds had been depleted by tariff changes and by the policy of retrenchment. If Victoria had no place for her sons they would be obliged to go elsewhere, and naturally they looked back to the country they had lately left, where their services were in constant demand. What they sought were "indulgence" passages on board the transports just commencing to discharge their crammed decks of returning contingents. The Government, obviously unwilling to part with so many of its most enterprising young men, professes apprehensions which may be justifiable lest they should find the Transvaal and Orange River Colonies equally overcrowded. The employment problem here is only commencing to appear, for until now our men have been returning by dribblets and at intervals.

There are some thousands now about to arrive whose absorption under the circumstances will be attended with much hardship. The drought, besides depriving us of our largest natural outlet for expansion, has increased that congestion in our cities which has always been an unsatisfactory feature of our development. We cannot reconquer the territory temporarily rendered unproductive, nor add to it until the rains return, without which its occupation must remain unprofitable.

SETTLERS IN THE NEW HEBRIDES.

In these circumstances attention is likely to be directed to some extent, at all events, to our "dependency", New Guinea, and probably also to the New Hebrides, where our first party of settlers has lately arrived. All of them were driven there by the drought. They are charmed, as all visitors must be, with the beauty of the islands and their abounding fertility. The usual tropical trials accompany them, great heat, moisture, and malaria in the low lands, a dense scrub to be cleared before planting can be undertaken, an unpleasant abundance of insect life, and remoteness from the pleasures and comforts of civilised life in the temperate zone. These may be overcome or endured should it be possible to procure the two first essentials of cultivation, land and labour. There is an

ample extent of rich volcanic soil if only secure titles are made possible. For these we must wait until the Joint Land Commission representing Great Britain and France, for which we have been pleading so long, has been appointed and has attacked its task. Native labour is near at hand and fairly efficient if obtained from some other island than that in which the planter resides. There is not sufficient consistency in the Kanaka character to allow him to keep at regular work anywhere within walking distance of his tribe. He will not engage then for more than a month. If the sea separates him he continues contentedly enough for the season or for two or three years while accumulating savings. To enable the settlers to thrive this labour is indispensable. It will be one of the most responsible of the duties of **Captain Rason** to supervise the contracts by which it is obtained and the treatment accorded to those engaged. As British Resident the land and labour questions will constitute his chief concern.

NOT A WHITE MAN'S COUNTRY.

The New Hebrides can never at any time become a white man's country, except to a limited extent. While pioneering has to be done and land titles are uncertain it can accommodate but a few hundred settlers. French efforts at annexation are periodical. The natives are fast dying out, and when they are gone it will be necessary to seek elsewhere for coloured labour. At present British residents are dependent on French recruiting agents, whom they pay £10 per head for the "boys", whose wages range from £6 to £15 a year. Dried cocoanut, "copra", is the best paying product, but the trees take five years to come to full bearing. Maize at present prices is so remunerative that a single crop pays for the destruction of the jungle necessary everywhere as a preliminary to cultivation. But unless the Federal tariff is relaxed on the produce grown in the islands it will prove a considerable obstacle to trade. Eleven of the first shipment of Australians made a start on allotments of five hundred acres each, taken on long leases at merely nominal rentals. Their example will attract others who have been waiting the results of the first trip. The men who have decided to stay are all accustomed to bush life, experienced in cultivation, and possessors of some capital, so that there are fair prospects for the new departure. But it offers no solution whatever to the question how we are to dispose of the hundreds of young men, healthy, capable, willing, and practically penniless, now returning to our shores.

CONDITIONS IN NEW GUINEA.

In New Guinea a field wider and equally virgin is open under the British flag, but it is agriculturally even less tempting than the New Hebrides. The climate is hotter, the fever more severe, the capital required larger, and the risks from brawls with the local tribes considerably greater. Many white men are still mining, but their earnings are indifferent

when allowance is made for the hardships they undergo. A recent visit paid by **Sir Francis Winter**, the Administrator of the possession, to the North-Eastern District under his control has recently been described by him in a report published for general information. From this it appears that inter-tribal wars are much less frequent than they were, and that cannibalism is becoming rare as the influence of the Government, based on the confidence of the Papuans, is steadily extended. A new settlement formed by the Dutch at Merauke, near the border which divides their domain from ours, has been formed to take advantage of rich land and at the same time control the inhabitants whose habit it has been to indulge in annual head hunting expeditions into British territory. Some fears were entertained that this port might be set up as a competitor with Thursday Island for the headquarters of the pearl fishers. This apprehension is now held to be unfounded. Reports on the employment of white instead of coloured crews on the vessels engaged in this industry have been obtained by the Commonwealth Ministry, and are soon to be issued. Whatever their purport may be it does not seem likely that either New Guinea or the pearl fishing will afford the opportunities for earning a living sought after by the gallant young fellows whose loyalty in volunteering for South Africa cost them their appointments. Their problem still awaits solution.

THE MINING DISASTER.

Our terrible disaster at the Mount Kembla colliery on the coast south of Sydney, involving the loss of a hundred lives, has deeply affected the whole of Australia. From the members of the Commonwealth Parliament and Ministry, from their fellow politicians in the States, and from all classes of the community have come spontaneous contributions and offers of assistance. The existence of a Mining Accident Relief Fund, raised by a tax on miners and mineowners, with a contribution from the public purse, has helped to mitigate the privations of the relatives of the men who lost their lives. It is plain that the safeguards imposed on the working of the mines ought to be, and are certain to be, multiplied and more stringently enforced for the future. But no remedial measures can restore the lost men or recall the two heroes who sacrificed themselves in endeavouring to save those who were entombed. **Major McCabe**, who headed the forlorn hope, had already earned a noble reputation for the daring and ability by which, in the face of peril as great, he saved many lives during a similar catastrophe at Bulli some years ago. Being a mining engineer and expert, he chanced to be in the neighbourhood when the accident occurred, and, aided by his friend **Mr. McMurray**, thrice plunged courageously into the poisonous tunnels in the hope of rescuing others. They were soon suffocated themselves. All the bravery in Australia was not drained away to the battlefields, nor discovered only on the veldt. We have a good home record, too. Those who earned the recent commendations of **Lord Kitchener** and **De Wet** for their campaigning courage were but a fair sample of the men who, at duty's call, are prepared to die like McCabe and McMurray at Mount Kembla.

THE NEW COMMONWEALTH.

CORONATION ECHOES.

THE FEDERAL GIANT.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Aug. 12 1902; Sep. 20 1902.

The Coronation has been quietly and thankfully celebrated throughout Australia. When the original date was altered most of the festivities prepared were abandoned, and but few have been revived. The public illuminations were exhibited when the King's recovery was assured. The fact that the postponed ceremonial was held on a Saturday also had its effect in minimising official functions and distributing them over the adjoining days. The acting Governor-General's official reception was held in Melbourne on the Friday evening. Our Governor entertained his guests at dinner on Saturday, while in several States the event was not celebrated until Monday. Despite these unfavourable circumstances, the rejoicing has been general and sincere. His Majesty's suffering has been the means of establishing a personal relation and awaking a personal sentiment towards him among all classes which would not otherwise have been felt to the same degree. If the Coronation has afforded a less imposing ceremonial and a less magnificent state function it has possessed in compensation more intimate, religious, and deeply human character begotten of sympathy and thankfulness.

BEATING THE LOCAL DRUM.

The sombre Australian background, composed mainly of drought and its despair, has been relieved by an episode of a lighter character in the shape of recent ebullitions in the local Legislatures. The deep-rooted jealousy, and invincible suspicion with which the Federal authority is regarded by them has lacked any sufficient vent of late. With the commencement of the Parliamentary session in all the States the regular opportunity has presented itself for outbursts of criticism, more or less justified, on all things Federal. Beholding in the Commonwealth the *fons et origo* of all their present painful retrenchments and readjustments, the State members were just in the mood to find cause of quarrel in a straw when the addition of a new clause to the Electoral Bill lately received from the Senate in the House of Representatives afforded them the requisite ground of provocation. Almost in an instant there were

explosions of indignation in three of our local Assemblies; a confused cry of wrath and complaint mingled with pathetic appeals to the Constitution came to a climax in heated disparagements of the Federal Legislature and all its works. A good deal of what is deemed to be Federal aggression has been tacitly submitted to by the complaining chorus, apparently because until now the interests affected were general. In this instance the supposed invasion was particular. It affected the sacred realm of members themselves, and that directly. So without the slightest hesitation the political drum was beaten vigorously, there was a gathering of the clans irrespective of party, and an immediate discharge of offensive missiles at the offending Federalists. The demonstration, unquestionably spontaneous and perfectly sincere, was wholly ineffective.

THE TABLES TURNED.

All but one of the State Legislatures, with judicious foresight, when providing for the first elections to the National Parliament enacted that none of those elected to it should be eligible as candidates for seats in the local Assemblies, unless after resignation of their Federal membership. Several of them since then have thought it advisable to protect themselves further against inconvenient rivalry from the same quarter. In Queensland, the proposition to exclude Federal members from the poll was defeated by a vote, but in every one of the five sister States the door of the local Legislature was emphatically slammed in their faces. The **Barton** Ministry and the Senate appeared indifferent to the prohibition—and made no attempt to counterbalance it in the Electoral Bill. But the House was less patient, and on the motion of a **private member** added a clause to the measure imposing precisely the same disqualification on State members as candidates for the Federal Parliament as the State members had imposed on them. Straightway the unconscious humour of the excluded persons declared itself. The South Australian and Victorian Assemblies rose to a white heat of protest at the thought of such an attempt to restrict the free choice of the electors by the imposition of a purely artificial and indefensible disability. In Adelaide the Attorney-General, Mr. **Gordon**, was so much overcome by political emotion as to give an official opinion that the objectionable clause was clearly unconstitutional, though his dictum has not been supported by another professional opinion in his own or any other State. The absurd inconsistency of the attitude of the protesters appears to be quite unrealised by themselves. They are only being treated according to their own prescription, and yet persist in labelling as “poison” the medicine they prepared for others with their own hands. The real motive power of so preposterous an outburst of spleen is to be sought in the ever-strengthening hostility to the supreme, political power of the Commonwealth of all those authorities now subordinate to it.

POWER OF THE PURSE.

The ultimate relation of the local Legislatures to the central body has been explained again and again in these columns. The real power under the Constitution is that of the purse, and it is possessed by the Commonwealth, not fully at present, but assuredly, and, after ten years, absolutely. At last this fundamental fact is being realised, and first in Victoria where, owing to the comparative density of population, there is often an earlier ripening of opinion than in States of larger area. The Treasurer, Mr. *Shiels*, in the course of an exhaustive speech in which the whole situation is studied with care has summed it up in graphic fashion by comparing the Federal and the State Government to a giant and a boy eating out of the same dish. The giant decides what shall be put in the plate and how much he will take before allowing it to be touched by his junior. For a decade he is under obligation to leave to his weaker companion three-fourths of the main article of their diet, but afterwards he will be entirely untrammelled in choice and probably insatiable in appetite. In other words the local treasuries will occupy a place of absolute dependence. Their influence and authority will go with their revenues to the Federal Parliament. The power of the purse will carry with it all other powers. It will lead to the absorption of function after function until the States, instead of rivalling those of the American Union, may easily sink into a status inferior to that possessed by the Canadian Provinces to the Dominion. A decision as to the time and manner of their supersession will rest with the electors of Australia. The fact that they are ardently democratic will rather tend to hasten than retard the process. They are neither Republican in sentiment nor philosophic enough to appreciate the centrifugal balancing of forces involved in the theory of Federalism. Popular impatience will incline them to Caesarian methods of centralisation and unification under the impetus of national ideals.

ERA OF RETRENCHMENT.

In South Australia, where the pinch has been first felt, there is less appreciation of the inevitable finale of the internecine struggle than in Victoria but more practical action in presence of the pressure on their finances. In Queensland temporary straits are forcing drastic retrenchments grimly accepted as necessities of the situation. In Tasmania the Government is likely to stand, though its scheme of savings and taxes will be modified. In Victoria more friction is being generated and the issue is more doubtful. Once before the present Treasurer introduced a Budget of retrenchment, and in so doleful a manner as to render it a by-word among his opponents. This time he sought to discount his gloomiest anticipations by admissions intended to be taken in mitigation. His State, he asserts, is sounder than any of its neighbours, its debt is

better invested, its production is less crippled by bad seasons, and its prospects are more hopeful. If this be provable, then the Australian outlook is even less inviting than we have supposed, for he practically admits that in his favoured State there are four thousand more public servants than are necessary, and points with pride to the tender treatment they are receiving as compared with the reductions enforced in Queensland. His official estimate is that the year 1902–3, beginning with a deficit of £330,000 after all proposed economies have been effected will close with a deficit on the twelve months of £72,000, and possibly of £270,000. He will not cease borrowing altogether, he will not decide for new taxation until he has two or three months' more experience, and he will apparently put his trust in the capacity of the community to adapt itself slowly over a period of years to the new conditions in which he says Federation and old age pensions have plunged it. Closely examined, the forecast is far from sanguine, and the remedies suggested obviously inadequate. Yet he is already threatened with something like a strike in the railway service in consequence of reductions of pay, and must also provide for the resolute antagonism of the army of public servants, which he declares to be far too numerous for the work they have to do. Mr. Shiels may be unduly pessimistic as of old, but certainly the picture he paints is funereal in colouring.

SHEARERS' STRIKE.

In New South Wales we continue to enjoy a greatly increased customs revenue and to spend it cheerfully, making no provision for a rainy day. Party politics with us, having lost their fiscal complexion, are chiefly affected by social issues. In one industry we appear to be on the verge of industrial warfare. Our pastoralists plead, and with reason, that with smaller flocks, lighter clips of wool, and heavy charges for food supplies they cannot afford to increase the rates for sheep-shearing. On the other hand, the Australian Workers' Union contends that the diminution of the flocks increases the time spent by shearers in travelling from shed to shed, that the heavier fleeces now obtained from better bred sheep require more time and labour to cut, and that the drought increases their cost of living. A conference between representatives of masters and men having failed to produce an agreement, a strike has commenced, and is now preventing shearing in some districts. The Machine Workers' Union accepts the terms offered by the pastoralists, and with their aid has already filled a number of sheds. The struggle between the opposing factions will extend to South Australia, and probably to any sheep country still occupied in Queensland. Very properly Premier **Sir John See** has endeavoured to bring the combatants together again for a fresh conference but in vain. The consequences of further hampering the survivors in our wool-producing area, already terribly diminished in carrying capacity, by adding a shearers' strike to the ravages of the drought, are too serious

to be contemplated by any who are willing to consider the public interest. The men are prepared to make an abatement of their demands, but the employers so far stand firm in refusing any advance. They appear to rely on the weakness of their adversaries, whose efforts to stop the shearers from engaging are failing in Riverina and in South Australia.

THE ARBITRATION ACT.

Pastoralists and shearers alike decline to wait for the Arbitration Court. The two unions of the men have to be amalgamated before they can bring the case of the employees before it. The Australian Workers' Union is taking a ballot to authorise the repeal of the three or four rules of a politically coercive kind to which the court took exception some weeks ago. By the time this is done and registration secured the shearing season will be nearly or quite over. The obedience of the union to the mandate of the judge is the one encouraging feature of the situation. Meanwhile, the functions of the new industrial tribunal have been further defined by a very important judgment delivered on a complaint made by the Cigar Makers' Union against a manufacturer for the offence of locking out his hands contrary to the provisions of the Arbitration Act. This being a misdemeanour the defendant's counsel contended that if the offence was committed his client ought to be tried in the ordinary way in the criminal courts and not before an industrial tribunal, which could not grant bail, issue a warrant, empanel a jury, or permit an appeal. His argument was upheld in the most unqualified manner by Mr. Justice Cohen much to the dissatisfaction of the extremists among the unionists, who had cherished great expectations from the supremacy of a Bench in which they had their own representative. Mr. Wise, who was attacked as the author of the measure, for the disappointment experienced, curtly retorted that the complainants were mere agitators, and that the aim of the Act was to make their calling useless. Trade unionism was to be strengthened, but only because and as it was brought under the control of the new law. The Act was never intended to alter the regular course of justice. The reasonable principle established by this judgment has done much to restore confidence in the measure among those who are still inclined to resent its interference with freedom of trade.

THE NEW COMMONWEALTH.

POLICY OF RETRENCHMENT.

FEMALE SUFFRAGE.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Aug. 19 1902; Sep. 24 1902.

The arrival of the *Drayton Grange* and the *Britannic*, overcrowded with our returning soldiers, afflicted with epidemics, with insufficient medical provision and boat or raft accommodation, and manifest want of discipline, is the most unfortunate incident for us of the whole South African Campaign, because it is exercising the worst influence on public opinion. A **Royal Commission** appointed by the Federal Government, consisting of three leading members of Parliament and two medical experts, has commenced its inquiries in Sydney, as the *Drayton Grange* was lying in our harbour, having been stripped of her accommodation fittings for the men preparatory to resuming her ordinary trade. The *Britannic* will probably be the subject of investigation in New Zealand. There can be no doubt but that a considerable share of blame in Australia attaches to those responsible for the refusal to permit the sick to be landed at Albany, the first port of call of the *Drayton Grange*. There have been more than a dozen deaths since then—most of them apparently preventive. Making all allowances for the anxiety of those in authority at Durban to despatch the forces no longer needed to their homes, it is to be feared that the results of the inquiry will be to confirm the suspicion that far less care was taken of their comfort and health than when they were being received to be sent to the front. Yet there could not have been the same urgency or pressure.

FEMALE SUFFRAGE IN NEW SOUTH WALES.

Our Legislative Council, after a curious struggle within itself, has subordinated the convictions of the majority of its members in order to endorse the Female Suffrage Bill of **Sir John See**. New South Wales has taken the leap, and is now abreast of South and Western Australia in the adoption of the widest franchise. Victoria still stands shivering on the brink of the same experiment, watching our experience with much concern. The Reform Bill, carried through its second reading last week in Melbourne, provides among other things for votes being given to women, and it is quite possible that the

Legislative Council in that State may prefer to include this among the concessions that will be made in order to escape some of the more unpalatable portions of that measure. The Tasmanian constitutional problem remains unsolved, Sir Neil Lewis's scheme for one House of Legislation elected on two franchises having been rejected by a small majority. There is no immediate prospect of the introduction of the female voter either in that State or in Queensland. How to balance the ledger is their chief task, and unlike their neighbours they decline to confuse the issue with grave constitutional changes. Nevertheless, now that the sex have everywhere the right to cast their ballots for the Federal Parliament, and for the Legislative Council in half our States, their complete conquest of the whole electoral area cannot be long delayed.

SHRINKAGE OF STATE REVENUES.

One of the explanations of the mountain chains and other prominent features of the earth's surface formerly accepted was that they were occasioned by the shrinkage of the globe. Most of the events now occurring in the States may be attributed with even more confidence to the shrinkage of their revenues. The drought is everywhere a chief cause of the decline; the expenses of launching Federation, the despatch of contingents to South Africa, and the establishment of old age pensions are also important factors, of which only the last is permanent. But more than all was, and is, the thoughtless extravagance everywhere pervading their policies. Without the incidental and fortuitous losses of the past decade this might have been disguised for some short time longer, but the discovery could only have been postponed. Without the ineradicable appetite for spending more than their resources at the time justified, and spending it faster than the circumstances demanded, the State could have faced all their casual trials with equanimity. The concurrence of the two together has plunged us into our present troubles. All are not affected to the same extent, but all alike have erred, and must sooner or later face the consequences. Each State had its margin of easy excess fixed for it by its area and natural wealth. Three of the six have reached their limit, and require to hark back. Queensland has received a severe check, and the other two are well within sight of a similar destiny. That the discipline they are undergoing is salutary there can be no manner of doubt; but it is severe. It marks the end of their era of independence, and the beginning of their era of dependence on the Federal Parliament.

The extent to which the States have overrun the constable is once more in evidence, in face of the returns for the financial year ending June 30. Five show deficits aggregating over £1,000,000, and the sixth, Western Australia, would have been in the same position but for the duties, which she still retains on imports from the other States. In the previous financial year, of which one half was under the Federal regime, the total

of our deficits was over £600,000. In Tasmania and South Australia the situation is, for the time, serious, and calls for the most thorough remedies, because their recuperative powers are less than those of Victoria and Queensland, which show the largest overplus of annual outgoings. The relatively small area of the southern State makes its position dubious. Queensland may have an even more bitter course of retrenchment for a few years, but after that, with normal seasons, will have a fresh opportunity of resuming the old pace. The fact that New South Wales lavished more than even the exceptionally large revenue she received is, unhappily, just as inexcusable, though the sum total is but £84,000. Western Australia cannot long retain her exceptional power of taxing her sister States. By that time she, too, will have to restrict the annual outlay in which she is indulging. Everywhere we find the same heedless policy, and everywhere the same curative regimen will require to be applied.

CIVIL SERVANTS' PROTEST.

In Victoria, where the excellent example of South Australia in retrenching is being followed, the Government included in its programme of savings a proposal to deduct £75,000 this year from the salaries of the public servants. As a consequence the State employees rose *en masse*, protesting with unanimous voice against any part of the burden being cast on them other than that which they shared with their fellow citizens. The fact that the State was their employer was not to be taken into account, seeing that, according to their view, the deficit had not been occasioned by any act or omission of theirs. They were not paid more than the value of their services, and this remuneration should not be lowered except in the same proportion as the earnings of those in private employment. The force of the complaint could not be disputed, but the facts from which it was derived were at once challenged. The **Treasurer** had practically admitted that the service was over-manned, and when all the conditions of permanency, regular hours, holidays, and sick leave were taken into account it was clear that many of them were overpaid by comparison with those outside, especially with men whose wages had been cut down by their employers in consequence of depressed trade. There is no such pressure on the public servant as is imposed day by day on the employees of private firms under the incessant strain imposed by competition, under the eyes of masters whose profits depend on the energy and capacity of their employees. His appeal to public sympathy fell on deaf ears and evoked no encouraging response. His woeful plaint provoked no echo outside his own fraternity.

The whole Victorian agitation would have collapsed at once were not the railways State property and a State monopoly. The business of the country, its mails, the food supply of the city, the freights for shipping, the communication with most suburbs

and all inland districts depend on the lines and on those who work them. The best paid and most skilful class of the artisans engaged are the engine-drivers, who have long constituted a comparatively small and well-knit union of capable workmen. They must always hold, so to speak, the key of the industrial position, for without them the goods and passenger traffic of town and country might be paralysed. Being arbiters of the situation, and stimulated by a full appreciation of their own power, the leaders of the engine-drivers permitted themselves to be pushed forward by the rest of the civil servants as dictators to the Government. It was announced that rather than allow 3s. a week to be docked from their wages they would strike—"the wheels should not go round". Either the Ministry must withdraw its scheme of retrenchment or the railway lines and the stock on them would be left idle, the Treasury depleted of the tide of coin flowing in daily from their takings, and the commerce of the country blocked from one end to the other, every one of its townships and settlements being isolated and thrown entirely on its own resources.

WORKMEN'S UNREASONABLE DEMAND.

Concentrated on this spectacle of the effects of their inaction, the men altogether forgot to calculate the impression made on men's minds by the utterance of such a threat by men in the public pay, who had been generously treated by their department and trusted by the taxpayers. Mr. *Irvine* and his Ministry, who did see all that it implied, promptly refused to be browbeaten. They would not permit themselves or the country to be terrorised into submission. An ominous silence, followed by explicit warnings from all sections of the Press, showed which way the tide of popular feeling was setting. It was in vain that the engine-drivers offered to compromise, then asked for some concession, and finally pleaded for at least a promise of the classification for which they have long been agitating. Mr. *Irvine* was firm as adamant, the country was behind him, and his Parliament almost to a man supported his dignified resistance both to the insolent demand and the penitential plea. In spite of the fact that a ballot, authorised in the heat of the first moment of their pride, showed the men willing to follow their leaders wherever they led, they were obliged to make a humiliating withdrawal of their peremptory ultimatum to the Ministry. They found themselves obliged to lay down their arms and accept the reductions they had vowed to resist, without having extorted any remission or even recognition of their claims.

On the whole the incident has had a most disastrous influence on their fortunes and those of the public servants generally. They have proved themselves disloyal and their combinations dangerous, marking themselves off as a possibly hostile force to be guarded against as much as any other invader of the peace of the community.

They have now been taught their first lesson, for up to the present they have carried all before them peacefully. On the one occasion when they did organise a railway strike it was in Western Australia, where they practically triumphed owing to party divisions in Parliament. Now they have been badly beaten and brought to heel. Their prestige has suffered, and, what is more, the public has been placed on its guard. Many consequences will yet flow from this event. It is not the only occasion on which the public servants have proved their power in politics, but it is the second time that they have come out in the open to fight a pitched battle with a Government. Their defeat will not end with the refusal of their demands in Victoria, but ought to lead to preventive measures against any similar attempt to “hold up” any one of the States made by its rebellious employees.

SALARIES OF THE LEGISLATORS.

It may be a nice question before long whether members of Parliament, who are paid for their services, are or are not themselves, as public servants, in some need of restraint of the same kind. They dare not “strike”, it is true, because there are too many always willing to replace them; but when their emoluments are threatened they, too, can show fight. The reductions of the salaries of representatives proposed in Victoria, Queensland, and Tasmania will be very grudgingly confronted and minimised as much as possible by those affected. Federal members, too, though their £400 is a higher allowance than that authorised in any State, have long been reported to be discontented on account of the heavy expenses involved in maintaining new homes or lodgings in Melbourne as well as in their constituencies. In ordinary sessions the extra £100 a year they receive would soon disappear, and an extraordinary session such as the present, now in its sixteenth month, must have meant a serious loss to all but the Victorians. Mr. Reid and his fellow-barristers remain absent from the sittings for weeks at a time, compelled to neglect their public duties in order to retain their private incomes and professional standing. Those who are too far from their places of business or whose calling does not admit of intermittent attention are the greatest sufferers. Their case is certainly hard, and is so recognised, though as yet Federal Ministers have resisted every overture made to them with the object of inducing them to bring forward a Bill either for a special grant on account of the abnormal length of the session or for a permanent increase of the stipend. The Cabinet, though entirely sympathetic, is understood to be divided on the constitutional propriety of members voting themselves money, either in a lump sum or as a fixed increment, without having first consulted the electors from whom they derive their authority. Having regard to recent events, no more distasteful, delicate, or perilous proposals could be brought before the public in its present suspicious and angry mood.

THE NEW COMMONWEALTH.

IMPERIAL PATRIOTISM. DOWNING STREET CONFERENCE. DISSATISFACTION AND RELIEF.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Aug. 26 1902; Oct. 3 1902.

Imperial Federation is a popular watchword. Imperialism is unpopular. The distinction between them expresses the attitude of Australia so far as it has yet found expression. For the most part our ideal is a matter of sentiment. The strength of the movement arises from its emotionalism. The feeling of unity of race is the wool out of which the fabric of the future constitutional development has to be woven. It exists everywhere, among all classes, and embraces, with insignificant exceptions, our whole people. Imperial Federation is the pattern most favoured among us because it is most in consonance with the preservation of our much prized local self-government and the accomplishment of the special aspirations due to our geographical position such as supremacy in this part of the Pacific. Imperialism, on the other hand, conveys a conception of the subordination of our indigenous aims and methods under the domination of a remote and possibly unsympathetic bureaucracy—a subjection shrunk from except in emergencies or during time of war. The equality of British citizenship within and without the United Kingdom, which Sir Edmund Barton is never tired of proclaiming, strikes the keynote of the conception most cherished in all the colonies and certain to become more emphatic in the Commonwealth.

THE RECENT CONFERENCE.

Just where the line should be drawn between Australian autonomy and Imperial unity of policy is still a speculation. The most inconsistent propositions emanate at times from politicians of prominence in the States. They have the instinct of attachment, and that is all. The Federal Parliament has attracted most of the men who are competent to offer a considered opinion on the question. The mass of the electors are still saturated with prepossessions borne of their training in State politics, and their representatives are little more liberal in their views. It will be by gradual stages,

and under the influence of Federal experiences, that mature judgment will be created worthy of being reckoned with as an effective force. No scheme of national concert has yet been devised. At present the budding of our Imperial patriotism is marked by mere tendencies. The fruit will take time and favouring seasons to ripen, as well as patient and skilful hands, practised in pruning and swift to deal with insidious foes. It is under such conditions that the recent conference in London has been studied here. Its summoning was welcomed as a fresh opportunity for manifesting the unity in diversity of the Mother Country and her dependencies. Its proceedings were watched with hope and some apprehension. Its conclusions have produced general dissatisfaction coupled with a sense of relief. So far as can be judged from the published records, nothing has been done directly to draw us closer together. The discussion has had its value in promoting a common understanding and provoking further thought. Beyond that it does not seem to go. There is no indication that the serious consequences of foreign encroachment on our trade are to be effectually resisted. The difficulties surrounding any partnership arrangement that could be proposed are patent. Still the reliance on subsidies to British shipping as the one means of counteracting the invasion is but a poor substitute for the Zollverein which, either on Free Trade or Protectionist principles, almost all colonists are eager to see established.

VIEWS ON THE DEFENCE PROBLEM.

The new defence agreements with Canada and Australia have not yet been disclosed. Whatever they are, they will suffer from not being coupled with some express provision for better trade relations. The Navy, one of whose chief offices is to guard our commerce, should bear a proper proportion to our mercantile marine. It is much less needed if foreign ships conveying foreign goods steadily capture our oversea markets. The temper of Parliament and people is likely to be much less liberal in its votes for men-of-war while the vessels bearing our freights are so many of them under foreign flags. The next difficulty is likely to lie in the nature of the proposals submitted by Mr. Chamberlain. The Acting Prime Minister, speaking doubtless with a knowledge of the details under debate, was emphatic in his recent repudiation of what he termed "the undue centralisation" aimed at by the War Office and the Admiralty in their recent overtures. No Australian reserve force of Militia such as Mr. Brodrick asked to have placed immediately under his orders could be compared with the Volunteer contingents that had been sent to South Africa. Twice as many as were despatched remained unwillingly here. The Admiralty in its turn has asked for more money, and money only. The present subsidies from Australia and New Zealand were sought to be quadrupled and all restrictions removed from the movement of the squadron on these coasts towards which we are contributing. This is the bureaucratic plan. Mr. Deakin insisted that the contribution should be in our own trained men, of

whom, he observed, the Navy appeared to be in more need than money, and, besides men, in local provision of munitions and means of refitting in these seas. He claimed that Australian opinion was unanimous in its support of the policy of military and naval decentralisation, upheld by high authorities in Great Britain as against the centralisation contended for by the officials of the London departments. Unity of control he admitted there must be, but he urged that every port of the Empire should be prepared for utilisation as far as possible both for offence and defence. Apparently no control of the local squadron of the Navy subsidised by us is desired by Federal Ministers even in time of peace; but only that it should be manned as far as possible by our blue jackets, and if necessary operated from this base, so as to be in fact and in sentiment as well as in name, Australian.

RELATIONS WITH CANADA.

That Sir Edmund Barton will accomplish anything during his visit to Canada is doubtful. The tie of interest between us requires strengthening, and it is by securing a more intimate business connection with each other that we hope to reinforce our alliance as members of the same Empire. Our relation is mainly that of purchasers, and though their consignments to us are not large, they have lately increased rapidly. Trade ought to follow the flag more often than it does, and one way to help it is to substantiate Mr. Seddon's saying by enabling it to follow the ship. We badly need larger and swifter steamers to Vancouver for the convenience of passengers and the encouragement of interchange. Two countries as climatically contrasted as Canada and Australia, the one fighting cold and the other heat, ought to find exchanges profitable. The obstacle is the overpowering attraction of the populous Republic and the enterprise of her capitalists with whom our nearer relations to the North are forced into constant competition. Still, we have made a commencement. The Pacific Cable Board is at present the one political body in which representatives of the British Government, of the self-governing Dominion, and of the Commonwealth meet together as partners. That we should have first united in what is from the outside aspect a business venture is another illustration of the most natural method by which all parts of the Empire can be brought into accord. The cable as such is scarcely expected to be remunerative, but it marks a beginning and furnishes a precedent. It can be fairly reckoned as paying handsomely if it fosters the interchange between the two greatest dependencies of the Crown so as to make an efficient postal and passenger service of up-to-date steamships self-supporting. In the near future the opening of the Panama Canal will offer another route for us to the Eastern coast of North America and to the West of Europe.

DROUGHT AND THE MEAT MARKET.

The rain has come at last, and some, though not enough, has fallen where it was most needed. It has not been universal, having missed parts of Riverina and Victoria altogether, and has been too light to serve as more than a temporary relief, especially over parts of Queensland and our southwestern country. We owe this visitation to the incursion of a monsoon from the north, and are in hopes that it may prove the precursor of others. Its benefits are incalculable where, as in the highlands, it has given the thirsty soil a fair supply, but on the whole it cannot be viewed as more than a provisional instalment. It will have but a transient effect on our markets for fodder, which have been in a highly feverish state for the past few weeks. Prices have rapidly advanced until chaff has fetched £9 and oaten hay and lucerne £10 a ton in Sydney. Rates but little lower have ruled in Melbourne and Adelaide. The meat market has been equally excited, until what would have been thought fabulous figures are quoted for fat stock. Bullocks have fetched as much as £30 a head. New Zealand has been affected too. In spite of our tariff we have drawn on her supplies to such a degree as to force up her values to our level. We are now competing with London for her export of meat. Our own back country has been so stricken by the drought that we are compelled to look to the other States for the insufficient consignments of sheep and cattle tempted to the Sydney yards. In spite of these conspicuous facts of the situation the Federal Government stands firm in its refusal to remit the fodder duties during the dearth. The Acting Prime Minister was heckled in Parliament last week by the Opposition, whose aim it is to make the most of the aggravation occasioned here by the exorbitant cost of meat and of fodder. Mr. Deakin insists that only certain States are affected, and that they, as recipients of all the revenue derived from the duties, are in a better position to disburse them for the benefit of those who are unable or unwilling to pay for artificial foods for their flocks than the central administration could be. The duties must either be remitted everywhere or nowhere by the Commonwealth. When collected and paid over the States can expend them just where relief is most needed by the owners of starving stock, who would thus escape the burden. Sir John See having again appealed to his brother Premiers to support his request for a remission of the Federal impost, has once more been supported by Queensland and opposed by Victoria, South Australia, and Tasmania. He offers to lend personal assistance to importers of fodder, but declines to propose any scheme for State action. The unfortunate pastoralists thus fall between the two stools. The Commonwealth cannot, the State will not, aid them. Of course, the State, by its reduction of railway rates, has lent them much more assistance than it could have compassed by any remissions. Still, they are not satisfied, and are not likely to be while their misfortunes are taken advantage of by party politicians on the one side

and the other. This week they are to be under debate in the Senate when the refusal of the House to endorse their request for a diminution of these duties among others comes up for review.

APOSTLE OR EXPENDITURE.

That the paternal care of the State has not been relaxed during our disasters has been made plain by incidents that must appear curious to Europeans. Our State Treasury has been paying for the carriage of water to White Cliffs and to Cobar, so that the three thousand miners working there may not be driven back on the cities as unemployed. Mr. O'Sullivan, our energetic and optimistic Minister for Works, now calculates that £50,000 will have been spent on these and other philanthropic efforts of the same character during the year. His remedy for the distress is to build more light railways and water conservation works without delay. He applies his old policy without respect to the changing circumstances of the country. Are we enjoying prosperity? His advice is to spend freely to maintain it. Are we suffering from depression? His advice is to spend more freely and remove it. The vigour with which he pleads for expenditure and still more expenditure is, it is to be hoped, a last and fruitless effort to coerce his own Cabinet. Perhaps it was his declaration in favour of his pet principle of lavish investment of the public funds that has roused his patient colleague the Treasurer, Mr. Waddell, to publicly announce his intention to introduce a Budget of economies and retrenchments. From past experience of Ministerial proposals and of Parliamentary procrastination one is not inclined to be sanguine as to the sufficiency of any savings likely to be authorised at present. Yet the warning from an official source of the intention to make some attempt to stop the constant drifting into fresh deficits counts for something. It may be counted for righteousness to the Cabinet that the necessities of the situation are at least and at last acknowledged, and that even at the eleventh hour there is a promise of reform in New South Wales.

THE NEW COMMONWEALTH.

CONSTITUTIONAL REFORM.

SHAPING THE TARIFF BILL.

FEDERAL DIVISIONS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Sep. 2 1902; Oct. 9 1902.

The spring rains have continued, but they are still far from slaking the thirst of soils parched to dust by eight years of deficient supply. The encouraging feature is that light as the falls have been everywhere they have been widely dispersed and intermittently scattered over the past fortnight. From this it is augured that a real change has come from which further rains may be reasonably anticipated. Victoria, which has hitherto been among the most favoured States, is now suffering severely in its northern areas. Riverina, too, especially in the west, has not received its share of the long-looked-for showers. Queensland is still arid. The immense territory that calls for moisture stretches thousands of miles north and south, east and west, so that, general as the rain has been, it has continued to miss many great tracts. Nowhere has it been sufficient. In many places it has yielded no tangible growth, but elsewhere over millions of acres the fresh young grass is springing, the streams are hastening to run, and the dwindling bush "dams" have been replenished. The partial character of the relief must be remembered. It is almost always impossible to speak of Australia as a whole except geographically. In all other respects its many climates, its many resources, its many varieties of production and gradations of settlement render all wholesale generalisations untrustworthy. All that can be said now is that over numerous stretches of the interior the drought has broken, while in others it remains.

THE POLITICAL SITUATION.

Politically for the moment there is a unity of aim under the pervading diversities which always obtain. There has been a demand for constitutional reform in every State except Queensland and Western Australia. In those, too, it will arise before long. South Australia alone has accomplished this task. In New South Wales we have not even made a commencement, in Victoria the scheme has been accepted generally

by the Assembly, while in Tasmania the bold project for one House of Legislature introduced by Sir Elliott Lewis has been rejected. This wing of the reform attack on the existing political establishments of the States has achieved only a modicum of success. The financial wing has been no more triumphant so far. South Australia has the lead here also, but with less to show as the result of the labours of her diminished Chambers. Queensland, following the same path on a bolder programme, is steadily passing her retrenchment Bills and income tax. Victoria has only taken the initial steps towards a similar policy of pruning, while in this State we are still fobbed off with promises of savings to come. In Tasmania the income tax amendment of the Government at first followed its plan of Parliamentary reform into the wastepaper basket, but it has since been restored to life by a majority of one. A general election is imminent in the island. But evidently there must be an appeal to the people everywhere before any comprehensive reform scheme, constitutional or financial, can be carried into law. It may well be doubted if the ordinary elector is alive yet to the peremptory obligations of the present situation. Only the pinch of necessity will awaken him, and nothing short of his active intervention can coerce his representatives into reducing their numbers as well as the inordinate expenditure to which they have consented to be committed by thriftless Administrations. Roughly speaking, all political programmes, and the conditions to which they apply, are for the moment identical in Australia. The contrasts in method are minor, the likeness of the main features is remarkable; in this respect the position is almost unprecedented.

PARLIAMENTARY CRISIS.

The Commonwealth Parliament has reached a crisis, a choice establishing a precedent of permanent interest and influence hereafter. The Constitution, like every instrument of the kind, is drawn in general terms and leaves much to be added in the way of detail. It often allows important matters to be decided by practice. No section which it contains was more debated than that which embodied the famous compromise of 1891 relating to the financial powers of the two Chambers. The Senate may not amend either Taxation Bills or those for the annual appropriation of the ordinary expenses of government, but it may request the House to make such alterations as it thinks necessary even in them. The question has long been agitated whether there is any difference between requests and amendments, since both alike are enforceable by the rejection of any measure unless altered as the Senate desires. Many of the fiercest debates in the conventions and much of the angriest fighting before the electors at the taking of each referendum raged around the issue whether the financial supremacy of the popular Chamber was sufficiently secured by this compromise. In the more thickly peopled States it was assailed as inadequate to preserve the power of the representatives. In the less peopled States it was condemned

as destructive of the authority of the Senate, and dangerous to them, since their only hope of protection was to be found in that Chamber, seeing that they were hopelessly outnumbered in the House. The main body of the Moderates, however, proved content to remit the question of the exact force and meaning of the right of “requests” to be settled between the two Houses. It has now arisen for the first time.

FATE OF THE TARIFF.

The first point is one of procedure. As the Constitution permits the Senate to return a Bill to the House “at any stage”, with requests for amendment, it has been contended that it may formulate series after series of proposals for changes of every kind. Others interpret the phrase to mean that the Senate may only prefer its requests at one stage, but may repeat them an indefinite number of times until they are conceded or it is satisfied to forego them. On the other hand, certain antagonists oppose both readings on the ground that the true intention of the clause is that the Senate may send down one set of requests once only, and after these have been replied to it must take the responsibility of either accepting or rejecting the measure just as the House chooses to leave it. This is the precise contention now to be determined, and on it the fate of the tariff hangs. Had it arisen on a less urgent measure, or even on the annual Appropriation Bill, it would have been less alarming in its consequences. As it is, the public are looking on with suspended breath to learn the decision of the Legislature with regard to this new instrument of taxation, affecting every industry and occupation in Australia. Eleven months have passed since it was first launched, and for the whole of that period the contest on its character as a whole and as to its particulars has been prolonged. First it was dissected and reshaped by the Representatives. Then it was analysed by the Senate and returned with nearly a hundred requests for alterations. The House, having considered these, granted the half of them that were either formal or inconsiderable, and rejected fifty. The Senate, after another review, has abandoned nearly half of them, and is now renewing its request that the remaining twenty-eight alterations shall be made. Should the House consent it will probably be after it has again halved the number, and the Senate will be informed that a dozen of its suggestions must be finally abandoned.

PROSPECTS OF THE BILL.

The consequences of even a postponement of the tariff and an indefinite continuance of the commercial unrest and instability that must be felt until it is finally settled would be so grave that at first sight any such action might seem impossible. Yet should the Ministers refuse to receive the message before them the Senate could scarcely accept such a high-handed refusal to acknowledge its right to be considered. There is probably

a majority of its members opposed to the tariff as a whole, and strong majorities have called for most of the five-and-twenty amendments now in suspense. They would insist on picking up the challenging glove. The result would be an adjournment for about three months, that being the interval fixed by the Constitution before a Bill which has been rejected once can be resubmitted to the Senate. Unless a compromise were evolved in the meantime that body would again throw out the tariff, unless, indeed, the Senators valued their seats too highly to face the double dissolution that must then ensue. After the elections the Senate must either pass the Bill, if it be sent in its old shape, or else have a joint sitting at which an absolute majority of the combined total of members and Senators would dispose of the measure and the proposed amendments at pleasure. The Ministers are quite capable of facing even this long chapter of accidents in defence of the financial claims of the House, particularly in the absence of *Sir Edmund Barton* and *Sir John Forrest*. The Victorian members of the Cabinet, together with *Mr. Kingston*, would be of that mind, for they, like the Victorian majority behind them, have been trained to maintain a traditional antagonism against any interference with money Bills on the part of the Second Chamber. In ordinary circumstances such a policy would strongly appeal to the Radical Party everywhere.

THE DEMAND FOR FINAL SETTLEMENT.

The sobering considerations are those arising from a reflection on their majority in the House. This majority is so small that they might easily be beaten in a joint sitting unless they carried the country with them to an extent that they can scarcely hope for in face of the universality and intensity of the demand everywhere for a final settlement of the long-veiled customs feud. Parliament itself is too weary to be roused by heroics, and it is doubtful if the jaded followers of the Government could be induced to begin a fresh campaign with such doubtful prospects. The plain conclusion seems to be that the Ministers must agree to a compromise and that whatever their personal wishes are they must go with the stream under penalty of shipwreck. They may not escape that finale even if they avoid this immediate peril. Their displacement would certainly be imminent if at a time like the present, with all our pastoral and agricultural interests depressed by drought and the towns suffering with them in sympathy, the Cabinet were to insist on provoking even a justifiable constitutional crisis.

MINISTERIAL POSITION.

In point of fact it is very questionable, even if the Customs Duties Bill becomes law, if those who were the authors of its first draft will survive. Since they introduced the schedule it has been altered in scores of details and also in character. It no longer

affects to be based on the needs of the States or to expressly minister to them. It is neither a Protectionist nor a Free Trade nor a revenue tariff, but a composite of all three allied in an inconsistent fashion, without any definite plan. If the Ministers have been relieved of much of the responsibility for the final product of the session they are also deprived of the gratitude which might have been theirs had they been able to induce Parliament to accept their proposals. Besides being properly saddled with their blunders in administration they have also to bear a load of blame for the inevitable frictions generated by Federation. They do not appear to be particularly popular in any State, while in Queensland and in New South Wales they have to reckon with the determined antagonism of the dominant party. Their friends are lukewarm, but not their enemies. Confined to Melbourne by Parliamentary duties for almost the whole of their term they have not been able to arouse any local sentiment in their favour. An appeal to the country would not increase their strength anywhere. Individually the Cabinet consists of what are termed "strong" men of long experience. But they have not satisfied the expectations formed of them, and collectively they appear to fall short of the unity which makes for mastery and efficiency.

PARLIAMENTARY DISCONTENT.

Parliament itself is little more loyal to them. Members appear to be too exhausted to undertake the task of ejecting them, but there is an undercurrent of personal discontent which may yet assert itself before the recess is reached. Almost from the opening of the session a considerable section of both Houses has been demanding more or less openly an increase of the £400 a year which is allotted under the Constitution. Most members consider that taking into account the expenses of living away from home for so long a period £600 a year would not be more than equivalent to the £300 hitherto granted to State members. Others consider that their sixteen months' political labour in Parliament being nearly three times as long as the average colonial session a special honorarium should be voted to themselves by themselves before they rise. The Ministry is understood to be divided in opinion on these contentions, but those opposed to the grant have so far resisted the claim. The Press has warmly censured it whenever it has been made public. The Government is, therefore, in comparatively little danger of being defeated on the ground of its refusal to propose the allowance, but if it be assailed on any score it would stand to lose more than enough of its supporters to dissipate its majority. Whatever the ostensible cause of its defeat may be this movement will be responsible for the defections which bring it about. Contingencies of the kind not only mark the perils incident to payment of members, but like our Socialistic leanings, like Federation itself and its interactions between State and Commonwealth, all help to multiply the differences between our politics and those of the Mother Country.

THE NEW COMMONWEALTH.

CONSTITUTIONAL CRISIS.

FIGHT FOR THE TARIFF.

MINISTERIAL VICTORIES.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Sep. 9 1902; Oct. 14 1902.

Our first constitutional crisis has come but not gone, and so far the Federal Government has achieved one of its rare victories. It took the leadership of the House of Representatives into its own hands quietly but firmly, and without any canvassing for advice laid down its own course, kept to it, and gave effect to it with the approbation of a four to one majority. Yet it was the greatest difficulty since the passage of the Immigration Act that the Ministers have had to encounter, and bristled with even more possibilities of peril. Defeat of their proposal meant resignation, and even its amendment might have hopelessly compromised their position. To these risks in the Chamber, over which they possess only a qualified control, were added all the dangers of a conflict with the Senate ruled by a hostile majority anxious to have an opportunity of embarrassing a Cabinet, which it distrusts, by asserting its own equality of rights and supremacy of final judgment. Beyond the Senate were the people, large sections of whom detest the Federation, for which they voted only as a means of carrying out particular aims. The electorates appear to be indifferent where they are not hostile. An appeal to them would offer no prospects of gain, but many of loss to the Government. Yet at a juncture, when every omen was unfavourable and every course precarious, they grasped the nettle boldly and plucked the flower safely.

MR. REID AND HIS PARTY.

One chief cause of their success was the absence of Mr. Reid, who has practically abandoned Parliament this year. It is a remarkable proof of his reliance on his own powers and on the unquestioning allegiance of his supporters that he has ventured to retire into private life, devoting himself strictly to the practice of his profession at the very height and culmination of the session. Except during his country tour in Victoria he has not been heard in public for many months. In that campaign he proffered a

general criticism of Ministerial misdoings, but neither then nor since has he uttered a word on the reshaping of the tariff or the overshadowing dispute between the two Chambers. His admirers claim that this silence is diplomatic, since he has been able to avoid committing himself in any way to any position, so that when he emerges at the psychological moment to give the *coup-de-grâce* to the Barton Ministry, he will be able to adopt whatever battle cry he finds most profitable. Such are some of the many speculations provoked by his astonishing abstinence from active politics, but there is no ignoring the fact. He has not even seemed to direct the operations of his party, but has simply relapsed into the regular attendance at our courts of the ordinary Sydney barrister, whose name appears on the papers only in association with the cases in which he is retained. Nor is he, on this account, out of the running. There is no hint or possibility of his political retirement; there is no one able to supersede him in the confidence of his party; he can step back into his old place in the arena at a moment's notice whenever he desires. In the meantime it is only kept warm for him. Whether it be accepted as a proof of his unrivalled platform powers or of the mediocrity of his associates it is plain that his nonchalant neglect of all his political duties is cheerfully condoned by his associates, followers, and constituents.

GOVERNMENT VICTORY.

The Free Trade cause has suffered, and certainly the Ministry has greatly gained, by the substitution of Sir William McMillan for Mr. Reid. In the first place, the acting leader has inherited the command of only the direct Opposition. The Labour corner, always exercised as to his motives, vastly prefers Mr. Kingston as an ally to the capable and successful soft-goods merchant. Mr. Reid's oratorical ascendancy over them is buttressed when he is present by reminiscences of their old association in New South Wales, where his Premiership depended for years on their solid support, and was only lost by its defection. Sir William McMillan, on the other hand, the chosen representative of the commercial and well-to-do classes, antagonistic to State Socialism and the accredited apostle of private enterprise, has always been suspected of an antagonism to their platform, which, indeed, he often declares. Yet, in spite of their aloofness, he has faithfully, ably, and gallantly led his party through a wearisome fight, in which his mastery of the business details involved has secured many minor successes. But he has not the vigorous invective, nor the tactical astuteness, nor the versatile rapidity of Mr. Reid, who if he had reduced fewer duties would at least have dealt far deadlier blows at a Ministry whose prestige has been gradually exhausting itself. He would not have failed to seize the opportunities offered last week, first by the shipwreck of the Bill offering bonuses for the establishment of certain industries, and next, the still more tempting openings presented by the division of the Ministerialists on the constitutional issue. Instead of effective action there was a halting and an

inconsistent shower of feeble threats and futile appeals followed in every instance by tacit acceptance of all that the Government insisted on. The Opposition, though it enjoyed every vantage ground, was outgeneralled all along the line.

MR. KINGSTON'S BONUS BILL.

Mr. Kingston's political affections have from the first been centred on his Bonus Bill, not because it was complementary to his tariff but as a principal part of his policy to which a special section of his tariff proposals was made subsidiary. Fortified by the example of Canada he trusted to an offer of a £250,000 subsidy to open up the iron deposits in this State and in Tasmania, and to secure the establishment of great works employing thousands of men in the manufacture of iron and steel. He asked also for another £100,000 for what may be generally described as subsidiary industries. Into his advocacy of the scheme as a whole he flung all the enthusiasm, the force of will, and indomitable energy which are his prominent characteristics. At the outset he was met by the unflinching hostility of his particular allies in the Labour Party. The Opposition was resolute too, because it is adverse to all bonuses, and particularly so when, as in this instance, the tariff made provision for the imposition of protective duties on the products named so soon as the industries sought to be encouraged should be proclaimed sufficiently developed to meet the local demand. At the outset the Labour leader, Mr. *Watson*, moved that the right to claim the bonus offered should be confined to the State Governments, on the ground that in the limited market of Australia any great iron-producing syndicate must enjoy a monopoly, which, in his judgment, could only be justified if it were vested in the State Parliaments for the benefit of all their citizens. It was in vain that Mr. Kingston pleaded as if for the life of his own child. The States were just as free to take advantage of the Bill as other investors, and he besought the House not to wholly exclude private enterprise. The Labour members ran up the flag of State Socialism and refused to listen to his appeals.

RESULT OF THE CONFLICT.

The denouement of the triangular contest between Ministerialists, Opposition, and Labour members was not reached until after some weeks of fierce debate, and inconsistent voting. At first, by aid of the Opposition, the Labour Party's amendment restricting the bonus to the States was carried. Next, when the Ministry indignantly threatened to accept the Bill as transformed so as to make the Free Traders responsible for this extraordinary extension of the functions of the local Parliaments, that vote was reversed. Then there began a confused conflict on the question whether the

States should or should not be allowed a fixed term within which any one or more of them might offer to undertake the exploitation of its iron resources at its taxpayers' expense. The State Governments were requested by letter to indicate their wishes, and after some delay united in the reasonable response that none of them intended to embark in the venture. Practically only New South Wales and Tasmania seem to be sufficiently rich in suitable ores to undertake the enterprise, even if their citizens so desired. Whether our local Ministry should face the risk or not was debated all night in the Assembly with much heat, but finally *Sir John See's* refusal to employ the State credit to launch the iron industry was upheld by a majority of nineteen. On this Mr. Kingston made his rally last week, only to be again beaten, this time by fifteen votes, when resisting Mr. Watson's motion for the reference of the measure to a Select Committee, of which the Minister was to be chairman. The Opposition had come to terms with the Labour Party, and this time on grounds which they could defend. Inquiry, as they contended, means delay in any case, and possibly a condemnation of the project. It indefinitely postpones the operation of the proposed protective duties. Ministers, deserted by their own supporters, were defeated, despite the dogged tenacity of Mr. Kingston's prolonged campaign.

THE TARIFF PROPOSALS.

It was under such unfavourable auspices that the Acting Prime Minister was obliged next day to face the return of the tariff to the House by the Senate with one-fourth of its original requests for amendments repeated. To even receive its message inviting the representatives to agree was to provoke another wholesale defection similar to that of the preceding sitting. The Victorian representatives, almost without exception, are committed to the strictest reading of the limitations imposed on the Senate when dealing with money Bills, and under the guidance of the former Attorney-General for the State, Mr. *Isaacs*, K.C., they were in battle array against any lapse of the Government. On the other hand a refusal to receive the message meant the probable loss of other supporters. These paid little heed to the technical question of the rights of the House, but stood aghast at the prospect of a continuance of the commercial unrest occasioned by uncertainty as to the tariff. Their alliance with the Opposition would have left Ministers in a minority and deprived them of office since they could no longer lead the House. Several effective attacks were possible to the Opposition. Under party pressure they might have been induced to vote with the Victorian dissentients, in which case their joint numbers must have given them a majority. If they shrank from such an expedient they might perhaps have scored a win by boldly espousing the Senate's claims to have their requests received without demur. After either assault if successful they could have carried a consent to all the reductions asked by the Free Traders, and have taken the reins of the executive into their own

hands. Whether it was from sheer weariness, from a desire to avoid a conflict, or from inability to grasp the situation, they missed all their chances. In the result they did nothing except utter a few complaints against the hardship of their lot, and then assist to swell the huge majority by which Ministers defeated the small but able body of their recalcitrant supporters.

MR. KINGSTON'S CONCESSIONS.

Mr. Deakin's strategy was simple. He divided the constitutional and fiscal issues and conquered. His motion alleged that "having regard to the fact that the public welfare demands the early enactment of a Federal tariff, and pending the establishment of joint standing orders, this House refrains from the determination of its constitutional rights or obligations in respect to this message, and resolves to receive and consider it forthwith". His conciliatory speech admitted the gravity of the precedent to be established by accepting the Bill again from the Senate unless the House protected itself by such a declaration, but at the same time carefully avoided expressing an opinion whether any particular aggression was committed or not. Yet he so impressed his supporters by his sympathetic tone that he retained all but a dozen of them, and carried his resolution by thirty-six to nine votes without reckoning pairs. Half his strength was drawn from the Opposition. Mr. Kingston then unfolded his budget of concessions, the chief and almost the whole of which were comprised in the lowering of the 15 per cent. duties proposed on all kinds of machinery to 12½ per cent. But this 2½ per cent. to be given was balanced by a refusal to yield anything on agricultural products, on fodder, apparel, and hats, which remain dutiable at 30 per cent. Cigars are still to be subject to both fixed and *ad valorem* imposts combined in a "composite duty", a mode of taxation to which the greatest exception has always been taken by commercial men. The Opposition argued, declaimed, implored, and arraigned duty after duty of those retained, but did not divide even on a single item. As a consequence, the tariff has been approved as it stands by a unanimous House. The Senate has the responsibility of a crisis, if any occur, thrust on it to-night. Public opinion, which was hostile to the Government, has now been enlisted on its side. A Ministry that appeared to stand almost alone has not only escaped a breach with its adherents, but has rallied the Opposition behind it. Beset by these remarkable tactical envelopments, what is there for the Senate except surrender? It seems inevitable that it must make the best of the treatment which its message has received, and pass a tariff containing many duties most obnoxious to its Free Trade majority. If Mr. Reid had been present in the Representatives it is scarcely possible that Mr. Deakin could have escaped so easily, if at all, but as it is, undoubtedly in the very moment of their utmost peril, the Ministers have secured the honours of war and dictated the terms of peace in both Houses of Parliament.

THE NEW COMMONWEALTH.

TARIFF SETTLEMENT. FEDERAL FINANCIAL FREEDOM. THE ANTI-UNION AGITATION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Sep. 16 1902; Oct. 23 1902.

When the history of the Commonwealth is written hereafter in the light of fuller knowledge and more dispassionate criticism than we now possess it will become apparent that the assent given yesterday to the Customs Tariff Act marks one of its greatest epochs. Our Constitution, though it provides for the transfer of political power from the States to the Federation, does not make that transfer complete at once; it does not authorise an instantaneous exercise of absolute authority by the new Parliament. Indeed it absolutely forbade its immediate supremacy. Whatever the endowment there must have been in any case a gradual assumption of sovereignty on the part of the Australian Legislature and its Executive with a development of their power as opportunities presented themselves. But under the Constitution the rate of that progress is not left to the needs or choice of the community or its representatives; it is determined in advance, conceded by degrees, permitted only at fixed dates, and accomplished by set stages. The bulk of the restrictions are placed on its finances and designed to preserve to the several States an interregnum during which each shall enjoy only its own share of the common funds. Apprehensive lest the more prosperous among them might be exploited by the necessitous before a Federal public opinion could be created strong enough to restrain their aggressions, the charter of our national union was burdened with a series of stipulations intended to protect the States against each other prior to the ultimate blending of their receipts in an Australian revenue freely available for Australian responsibilities.

THE NEW CUSTOMS TARIFF ACT.

October 8, 1901, is now fixed under the new Act as the date in our calendar most memorable after January 1 of the same year which witnessed the inauguration of the Commonwealth. From October last trade and intercourse are declared to be

absolutely free throughout the Union. One year of the two for which inter-State certificates are required for all goods crossing State borders has already expired. The five years that must elapse while inter-State book-keeping is insisted on are now reduced to four. The Act thus passed dates this revolution back nearly twelve months to the night when Mr. Kingston first submitted his schedule of duties. Since then they have been collected according to constitutional custom, but they are only now actually, though retrospectively, imposed in the eye of the law. We have at last attained one of our dearest hopes. The great object of our Federation was to establish Inter-State Free Trade, to establish a permanent community of business interests and our customs for the whole continent. Our war of local tariffs, hostile in character and in administration, was sought to be, and is now, superseded by commercial peace under an irrevocable industrial alliance. It is scarcely too much to say that the whole structure of our union is based on the strong associations of reciprocal trade relations intended to be created by this means, so as to give effect to and to make perpetual the sentimental ties that first led us to feel ourselves, as Sir Henry Parkes happily expressed it, "one people with one destiny". The Federal Parliament, if it had done nothing else, has, by placing this measure on the statute-book, accomplished its one essential task and fulfilled its first and most imperative duty.

THE STEPS TO POLITICAL UNION.

A recollection of the chaos of confusion—fiscal, financial, and constitutional—into which we should have been plunged if the tariff had been lost, affords some measure of the late crisis when it was in imminent peril, and also of the achievement by which it has been happily terminated. It would be equally difficult and unprofitable now to endeavour to depict the "might have been" complications of all kinds that would have been interwoven in the catastrophe that must have been faced had we been left without a customs tariff. We should still have lacked any fixed date from which to calculate those periods of obligation through which we have to proceed before attaining the consummation of complete political union. Our Sydney newspapers are properly loud in their praises of our representatives for their consistent and successful efforts to lower the original duties proposed by Mr. Kingston. They cannot claim much credit for their share in securing the friendly settlement which has at last been reached. Even Sir William McMillan recanted his judicious acceptance of the Government compromise, and withdrew his warnings to the Senate not to refuse it only a day after he had uttered them. The New South Wales Senators were—if report is to be believed—unanimous for a "no surrender" policy when the Free Trade caucus met to decide whether peace or war should be declared by its leader, Sir Josiah Symon. But it was then found that the smaller States had no stomach for a fight, and that the labour members generally could not be relied on for more than a bare

defence of the privileges of the Senate. Very reluctantly, therefore, coerced by the inexorable necessities of the situation, our group of Senators consented to allow the hatchet to be buried for a time. As has been already explained in these columns there was no choice left to them or their less belligerent colleagues.

POLITICAL LEADERS' FORECASTS.

So the tariff is law. Its final character was well described by the leader of the Opposition in the Senate in the course of the eloquent speech in which he bade farewell to the measure. It had already been characterised by the *acting Prime Minister*, speaking for the Government, as a lasting memorial of the "longest, most arduous, most complex, most difficult, and most important task that any Parliament in Australia has yet attempted". Sir Josiah Symon, criticising it as a Free Trader, said that as it left their hands the Tariff approximated to the expectations of Australia, and was no longer the ultra-protectionist instrument it had been when first introduced. Subject to certain anomalies it was now a fair revenue-producing scheme. The House, according to his reckoning, had reduced the duties proposed to be levied by a million, and the Senate by half as much more, yet the revenue was still exceeding all the estimates of the *Treasurer*. He parted company with the leader of the Senate, Mr. *O'Connor*, in whose view one chief merit of the tariff was that it could be accepted as a substantial settlement of the fiscal issue for years to come. The Minister admitted that anomalies might be discovered in the course of its practical working for which a remedy must be found, but he laid great stress on the stability of trade and commerce that would result from its being generally regarded as reasonably permanent and on the national Australian sentiment that would spring up in its support. Sir Josiah Symon declined to commit his party to any such augury. The anomalies—to some of which he called attention—must be removed as soon as possible, though even he agreed that the major part of the schedule of duties must be allowed to remain. There is really not a great deal of difference in the forecasts of the two leaders. The general judgment of politicians is that the tariff as a whole has come to stay.

THE AGITATION OF THE UNION.

Fortunate it is for the Commonwealth that it has come no later. The condition of business unrest maintained during its eventful career has been one of the serious motives which has disgusted moderate men with the Federal Legislature, from which they had hoped so much. The Anti-Federalists have been stimulated to emerge from their silence in order to take advantage of the discontent. In no less than four States notices of motion in favour of a disruption of the union have been lately tabled. It is

admitted that those have been so far ostensibly fathered by members of no standing, whose complaints are inconsistent or trivial. They are no more than straws intended to test the wind of popular feeling. Should their appeal to provincialism meet with any encouragement there are plenty of leaders ready to assume responsibility for an open declaration of war. In our own State Sir John See has promptly snubbed an interrogator who made inquiries as to his intentions, and it remains to be seen if any of the Opposition are courageous enough to come out into the open in its support. Whatever happens, the Tariff settlement will disconcert the antagonists of Federalism and deprive them of their strongest fulcrum. The sands of time are beginning to run towards the definite attainment of financial freedom by the national Parliament. It is probable that State members will soon have to look to themselves and safeguard their own independence as best they can. Their opportunity of taking the offensive still remains, but will soon commence to disappear. When their hands are full of local troubles they will be heavily handicapped in any combat with the now trammelled Commonwealth, which in a few years will have its hands free and be able to enter into the plenitude of its great powers.

“OUT OF THE TOILS.”

Then, again, for somewhat similar reasons of policy, the House of Representatives did well to postpone its wrestle with the Senate for absolute financial supremacy. Such a barren diversion at this juncture, from its mass of unfinished work would have afforded a splendid chance for their State adversaries to make their assault while they were weakened by internecine war. The constitutional position was not sufficiently appreciated in either Chamber to admit of a satisfactory agreement in respect to it being arrived at just yet. The debates on its significance were dominated by fiscal considerations, on account of which the majorities in both Chambers would probably have committed themselves to untenable or inconsistent declarations of their rights, thus creating stumbling blocks to impede any future negotiations in more opportune conditions. So far as the House was concerned, it could never have fought at a greater disadvantage, or with more probabilities of disastrous defeat. These very dangers made the path of the Ministry extremely slippery, and their success the more surprising. The Commonwealth has never accomplished a more perilous piece of steering among the quicksands which surround it, any one of them capable of either disabling or sinking the craft that carried its fortunes. The Ministry itself shared the escape, but its Parliament, the Constitution, and the Federal cause escaped more. The Cabinet may go to pieces yet, but the Union itself can scarcely again be exposed to such a crucial trial as that through which it has so lately passed. The country drew a deep breath of relief simply because, at last, after months of turmoil, a tariff was

passed, but the few onlookers, who realised all the consequences of failure, drew a deeper breath still, and felt a more profound relief as they became assured that the Commonwealth itself was out of the toils at last, and fast escaping beyond reach of its enemies.

RESULTS OF THE SHEARING STRIKE.

The engrossing character of the events in the Federal Parliament has for a time cast those of State significance into the shade. Yet many of these are of far more than ordinary interest. The defeat in this State of the shearing strike, organised by the Australian Workers' Union, formerly the strongest association of its class in Australia, is a signal evidence of the success achieved by the organisation of the pastoralists who employ them. The attempts of the Australian Workers' Union to crush the rival union and coerce free labourers were put down by the police. Their appeals to the Government were ignored, and when injunctions were granted against them in the courts for "picketing" they had no resource save to surrender at discretion. The manifesto in which this was announced contained bitter allusions to the Arbitration Act, from which so much was hoped by them, though now they appear to consider it as one of the causes of their failure to dictate terms. The blow aimed by the unions at the wool-growers has recoiled on themselves. In other States they were lucky enough to obtain agreements with the pastoralists; but in New South Wales they preferred to fight, only to find themselves routed after a brief and inglorious campaign.

THE PRUNING KNIFE.

Victoria has witnessed a Parliamentary *coup d'état* such as has not been seen in the States for many years. Its Assembly has been dissolved and a general election is now proceeding. In Tasmania an appeal to the people has been postponed for a little while only. In both of these States the retrenchment movement is rapidly coming to a head. In South Australia the **Jenkins** Ministry, which lives only by sufferance of the Opposition, has not fulfilled its programme of reductions in the expectations of its supporters, and occupies, therefore, a very precarious position. In Queensland Mr. **Philp** is doggedly pushing on his Savings Bill, but in this State and in Western Australia the battle has not begun. The first shot has yet to be fired in earnest, and while the Federal Customs Law continues to pour a rich flood of coin into our Treasury it must remain doubtful when we too shall have to face the inevitable and submit to the pruning knife now either employed, or proposed to be employed, everywhere throughout the Union.

THE NEW COMMONWEALTH.

CRISIS IN VICTORIA. RETRENCHMENT AND REFORM. APPEAL TO THE ELECTORS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Sep. 23 1902; Oct. 29 1902.

Victoria is for the moment the chief centre of Australian interest, because a general election is proceeding at which the real issues at stake in every State are put plainly before the local electors. There was a time when that State occupied the foremost place by virtue of her population, prosperity, and advanced politics, but during the last decade she has been surpassed in each of these respects by one at least of her neighbours. Her relatively small area very largely accounts for her early maturity, though the wealth of her goldfields greatly accelerated her growth in numbers and contributed to the feverish energy with which she developed her resources by means of what may be termed a "forcing" policy. It was in Victoria that manhood suffrage, free selection of land, free education, Protection, and factory legislation obtained their first foothold in the continent. These are now the common heritage of every State except that Protection is still resisted in New South Wales and has but a slight hold in the Commonwealth. Extravagance in borrowing and spending, an unwieldy Public Service, and the imposition of restriction on private enterprise have brought about a crisis in Victoria earlier than the difficulty would have come in States of larger area had not the great drought temporarily crippled Queensland and devastated our own plains of the interior so as to bring us into the same plight. Her northern areas are suffering severely from the universal enemy, but independently of that misfortune her situation is in a broader sense the natural result of the spendthrift policy which is general throughout Australia.

MINISTERIAL PROBLEMS IN VICTORIA.

Owing in part to a fortuitous combination of circumstances and in part to their less varied resources, South Australia accomplished her constitutional reform first, and with Tasmania is now struggling towards financial readjustments. But in neither of

these States, nor yet in Queensland, where the absence of any Opposition capable of replacing the Philp Ministry preserves an unprecedented Parliamentary situation, has the condition of public affairs awakened an interest in New South Wales comparable to that which is now aroused by Victoria. The second State in the Union in population, most like our own in policy, though of an opposite complexion in fiscal principles, we are related so nearly and share so many interests in common that we cannot fail to be influenced by the example of our southern neighbours. It was once the fashion to say that what Victoria did to-day the rest of the continent would do to-morrow, and though that is no longer true in most matters it will probably prove correct in the present instance. Other States may wrestle with their new obligations for a time, but as the existing ignorance of the respective duties and powers of the Commonwealth and its units disappears the electors are sure to transfer their chief allegiance to the dominating central Government. The inevitable corollary of this will be their insistence that the overgrown establishment of each State shall be brought down from its present scale of expense, authorised in its days of independence, so as to bear a fairer proportion to the limited list of duties now remaining to be discharged locally. Victoria once more leads the way so far as we are concerned, and judging from appearances, since neither South Australia nor Tasmania are yet out of the wood, may give a lead to the whole of the Federation.

THE POLICY OF RETRENCHMENT.

The Victorian general election of 1900 put Sir George Turner in power, his chief mandates from the constituencies being to provide for old age pensions and to revise the State Constitution. Having accomplished the first he joined the Federal Ministry and resigned the Premiership to Sir Alexander Peacock, who, failing to carry his scheme for the election of a popular convention to draft a new Constitution was obliged to reduce the weekly doles allotted to the pensioners. His Cabinet proved too weak to do anything more than this, and after an attempt to reconstruct itself was ousted by Mr. Irvine, who had become leader of the Opposition in succession to Mr. Allan McLean who is now sitting for Gippsland in the Federal House. The new Cabinet contained Mr. Shiels, a former Premier and Treasurer; Mr. J. M. Davies, formerly Minister for Justice and leader of the Legislative Council; Mr. Bent, who had been Minister of Railways; and Mr. Taverner, Minister of Agriculture in other Administrations. The capacity of its individual members and their collective strength far exceeded those of the outgoing administration, but they could not have accepted office at all or have been returned by their several constituencies had they not, modifying their previous personal opinions, suddenly declared for a sweeping reduction in the numbers of members of both Houses, and for severe retrenchments in all directions. Their proposal to take a percentage off the salaries of all public

servants earning more than a “bread and butter wage” provoked wild forecasts of a strike from the railway engine drivers, and angry demonstrations from many of their fellow-servants under the State who were equally affected but not in a position to undertake aggressive action. Mr. Irvine met these mutinous demonstrations boldly, remaining resolute not only in declaring his intention to persist in the reductions, but in denouncing as rebellions the agitation of the men in the public departments against their employers the people. The threatened strike was abandoned, but not before it had demonstrated the courage of the Ministry and emphasised the danger to which the community as a whole must be exposed if such truculence were permitted from those who were in its pay.

PARLIAMENT DISSOLVED.

The Assembly, hostile from the first to the Government because of the drastic policy to which it was pledged, yet under the imminent possibility of a dissolution, and with the dread of the country before its eyes, did not dare to resort to open antagonism. Both the important Bills of the Ministry, the one for a scheme of constitutional reform much more radical than had been anticipated from a Cabinet of so-called Conservatives, and the other authorising financial savings, obtained their second reading. But when the last-mentioned measure was in committee an amendment was moved greatly increasing the number of civil servants who were exempted from reductions by excluding all who were receiving £175 a year or less. As a preliminary to this proposal that part of the Ministerial clause authorising a levy on all employees who were earning more than £125 annually was struck out. Fourteen nominal supporters crossed the floor to assist the Opposition and Labour members, for though warned that the amendment would not be accepted they had no reason to suppose Mr. Irvine would peremptorily refuse to advance his limit, and something approaching £150 a year was spoken of as a possible compromise. This might have been arranged without loss of dignity or departure from his policy if he had so desired it, but it was patent that this amendment was meant to be a prelude to other alterations which were intended to be made with the object of whittling away in the interest of particular classes the large economies to which he was pledged. The Cabinet, being confident that the people were behind them and that the House was only biding its time to defeat both them and their policy, seized its opportunity and asked for and obtained a dissolution. In another week the polling will have been held and whatever happens then it is already beyond doubt that the Government will be returned with a much larger and more loyal majority, while the Opposition as such will be almost extinct.

THE GOVERNMENT PROGRAMME.

The appeal to the people just at this juncture has been an excellent piece of tactics because it has thrown the public servants into the arms of the Labour section and rallied the electors at large against both. The threatened railway strike is fresh in men's memories, while the ostentatious endeavours of the Labour leaders to support those who were ready to dislocate the whole of the internal communications of the State has not advanced them in public confidence. The bulk of the service, consisting of men who are earning small salaries, has always been associated with the Labour section and its aspirations towards State Socialism. Together they have often been able to cast a solid vote which has decided elections contested on orthodox party lines in favour of candidates who have studied their interests. They will be less potent now. The returns when they come to hand ought to afford a useful index to their real strength, and will therefore be analysed everywhere on this ground with much interest. The Opposition, apart from these sections, is in great straits. Its leader, Sir A. J. Peacock, voted with the Ministry on the division that led to the dissolution, and in one sense he is not hostile to the programme enunciated by Mr. Irvine at Nhill on Saturday last. Several prominent supporters, led by Sir Samuel Gillott, his late Attorney-General, have openly accepted the Ministerial platform. There are few indeed whom he can reckon as faithful followers, and scarcely one of them who is not pledging himself to the reform proposals of the Citizens' League as adopted by the Government. So far as the Opposition is concerned it is a case of *Sauve qui peut*.

PARTY TACTICS IN THE STATE.

The strength of the tide of popular feeling in Victoria can be gauged by the calmness with which the country has consented to the loss of the last amending Factories Act, which Sir A. J. Peacock proclaims to be the achievement of his public career. The original measure provided only for sanitation, for the prevention of injuries to workmen, and for the hours of women and children. The last Act established the Wages Boards, whose operations from first to last have been angrily condemned by the masters and enthusiastically commended by the men affected; but it was only enacted for a term of years. The Bill continuing its provisions for another year, pending the report of a Royal Commission which has been examining into the whole industrial question, was before the Legislative Council at the time when the Assembly was dissolved. There was no friendliness towards the Wages Boards in that branch of the Legislature, which would have assented to their perpetuation only for another twelve months, if at all. A third of its members have just been re-elected without one of them being opposed, and consequently have no qualms as to consequences. The chief risk which Mr. Irvine ran in asking for a dissolution was that the Liberal

Party might be united once more in opposition because it involved the loss of the boards on which they have always prided themselves. But such has been the zeal for retrenchment and such the suspicion with which every attempt to put forward any other question has been regarded that even the now-defunct Factories Act has failed to find champions enough to endanger the situation. The Ministry promises to re-enact Sir A. J. Peacock's measure exactly as it stood for a sufficient time to allow its whole industrial effect to be reconsidered, and apparently the public are contented. Those who are not by any means to be satisfied are the factory workers themselves, whose suffrages will certainly be cast for the Labour candidates whose chief war cry is the demand for even more stringent conditions of employment. In the towns their energy and enthusiasm are certain to lead to a heavy vote against all who are not stalwart for factory legislation.

THE GENERAL REFORM MOVEMENT.

The Victorian election is the more interesting because it has become the practice of late years in all States to allow its legislators to enjoy their full term. A dissolution at an earlier stage has come to wear quite a Cromwellian air, and helps to reinstate the somewhat enfeebled authority of the Executive. Outside Victoria the importance of the contest lies in the cue it gives to the Reform Party in New South Wales and elsewhere, and to us the impulse comes just at the right time. Mr. Lee has gracefully recognised that under his leadership there is no prospect for the Opposition in our State Parliament by retiring from the office. Mr. Carruthers takes his place, and though he may have often reflected sadly on the consequences to the party of their having allowed Mr. Reid to use them for his own purposes he may now feel content with the outcome of that line of conduct. He was formerly willing to join Sir John See in a coalition Government, and now that his mission is to eject him from office he will probably resort to the same policy to strengthen his forces. There is no reason why the fiscal issue should continue to divide our Assembly representatives, especially in present circumstances. There is much other serious business to be done. We have exactly the same opportunity as Mr. Irvine has seized of reorganising the Liberal Party locally in the interests of retrenchment and economy. These would constitute a platform on which moderate men of all views could unite. They would have to face the allied Labour and public service factions, but there can be little doubt that if Mr. Carruthers has courage enough to lead in that direction a majority in the country are prepared to follow him.

THE NEW COMMONWEALTH.

SIR G. TURNER'S BUDGET.

STATE AND FEDERAL RIVALRY.

THE CRY AGAINST THE UNION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Sep. 30 1902; Nov. 8 1902.

The Federal Budget for 1902–3 constituted another success for **Sir George Turner** for his painstaking zeal, indefatigable industry, scrupulous precision of statement, and soberness of judgment. If his mind were a calculating machine, his speech could not have been more dispassionate or less imaginative. Without a flash of humour or a flight of fancy, an unhackneyed metaphor, or a glint of enthusiasm, he plodded his way prosaically and pertinaciously through an exhaustive exposition of the national accounts. Neither bold outlook nor broad generalisation was attempted, there was no startling novelty nor well-timed surprise, and consequently no opportunity for those dramatic effects which are dear to the pen of the paragraphist. If there had been, he might have failed to play the part with sufficient aplomb. As it was, he performed his plain task in a tradesmanlike way—nothing was omitted, nothing glazed over, not a detail overlooked, and not a cranny of the proposed expenditure left unexplored. “High lights” and shadows were as much wanting as the hues and harmonies of persuasive eloquence; there was little perspective in his picture, but every particular was included somewhere, set down with absolute accuracy in unimpeachable black and white. Far from rivalling the annual full-dress parade of figures to which some of our State Treasurers have accustomed their public, his utterance was almost slipshod, but so entirely reasonable in view and marvellously complete in exposition that it accomplished its aim as no oratory could. Without arousing sentiment or suspicion it enlightened and convinced. At a word from him, even **Mr. Reid** at once abandoned his own calculations and the hostile criticisms he was basing on them. The Treasurer's simple assurance was accepted by members with such unanimity that the general debate closed after two perfunctory addresses, full of compliments, from the leaders of the Opposition and of the Labour section.

CHARACTER OF THE BUDGET.

There was little public excitement as to the Budget, because in the peculiar circumstances of the case during its first decade the Commonwealth cannot have a surplus nor a deficit, and now that the tariff has become law is in no likelihood of looking to further taxation. All the interest taken in it centred in the questions how it would exercise its option of spending up to a fourth of the whole revenue from customs and excise, which is all that is dedicated to Federal purposes, and how it would justify whatever votes it thought fit to propose within that limit. As the Constitution now stands, Sir George Turner is only Treasurer in respect to one fraction of the national receipts: so far as the remainder are concerned he is merely a banker for the States. The special character of his Budget was that it had to comprise a sevenfold set of calculations, one for the Federated departments and six others exhibiting his dealings with the local treasuries. Its complexity was, therefore, considerable, for it necessarily embraced elaborate explanations of many sets of tabulated figures, more varied and more carefully formulated than any State Treasurer has ever had to essay. As has been often pointed out in these columns, the Federal Government, though far from dominating the financial situation as it ultimately must, already holds the key to the political situation throughout Australia. Already it is regarded with jealous eyes by its subordinate Legislatures because, as the income from imports and from excise flows first into its coffers, the central Parliament has power to decide how much or how little more than the fifteen shillings in the pound secured to the States shall be passed on to them. The rivalry between State and Federal politicians, already acute, is rapidly becoming intensified as the dependence of the State Budgets on that which is settled by the Commonwealth is being better understood. The pitch to which it has now attained may be gathered from the fact that the greater part of Sir George Turner's speech was occupied with his defence against the charges of extravagance hurled at the Federal Parliament from every corner of the continent.

FEDERAL AND STATE BALANCE-SHEETS.

British readers probably require to be reminded that, in spite of the dignity and power of our central Government, it is still and must continue to be less imposing on the face of its balance-sheet than some of its constituents. Even its gross estimated revenue for 1902–3, inclusive of the special duties collected in Western Australia on imports from the sister States, though it mounts up altogether to £11,500,000, is equalled by the expectations of Mr. Waddell for the same period in New South Wales alone. Of the Federal total no less than £7,500,000 merely travels through its books to the several local Treasurers. The £4,000,000, the outlay of which is actually controlled by

the Commonwealth, is only half the sum annually authorised in Victoria, and much less than is spent by Queensland. The six States together dispose yearly of more than seven times the true revenue of the Commonwealth. A great difference between them is that while the States one and all insist on spending more than they receive, and are confronted by deficits sometimes of alarming dimensions, the new Administration receives much more than it pays and does not yet spend as much as it is authorised to disburse. The contrast appears to be galling, especially to those who are for other reasons exasperated against the Federal Parliament. Mr. Philp, unable to control his wrath, not content with complaints against Sir Edmund Barton and his colleagues for which he has justification, and refusing to be restrained by his judicious friends, rages against the Union itself, openly advocating secession for Queensland. His grounds of complaint are largely financial, and though those who are quite willing to make common cause with him disclaim participation in his policy of disruption, the State Treasurers elsewhere are all of one mind in laying on federation all the blame for the straits in which they find themselves. One exception must be admitted, and curiously enough it occurs in our own State, where hostility to Sir Edmund Barton's policy is most pronounced. Mr. Waddell expressly denies the charge of extravagance which is aimed at the Federal Administration, and ridicules the figures on which it purports to be based. But it must be remembered that he is the one Treasurer whose estimates of receipts from Sir George Turner are always being surpassed.

THE NEW EXPENDITURE.

The Budget papers certainly do not seem to afford any firm foothold for the allegations of thriftlessness so often repeated and so generally accepted. Last year the Commonwealth paid over to the States £886,000 out of the fourth of the customs to which it was itself entitled, and this year it will increase its returns made to them at its own expense to £915,000. The total of the new expenditure to be debited to the Union, including its obligations in New Guinea and the New Hebrides, was only £205,000 last year, and will be £265,000 in the current twelve months, or 1s. 4½d. per head of the people concerned in it. The amount is astonishingly small, and yet, according to Sir George Turner, is incontestably correct. Of course, it is ridiculous to pretend that the withdrawal of such an amount has exercised any appreciable influence on the six States, whose joint incomes approach £30,000,000 a year. New South Wales could meet the whole bill herself without inconvenience. Our Ministry spent as much last year for unexpected demands unauthorised by the State Parliament, as much again on public buildings earning no income, and five times as much out of loan funds in making improvements on our railways and trams. As a fact this State, though it finds the largest subsidy, only pays altogether £111,000 a year for federation, obtaining in exchange that very valuable free access to the markets of

our neighbours which was so long denied to us. It is true that our duties on imports have been enormously increased, rising from £1,785,000 under our State Free Trade tariff to £3,150,000 under the Federal Protectionist Customs Duties Act, but we get the bulk of it back. Our Post Office earns as much as it costs us, though our share of the defence expenditure swallows £300,000 annually. As a final result we shall receive £2,660,000 at least, and probably £2,700,000 during the coming twelve months from the Federal Treasury. Though we contribute about £1,450,000 more to the customs than we did two years ago we get back £1,000,000 sterling to dispose of as we please, and have the bill for our defence forces settled as well.

MOTIONS FOR SECESSION.

Australia has a Union, but it is still imperfect, especially in matters of finance, consisting of nothing more than an agreement on the part of each State to pay a proportionate share of the cost of a central Government. Apart from that the States are as separated as ever they were, not only in the departments which they still retain under their local executives, but also in the departments with which they have parted to the Commonwealth. Every State still receives from its Post Office only what is earned within its own borders, and pays only for its officers within the same limits. The consequence is, that though Federal expenditure is equitably shared, there is nothing in the method fixed by the Constitution which makes it possible for the new Parliament to temper the wind to any shorn lamb among the flock—that is, to any effective degree. In spite of the drought, New South Wales is thriving, and the Federal tariff only serves to increase our local income. Queensland, on the other hand, is hard hit by both drought and tariffs. She taxes her people more lightly than the old State schedule of duties, and leaves her Treasury depleted just when its income from other sources has been dried up for the time. She loses £100,000 a year on her Post Office, and though her outlay on defence has been reduced by the Federal Government this year at her request to the extent of £55,000, she will obtain nearly £50,000 less than in 1901–2. She does not even get back three-fourths of her own customs receipts, so heavy are her expenses on her transferred departments. Three-fourths of the total customs of all the States is returned, but it is divided among them according to their receipts and not according to their needs. Queensland and Tasmania suffer as States from the effects of Federation because both receive less from customs than when they were living under their heavier State tariffs; but then they suffer still more heavily from the bad times. It is in these States, therefore, that motions for secession have been tabled. That in Tasmania was rejected with contempt because after all its politicians realise that their farmers have reaped a golden harvest during the drought on the mainland. The motion in Queensland supported by Mr. Philp is more likely to find a considerable measure of support when it comes to a vote, for though she,

too, has benefited by inter-State free trade and her sugar planters have been saved from ruin this season by the same means, all who are engaged in tropical industries look forward with anxiety to the cessation of coloured labour recruiting in the Pacific after next year. Mr. Philp finds himself assailed by his Opposition on the ground that his policy of extravagance is responsible for most of the deficits and difficulties that they are now facing. What is more natural than that he should seek to defend himself and divert attention from his own mistakes by placing all the blame on the broader shoulders of the Commonwealth?

STATE OBLIGATIONS AND BENEFITS.

The fact of the matter is that in the enthusiasm of anticipation which prevailed just before federation all the States lightheartedly increased their obligations in every direction. Union, they believed, was to bring prosperity to all, and hence each hastened at once to appropriate its share of the fruits foreseen before the tree which was to bear them was even planted. There was a greedy scramble among their representatives to secure for themselves the popularity and pleasure of lavish disbursements on the civil servants and the public generally. Victoria granted her citizens penny postage, New South Wales and Tasmania commenced expensive post-offices and departmental buildings to be afterwards paid for by the Federal Government, while all the States enlarged their military establishments. They forgot in their haste that under the bookkeeping clauses each State would continue liable for all its indulgences. In addition to this the intensity and universality of the drought has brought home to them at once other obligations which they had not looked to meet for years, and which some of them hoped to escape altogether. Sir George Turner, after citing the reckless manner in which they all of them had “outrun the constable”, went on to contrast their several incomes from customs and excise for the eighteen months before and the eighteen months since, the Union. Queensland obtained £391,000 and Tasmania £133,000 less, but in the first-mentioned State the losses by the drought would explain a far greater reduction than this, and in the second the people have enjoyed remissions of duties which have qualified them to make up a much larger sum and yet be gainers. From New South Wales, with its excess of £1,155,000, down to South Australia with its increase of £66,000, every other State has pocketed a much larger revenue since Federation than it did before. All of them have deficits, it is true, but the fair conclusion seems to be that these would not have been diminished if the Commonwealth had never existed. Even Queensland during 1902–3 will have handed back to her £7,000 over and above what the Constitution requires. Tasmania will get £23,000, South Australia £81,000, Victoria £200,000, Western Australia £246,000, and New South Wales £358,000,

all of these gifts being made by the Federal Parliament out of funds that it has the right to spend on its own purposes but which it generously spares for the States. The hollowness of the cry against Federation on any financial grounds needs no further exposure.

NEW SOUTH WALES FINANCE.

Mr. Waddell's financial statement last week might have been taken to be modelled on that of Sir George Turner, for it was an equally plain, though necessarily very much simpler, exposition of the accounts of New South Wales. Yet, with a revenue for the year as large as that of the Commonwealth the surplus shown from the year just closed was only £3,000, against the Federal £915,000, which was returned by Sir George Turner in gifts to the States. Our local legislators do not seem to possess any real sense of the gravity of their situation. The receipts for the current twelve months are estimated at less than those of the last. No increments to public servants earning more than £150 a year are to be granted, public works are to be proceeded with more judiciously, and the deficit of 1901–2 amounting to £84,000 is to be cleared off. These are all the economies proposed, and they are obviously and wholly inadequate. The £100,000 due for the redemption of the shortages of former Budgets is not to be provided, and though Mr. Waddell insists that he has been busily paying off Mr. Reid's old scores there is still £269,000 to be met after nearly £3,000,000 of loan funds have been devoted to similar purposes. Mr. O'Sullivan confined himself to a modest million during the year that has just ended, but the huge investments of borrowed moneys previously made should have forbidden such an outlay at this juncture mainly on unproductive works. It is true that the South African War, the plague, and the drought have cost us £800,000 in three years, and that the State has splendidly sustained its burden, but the need for such immense additions to our expenditure has passed. Taxation should be reduced and retrenchments of a much more drastic order than that outlined insisted on, unless we are content to drift like Victoria into deficits calling for heroic measures. Mr. Carruthers properly censures the shiftlessness of the policy pursued, and with the reform leagues of the country behind him may yet be enabled to head a movement towards sounder finance.

THE NEW COMMONWEALTH.

“TRIAL BY JURY.”

NEW SOUTH WALES CRISIS.

OPPOSITION DEFEATED.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Oct. 7 1902; Nov. 14 1902.

New South Wales has experienced a **political crisis** that came and went as swiftly as a tropic thunderstorm. Such an incident could occur in few constitutionally-governed countries, so that the meteoric manner of its entrance and exit may easily serve to deepen the darkness which seems to enshroud us from our critics across the ocean if we can judge by the fragments of their commentaries that have reached us. A fortnight ago a Jew was prosecuted in Sydney for receiving goods supposed to have been stolen, and having been found guilty by a unanimous jury he was sentenced to twelve months' imprisonment by the judge, who had summed up strongly in favour of his acquittal, and who expressed his intention of making representations regarding the verdict to the proper authorities. The prisoner's counsel made a protest to the Crown Law Office. The judge reported, recommending the man's release, and Mr. **Wise**, as Minister of Justice, at once set him at liberty. The jurymen, whose verdict was thus peremptorily set aside, were instantaneous in their resentment, and the Opposition scenting an opportunity for an attack under their new leader, began a clamour in the Press. It was declared in large capitals that trial by jury was the palladium of British liberty, and that we were about to be deprived of this treasure by a nefarious trinity of legal tyrants, consisting of the Attorney-General, the judge, and the counsel for the prisoner. Public sentiment was speedily aroused by these representations. Mr. **Wise's** action appeared precipitate, and the method of release arbitrary. The prisoner was a free man, in fact, before his Excellency's official authority was obtained to open the doors of his gaol. Juries, though constantly subject to ridicule for their blunders, are popular, because they are supposed to constitute the democratic element in our judicial system. Judges are suspected of being swayed by a natural affinity for the classes and "the powers that be", among whom they are always numbered when a reckoning is made of the natural opponents of the masses.

NEW SOUTH WALES STRUGGLE.

Mr. *Carruthers*, though a solicitor by profession and perfectly aware of the true nature of the proceedings in the case, was quite prepared to take this early opportunity of asserting himself as leader of the Opposition by making the case a ground of challenge to the Ministry. Something is to be excused to him seeing how recently he has replaced Mr. *See* and allowing for a natural anxiety to exhibit his own superior energy and greater oratorical power. His tirade against the Cabinet assumed the familiar Parliamentary form of a motion of censure richly garnished with the customary personal insinuations and rhetorical exaggerations. The debate that followed was prolix, disorderly, and discreditable. There seemed to be as little sincerity in the defence as in the attack. In the general opinion Mr. *Wise* had blundered in his procedure, but no one really believed that it mattered much whether he had or had not acted too hastily. His intervention was a convenient peg on which to hang a motion of want of confidence, and was merely being employed for that purpose. The fact that the debate lasted for three nights shows that the grievance had not been ill chosen. If there had been no prospect of success it would have been disposed of at a single sitting, and probably on a mere motion for the adjournment of the House. Suddenly as the occasion had arisen there were all the ordinary accompaniments of a formal assault on the Government, and it was heralded as if in every way a real crisis. The Metropolitan Press, which is unfriendly to the Ministry, devoted its columns to cross-headed articles collecting all the adverse opinions that could be excited into expression, multiplying rumours, revelations, and insinuations, while darkly hinting at mysterious developments to come. There was the usual adjournment for a sitting after the fateful notice of motion had been tabled, much counting of heads and many prophecies of defections, then its discussion, and at last an overwhelming defeat of the Opposition by a majority of two to one.

POLITICAL INSTABILITY.

How, it may be asked, is it possible for a Government, evidently well established in its control of the House with a solid support, to be challenged in this off-hand fashion with any expectation of success? The answer requires a knowledge of Australian public life, without which the mere record of division lists must always be misunderstood. The main characteristic of our politics is instability. Our people are apparently more emotional than the people of the Mother Country, possibly more mercurial as well as inflammable, and they are in the closest touch with their representatives whom the shortness of the Parliamentary tenure permitted by law renders amenable to each throb of the public pulse. Consequently every momentary sensation, every stir of sympathy outside is felt at once, and with full forces in the Chambers of the

Legislature, as soon as and as much as in the street. Immediate action is necessary in the House or else the interest of the public may cool too quickly to permit of its effective utilisation for party purposes. Under such pressure formal expressions of want of confidence are becoming less frequent unless, as in this instance, time is needed by the assailants for making up their numbers. In South Australia two or three Ministries have been ousted on a motion for the adjournment of the House. The See Government came into power on a motion of censure of Mr. Reid for making a grant out of the public funds to a member of the local Assembly for a report on old age pension schemes. The spasm of disgust which lifted the Government into office might easily have been paralleled in effect by the outburst of anger following the high-handed interposition on behalf of a prisoner by Mr. Wise, who appropriately enough was the chief agent in bringing about Mr. Reid's downfall. The huge majority recorded in favour of the Ministry really means very little when all is understood.

WHEN A MINISTRY IS IN PERIL.

The real and permanent causes of our political instability lie deeper and are worthy of remembrance. The fickleness of the unorganised opinion of the electors is more than reflected in Parliament, where no permanency of administration can be secured, while only minorities of members can be classed as direct supporters or opponents of the Government of the day. Each party has to look beyond itself to make a majority. The Labour section everywhere in Australia ranks its special representatives apart and preserves them under strict discipline outside both the regular camps. When a Ministry is in peril a caucus is held at which a majority vote is taken binding on all its members. We have also a country section in the House recently formed to counterbalance the dominance of Sydney in which a similar rule prevails. According to Mr. Ashton, the first lieutenant of the Opposition and one of the most promising of the younger generation of New South Wales politicians, the Ministry was saved last week by the solidarity of these subordinate sections. If his statement be credited there were nineteen members of the Labour and country combinations willing to vote the censure, but compelled by the majority of their colleagues to vote against it. Had they obeyed their convictions he asserts that the Opposition would have won by a majority of five instead of losing by thirty-three. These are, perhaps, only the customary excuses of the party which is beaten, but they point to one of the most disturbing factors in our local Parliaments—the existence of sectional organisations within them, united on special programmes and bound together by rules of common action. Their majorities or minorities are thus enabled to treat with the official parties as to the terms on which their groups of members shall support or oppose them at every crisis. No suspicion of personal corruption is entertained, or is entertainable, but it is by such means that the minorities in question secure concessions from

the party that gains their votes towards the fulfilment of the articles of their public programme. A majority of one vote in the Labour section kept its members behind Mr. Reid for several years, and the same majority, according to Mr. Ashton, last week saved Sir John See. If a sick member's vote had not been accepted in his absence by the caucus Mr. Carruthers would now be Premier of the State.

THE "PURGE POLITICAL".

Every day and at every crisis, whether in the Commonwealth or the States, Constitutional Government in Australia is imperilled by the existence of sectional leagues among members outside the Ministry and the Opposition. One potent argument possessed by Sir John See, at which he only ventured to hint, was the prospect of a dissolution being granted in the event of his defeat. Such a contingency was extremely unlikely, because the question on which he was assailed related to his administration and not to his policy. Indeed, that was the chief reason why this special act of Mr. Wise was chosen for complaint instead of a general indictment of the Cabinet policy, though that is what Mr. Carruthers actually opposes and seeks to reverse. In his hour of disappointment he may reasonably allow himself to be comforted by events across the border, where Mr. *Irvine's* appeal to the country has been even more successful than the very confident anticipations that have been expressed in these columns. When the dissolution does come it ought to place him in power, if only he can bring about a union of the forces that have triumphed in Victoria. For once the sectional interests of the Labour electors and public servants were severed from those of the main political parties. Their partnership has long been tacit, but when it was made express it sufficed to isolate them in most of the constituencies. Even then their strength was such that they not only preserved all the seats which were held by Labour members, but added two or three more to the number. Yet when thus reinforced they only number fifteen members out of ninety-five. The main sufferers, of course, were the Opposition, badly led by *Sir Alexander Peacock*, whose health gave way during the campaign. The members of the Opposition found themselves left without a positive programme that appealed to the people. They lost several members who deserted to the Ministry before the poll was taken, while fourteen more retired into private life on the election day, leaving them numerically no stronger than the Labour section. Eight of the fourteen Ministerialists who opposed the Government on the particular retrenchment of the public service on which they obtained a dissolution were rejected by their constituencies, and the remainder were returned only after making public repentance. The final result is that two-thirds of the members of the new House are pledged Ministerialists, that half of the thirty members who remain of the direct Opposition are partly committed to a similar programme, and that the Labour section alone remains bitterly hostile and irreconcilable. In Victoria the purge political has been thoroughly applied.

THE RETRENCHMENT MOVEMENT.

When the second State in the Commonwealth sets itself earnestly to the work of retrenching its expenditure and readjusting its constitutional machinery, much is to be hoped from its labours and from its example. It is already noteworthy that the South Australians and Victorians in the Federal Parliament are the most vigilant critics of departmental estimates and the most persistent advocates of rigorous economy. With such an object-lesson before our eyes it will be scarcely possible for us in this State to ignore the signs of the times. Mr. Waddell's Budget falls far short of our needs. We were the last to join the Federation and we shall be the last to undertake the unpleasant task of reducing our lavish local disbursements; but we must do so eventually. So painful is the process that there is some doubt how far Victoria will be courageous enough to pursue the policy for which her people have declared by an overwhelming majority. She is sure to diminish the number of members in her Legislature, but whether her Legislative Council will consent to enlarge the franchise of its electors, and at the same time accept a scheme for securing, solely at its own expense, finality in cases of dispute with the Legislative Assembly, is another matter. Here, if nowhere else, a struggle is to be anticipated. Temporary percentage reductions on the salaries of public servants will now be passed without demur, but what authorisation will be given to permanent savings of this kind has yet to be discovered. Borrowing is officially foresworn from henceforth, but still we hear already of a new loan for the construction of admittedly reproductive works chiefly for water supply. Whether the appetite for fresh supplies of cash from abroad can be weaned in this way is open to much suspicion.

THE MURRAY RIVER COMMISSION.

The chief work projected by the Irvine Government in its loan proposals is the construction of the Waranga reservoirs, where the surplus waters of the greatest Victorian tributary of the Murray—the Goulburn—are intended to be stored. That stream is already controlled by the largest and finest masonry weir in Australia so as to divert its flow into a canal of the carrying capacity of a small river. This stream with its branches distributes the water over a great area of plain country to the immense advantage of its farmers, graziers, and irrigators, though with little direct financial return to the State on the large sums of public money there invested for the benefit of the landowners of the district. The new reservoir would possess a storage capacity beyond that of anything on the continent, would increase the area supplied, and permit of the special extension of summer irrigations after the flow had shrunk as usual to the much smaller supply left after the spring rains have ceased.

The Murray River Commission, on which New South Wales, Victoria, and South Australia are represented, is still engaged in examining the basin of that longest and most important of all Australian streams with the hope that some means of saving and using its waters may be devised which could be agreed on by the three States concerned. Here, however, there are several very delicate questions to be decided.

THE BASIS FOR A QUARREL.

The Murray proper depends for the great bulk of its supply on its tributaries in New South Wales and Victoria, both of which States, but especially Victoria, have authorised diversions from them. Only the Victorian settlement at Mildura and one or two minor areas towards Echuca draw from the main river. Alarmed at the prospect of further Victorian droughts South Australia and New South Wales have protested through their Governments against any fresh drain on the Murray pending the report of the commission. Mr. Irvine rejoins that while he is quite content to make no greater demand on the Murray itself he insists on continuing to exercise the freedom which each State has hitherto claimed of dealing at pleasure with any of its tributaries. In the Federal Parliament *Sir William Lyne* has announced that no works erected on any stream which interfered with the Commonwealth right to preserve navigation will be allowed to be used, and that if they are constructed it will be at the risk of an injunction. There is the basis for a very pretty quarrel, therefore, amid these intricate and conflicting claims. Even the High Court will possess but a limited jurisdiction in this relation, and the Inter-State Commission yet to be created may require to be invoked. The English law of waters, which is too extremely complex everywhere, will be particularly hard to apply to the circumstances of an arid country like ours, whose climate, physical circumstances, and products all call for special treatment. In many inland districts water will prove of more value than land; whoever owns the water will practically own the land; and the States may be confidently expected to fight hard for their several shares of this most essential element of agricultural development.

THE NEW COMMONWEALTH.

CLOSE OF THE FIRST SESSION.

FEDERAL ACHIEVEMENTS.

PARTY POLITICAL TACTICS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Oct. 15 1902; Nov. 19 1902.

The opening chapter of the first volume of the story of the Australian Commonwealth has closed—the first session of its first Parliament has ended. Drawing a long breath of relief, and with some ejaculations of surprise at having at last reached the shore of recess, its wearied members are dispersing themselves over the continent. Their voyage, if not tempestuous, has been full of perils, much of it in uncharted seas, and most of it beset by baffling cross currents. The closing scene of its long labours, from a picturesque point of view, was very sharply contrasted with the splendid pageant with which they began. The King's Message was then conveyed through the lips of his son and heir to an immense concourse assembled from all parts of the continent, and celebrated by a magnificent series of ceremonials. Those were the golden hours in a dawn of jubilation and anticipations that have long since faded into the common light of day. The departure of the Prince and Princess of Wales signalled the close of the initial festivities, while that of the *Earl of Hopetoun* in a more general way may be taken to have marked the dissipation of the remainder of our dreams. We have now touched solid earth at last. In the Senate Chamber at Melbourne, almost as small as the platform from which on May 9, 1901, the Heir to the Throne appeared before thousands of loyal subjects, including the elite of all Australia, and with few more present than then constituted the royal suite and the colonial representatives of the Crown, *Lord Tennyson* on the 10th of October declared the first prorogation of the Parliament of the Commonwealth.

GROWTH OF POLITICAL PARTIES.

A great deal has happened between these two dates. The failings of Ministers have been exposed to the fierce light that beats on the Front Bench and has left them weaker than they were eighteen months ago. Their one consolation is that Mr. *Reid*

emerges even more damaged in reputation. The misfortune most to be regretted appears to be a disposition on the part of those who are disappointed with both sides to find fault with the Federation of which they are at present the chief figures. Of course, this is unreasonable. Our main troubles are those which are due to mistakes in policy and in temper traceable back for many years, or to natural causes over which we have little or no control. Taken as a whole and fairly judged, the first Federal Parliament has done extremely well. It was in every sense a new body: comparatively few of its members had been previously associated in legislative work, and except those who sat together in the National Convention drafting the Constitution all were strangers to the representatives of other States. The bonds between them had to be forged. There were no parties in the proper sense of the word, for though the Protectionists naturally gravitated to the Ministry and Free Traders to the Opposition all ties were of the loosest character, and many fundamental differences of opinion were concealed under familiar labels. The tariff struggle gradually sifted them, but too many members were returned on other grounds to enable even that issue to divide the House permanently. Mr. Reid and Sir Josiah Symon certainly rallied around them in each Chamber a powerful minority of stalwart adversaries of the Government. Thus a true Opposition came into being as much stronger than the Ministry in the Senate as it was weaker in the House. But in both Chambers the “indifferents”—most of them Labour members—retained the balance of power. The compromise schedule of duties which is now on the Statute-book is therefore, in most instances, expressive of the verdict of a jury of Labour men after hearing the case for and against its several items argued by the advocates of Free Trade and Protection.

RESULT OF THE SESSION.

The upshot is that the session closes with three parties in play, instead of two—the third, though weakest in numbers and in ability, making up for these deficiencies by the excellence of its discipline. The only festivity on prorogation day was celebrated by a dinner given by the Labour representatives and Senators to their leaders, at which they exulted in the influence they had exercised. Mr. Watson frankly admitted that they had little to expect from either of the “orthodox” parties, but he explained the success which had attended their operations by the fact that a number of members who were not within their ranks were in sympathy with them on many subjects. He did not think it necessary to add that these friends to whom they paid this passing tribute would be displaced by them remorselessly at the first opportunity which was afforded of putting in their own pledged adherents. In the meantime they are content to use and to praise those who give them independent aid towards the achievement of their ends, which are neither few nor simple. The Federal platform of

their group comprises the demand for old age pensions, arbitration courts to settle industrial disputes, and uniform factory laws. They oppose salaries in the public service above £600 or £700 a year, and seek to increase the wages of adults in the lowest grades to £110 a year.

THE LABOUR PARTY POLICY.

The Ministry, though too complacent as a rule, has resisted the Labour Party on a few important points, defeating it most decisively on the colour restriction which was proposed to be introduced into the Immigration Bill in place of the education test suggested by Mr. Chamberlain. It was not entirely successful in preserving the Public Service and Electoral Acts from Mr. Watson's amendments, but it excluded the most vital proposals. It also contrived to carry its estimates without alteration with the exception of those relating to defence, to accept New Guinea as a territory, and to encourage trade with the New Hebrides in spite of the Opposition. On the other hand, the Ministry lost its Defence, Loan, and Bonus Bills, though the Labour section would have been powerless if it had not been aided in each instance by practically the whole strength of the Opposition. Mr. Reid has followed without hesitation the old maxim that his duty is always to oppose Ministers. When the Labour section has supported the Government—as on the Kanaka question—he too has meekly followed them, but whenever the Labour section has fought the Cabinet—as in the case of the proposed revenue duties on tea and kerosene, the expenditure on defence, the Loan Bill for £1,000,000 or the Bonus Bill—he has been with that party up to the hilt. It is he who has accepted the lead of the Labour members, and not they who have followed him. His one policy, independently of theirs, was Free Trade, on which they are divided, and such converts as he won were all drawn from the ranks of the Conservative Ministerialists.

MR. REID'S ATTITUDE.

Mr. Reid's alliance with the Labour section, based on other grounds, has been more continuous than that of Sir Edmund Barton, who has often been hostile to its pretensions. Such kindness as it has exhibited to the Cabinet has been due to Mr. Kingston, whose association with it in his own home has been more intimate than Mr. Reid's, though he depended on its support for years in New South Wales. The Customs Tariff Bill is largely Mr. Kingston's work, and for his sake many Labour members assisted to pass it into law. He has, so far, preserved the balance between the Government and the Opposition as to render Mr. Reid's offers to the Labour corner nugatory and to leave him at the close of the session no more advanced in the

confidence of the Labour section than he was at the beginning. Sir William McMillan and Sir Edward Braddon have a stronger hold on the more stable elements of the Opposition, and have proved most capable lieutenants by keeping together a party whose sober thinkers give but a qualified endorsement to Mr. Reid's coquettings with Mr. Watson; these, though cordially approved by the Radical wing, are eyed askance by the rest of his party.

THE OBJECTIONS TO FEDERATION.

The antagonism to Federation, which centred in Queensland but was reflected elsewhere, is due to the fact that those who disapprove of the Ministerial policy see no hope of redress from Mr. Reid. They argue that if he had been in office we should have had a less burdensome tariff and a much milder customs administration, but it appears quite possible to Mr. Philp and his colleagues in the less prosperous States that under him they would have had even less revenue than they are now receiving. The Kanaka Bill would have been no less stringent, but the sugar industry might have been less stimulated by duties, and with the present poor crop this would have been disastrous. Mercantile men in Brisbane as well as in Sydney are loud in their complaints because they are being prosecuted and fined for innocent errors in their customs entries, but Mr. Kingston grimly points to the exceptional collections which have been made, and ventures to insinuate that they are partly due to his drastic measures. As against the inflowing tide of receipts from the harvest the States' Treasurers have to allow for the new conditions imposed on Federal expenditure as recently forced on Sir George Turner against his will. Here once more it is the Labour section and Mr. Reid who have combined together to insist that whatever Federal public works are constructed this year shall be paid for out of revenue instead of out of loan funds, the customary source of supply for such purposes. In New South Wales, though Sir John See by no means approves of the departure which has been made at the expense of his income, we can well afford the £154,000 intended to be expended within our borders for this purpose: but it is a serious matter for our neighbours, whose debit balances are steadily mounting upwards under the persistence of the great drought. The original proposal was for a loan of half a million this year, the expenditure of which would have been very welcome to those States which are curtailing employment, but the outlay has been reduced to £265,000 now that it has to be found out of their income. Instead of £915,000 they will only receive £726,000 by way of gift from the Federal Treasury. All the States will have their share of the three-fourths of the customs, estimated at £7,300,000, but Queensland, by reason of its heavy loss on its Post Office, will be £43,000 less instead of £7,000 more than three-fourths of the duties collected within its borders. Ministers were more tender than the Opposition and their Labour allies, from whom the less prosperous members of the union receive no quarter.

THE SECESSION MOVEMENT.

The Secession movement which has resulted springs, in the first instance, from the shrinkage of receipts everywhere because of the devouring drought. The Federal Parliament, do what it would, could not have materially diminished the consequences of that catastrophe. The remission of the duties on fodder, a small loan for public works, or the imposition of additional revenue duties might have helped a little to mitigate the effects of the disaster on the local finances, but not to any appreciable degree or for more than a brief period. As Mr. **Drake**, the Postmaster-General, who represents Queensland in the Senate, has tersely put it, six inches of rain in that State would wash the whole agitation away. With the exception of the Premier, Mr. Philp, secession has not a notable supporter even in the North, and it is still weaker in the South. **Sir Edmund Barton**, who has just reached Brisbane, has spoken some comforting words to those who have received him, while Mr. Reid has always insisted that the Queensland Ministry brought all its troubles on itself by endorsing his rival's cause at the first Federal election. Neither of them need plead guilty to any particular charge of hostility to this great State, though in the struggle for power both of them have shown themselves less sympathetic than they ought to have been. Apart from this they have done nothing to justify a revolt. The Federal Parliament under their control has been a most patient, laborious, and assiduous body, fearing no difficulties, and confronting all problems with business-like energy and perseverance. Putting aside party tactics and personal shortcomings, its record on the whole is marvellous. What it has done in the way of positive policy has affected the whole continent in its most vital interests, while what it has refused to do constitutes a negative policy of no mean magnitude. It will not borrow, it will not tamper with State authority or submit to its tutelage, it will not favour the establishment of regular forces to serve abroad, it will not spend lavishly at home even to develop our vast resources of iron ore, it will not permit political control of the public service, or encourage proposals for amending the Constitution. Seventeen thousand pages of Hansard testify to its taste for discussion, and a score of important Acts to its legislative capacity, while the organisation of its great departments has proved its power of administrative control.

THE TWO CHAMBERS.

Looking at our national Parliament dispassionately one cannot detect any definite distinction between the methods of the two Chambers or the ability of their members. Sensitive as they have proved to be to any encroachment on their respective rights at the one supreme crisis of the session, both have displayed a self-command and commonsense that augur well for their future relations. Both have been well led, especially the Senate, where Mr. **O'Connor's** control of his very uncertain following

was often masterly in emergencies. His reputation in this respect has probably grown more than that of any other Federal politician, some of the best known of whom have hardly realised expectations that had been formed with regard to them. Sir Edmund Barton's absence in London and Mr. Reid's absorption in professional business have made them less conspicuous, but has left both still in command. The general level of the Parliament is by common consent admitted to be considerably above that of any State Legislature. If there is little apparently that merits the name of oratory in its proceedings there is a great deal of experience, good sense, readiness in debate, and knowledge of affairs. It may be questioned whether it will be equalled by its successors, though they will enjoy the fruits of its toil. It has established many precedents, settled many forms, and disposed of a host of preliminary problems in the working of our old institutions on Federal lines. It has been truly representative of the complex elements that shape public opinion in this country, and, forcing its way through the resisting forces of provincial jealousy which found frequent expression within its walls, may yet claim to have become sincerely Australian in character, sentiment, and policy in most of the very important and permanent work which it has accomplished.

THE NEW COMMONWEALTH.

FEDERAL AND STATE ISSUES.

PARTY PREPARATIONS.

PROTECTION OR FREE TRADE?

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Oct. 21 1902; Nov. 27 1902.

The *Prime Minister* has returned, and he has explained the results of his mission to London, the *acting Prime Minister* has expounded the work of the session just concluded under his leadership, and the policy of the Opposition has been officially declared by Mr. *Reid*. We have thus brought before the public almost at the same moment our political past, present, and future in Federal affairs in such a manner as to focus the attention of the electors on the choice they will be called on to make at the close of next year when selecting men and measures for a new Parliament. Yet even in such exceptionally favourable conditions it is by no means easy to secure a hearing on these all-important issues. Everywhere the people are absorbed in watching their local Legislatures, which are now all in session, and oppressed by a sense of the grave responsibilities attendant on their readjustment to the fresh conditions imposed on them by the establishment of the Commonwealth. It is safe to prophesy that when the Barton Administration goes to the country it will be separately judged in each State on different grounds, dictated largely, if not chiefly, by considerations having their origin in the party warfare at present proceeding within its borders. The blend of Federal and State issues is detrimental to both, and particularly embarrassing in this State, but it may prove more disastrous still to the Parliament of Australia, which may be once more returned without a working majority on either side and therefore may be too much at the mercy of the unpledged independents and the too well pledged Labour members to permit the proper organisation of either Ministerialists or Oppositionists. To this peril the Press and the public, though unanimous in condemning its consequences during the recent Federal session, appear almost blind, partly because fiscal fanaticism is influential and partly because the war between the ins and the outs in each local Legislature distracts their attention and vitiates their judgment. Of party spirit there is enough, and of party energy more than enough, but for the most part it is that begotten in State conflicts, and operating, therefore, on Commonwealth problems in an inconsistent, irregular, and intermittent way.

“THE IRONY OF FATE.”

Sir Edmund Barton has always been the most English of our statesmen in manner, in cast of thought, and in dignity of demeanour. His occasional lapses from this high standard have been less marked since his visits to the Mother Country, and have been entirely absent from his utterances since his landing in Brisbane. Here, in the State most antagonistic to himself and his policy in its Executive and Press, he was received with becoming courtesy by both, and he wisely refrained from taking advantage of their hospitality. Arriving in Sydney, he was welcomed by the Mayor in the same strictly non-committal fashion, for his Administration is, if anything, less popular in his native city and home than in any other capital. Free Traders joined in the reception solely out of appreciation of his attitude on the Imperial matters with which he had dealt in London, and importers were included in the number, though they took the very earliest opportunity of protesting by a highly representative deputation against the excess of zeal which has led Mr. Kingston to institute prosecutions against them for innocent mistakes in their customs entries. It was naturally then with very tepid, temperate, and conditional greetings that the leading men of our Metropolis met their returned ambassador, under the auspices of its chief municipal magistrate, immediately after he disembarked. Sir Edmund had a still more difficult ordeal to undergo when he confronted an immense mass meeting which had been called for a similar object in our Town Hall on Friday evening last. It may seem the irony of fate; but the fact that when passing through Rome the Prime Minister was accorded an interview with the Pope and afterwards accepted a commemorative medal from his Holiness so exasperated the Anti-Catholic faction, which is always prominent in our local politics, that a few scores of them sought to prevent him from disclosing at a public meeting of four thousand persons the nature and results of the Imperial Conference. Of course, no religious nor even sectarian interests have been or could be affected by anything that was said or done in London. But the Protestant Defence League, exulting in the public patronage of Mr. Reid, has openly declared against both Sir Edmund Barton and Sir John See, mainly because the first-mentioned has one and the other two or three Catholic colleagues. The satire of Swift would have fastened on so conspicuous an instance of the absence of sweetness and light and also of common sense among those who are willing to sacrifice free speech in their zeal for the liberty of private judgment.

SIR E. BARTON'S IMPERIALISM.

There was little novelty in the Prime Minister's revelations, as far as they could be heard amid frequent interruptions. His expectation that Canada may yet contribute to the Imperial Navy and that New Zealand will favour a tariff preference of 10 per cent. on goods imported from the Mother Country were less needed than

some precise indication of what trade concessions of this kind he himself intends to propose to the Commonwealth Parliament. He repeated in detail the terms on which our existing subsidy to the Australian Squadron is to be doubled, but he broke no new ground as to this or any other of the resolutions adopted at the conference. His deliverance was in scope comprehensive, in character authoritative, and in style elevated, worthy of his position and capacity, and useful for popular education. It contained no allusion to strictly Australian politics for the very sufficient reason that a large number of those who applauded his Imperialism are opposed to his party. He had also been anticipated by the acting Prime Minister, who reviewed the work of the session at Ballarat a day or two previously, recapitulating with pride the long list of measures of high policy and of departmental organisation that had been passed by the Government, and magnifying the immense difficulties which had been surmounted. The speech was not reported here, but it appears to have been based on an appeal to Federal sentiment. Mr. Deakin dwelt with emphasis on the fact that at present the Commonwealth has for its sole critics the Legislatures and Ministries of the States, whose aim is to shift either on the Federal Government or the Union itself all blame for our existing trials, though they are the direct consequences of years of drought and disunion. There is, as he said, not even one Federal newspaper in all the Commonwealth, but then, unless the Washington dailies are to be counted, there is no Federal Press in the United States. On this analogy it seems that for an indefinite period our central Parliament must be content to reach its constituents by means of such space and support as the newspapers of the States are willing to spare. Of course, there is the platform from which part of the public can be reached, but having regard to the size of Australia and to such senseless drowning of a speaker's voice by a small clique out of a vast audience, as was witnessed in Sydney last Friday, the want of adequate reporting must tell heavily against all but favoured Federal orators in the forthcoming campaign. With its members elected on local issues we can only expect confusion in the Commonwealth Parliament, and this, as it becomes manifest, will be pointed to as another evidence of the failure of the Union by those most responsible for thus defeating its Unionism.

MR. REID'S POLITICAL TOUR.

Far more noteworthy than anything that was said by either the Prime Minister or his deputy was Mr. Reid's profession of faith in Free Trade as his solo reliance at the next general election. He has just concluded another successful proselytising tour in the Western District of Victoria, where he has relied on his demonstration of the loss of the adult population of that State as compared with even the slow growth of New South Wales to justify its people in seceding from the cause of Protection of which they are, and always have been, the ardent upholders. Beyond this familiar line of

argument he has not thought it necessary to go, his sensational announcement of the tactics he proposes to adopt being reserved until Parliament was closed. It marks an entire change of his previous plan of campaign, and it is therefore properly viewed as involving the gravest consequences to his party and to the fortunes of Australia. During the session the effort of his lieutenants has been to pave the way for an alliance between the Radicals who are Protectionists, the Labour section, and Mr. Reid's immediate following under a programme which is based on temporary acceptance of the tariff in order to permit of the passage of advanced legislation. This project has now been abandoned definitively, and with it the exclusion of Sir W. McMillan and the more conservative section who follow him which must have ensued.

LESSONS OF THE LAST ELECTION.

Apparently the lesson of the late election in Victoria has been laid to heart by the leader of the Opposition, since he evidently hopes to rally the Moderates behind him sufficiently well to become largely independent of the Labour members. Mr. Kingston's severities have kindled the mercantile interest against any Administration that includes him, while the bad times are disposing both town and country to think impatiently that a change of Government might, after all, afford some solace and relief. Mr. Deakin's interpretation of Mr. Reid's declaration is that as the tariff is based on Australian lines, and necessarily offends every State in some particulars, it has become unpopular, with all except the thoughtful, who are able to perceive that any other tariff must have involved similar local sacrifices. In the meantime the disfavour created by its inevitable neglect of certain State interests is sought to be credited to its Protectionist provisions only, though it is not those which really hit Queensland, Tasmania, and South Australia. Whether this be so or not it is plain that the tariff is unpopular, that Mr. Reid realises it, and means to take legitimate advantage of the fact to improve the prospects of his party.

ATTACK ON PROTECTION.

Probably so astute a strategist as he has always proved himself to be has still better reasons for directing his next attack on the policy of Protection, against which he can always be sure of a sweeping majority in his own State. Among these may be reckoned the conviction that it will be safer to take the negative side at the election to be held at the end of next year. Again, it will be more advantageous to secure his majority there, with a better chance of a three years' tenure of office, rather than accept it in a Parliament which will have only a few months to run when it reassembles about June. A still stronger reason for avoiding responsibility just now is due to the fact that

the great drought area already devastated remains stricken and has been extended by the addition of the northern districts of Victoria, from which a great exodus is now taking place. The crops have failed there as well as almost everywhere inland beyond the ranges, and as the grass is giving out all stock capable of travelling is being rapidly removed to the coast, where the season has been much more propitious. In our State and in Queensland the afflicted regions continue bare and dry, but the limit of losses had in most places been reached last year, and the failure of the rainfall merely postpones their recuperation. South and Western Australia and Tasmania are in far better case, and our own uplands, particularly in the North, have nothing to justify complaint. Still, the delay in the return of normal seasons spells ruin to a number of pastoralists and farmers—high prices for food of all kinds, meat, grain, or fodder, small receipts for exports, stringency in the money market, and a general depression of trade. Mr. Reid is judicious in allowing the resentment which these unhappy conditions are sure to generate in the minds of the masses to attach to the Federal and State Ministries of the day. He may then be able to claim the results of refreshing showers when they come, and of the business expansion which must follow them as the natural fruits of his own policy. In any case he sees little to envy in the lot of Sir Edmund Barton at present, since his successes at home will deprive him of some support from the “ultras” without enhancing his influence with the great bulk of our people, who are simply contented with the work he has done.

THE STATE LEGISLATURES.

For a time, at all events, it appears likely that Federal politics will pass into the background now that its Parliament is closed and its Ministry is not yet engaged on the preparation of new measures. The States, on the other hand, are having their turn; their measures, which are now under debate, whether for fresh taxation or retrenchment, excite keen interest among large classes of their people, and their Executives are occupied in giving effect to many devices that are addressed to the same end. This is the case in every province except that of New South Wales, where Mr. Waddell's Budget has been accepted in a partisan spirit in spite of all its inadequacies and omissions. His proposals are sufficient for the hour because they are palatable to the Assembly, so that it is becoming plainer than ever that it will need an election and a new Administration before we are brought into line with the rest of the Union. As the summer comes on the several Legislatures will commence to prorogue, South Australia first and Tasmania with probably the best record. Judging by appearances Victoria alone will see her session prolonged beyond Christmas, but there, of course, a new House has only just commenced its labours. The Australian horizon is clouded everywhere, but there is one redeeming movement in the political

arena, almost equally universal, springing from the resolute determination manifest in every State to set its house in order. It seems as if all of them will soon adopt new methods of financing, of raising and of spending revenue. When this is done there will be an opportunity for the development of the uncounted resources of the continent, which, with a few years of plentiful rain, accompanied by a cautious restocking of the arid areas, will soon restore the prosperity to which we have lately become strangers. With all their wrangling and wayward divagations the States are now treading the right road to recovery.

THE NEW COMMONWEALTH.

FINANCIAL BURDENS.

UNION AND STATE TREASURIES.

RETRENCHMENT AND TAXATION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Oct. 28 1902; Dec. 3 1902.

The eternal want of pence is always with our public men, yet at different times it exercises very different degrees of pressure. At present its coercion in Australia is the chief feature of the political situation; it governs our policy tyrannically both in the Commonwealth and in the States. Turn where one will it asserts itself more or less obtrusively under a great variety of forms, but everywhere with most uncomfortable urgency. A professor of geology has recently explained that Adelaide must expect to suffer such shocks of earthquake as recently alarmed her people because, in his opinion, they are occasioned by large local subsidences imminent in the adjoining seas whose inevitable consequences are the tremors that set all its buildings shaking a few weeks ago. Happily, little damage resulted then, or need result if the vibrations continue as even in their movement as they were on the last occasion, but in some shape or other come they must, and its people would do well, he says, to prepare for them. That is precisely our financial position to-day. State deficits are occurring and will continue to occur. Whether they arise in whole or in part from natural causes is from this point of view comparatively immaterial, since, in either case, they must be met by compensating retrenchment and taxation. If curative measures of this kind are judiciously undertaken and firmly enforced there need be no irreparable wreckage, but undertaken they must be. Relentless as the earth tremors our debit balances confront us, refusing to be conjured away and with peremptory insistence demanding to be provided for.

STATE LOANS.

There was a time when there would have been a prompt and a ready remedy for any and every slackness in our finances applied without hesitation or demur. We should have borrowed freely with a light heart, and during the outlay of the loans

employment would have been provided, and our customs and other revenues increased. After a while good seasons would have brought their fruits and our public investments themselves sufficient returns to make the interest burden we bear so inconsiderable as to seem almost imperceptible. We have all relied again and again on the expansive power of the community under the stimulus of loans to carry us through our trials, and, though with steadily diminishing elasticity, again and again the fertility of our fields, the richness of our ores, and the fleeces from our flocks have provided the necessary means to meet our outgoings. That time has passed, and if we would it could not be prolonged, though on one excuse or another our Governments are still toying with small projects of the same kind. Western Australia has just had a private advance of £1,383,000. Victoria is authorising one more million for pressing public works. South Australia has three-quarters of a million and Queensland has two millions authorised, and both of them are watching for an opportunity of flotation. Tasmania alone refrains, or appears to refrain. We in New South Wales are receiving accommodation from our bankers, and our **Treasurer** is eager to pledge the credit of the State for much larger sums to relieve his rapidly increasing embarrassments at the first favourable opportunity. Most of the objects for which these loans are desired or have been expended in anticipation are legitimate, and many of them possess excellent promise, but it is perfectly certain that whatever may be their prospective profits they are either the last, or almost the last, that will be permitted by the people whose property is being made liable for all these borrowings. The pinch is now being felt by those who have to pay the interest bill twice each year.

THE FEDERAL TREASURY.

It is unnecessary to discuss from here the light or want of light in which our position is judged by creditors at home. But with State debts exceeding £200,000,000, made up of sixty separate issues of debentures, of differing dates and rates of interest now dealt with by London lenders, the British investor may reasonably be expected to share the hope of those who are sanguine among us that the union of the Continent under a central Government and Parliament will prove the prelude to an assumption of those scattered liabilities by United Australia. To them it ought to be made plain why one Commonwealth stock of one denomination on a single register and uniform in its security represents an ideal which, however attractive to them and advantageous to us, is certainly not within measurable distance of attainment. It is true that in their hour of need all the State Treasurers are turning eager eyes towards the **Federal Treasurer**, who is known to be sympathetic towards them and favourable to an assumption of responsibility for their debts. But for all that such a climax is remote. The terms on which a transfer can be arranged are, in the first place, limited by the Constitution. This confers no power on the Federation to take over any debts

incurred by the States after its establishment on January 1, 1901, and requires that any loans which are floated before that date shall be transferred at the same time and at the same rate per head in all the States. But there is a third condition unexpressed, yet far more important than these, not to be omitted, though it is almost impossible to be agreed on, that must be faced before long. It is quite certain that the Federal Parliament will never saddle itself with the existing obligations of the States while the local Legislatures are left as absolutely free as they now are to run up fresh debts whenever and wherever they can find capitalists willing to trust them. Plunged into our present straits because we have had six separate and independent Australian borrowing Governments we should be still worse off if we simply added a seventh borrowing on their collective security.

CONFLICT OF INTERESTS.

Once more then we are confronted by a conflict of interests not between the States and the Union, but between the two political organisations that represent our people as a whole. The colonies have been built up by borrowing until what may be termed the "loan habit" has become inbred in their Parliaments, and will persist as long as possible even now they are States. It is no exaggeration to say that while local politicians can borrow they will, and that when they cease it will be because they can borrow no longer except on terms that their constituents will not tolerate. Party leaders who are bidding against each other for support at the ballot-box find a spirited programme of public works an extremely tempting bait to the bulk of the electors and still more acceptable to their Legislatures, where it greatly enhances the apparent importance of their sessions. For the moment such proposals enhance the popularity of members in their constituencies, and as a rule have been warmly applauded by the Press. There have been occasions like the present in New South Wales when our Metropolitan journals, because they are hostile to the existing Administration, attempt to clip its financial wings and censure some of its obvious extravagances, but such a conjunction is rare. The situation now more than justifies them. The States have been deprived of the control of the customs, which was once their chief source of revenue, and they lose nearly one-fourth of its receipts. Besides this Queensland parts with £300,000, Victoria £270,000, and Tasmania £135,000 under the Federal tariff. Then all the States are still paying interest on the borrowed capital expended in connection with the three departments of the Post Office, Customs, and Defence, which are now removed from their management. Ultimately this will be refunded, but at present they have to find the cash. They are naturally embittered by these losses which, added to those occasioned by the drought and to the diminution of their prestige sustained in consequence of the creation of the Commonwealth, combine to

render their debentures less valuable and more difficult to sell. They fear that in time they may find it impossible to dispose of them on the old terms or with the same frequency as of old. The States as borrowers are already under a cloud.

COMMONWEALTH RESPONSIBILITY.

On the other hand, the Federal Parliament is not going out of its way merely to save the credit of the States, and anything it does for them will be merely in the way of business. The Ministerial tariff was framed so as to preserve their income by means of the revenue duties on tea, kerosene and similar imports, and Sir George Turner's loan proposals were brought forward avowedly for the purpose of lightening their present burdens. The House emphatically refused to follow the Government in either instance, the Opposition, as a whole, the Labour section unanimously, and some Ministerialists uniting in the resolute determination to accept no odium for further taxation or for fresh loans for any but national purposes. The breach between the State Legislatures and the Federal Parliament in respect to their finances was thus made complete, and though a certain number of duties were imposed, and a few proposed expenditures foregone in the Federal Houses for the sake of the less prosperous States, these concessions were only made in response to appeals from the Government as distinctly temporary, special, and not as precedents for the future. It is in this temper that any scheme will be considered which Sir George Turner may persuade his colleagues to sanction, pointing to the Federal acceptance of State loan responsibility. Then again the Commonwealth will need to borrow for its own purposes: it, too, will feel the familiar temptation to aggrandise itself and please its constituents by expenditure on a Transcontinental Railway or some other ambitious project with which its members may desire to be associated. Such possibilities have the good effect of making the Federal Parliament cautious in its dealings with State loans, and anxious to prevent the security it has to offer abroad, already depreciated by the existing loans, from being dissipated piecemeal by its several provinces. We have here one guarantee for economy which is likely to be effective in dictating the conditions on which the central Legislature will assume any part of the debts already incurred by its units whom these necessities are now making its subordinates. Plainly, the interest of the Commonwealth is that when it begins to borrow the States shall cease to do so.

THE STRUGGLE FOR SUPREMACY.

It has been the constant aim in these columns to present a clear picture of the struggle between the Federal Government and the local Executives, each of them acting for their Parliaments, which was bound to be waged, and has been waged steadily though silently ever since the inauguration of the Commonwealth. That struggle is for the supremacy of Australia, and the weapons that will determine it are financial. The subjection of the States when it comes will be secured by means of the financial powers vested in the Central Parliament under the Constitution. Ostensibly that Imperial Act does not reduce in any way the freedom of the States to borrow at pleasure, but in result the paramount authority of the Commonwealth is certain to be asserted in pursuance of the policy already adopted by its representatives so as to curtail, if not abolish, that freedom. As a mere competitor in the Money Markets of the world the Federal Parliament has immense advantages over the States; the customs ready cash flows now through its coffers, and after a time will remain in them; every mode of taxation open to the States is equally open to it, and can be employed without regard to the wishes of the local Legislatures. Of course, the same citizens are masters of both, and may intervene through both to adjust their functions and mark off their respective spheres of action, but there is more likelihood of their learning to prefer the more universal agency of the Union than the restricted authorities vested in its several States. No phase of the contest between them will be more critical, or should be watched with more interest than that just beginning with reference to their loans and borrowing capacities. This development may, perhaps, among its other incidents serve to awaken our Press and public to the real nature of the overlordship created by the Constitution of the Commonwealth. It may also interpret to them the true significance of the unrest which obtains in every local Legislature now that they are commencing to be dimly conscious of the narrowing of their financial bounds and the shackling of their credit.

RETRENCHMENT IN THE STATES.

Retrenchment is always popular with everyone who has not retrenched, and taxation with all who escape the tax, but every practical proposition for either meets with a host of angry foes. All-night sittings are among the storm symptoms at present prevalent in the local Legislatures in consequence of the pursuit of these ends. An angry personal episode between Minister and member in Brisbane, a labour outbreak against an adverse finding of the Arbitration Court in Perth, and Mr. Wise's resignation of his second portfolio of Minister of Justice here are minor explosions indicating the pent-up fires below the surface. The coming reductions in the number of members imminent in five Parliaments serve to add fuel to their discontent.

But the first cause of all the perturbation and chief motive power of the varied agitations everywhere visible is the want of pence now growing acute in every Treasury. Every State, except Western Australia, has lately closed its financial year with a relatively considerable deficit. Every State, including Western Australia, is likely to close the present year with another comparatively large deficit—since the economies now in progress will not have operated for more than a few out of its twelve months, and the terrible losses following the drought are now in their full ebb-tide. Western Australia's difficulties are slight and her deficiency will be small. The other States will all of them have grappled with their loads, and have brightening prospects before them. We in New South Wales are fortunately rich enough to survive the tardiness and negligence that have unhappily distinguished our finances for many years. When accounts are properly taken we shall probably show the largest deficit, in spite of the fact that the Federal tariff is now taking from our citizens and pouring into our Treasury £1,200,000 a year more than we have been accustomed to receive. Mr. Carruthers has lately riddled our Treasurer's figures and the mock surplus with which he promises to conclude the year, the country is slowly awaking to its helpless drift into difficulties, and even Ministerialists are becoming uneasy under the criticism to which they are subjected. Chief and last of the sinners we too must soon reform. It is an old saying that finance is government and government is finance, and certainly the whole character and trend of politics in Australia at present supports the adage.

THE NEW COMMONWEALTH.

TRANSCONTINENTAL RAILWAY. ALTERNATIVE SCHEMES. STATE AND FEDERAL INTERESTS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Nov. 4 1902; Dec. 12 1902.

The most pregnant event of the moment is the passage in the South Australian Parliament of a measure authorising the construction of the Transcontinental Railway to connect Adelaide with Port Darwin. Put into figures the project is certain to attract attention if it were only because of its magnitude. From Adelaide to Oodnadatta and from Port Darwin to Pine Creek two lines, already made, one from each terminus, stretch towards each other, leaving something more than a thousand miles to connect them. With the detours demanded by the character of the country to be traversed it may mean one thousand two hundred miles in all. Estimates of the cost of its construction are necessarily vague, ranging from £1,000,000 to £5,000,000 for a line with a 3ft. 6in. gauge and 60lb. rails laid according to State standards for trains running not less than twenty miles an hour. Such a proposal would have been much more critically scanned if it had been intended to pledge the credit of South Australia in order to secure its accomplishment, but, as its Premier frankly remarked, the credit of the State cannot endure such a strain, nor will its circumstances permit it to risk such a speculation. These may appear rather poor recommendations for the undertaking from a profit-earning point of view, but there can be no question as to their soundness. South Australia cannot afford to finance the enterprise, nor would her people be justified in permitting the increase of their burdens which it would inevitably imply. Yet they have the most urgent reasons for making any reasonable sacrifices on this or any other plan which would relieve them of what is sometimes termed their "Treasurer's nightmare" and sometimes their "white elephant"—the Northern Territory.

SOUTH AUSTRALIA AND THE RAILWAY.

South Australia proper includes only the southern section of the broad strip of country popularly known under that name, which, passing right across the continent from the Southern to the Indian Ocean, severs the great mass of Western Australia from the extensive eastern coast, divided between Queensland, New South Wales, and Victoria. The northern and larger half of the colony was attached to South Australia at her own request in 1863 by an Imperial Order in Council, but has never been further incorporated with her, unless this be a practical consequence of the Commonwealth Constitution Act. Forty years' experience has made it perfectly plain that the original acquisition was a costly blunder, undertaken in a spirit of reckless ambition and without sufficient consideration of the revenue to be received. The telegraph line to Port Darwin can be justified, because by its means Australia was placed in direct communication with Europe much earlier than would have been possible otherwise. It is only within the last few months that the Cape Mauritius cable has taken its place as our chief line of communication, while this week the Pacific cable to Vancouver has commenced working in rivalry. In these circumstances the State may well congratulate herself that the overland line has passed to the Commonwealth and must hereafter be maintained by its Treasury; except for messages to Asia it will be henceforth superseded. For some years it has earned the interest on the £452,000 which was sunk in its construction, being distinguished in this respect from every other venture the State has made in that unfortunate region. Now it, too, must cease to be self-supporting. The railway from Palmerston to Pine Creek has never paid its way. The Northern Territory is now saddled with a local debt of £3,000,000 sterling, involving an interest payment of over £100,000 annually, while its administration costs from £10,000 to £20,000 a year more than it collects, so that altogether it drifts to leeward at the expense of this already over-burdened State about £120,000 every twelve months.

INDUCEMENTS TO INVESTORS.

Under such pressure it is no wonder that the South Australian Parliament, taking its courage in both hands, has departed from two of our most cherished colonial shibboleths—that all railways must be the property of the Government, and that none should ever be authorised on the land grant system adopted by the United States. Its Labour Party alone remained superior to the logic of facts but was hopelessly voted down by a more than three to one majority. So far, therefore, as the State is concerned the railway is on the market, and open to the highest bidder. Speculators are offered a maximum of 75,000 acres a mile in alternate blocks, with twenty-mile frontages on either side of the line from Oodnadatta to Pine Creek, and the right to charge rates

not exceeding those of the State on its southern section from Port Augusta, except with the special consent of the Government. As for a large part of its route the railway must pass through land which is unfit for cultivation and much of it unfit even for grazing, it is plain that the motive of any who undertake to construct it must be the development of the undoubted mineral resources of the regions through which it will pass. The contractors are to enjoy absolute proprietary rights to exploit them anywhere on the lands granted except on fields already proclaimed, and it is evident from Mr. Jenkins's speech that this extraordinary concession in Australia is the temptation relied on to induce investors to stake their capital. They may purchase the Pine Creek line if they so desire, or the whole of their line and plant may be bought from them by the Government, the price in each case to be determined by arbitration. The question is whether or not the 75,000,000 or perhaps 90,000,000 acres offered will contain the precious or other metals in such abundance as to encourage the building of the line by which they would be opened up. Something very much less than a Kalgoorlie would soon repay the promoters, though the cost of living on the new field might be much greater than it is, or has been, in the wastes of Western Australia.

THE LINE TERRITORY.

Much was said, and properly said, by Mr. Jenkins as to the marvellous resources of the Northern Territory itself, including the portion south of Pine Creek which is open to the operations of the concessionaires. Here are rich tracts on which all sub-tropical products grow in abundance, vast areas of superb pastoral country unvisited by drought, and many fairly prospected fields which have been proved to be rich in gold, silver, tin, and copper. Inaccessibility has been one of the principal causes of the stagnation which has afflicted this naturally wealthy country, in spite of the incessant efforts and liberal expenditure of South Australia, whose Governments have exhausted their treasury in the endeavour to develop it. But there is much more than this in the way of its progress. How can Ministers explain its backwardness after forty years of settlement—one-third of it in nominal occupation in immense blocks, most of them idle, the recent decrease in the areas held under pastoral leases, the failure to secure any tangible results from its mining claims, and the decline of imports which are complained of by the Government Resident? He does not say, nor did the Premier utter a word in his speech, carefully prepared for advertising purposes abroad, and comprehending every favourable feature of the country. A conspiracy of silence, as far as can be judged from telegraphed reports, was maintained in Adelaide throughout the entire debate on the most vital condition of success; yet the prosperity of the Territory as well as the prospects of the railway, which would, of course, be of incalculable benefit to it, both depend very largely on a question which was carefully avoided, if not deliberately excluded, from the exposition and criticism

of the scheme. According to many authorities the material welfare of the Territory has been sacrificed, and the construction of the railway may even now be prevented, in consequence of the exclusion of coloured labour and the disabilities on all but white citizens of the territory which have been imposed and maintained by successive South Australian Administrations for many years past. There lies, it is said, the open secret of its failing revenue and dwindling settlement, and a possibly insurmountable obstacle to the building of a great transcontinental line.

STATE AND FEDERAL POLICIES.

There was the same silence on another all-important question, and it passed by without comment from our omniscient Press. This was the attitude to be adopted by the Federal Parliament towards this grandiose conception. There is good reason to suspect that this will not be altogether friendly, for certainly there has been an absolute change of front on the part of the local Legislature which will readily furnish an argument against it. In April 1901, a policy was matured and published long before **Sir Frederick Holder**, as Premier, with the approbation of his people and Parliament, officially offered the Northern Territory to **Sir Edmund Barton** on the sole condition that its liabilities were accepted by the Commonwealth. It was hoped that the railway to Port Darwin would be undertaken out of the deeper purse of the Federation, but no stipulation to that effect nor of any other kind was made. The offer was welcomed by the Prime Minister, though it was criticised by our eastern journals with provincial narrowness. The general view was that the transfer should be made, the only question being on what terms. Since then, however, the new Jenkins Ministry has obediently followed the lead given by its much strengthened Opposition. After Mr. **Kingston's** withdrawal from local politics it broke decisively with the Labour Party, and when Sir Frederick Holder followed him into the Federal House it abandoned the rest of its former policy. Of late it has lived by the votes of its old antagonists, and has accepted the views of their capable leader, Mr. **Darling**, on this and other issues. By its present attempt to secure the railway the South Australian Parliament has shown that it is no longer eager to part with its costly appanage, but will keep it if it can obtain the line, by means of which it might be rendered solvent, and it has thus practically withdrawn the offer which was made eighteen months ago.

PROSPECTS OF THE RAILWAY.

Once more the ambitious spirit which prompted the original petition for the annexation of the territory is in the ascendant and under the same impulse. Adelaide has lost the key of the Federal telegraphic system, and foresees that her central

situation may not suffice to secure her the key to its railway system if she permits the making of the line to Port Darwin to go into other hands. The Federal Parliament has exhibited no enthusiasm at the prospect of controlling the Territory, has proved unexpectedly economical in its views of public works, and has further evinced no inclination to subordinate its own aims to the interests of particular States. Its Radicalism is pronounced against land grant railways and coloured labour, without which the prospects of the transcontinental line from Oodnadatta are poor indeed. When it does begin railway making its first investment would probably be westward, to Coolgardie and Perth, and as this would pass through Adelaide, the northern line, instead of bisecting Australia from the same starting-point, might be made from one of the Queensland branches, or perhaps from Bourke in this State through Queensland to Pine Creek. It is therefore in the interests of the capital of his State that Mr. Darling, one of its leading commercial men, has obliged the Jenkins Cabinet to reverse its policy on this question, and by his appeals to local patriotism has swung his fellow-representatives behind him, including some of those who sit in the Federal Parliament. Once more South Australia is prepared to stake her fortune, this time in land instead of in bonds, on the possible development of mineral riches in the North by means of a railway the risk of which would be borne by private speculators, but at the worst securing to Adelaide the long-coveted railway by the help of which she would seize and long retain the command of transcontinental traffic.

ALTERNATIVE SCHEMES.

The plan has much to recommend it from that point of view, though the parting with some eighty-five million acres to private owners is certainly a regal dower. It means the fee simple of an area greater than Great Britain, Victoria, or New Zealand, and more than four times larger than Tasmania. But, of course, even after making this gift the State would have for itself a substantial remainder of two hundred and fifty million acres. This is no inconsiderable part of its present estate, especially when the alternative is to part with the whole to the Federal Government for its aggrandisement, the State receiving nothing in return except the £3,000,000 invested in it. Here, again, the shoe pinches. Jealousy of the Commonwealth counts for much more than local politicians are prepared to recognise, even among themselves. It stimulated Mr. Jenkins and his colleagues, who have made themselves conspicuous from the first in their hostility to the Federal power. It is to be hoped that between the two the interests of Australia may not suffer. Just before the close of the late session the motion of Mr. *Solomon*, for many years a resident of the Territory, in favour of its acquisition, was debated in the House of Representatives, the proposed Railway Bill being incidentally discussed. By several members the project was regarded merely as a business-like endeavour to force the hands of the Federal Government and to obtain better terms. As a matter

of fact it is much more than this, and it is being pushed on, in the first instance at all events, for its own sake. On the suggestion of the acting Prime Minister the Commonwealth House contented itself with a declaration of its willingness to accept the Territory on fair terms. It is significant that this further formal acceptance of the tender made by Sir Frederick Holder last year has been simply ignored by the State. Should its change of policy be resented by the Commonwealth the execution of the new scheme may be very seriously prejudiced. Its tariff will require to be satisfied on all materials imported for the construction of the line, while its Immigration Act may prohibit the introduction of the coloured labour without which the cost of making it will be immensely increased. These are but two of the effective weapons in the Federal armoury capable of being most unfederally employed in a dog in the manger spirit. Some certainty in regard to them ought to be arrived at before so gigantic an enterprise is attempted to be launched on the British or American markets.

MAGNITUDE OF THE UNDERTAKING.

Assuredly there is every reason why all possible encouragement should be given to the capitalists who are courageous enough to shoulder this immense undertaking. It will need patience as well as skill to make the railway pay as such, even in connection with the fertile high plains of the north, whose utilisation will be of itself a tremendous task. The long stretch of arid, torrid desert at the core of the continent will demand a large expenditure on wells and expensive car accommodation in order to tempt passengers to take this route when a line of first-class steamers shall have been induced to run from Port Darwin. The discovery and working of the vast mineral deposits which are known to exist both in the centre and North, while they offer the chief attraction of the speculation, will demand no small expenditure before they are made steadily payable. The railway itself is but one of the means of development which need to be applied before these stretches of sub-tropical and tropical country can be compelled to yield their resources in the form of realised wealth. So far the Chinese alone seem able to make the mines already working pay, though only shallow depths have been tested by imperfect appliances. The aboriginals are not really troublesome, except in places where settlement would speedily and easily overawe them. Climate, distance, and labour represent the three difficulties to be overcome, and all of them are capable of being conquered if the necessary capital and energy, wisely directed, are aided by the Commonwealth and the State acting in unison. The extraordinary expansion which was witnessed in the West of North America in consequence of the transcontinental lines through the United States and Canada is an apt illustration of the probable effect on the unpeopled and unprogressive North of Australia of the same potent agency of civilisation.

THE NEW COMMONWEALTH.

NAVAL DEFENCE. FEDERAL CONTRIBUTION. OBJECTIONS TO THE SCHEME.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Nov. 11 1902; Dec. 22 1902.

Imperial questions are at present to the fore in most of the States, the return of the Prime Minister and his addresses explanatory of the resolutions adopted at the recent conference in London furnishing the topic of the hour. For the sake of their acceptance it is unfortunate that Mr. Chamberlain's leisure will not permit him to visit Australia as well as South Africa, for without a personal acquaintance with our people and their problems a Colonial Secretary must always be at a grave disadvantage when required to inform his colleagues or advise his Sovereign with regard to them. He would have received a welcome of a most enthusiastic character, needing only to be protected from the unbounded desire to entertain him hospitably and the universal wish to hear him expound the policy of his Government to the tens of thousands here who have followed his brilliant career with interest and sympathy. It is doubtful if any living British statesman, not excepting Mr. Balfour himself, would have aroused the same personal sentiment among men of all classes and opinions. His tour would not have been a pleasure or a leisure trip; it would have been filled to overflowing with important experiences, more important to us and to our future than to the Secretary of State himself, though he has been and is entrusted with the care of our destinies.

MR. CHAMBERLAIN AND AUSTRALIA.

It's a far cry from London to Capetown, and farther still to Sydney. Whatever Mr. Chamberlain's South African experiences may be they will throw little, if any, light on Australian affairs. The one lesson common to both would probably be an alteration of perspective even more marked than that which he must have noticed when visiting the United States. Enchantment may be lent to a landscape by the distance from which it is viewed, but in politics the general result of distance is confusion and misapprehension. Though he has so lately listened to Sir Edmund

Barton's exposition of our situation in Downing Street thirty days of ocean voyaging would immensely alter the Minister's views as well as his vistas. His alert and receptive mind would acquire a store of ideas and impressions which would be invaluable in the interpretation of our public affairs and for threading the mazes of our policies. An astute observer of his calibre might come to know us better than we yet know ourselves, for up to the present it must be confessed that even our Federal development has not been able to resolve our factions into parties or their shifting doctrines into definite programmes. He might, perhaps, have materially helped the crystallisation of political thought on the few broad issues which are just now before us, determining our relation to the Mother Country and to our fellow dependencies which enjoy the privileges of self-government under the Crown.

THE NAVAL DEFENCE SCHEME.

The first and greatest Imperial proposal to be submitted to the Commonwealth Parliament by its Government will relate to a new agreement for naval defence under which, in consideration of an increase in the strength of the vessels on this station, it will be asked to practically double our subsidy. Since 1887 we have contributed £104,000 a year; after 1903 we are to contribute £200,000 a year, part of the money to be expended on the drilling on board ship of an Australian Naval Reserve trained so as to reinforce the squadron on this station, which in the event of war is to be available anywhere in the Eastern Seas. The scheme as now presented is much less ambitious than that originally framed for the conference by the Admiralty, but even in its reduced proportions, judging by present appearances, it seems quite unlikely to find acceptance. Sir John Forrest stands alone in advocating the payment by all the colonies of a full share of the cost of the whole of the Imperial Navy distributed according to the comparative trade of each of its parts. Even the Western Australian finances in their most flourishing days could not have sustained such a drain. In times of drought and depression such as the present the attainment of his ideal is unthinkable. How far the electors will be prepared to go next year even the Press appears to be unable to judge, most of our newspapers adopting a non-committal attitude and sheltering their opinion amid vaguely sonorous generalities, though so far the most influential are evidently adverse. During the six or nine months that must intervene before the Government lays its Bill before the representatives many changes are possible, but it is already plain that its reception will be unfavourable—indeed it will encounter opposition on so many different grounds from so many different quarters that it appears to be already doomed.

AUSTRALIA'S CONTRIBUTION.

No more unfavourable time could have been chosen to bring forward any change of plan, however meritorious, if it involved new expenditure. Antagonism to an increase of subsidy on this ground and this alone will be formidable. A large number of those who share Sir John Forrest's ambition for the assumption of our moral responsibility for the maintenance of the Navy will decline to support him now on the ground that to add this additional cause of taxation at a time when new burdens are being imposed in order to enable the States to carry on the ordinary functions of government as we have them would be to make a project, which they hope to see realised hereafter, unpopular at the outset by a hopeless and inopportune levy. While Great Britain spends £30,000,000 a year they ask what can an extra £100,000 from Australia matter to her taxpayers? Just at this time it means more to us, they contend, than thrice the amount would have meant in prosperous times. The spectre of the drought hovers menacingly over every horizon, banning all movements no matter how momentous if they call for coin. Remote as we always have been from actual warfare, and secure as the inland population always will be, except, perhaps in the event of an invasion, our ever thrifty farmers, smitten by the severity of the seasons to the verge of ruin, and many of them left entirely penniless, will cast a unanimous vote against any outlay. They will specially resist expenditure on the high seas, across which at present they have nothing either to send or to receive. The rest of the people of the States now subscribing to help them to hold on to their withered fields will be in no humour for other subscriptions for the remoter needs of our ocean patrols.

THE REVISED AGREEMENT.

There is also a growing party whose opposition will be based on the old objection to taxation without representation. The *Duke of Devonshire*, addressing the Empire League, and our Minister for Defence, in his memorandum, brushed this consideration lightly aside with the comfortable expression of opinion that when the colonies paid for their defence they would be conceded some unspecified share of authority over it. There is no such prospect nor any step towards it in the revised naval agreement as is now presented. We are to make further contributions in the shape of money and men, but both are to be beyond our call or control. They are to be at the absolute disposal of the Admiralty, just as the Military Reserves which Mr. *Brodrick* asked us to raise were to be wholly under the War Office. Australia is to provide her quota, but, having provided that, she is excluded from any other participation in her defence by sea. This is not an attractive outlook to the influential men who keep themselves abreast of current criticism in the United Kingdom. When statesmen of prestige and experience like *Sir Michael Hicks-Beach* condemn the War Office, when

we recall its dictum in response to our offers of assistance in South Africa “unmounted men preferred”, when we judge the Admiralty by its management of the *Drayton Grange* troopship, and recall similar instances of official blundering the deep-seated distrust of the administrative methods employed in these departments becomes a very important factor in determining colonial opinion as to the present and any other proposals of the same kind. Want of confidence in their efficiency immensely strengthens the general feeling against their claim to exercise an irresponsible control over defence. Their autocracy has been by no means free from failures.

IMPERIAL OR FEDERAL CONTROL.

Then, again, there is the party which claims that any Australian Fleet should be under Australian control, at all events, in time of peace. It is hard to distinguish at present between those who merely adopt this cry because it sounds well, those who use it merely as a means of defeating the subsidy, and those who are really willing to expend large sums annually on ships and men for the defence of our shores and commerce in these seas. The last, the only serious advocates of the new departure, are a somewhat motley gathering collected from among Conservatives, Liberals, Radicals, and Labour men. Their imaginations are inflamed by the effects which are likely to be produced by such a demonstration of local fighting power until they have come to believe that the people would be prepared to put their hands in their pockets deeply enough to build a Navy if they organised it, though refusing to pay a subsidy of any kind which was unaccompanied by authority over the vessels on which it was to be expended. Why pay 5 per cent. interest on the cost of ships when the capital expended on them was obtained for 2½ per cent. by the Admiralty, and could be raised at 3½ per cent. by the Commonwealth? If local seamen are to be paid at local rates, why should not their Australian officers, who would understand them better and control them more efficiently than those who are unfamiliar with their peculiarities? No doubt they would drill well and fight well anywhere, but they would drill better and fight better still if their native as well as their British patriotism were fired by the consciousness that they were trusted by their fellow-colonists to uphold the honour of Australia. Undoubtedly more men and more money would be voted for ships distinctively representing the Commonwealth than for a contingent which was lost to sight in the squadron on which it was enrolled.

OFFICIAL APPEAL.

Something like a concerted official appeal on behalf of the new agreement was made last night in Melbourne. *Sir George Clarke*, the Governor of Victoria, at its Mayor's banquet on the King's birthday, tactfully seized the loyal occasion presented, and justified his reputation as a high authority on defence by the clearness with which he depicted other fundamental objections to what is obviously a premature ambition. As he insisted, we cannot have an Empire "divided into watertight compartments", nor a piecemeal Navy limited to the passive defence of and on special coasts, without inviting the defeat in detail on which *Sir Edmund Barton* dilated with felicitous force to the same gathering. *Vice-Admiral Sir Lewis Beaumont*, speaking in the same strain, but somewhat more cautiously, reminded his hearers that the only useful training for bluejackets was that which was to be obtained on up-to-date ships on the high seas. These utterances, following one another on the same theme, appear to have been highly applauded by the large and influential gathering to which they were addressed, but it must be remembered that Victoria has always been deemed Imperialistic, and that the mercantile men of the Commonwealth generally, like those who were strongly represented at *Sir Samuel Gillott's* dinner, are always sensible of the inestimable importance of sea power. From this demonstration it seems that the Prime Minister and his colleagues are bent on making a fight for the agreement which was tentatively adopted in London. They may succeed in carrying it or something like it, but it will tax their energies and abilities to do so, even if our circumstances become more generally prosperous than they now promise to be. The technical objections to the proposal that we should build and man our own warships are so far ignored by its advocates. Their cost is minimised; the rapidity with which all such vessels become obsolete and the expense of replacing or re-equipping them are not taken into account. The small field of experience, narrow possibilities of promotion, and early retirement from active service of the officers of a merely local service, coupled with its consequence, the quick growth of a pension list, are among the considerations that will require to be pressed on our enthusiasts by practical men and experts of authority.

COLONIAL VIEW OF THE CONFERENCE.

Beyond these special considerations there are two main currents of feeling which are likely to powerfully affect all discussions of defence questions. The first is that referred to some weeks ago by *Mr. Chamberlain* in his *Highbury* speech, when he complacently accepted certain "necessary deficiencies in the regular service" as being "necessary" because public opinion in the Mother Country would not sanction the expenditure requisite to repair them. The same procrastinating and

expensive negligence and the same reliance on voluntary effort in the hour of need are advocated among us by those who point to the improvised levies which we sent to South Africa as illustrations of the manner in which we can always render aid in future emergencies. The argument has force in so far as it points to the despatch of Irregular Horse as probably our most useful contribution to any contest of that kind on land, but is wholly inapplicable to maritime warfare. Still, it has at least as much weight here as in Great Britain. The second source of opposition proceeds from men who are profoundly dissatisfied with the results of the recent conference from a colonial point of view. These, according to their complaint, were either negative or else imply a further increase of expenditure. The project for preferential trade relations has been indefinitely waived in the Mother Country and relegated to the generosity of the colonies instead of being rendered by reciprocal concessions a real link of Empire. No advance has been made towards any better organisation of our political relations except by the agreement for quadrennial conferences. Even the legal unity capable of being secured by the establishment of an Imperial Court of Final Appeal has not been acquired.

OPPOSITION TO THE SUBSIDY.

The conference has been barren of results to the Commonwealth except in the calls made on its depleted purse. There is no equivalent, unless the discharge of what Sir John Forrest deems a moral responsibility to share in the cost of the Navy is taken into account. But many here agree with **Earl Grey** that no obligation exists for this particular mode of discharging it, since the Imperial Navy would require to be even stronger than it is for the protection of British commerce if there were no colonies. This contention need not be pressed, because it is the nature of the contribution asked for that is most open to question. There is nothing popular in this subsidy. It is now being opposed because it appeals neither to the patriotism, the self-governing capacity, nor the spirit of enterprise characteristic of Australians. According to current criticism, it has been devised simply to extend the official dictatorship of a distant bureaucracy over colonial forces and resources, which could be more effectively prepared in peace and rallied in time of war if fostered by less mechanical methods, and freed from sundry departmental swaddling clothes.

THE NEW COMMONWEALTH.

STATE SERVANTS' REVOLT. DISFRANCHISEMENT PROPOSALS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Nov. 18 1902; Dec. 26 1902.

Retrenchment and reform of our methods of expenditure occupy men's minds and fill the columns of our newspapers in this State until even Mr. Waddell feels called on to demonstrate the economical character of his Budget. Still more remarkable is it that Mr. O'Sullivan has delivered a homily to the unemployed which is not without indications that his exuberant confidence in the policy of spending without thought for the morrow is becoming tempered by misgivings. The rains have not been sufficient to put an end to the steady drift of station and farm hands from the country, where even the miners are being driven by want of water from their claims to the city, which is already crowded with unemployed, attracted by the Minister's bountiful policy of public works. It is now clear that the next harvest will not satisfy even our own needs. South Australia and Tasmania alone are likely to have exportable surpluses, and these will fall far short of the wants of their neighbours. With bread and meat dearer than ever they have been, and with employment restricted in town and still more diminished in rural districts, we are evidently doomed to a trying year. Yet at such a juncture, unhappily, party animosities, instead of decreasing, are deepened by the endeavour of every faction to prove that its antagonists are responsible for all our ills, and that its particular panacea is the only remedy to be relied on in the extremity. Impecuniosity—unstocked runs and barren tillage—ought to supply misfortunes enough for one season, but in our case they are being wantonly magnified by partisans, who are now making deliberate attempts to add to these trials by encouraging a rancorous outbreak of bitter sectarian strife.

ORANGE ATTACK ON SIR E. BARTON.

New South Wales has been subject to attacks of frenzy of this kind for many years. Sir Henry Parkes himself never scrupled to use the Orange organisation and its electoral energies whenever such tactics promised success. His strategy had the unforeseen result of turning the Roman Catholic vote into the Protectionist camp by way of protest against his hostility. There it has remained. Mr. Reid, by accepting

the support of the Protestant Defence Association for his Free Trade revival, is merely following this precedent, which implies perversion of religious enthusiasm to political activities generated for ulterior ends and supported quite apart from their merits. The next stage in this campaign after the leader of the Opposition gave in his adhesion has been a formal Orange indictment of the **Prime Minister** for visiting the Pope, for expressing sympathy with Irish Home Rule, and for declaring against the suspension of Constitutional Government in Cape Colony. For none of these acts or opinions is his supporters or even his colleagues in any way responsible. They are not connected in any way even with Sir E. Barton's own past record or future programme in the Commonwealth, yet it is already evident that these individual acts and opinions will cost his party some thousands of votes in this State, and many more in the rest of the Union. The **See** Ministry will be assailed on similar grounds, and judged on them instead of on its platform and performances.

RELIGIOUS FEUDS.

The present outcry is based on the supposition that there is an inordinate number of Roman Catholics in the public service who owe their appointments and promotions largely to priestly intrigue and clannish favouritism. As far as New South Wales is concerned this charge has just been disproved by the publication of a return showing that in the State Departments the Roman Catholics number rather less than their proportion, reckoned according to their total in our population. Probably the railways and the police, if added, would reverse the figures, but it is surely an unhappy sign of the times when the creeds of those who are in public employment are canvassed with jealous suspicion. The truculence and, in some instances, the disloyalty of the Irish element here are deeply to be regretted and deserve to be discouraged, but to emphasise our differences in blood and in faith is more likely to intensify than to eradicate or repress this objectionable fanaticism. The occasional recrudescence of old-world bigotries often manifested during the first century of the United States appears likely to deflect the political development of these States in the same injurious manner.

STATE SERVANTS' REVOLT.

This revival of an old feud which has begun in Sydney sinks almost into insignificance when compared with the extraordinary new departure taken by the **Irvine** Ministry in Victoria. The recent dissolution was a "bolt from the blue", for which there were precedents in the States and elsewhere, but when last week its Premier announced that it was proposed to disfranchise the whole of these public servants in all the constituencies, allotting them instead three special representatives of their own,

two in the Assembly and one in the Council, the Cabinet adopted the most unprecedented and unexpected course ever conceived by a Colonial Ministry. Assuredly such ostracism had never been contemplated by those who are affected, though some restraint on their aggressiveness has been hinted at by those whom they have overthrown at the polls. When introducing the proposal the Premier himself confessed that the project had never been submitted to the country, though he urged the imperative necessity of at once adopting it. His specific illustrations of undue Concessions granted to State employees by former Parliaments were only two in number, and both of them fell far short of justifying his reprisal. After a series of lean years, in which reductions were made in Victoria, he pointed out that there followed another series of more prosperous seasons in which increases were the order of the day. Next, in the days when Federation was assured the State Legislatures cheerfully raised salaries in the departments about to be transferred to the Commonwealth, altogether overlooking the fact that under the book keeping clauses of the Constitution each State would still be debited with all its own extravagances and credited only with receipts within its borders. Similar attempts to be liberal at the expense of the future Federation occurred in every State, but could not have been repeated.

MR. IRVINE AND HIS SCHEME.

No doubt those who draw their wages from the Treasury always have pressed and will press for advances. Members who represent them have never the same motives for resisting such demands as proprietors of private enterprises, out of whose pockets every penny so granted comes. The manager of a business, as a rule, grants larger salaries to his staff only when profits permit, while there is no such restriction on a complacent Minister. In several States increments are automatically provided by statute, and are paid independently of financial conditions. This is improvident, no doubt, except perhaps in the case of juniors in training, or as a reward for long service to experienced seniors, but it affords in itself no good ground for the drastic penalty about to be inflicted. A barrister by profession, and a leader of the local Bar, Mr. Irvine may be presumed to have made the best of his case, but so far as he relied on particular facts to justify the new additions to his measure he signally failed to demonstrate the necessity for any such wholesale disfranchisement as they embody.

EFFECT OF STATE SOCIALISM.

The origin and justification of his startling scheme are not to be discovered in the incidents or arguments employed by the Premier of Victoria. Its profound significance arises from the fact that its causes lie much deeper, and that the measure

proposed in reality represents an inevitable reaction. State Socialism in communities such as ours, where a small population endowed with universal suffrage and under responsible government nationalises the whole of its railways and telegraphs, means the creation of a voting power vested in the public servants capable under our conditions of enabling them to control the policy of the country for their own ends. Russia and Germany, despite their multitudinous minor officials, escape the risks inherent in the rule of popular assemblies; Great Britain and the United States escape it by their reliance on private enterprise for their railways and by their millions of private persons who go to the ballot-box. With their family connections and political allies our public servants absolutely command some constituencies, and determine the elections in many others where there are close contests. They are well organised, find abundant leisure to discuss and forward their interests, and always present a united front not only to their critics but also to their employer. Their politics follow their interests. They exhibit a natural leaning towards all schemes for the extension of State control in any direction, since this adds to their numbers and their influence. The bulk of those who are paid daily, and who constitute the great majority of the service, allied themselves with the Labour section, and have gradually become more openly and ardently devoted to its ideal. The existence of a compact combination of this kind against the rest of the taxpayers was certain, sooner or later, to force them to retaliate. The first illustration of this tendency is now before us.

THE LABOUR ALLIANCE.

Labour members claim credit and are entitled to approbation for their resistance to the borrowing fever which has afflicted us so seriously, but for all that they have favoured and still favour a large annual expenditure of public money among the wage earners who are their constituents. Perfectly willing to tax wealth and property for this purpose they would rather spend loan money than forego the outlay. It is at this point that the Labour alliance with the State employees becomes dangerous to the remainder of the community. Hence the revolt just witnessed in Victoria, where, under pressure of financial embarrassment, two orthodox parties, Conservatives and Liberals, are uniting to isolate the third faction which has so long played one against the other in Parliament to its own advantage. The Cabinet cannot strike the Labour section itself, but it is now seeking to deprive it of one of its largest and best disciplined battalions. When the Victorian Railway employees lately threatened to strike unless their wages were left unretrenched, they little suspected that they were at last arousing their fellow-citizens to a sense of the imminent hazard of the Treasury, and thus paving the way for the political revolution that is now on them.

THE DISFRANCHISEMENT CLAUSE.

Whatever the upshot may be in Victoria it is in truth nothing less than a revolution that is now inaugurated. It was not merely local in genesis nor accidental in occurrence, and it will not stop short at the Victorian boundary. By one of life's little ironies the wheel of chance has thrown the pioneer venture in this direction to the State which was the first to usher in the reign of Australian democracy, though for the last decade she has been outpaced by several of her rivals. Her precedent is British. It is scarcely fifty years since the Mother Country, after nearly a century of exclusion, enfranchised her public servants. Probably within a much shorter period they will all be either disfranchised or in some way debarred from supremacy throughout Australia. Whatever the fate of Mr. Irvine's Bill may be it will, therefore, achieve historic importance as the first of the series of statutes we shall now see shaped in obedience to the instinct of self-preservation which exists in nations as well as in persons, though it is much later in discovering itself.

PROPOSED CHECK ON EMPLOYEES.

The evolution of a democratic system of self-government nowadays requires some apparently retrogressive measures, and adopts many powers which were formerly denounced when in despotic hands. The popular distrust of Legislatures, however and wherever elected, and the transference of public confidence to the Executives, which originally the Legislatures were created to bridle, exists here, though it is probably more conspicuous in the United States. On the other hand, because Australia has led the way in practical State Socialism she finds herself called on to originate some expedient whereby the paid servants of the State may be prevented from becoming the irresponsible masters to the mass of its taxpayers for whom and at whose expense they are maintained. Whether or not it is wise to deprive all its employees of a voice in its affairs in order to prevent them from subordinating its departments and their disbursements to their own convenience is very questionable. So heroic a device certainly recalls Lamb's whimsical story of the Chinese incendiarism undertaken in order to roast a pigling. The two members of the future Parliament of Victoria—one from the railways and one from the rest of the Service—will count for little at any time, being mere mouthpieces of the grievances of their constituents, and will count for nothing at all on any other question. The disfranchisement is absolute.

AIM OF THE BILL.

On the other hand, if the Bill is to be carried as introduced it is by no means certain that it goes far enough to accomplish its purpose. While it disfranchises the husband in the Services it enfranchises his wife and thus creates a new and powerful vote available in all electoral districts. Then, again, there are the fathers and mothers, brothers and sisters, sons and daughters of the State employees to be reckoned with everywhere. These, taken together, will still constitute a formidable hand. To deprive all of them of their votes would be impossible. After the Bill becomes law a sense of injury will keep these relatives and friends perpetually in arms against those whom they will deem oppressors and alert to revenge or retrieve themselves. It must be remembered, moreover, that the citizens of the States are also citizens of the Commonwealth, and that such changes as Victoria now proposes will throw the interests and aspirations of the public servants and Labour electors more than ever into the Federal scale. Should its employees not be disqualified in the same manner, the disparity in dignity and power will make the whole railway staff, with its allies, anxious for the transfer of their department. Palpably, therefore, much more is likely to result from the new departure than those concerned in it have yet realised.

COPING WITH THE DANGER.

But, in any case, it is a hopeful sign that the very threatening danger of a great and organised public service using politics and politicians simply to further its own selfish ends is not only capable of being coped with by practical means, but that men are readily found courageous enough to essay it. Even the effort to deal with so potent an army of electors seemed impossible to most people until it was made last week. Nor could the sceptical be justly censured for their want of foresight. Hitherto these States have never touched the franchise except to enlarge it, have only lately endowed every adult woman with full political privileges and have seemed to make universal suffrage, equal representation, and unrestricted voting the most sacred of all their idols. We have often been ridiculed abroad for being victims of that most crass superstition which hopes to achieve Paradise by means of electoral machinery. So, indeed, our electors have seemed and spoken, but it now appears that they are British enough after all to make mincemeat of their fetish rather than permit it to prey on them. They suddenly and absolutely reversed their line of action whenever they discovered that their belauded theory was defective, abandoning it without hesitation as soon as necessary in order to deal as best they could with the facts before them in a businesslike way.

THE NEW COMMONWEALTH.

LORD TENNYSON'S POPULARITY. GOVERNMENT HOUSE VOTE.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Nov. 25 1902; Jan. 2 1903.

The appointment of Lord Tennyson as Governor-General, though only for one year, has been received with approbation throughout the continent. Yet the conclusions drawn from this undoubted fact by those who are at a distance would in all probability be wholly erroneous. It is not due to his personal gifts, great as they appear to be when exercised. We have only had his Excellency in Sydney twice since his appointment, and then merely on flying visits. He has neither resided, entertained, nor spoken in public here; and has now abandoned his intention of making any stay among us until next March. Yet, for all that, his popularity in New South Wales is widespread and genuine. In capitals like Perth that he has never seen, in provincial centres such as Newcastle or Rockhampton, where he is only a name, and in remoter districts, in which he is utterly unknown, the trend of public opinion is entirely in his favour. It is the same everywhere and on the same grounds. Even Melbourne, which has been his home for the last six months, scarcely knows him as yet by sight. Owing to ill-health he has attended few official functions or entertainments. He has not made a speech or prominently associated himself with a public movement of any kind since his arrival. To the Victorian masses he is quite a stranger, while to the classes and officialdom generally he has been nothing more than a kindly host. Lady Tennyson has been more active, and though she has been greatly hampered by her husband's illness she fully shares the friendly feeling which everywhere prevails towards them. It may well be thought remarkable that after such purely negative experiences of our Acting Governor-General and his wife the people of all the States should rejoice at the full appointment of Lord Tennyson to the highest office in Australia in the gift of the Crown.

LORD TENNYSON'S APPOINTMENT.

Lord Tennyson himself has, of course, some circumstances in his favour. South Australians, who know him best, contrast him favourably with his predecessors. The reputation as a constitutional Governor which he gained in Adelaide has

been accepted as a sufficient guarantee of his qualifications by the rest of the Commonwealth. Since he has been in Melbourne he has won the good opinion of those with whom he has come into touch, and has received the warm support of his Ministers. Parliament has reposed confidence in him. The lustre of his father's poetic and patriotic achievements has endowed him with a passport to the esteem of many thousands to whom other Viceroys could make no such appeal. To have overcome the disabilities under which he laboured, and without effort or exertion to have acquired a firm hold on the sensitive community over whose government he is to preside, is a convincing evidence of the operation of potent auxiliary forces. Time, which tries all things, has left the popularity of our *former Governor-General*, the present Marquis of Linlithgow, practically unimpaired. In some respects it may even be said to have been enhanced. His popularity was due to his own disposition and ability, an unflagging endeavour to conciliate all sections of society, unfailing tact and natural kindliness; it was strictly personal, wholly independent of adventitious aids and almost independent of his official status. The money he spent gratified no one except the recipients around him, but his long tours, his constant correspondence, and, above all, his sympathetic speeches, which were eagerly read in every corner of the Commonwealth, were the simple and sufficient causes of the power over public opinion that he came to possess. The circumstances in which he resigned have proved of immense advantage to the nobleman who now succeeds him.

GOVERNMENT HOUSE.

When Lord Hopetoun, as he was then styled, left our shores, his departure was universally associated abroad with two unpleasant impressions—that he had been treated in a niggardly fashion by Parliament and with dilatory neglect by his Ministers. The whole country resented the first imputation, and, of course, Ministerialists denied the second. The allowances which Parliament had made, was prepared to make, and has since made were adequate. It provided nearly £40,000 for his first eighteen months' expenditure at Government House, including the cost of the royal visit. The States more than doubled that amount in the same time in order that their representatives of the Crown might also worthily represent them. They voted large sums besides for the inauguration festivals, especially in this State. The seven Governors, who are appointed by his Majesty, even in ordinary times receive from the Commonwealth about £100,000 a year. Instead of being parsimonious its people had been liberal, and might claim to have been generous, in grants at the time when the sudden retirement of his Excellency gave currency to an opposite opinion and much ill-informed criticism. Lord Tennyson has since demonstrated the fact that any deficiency in the accounts of Government House was not owing to the smallness

of the vote. Members and their constituents are therefore happily relieved from the dread that they had been unduly thrifty or the fear that their action afforded any occasion for the departure of Lord Hopetoun.

REFORM AND RETRENCHMENT.

In addition to this the proof of their proper avoidance of future waste comes just at the psychological moment when, owing to the stern necessities of the drought, economy and simplicity are being enforced among all classes. Reform and retrenchment express the reigning policy all over the continent to-day, and thus account for the paen of praise of Lord Tennyson arising equally from all quarters, whether he is personally known or unknown. Even Ministers are rejoiced to find that, though they sought to persuade the House to accept the estimates supplied to them as being requisite for the maintenance of Government House, they had been unintentionally overstating them. If they had made the same request earlier in the session they would have had no better success, and though this in no degree palliates their procrastination it least proves that it had no effect on the final result. Lord Tennyson is, therefore, popular owing to a happy conjunction of circumstances. The incident of the transference of office from one to the other may now be taken to be closed. The people are satisfied that, in the face of the facts elicited, the justice and propriety of their conduct towards the man of their choice, as the Marquis of Linlithgow unquestionably was when he became our first Governor-General, has been placed beyond all cavil.

INTERIM APPOINTMENTS.

The Colonial Office success in Lord Tennyson's case must not be taken to establish a precedent that it will always be safe to follow. Among our Governors at present in Australia there is, perhaps, one whose exceptional success might justify his selection as Governor-General a year hence, but even in his case it is very doubtful if it would be generally approved outside the State in which he is winning his laurels. Another acting appointment is to be avoided by every possible means either in the Commonwealth or the States. The condition of affairs now witnessed in South Australia and Western Australia, where the Chief Justices are acting until permanent appointments are made, does not encourage either the prolongation or repetition of this practice. The friction locally generated will not make itself visible until some occasion arises that will provoke an explosion. Lieutenant-Governors chosen on the spot possess neither the influence, authority, nor prestige of the able and impartial men whom we have been accustomed to welcome from the Mother Country. It is not necessary that the English gentlemen who represent the Crown should be men of wealth, or if they are that they should spend more than they receive for discharging the duties of the office.

THE NEW COMMONWEALTH.

SIR E. BARTON'S POLICY. IMPERIALISTIC VIEWS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Dec. 1 1902; Jan. 6 1903.

Sir Edmund Barton possesses some valuable qualities, uncommon among politicians, which go far by balancing his shortcomings to maintain his hold on his friends and on the country. A favourite taunt of the Opposition has been based on the flexibility he displayed as Leader of the House in accepting amendments of his measures, but though there were many concessions wrung from him, and some of them most unwillingly, none of these implied, from his point of view, a serious alteration of policy. His indifference in respect to a number of issues enjoying great local importance is in no way assumed, and he often remains inert when by a little exertion he could place himself at the head of a momentarily popular agitation. Such opportunities appeal neither to his reason nor to his imagination, and consequently he often appears to be out of touch with his public. Broad constitutional problems and large national questions afford him a more fitting field for the exercise of his abilities. Stimulated by them he cares little whether the constituencies are for or against him. His manly fight for Federation in this State, long, uphill and apparently hopeless, is an instance in point. It became his best achievement because it was a contest on a great scale, capable of being conducted on high grounds and opening up a splendid vista of possibilities that, inspiring him, enabled him to inspire others. He owes his Premiership, his two visits to London, his title, and esteem of his fellow countrymen, mainly to the courage, resource, and unselfish loyalty with which he pursued this ideal when so many of our front rank men in New South Wales shrank from associating themselves with what they believed to be a forlorn hope. Mr. Barton rose as Mr. Reid fell, when both were put to the supreme test of fidelity to federation.

AN ALL-AUSTRALIAN NAVY.

Imperial in outlook and in sentiment, it was Sir Edmund Barton's resolute refusal to compromise the Home Government by adopting the proposed racial exclusion of all coloured aliens that led last year to the adoption by his reluctant Parliament

of the existing education, or "Natal test". His Federalism has made him a consistent advocate of the claims of the States for generous financial consideration under the tariff, and in connection with all Commonwealth expenditure, though in these aims he proved only partially successful against a combination of the Opposition and the Labour section of the House of Representatives. On his recent return from London he found himself in what, from a tactical point of view, was obviously a delicate position. The idea of a specially Australian Navy manned by colonial sailors and under our own executive direction has been so assiduously preached of late that it has "caught on" with the masses. For reasons already explained there is a prevailing distrust of those "British bureaucracies", the War Office and the Admiralty, and this prejudice is being adroitly played on. Sir Lewis Beaumont has used expressions which are being distorted so as to convey the impression that the whole object of obtaining a new naval agreement is to keep the Commonwealth in leading strings, to subordinate every distinctively Australian characteristic in the local squadron, and to enforce an absolute centralisation of control from London. This is said to force on us taxation without representation or even consideration at the hands of the distant Department to whose policy we are to be obliged to submit without appeal. Exaggerations of this kind have created hostility to the agreement provisionally framed, which has been prejudged before it was even explained, and misconstrued for ulterior purposes by leading Ministerial papers as well as by those of the Opposition. In the face of such antagonism, with but lukewarm support from some of his colleagues and many of his supporters who are attracted by the scheme of an Australian Fleet, the Prime Minister has deliberately but decisively run up his colours as an upholder of an Imperial Navy.

COURAGEOUS MINISTER.

Wherever Sir Edmund Barton has spoken, at Sydney, Maitland, or Melbourne, at the welcomes tendered to him, at social gatherings, or at political meetings, he has constantly and consistently made the resolutions of the conference his chief text. Even when he visited his constituents, from whom he received a most enthusiastic welcome, to review the work of the session, he devoted the first and most earnest part of his address to a warm advocacy for the recognition by the Commonwealth of its obligations to the Mother Country. Mr. Seddon has justified the London proposals arrived at with Mr. Chamberlain's concurrence in such a manner as to indicate that in his opinion they fall short of what ought to have been agreed on. His aggressively progressive Imperialism is certainly no obstacle to his continued successes in New Zealand where a general election leaves him still in office with twice as many supporters as opponents. Sir Wilfrid Laurier, on the other hand, evidently believes that the conference went too far and too fast, at all events, in the matter of the naval agreement, to which Canada is not a party, contenting herself with having

led the way in the granting of trade preferences to British imports. Unless the fiscal differences in his Cabinet are much more serious than they are said to be his party should be strong enough to survive an appeal to the ballot-box, though by no means so triumphantly as Mr. Seddon. The Australian attitude, more Imperial than that of Canada, is less positive than that of New Zealand, partly owing to the situation. The future of the Federal Ministry is less assured even than that of Sir Wilfrid Laurier. Sir Edmund Barton's forward policy in matters of trade and defence will probably tell considerably against him when an appeal to the country comes. Those in New South Wales who agree with him on these points will for all that vote against him on account of his fiscal leanings or his Radical colleagues. He has therefore nothing to gain by his insistence on the duty of all colonists to accept a share of their responsibilities as citizens of the Empire. Electoral necessities may yet compel him to modify his proposals in detail, but it is safe to say that they will not be substantially amended with his consent, and that he will stand or fall with them. He will probably fail to carry them next session, and after the dissolution—anticipated at the end of next year—will be found stemming the tide of public opinion in his own party at the peril of his official position and that of his Government.

THE DISASTROUS DROUGHT.

So far as can be judged, the Prime Minister's long and argumentative expositions of the justice of the proposed naval agreement and the wisdom of levying an additional percentage of customs duties on foreign goods have failed to reach the ear of the community. He has mercilessly exposed the misrepresentations circulated by the newspapers, but is powerless to coerce them into either a confession of their misdemeanours or repentance for their fault. His zeal and the force with which he puts his case have won respect from the few thousands who have heard him, but have not appreciably affected the hundreds of thousands beyond reach of his voice, who take their tone from the journals they habitually read. In New South Wales we may be pardoned for a certain degree of absentmindedness, because our people are at last awakened to their immediate responsibilities arising out of the drought. Light rains continue to fall at intervals over large areas, most of them in the north or near the coast. The interior has not been unvisited in places, and here and there has received sudden and violent downpours from thunderstorms in special places. The White Cliff mines have resumed working, but Broken Hill is now in danger from a failing supply. Speaking generally spring has passed without any real break up of the monotonously arid record of the last few years, and the outlook is more grave than ever. A summer is before us during which the well-grassed lands are likely to be eaten bare owing to the concentration on them of all the flocks and herds that remain. By means of the railways scores of thousands of sheep and cattle have been conveyed from

distant regions of desolation and despair to the country where pasture is available. This novel employment of the lines is a curious illustration of the multifarious uses to which modern appliances can be put in the constant war requiring to be waged against unfavourable natural conditions. The enormous traffic of this kind that has been handled of late probably surpasses any achievement of the same character anywhere, while the saving of life and capital thus rendered possible would beggar computation. If, as is estimated, we have thirty-two million five hundred thousand sheep alive today in this State and sixty million in Australia, we have to thank the railways for preserving most of them. It is true that they represent little more than half the flocks of ten years ago, but in them lie our hopes of future recovery. Our crops this season are utterly insufficient, and thousands of farmers are in dire straits. Without autumnal rains there must be another terrible destruction of stock during the winter of 1903. Under such pressure our public men in New South Wales have at last determined to deal with the crisis, sparing no necessary sacrifice to mitigate its unhappy consequences.

THREATENING SITUATION.

Whether the action of our Ministry in taking the leader of the Opposition and the **leader of the Labour section** into its counsels and according equal representation to the Opposition at the conference held to discuss remedial measures was a confession of weakness or a patriotic device to avoid party wrangling is still open to doubt. Whatever their intentions were, in the result the Cabinet was decidedly outgeneralled by Mr. **Carruthers**, who since his appointment in succession to Mr. **Lee** has materially strengthened his following in the country. Six resolutions were submitted to the House and rapidly assented to, five of which emanated from Ministers and would have been adopted in any event. Relief of individual cases of authenticated distress, a commencement of public works in the districts most afflicted, advances to settlers increased up to £1,500, a supply of seed wheat, to be repaid out of the next crop, and the suspension of payments for Crown lands are obvious and, if wisely directed, proper means of meeting the emergency. The sixth resolution approving a Parliamentary appeal to the Federal Government to suspend for twelve months the duties on bread-stuffs and fodder involves very different interests. This adopts the course urged again and again by the Opposition in the House of Representatives, and always emphatically resisted by the Federal Ministry. It has been the pet project of the Opposition in the State always acting in alliance with Mr. Reid, but up till now has been tepidly favoured by our Ministry and lately ridiculed by its Premier. The capitulation to Mr. Carruthers in such circumstances is, therefore, a personal triumph for him as well as for his party. **Sir John See** has eaten the leek, and must now consent

to act as chief agent in carrying out a proposal of his opponents which he has hitherto condemned. The request, however or by whomever submitted, will certainly be refused by the Barton Administration on the ground that the remission of duties asked is not desired by all the States, and that those who wish to assist their settlers can do so just as well with the duties on, since they receive the sums collected and can disburse them in any way they think best. A conflict between the States anxious for the temporary removal of these imposts and the Commonwealth cannot be avoided. Nor will it end with the refusal of Sir Edmund Barton to comply with their request. A much more serious conflict is likely to ensue when possibly several of the States affected may deliberately set to work to refund to their citizens the duties which have been paid by them under the Commonwealth tariff. This would mean defeat of the operation of a fundamental Federal law, the basis of the commercial union established under the Constitution, which having been shaped by the Federal Parliament has received the sanction of the Governor-General as the representative of his Majesty.

PARTY TACTICS AND IMPERIAL ISSUES.

Mr. Carruthers, whose speech on the resolutions was equivalent to an acceptance of full responsibility for the request for remissions, has more than once advertised his foresight of the struggle that it must provoke. He has openly admitted in our Assembly that it implies "a straining of the Federal Constitution". Though a lawyer by profession and in a position of high responsibility as leader of the Opposition, he did not hesitate to declare at a public meeting that "if it were not constitutional to suspend the duties then the Constitution will have to go". As the real leader of our Parliament in this matter it is extremely unfortunate that he should allow himself so much latitude of speech and suggestion, but at least his language is unmistakable in its tendencies. The claims so often made for relief for our starving stock are now likely to be expanded to include stronger demands on behalf of starving people. These incitements to active hostilities, coupled with the general resistance in this State to all Protectionist duties, will supply motive powers for a great agitation against the Federal authority that may not be easily guided within the limits of the Constitution when once it has gained momentum, particularly if those who ought to be the guardians and exponents of the law head the revolt. Sir Edmund Barton, in an unfortunate phrase intended to express his sympathy with the efforts to relieve those suffering from the drought, either spoke of a possible "refund of duties" by the States or assented to a reporter's suggestion in which those words were used. This instantly provoked a protest, pitched in a very high key, from Mr. *Jenkins*, the Premier of South Australia, who has shown himself eager on every possible occasion to fasten a quarrel on the Commonwealth. To this the Prime Minister had to reply in an explanatory fashion that has added fuel to the

fire of opposition discontent in Sydney. It is to be feared that the question of granting relief will be used for party purposes in spite of the recent conference. If the State Administration and Opposition together, led by Mr. Carruthers and Sir John See, unite to defy the Commonwealth and its tariff, by far the gravest encounter between the two Parliaments yet foreshadowed will at once commence. When or where it will conclude no one can foretell. It will probably permanently alter the relations between our central and local governments. Its immediate influence coupled with the sectarian cry against the Prime Minister because of his visit to the Pope may prove fatal to his administration. His overthrow in its turn will mean the rejection of the agreement for naval defence and of preferential trade with the Mother Country, though there is no direct relation between these and the local issues, with which they happen to be associated by being considered during the same political campaign. The pity of it is that so humane a proposal as that for the remission of the duties and so good a cause as that of the sufferers from the drought should be wilfully employed by party tactics in antagonism to great Imperial interests which they obscure, confuse, and stifle by irrelevant local animosities.

THE NEW COMMONWEALTH.

EXCITING PARTY POLICIES. POWER OF THE LABOUR SECTION. THE NAVAL DEFENCE QUESTION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Dec. 9 1902; Jan. 15 1903.

Sydney was Anti-Federal when the present **Prime Minister** as a private citizen was the leader of the movement for union, and is now more Anti-Barton than it was then. All the disappointed mercantile men afflicted by the tariff or by Mr. **Kingston's** rigorous administration of it have turned on their former champion, a considerable detachment of the middle-class has left him in obedience to the call of the Protestant Defence Association, while large numbers of those injured by the drought, by the consequent falling-off in business, and by the high prices of food and fodder are debiting their difficulties to him. Sir Edmund Barton is the scapegoat of the season in Sydney, and Mr. **Reid** proved how close was his sympathy with his audience when he not merely felt but avowed last week that the enthusiasm displayed by the six thousand people who crammed the Town Hall to hear him was intended more as a demonstration against the Federal Government than as a compliment to himself. He had every reason to feel proud of the reception accorded him. The applause that followed every point made at the expense of his rival proclaimed the fact that the Metropolis of this State is heart and soul with him and his party. His speech was no more novel than that of Sir Edmund Barton, and dealt with the same well-worn themes in the regular official way; but while the case for the Ministry at its head centre in Melbourne was heard with indifference, in Sydney, the head centre of the Opposition, a comprehensive arraignment of the career of the Ministry was welcomed with frantic refrains of excited cheering. The popular conviction here as to which is the winning and which the losing side could not have been more expressively conveyed.

REAL DISAPPOINTMENT.

Only part of the hostility to the Barton regime can be explained away by its supporters. It is true that the Anti-Federalists continue to count as a formidable body of antagonists, that the Anti-Catholic feeling has greatly reinforced the Opposition for the time, and that the exasperation felt at the badness of the times tells against the parties in power, both in the State and in the Commonwealth. But when all allowances are made it is plain that there has been a large secession from the ranks of Ministerial supporters on the merits, or rather demerits, of their rule. There is a disappointment with Federation which would have accrued whatever set of men were in power and whatever the policy they had pursued, but there is over and above this a real disappointment with the Cabinet as a whole, and in this State particularly with our own representatives in it. The Prime Minister's statesmanlike handling of Imperial questions, Senator O'Connor's masterly leadership of the Senate, and Sir William Lyne's strategic management of members do not impress us except casually, while their constant adherence to a fiscal system repudiated by Sydney and most of the States has been rendered more obnoxious than ever owing to their obstinate refusal to assist us in mitigating the effects of the drought by authorising a temporary remission of the duties lately imposed by them on breadstuffs and fodder. Their other failings have been catalogued over and over again by Mr. Reid and by our newspapers with caustic severity and persistent reiteration until it has become the settled conviction of the majority of our citizens that the Administration which commenced its career with the confidence even of its opponents, because of the experienced men who composed it, has been gradually denuded of all its prestige. It has fallen on evil days, but is itself responsible for many of the evil tongues that now condemn its policy.

HOPELESS ENTANGLEMENT.

Mr. Carruthers' superior capacity as commander-in-chief of the Opposition in the State Parliament is steadily enhancing his authority both within and without its walls. A few weeks ago he succeeded to the leadership of a minority depressed by the defeat brought about in spite of his counsels in consequence of the injudicious interference of Mr. Reid at the general election, whose local verdict he wished to utilise for his own benefit in Federal politics. Had the coalition between Sir John See and Mr. Carruthers, for which both were anxious, been consummated, we should have been spared much reckless administration, and should have definitely escaped the domination of the Labour section under which we have been living. Though this would not have harmonised with Mr. Reid's interests, which make him eager for an alliance with the Labour Party in the House of Representatives, it would have been greatly to the advantage of our local Legislature. Still, by his own skill and the

shortsightedness of our Premier Mr. Carruthers in the first few weeks of his reign has already divided the Ministerial majority, usurped the real control of the Assembly, and may soon so humiliate its executive as either to destroy its influence or drive it into an appeal to the country, from which it can scarcely hope to emerge victorious. The altogether inexplicable weakness which permitted Sir John See to consent to father resolutions appealing once more to the Federal Government for the remission of its food and fodder duties, and which induced him to secure their adoption by the Chamber in which he sits and is supposed to lead, has now placed him—as he must soon discover—in a most painful dilemma. Sir Edmund Barton, as everyone must have foreseen, declined to remove the offending imposts from the whole of Australia at the request of one or two of its States. Having been officially informed to that effect, Sir John See harks back at once with the confession that there is a great deal to be said to justify the refusal of the Federal Government, and then allows the leader of the Opposition to move a motion which he does not propose to treat as an expression of want of confidence, though it calls for a refund of the Federal duties out of the State Treasury, a departure which the Premier himself considers unconstitutional. The hopeless inconsistency and entanglement in which Mr. Carruthers has involved Ministers is certain to become so prominent and fruitful a factor in the politics of this State that its further consideration in detail will be imperative within the next few weeks. Strong as the situation is in local interest its exposition may be postponed for the moment in order to bring under notice movements of more general Australian importance.

THE LABOUR SECTION.

Two or three weeks since the associated employees of Australia met in Melbourne to arrange for organised action throughout the States and in the Union as a whole. At the close of their discussion they issued a programme capable of being reduced to two articles—antagonism to all Government interference in private enterprise and the proposed elimination of the Labour section as such from all our Parliaments. After this a Federal Trade Union Congress was held in Sydney which discussed a great variety of debatable industrial proposals, pointing invariably in the direction of State Socialism and the subordination of the interests of employers to those of their employees. This has been followed up by the sitting of a Commonwealth Labour Conference, representative of all the trade unions and their allied associations, whose object is to carry out by political means the industrial programme previously decided on. Its general policy includes a Commonwealth Bank and a transference of the power to legislate on industrial affairs from the States to the Commonwealth—two very grave propositions involving the most serious consequences. These radical projects are discreetly excluded from the “fighting platform”, which is surely

extensive enough without them, since it embraces a “White Australia”, compulsory arbitration on industrial disputes extending beyond any one State, old age pensions, the nationalisation of monopolies, a citizen defence force and an Australian Navy, restriction of public borrowing, navigation laws favouring local shipping and the employment of seamen at reigning rates. To this ambitious set of aims every candidate is bound, and in addition is pledged to support any and every proposal affecting any of them that may be adopted by a majority of his colleagues in caucus. Even with this strict enforcement of unity and discipline the policy might be ignored if only those who were returned in its favour required to be counted with. The Labour section is only formidable if it holds the balance of power between the two orthodox parties when they are so devoted to their immediate ends that they are prepared to accept part of its programme in order to purchase its votes. Unfortunately this has been, and appears likely to be, the condition of things in the Federal Parliament.

THE QUESTION OF NAVY.

The greatest disappointment to many in Mr. Reid’s speech was his open bid for that alliance with the Labour section which it has been the constant endeavour of his Parliamentary diplomacy to secure. But for the chapter of accidents he would have succeeded long ago. The Government happened by its ideal of a “White Australia” to catch the approval of Mr. Watson and his following at the beginning of the present Parliament, though they resisted him when he sought to force them to disregard Imperial obligations. The Commonwealth Labour Conference, presided over by Mr. Watson in Sydney, has followed an equally inconsiderate course during its recent session by once more declaring against any contribution to the Imperial Navy, and in favour of expenditure only on local ships under local control. Just as Mr. Reid did not hesitate to be Anti-Imperial last year when it was sought in spite of Mr. Chamberlain’s remonstrances to peremptorily exclude all coloured aliens from this continent on the ground of their colour, he has not hesitated now to publicly give in his adhesion to the Anti-Imperial Navy faction of which the Labour members have always been the chief constituents. He is still willing to vote the extra £100,000 that Sir Edmund Barton asks, but only on a condition that the ships shall be subject to the Federal Executive, which would hamper their usefulness by severing them from the squadrons, in co-operation with which they might be most effective and without which they would probably prove powerless either for attack or for defence. Though it had been suspected that Mr. Reid would adopt these tactics for party ends numbers of his friends had believed that he would rise to the height of the occasion and deal with an issue of this Imperial magnitude in a fitting way. With the merely local politician however, local success is the be-all and the end-all of his schemes. Mr. Reid did not offend people who, though Free Traders like himself, favour those preferential

advantages to the commerce of the United Kingdom which he refuses because the bulk of his supporters are with him in putting their dislike to Protective duties of any kind above their sympathies with the Mother Country. He announced his opposition to any attempt to follow the example of Canada amid general applause, and was equally encouraged by acclamations when he pronounced against the unity of the Fleets of the Empire in these waters. This was an unnecessary bid for the Labour vote, and as such is ominous of the fate of the naval agreement which Sir Edmund Barton will doubtless introduce next session, but which is doomed before it has been fairly expounded.

“QUID PRO QUO” TACTICS.

Mr. Reid's speech contained, besides this explicit acceptance of the Anti-Imperial article of the Labour programme, a general declaration of the warmth of his affection for the members of that section, his happy recollections of the way in which they supported him for so many years as Premier of New South Wales, and his entire agreement with their caucus system of majority rule so long as it led them his way. He even went so far as to emphatically disavow sympathy with Sir William McMillan's manly protest against the dominance of that section, and while praising his chief lieutenant's ability declared his own gratitude to the men who had helped him to his greatest political achievements. He evidently looks to them now to place him and keep him in power in the Federal arena under some new arrangement. In this bargain his associates argue that he is doing no more than the Ministry he desires to replace, whose subservience to the Watson following is one of the charges which Mr. Reid and our Press unite in fastening on them. For all that, a higher path was open to him. It is discouraging enough to discover that there is to be no alteration of the *quid pro quo* tactics, for which he invites the electors to punish the existing Cabinet, but it is still more disheartening to find that the sacrifice to be made in order that he may cement his treaty with the Labour members is that of the efficiency of the defence of our shores by the establishment of a divided control over the vessels of war on which we are to rely for our safety. Surely some other concession to them might have been selected whose cost would fall on ourselves alone instead of on the whole nation. Mr. Reid, when he becomes Prime Minister, promises to give us revenue duties in place of Protection, and to secure such a boon this State and some of its neighbours will gladly displace Sir Edmund Barton in his favour. But this, it seems, is all we are to gain by the substitution. He will serve the Labour section as patiently and probably, to his credit be it said, more openly than those whom he condemns. Unhappily he has chosen to bring them behind him instead of rallying to his side the best supporters of the Government, who would have joined him gladly so as to make him independent of the Labour vote and enable him to uphold the old flag in the Southern and the Eastern Seas.

THE NEW COMMONWEALTH.

RIVAL STATE INTERESTS.

NAVIGATION AND IRRIGATION.

PROHIBITED IMMIGRANTS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Dec. 16 1902; Jan. 23 1903.

Though faith in the regularity of our rainfall is suspended, if not destroyed, by recent experiences, hope has once more begun to lift its head among us owing to the frequent and widespread rains which have been refreshing the Eastern States. South Australia, after reaping an excellent harvest, has received supplies which will carry her well on until next winter. Queensland is enjoying the welcome visits of monsoons, whose sometimes tempestuous storms, while producing local floods unseen for many years, are also setting the grass growing on the bare plains. East of the Darling our territory has been greatly relieved, while even to the west there have been many invaluable soakings. Victoria has been enriched by steady showers over almost the whole of her northern districts, while Tasmania and Western Australia continue to flourish under their customary good seasons. Partly for this reason and partly from pride, Sir John See and Mr. Philp, while thanking Mr. Seddon for his generous offer of free transport for any donations of grain and fodder with which his farmers may charitably volunteer to present us, have indicated that we are not in need of such relief. The New Zealanders have already benefited immensely by our high prices, and may expect to continue to fill their pockets here for some months longer; but while we are well able to pay for what we get there is no necessity for friends to supplement the liberality of our own Government towards those among us who are in distress because of the drought. The kindest offers of assistance can never be entirely gratifying to a high-spirited people perfectly confident in their own capacity to provide for all their wants.

THE WATERS OF THE MURRAY.

Some months ago New South Wales, Victoria, and South Australia agreed in appointing one engineer each to constitute a commission charged with the duty of reporting on the utilisation of the waters of the Murray. The prolonged cycle of dry

years had forced to the front a reconsideration of the waste of water permitted year after year, the greatest of Australian rivers being allowed to pour its waters fruitlessly between millions of acres of parched and gaping soils without any systematic scheme for either conserving or distributing them being adopted. The question is one for the States alone, except as far as navigation is concerned the Commonwealth being powerless. After a careful examination of the law and facts of the case submitted to them the commissioners have laid before their Governments a series of recommendations which appear to be just, sober, and practical. At the very outset, however, the apparently ineradicable jealousies and conflicting interests of the States concerned are once more proclaimed to all the world. South Australia having almost a monopoly of the river trade wishes to assert the pre-eminence of navigation and the subordination of all other uses of the stream. To float her steamers and her strings of barges during times of high river down to Morgan or the mouth of the Murray she would sacrifice all else. Even from Bourke and sheep stations beyond, adjacent to the Queensland border, many thousands of bales of wool and hundreds of tons of stores as return cargo are shipped in favourable years at rates with which our own railways are only partially able to compete. For all that the South Australian trade on the river is being steadily lessened by inroads from Victoria as well as by our Railway Commissioners. The day is still far off when the steam engine on rails will defeat the steam engine between the paddles, but it is perhaps approaching. In the meantime the business is lucrative, and is certain to be keenly fought for. While the rivers run idly by our squatters and selectors suffer severely. Though they can find a substitute for their present means of conveying their produce when they get it, there is no substitute for water. Without it there is no produce to carry. If the people concerned and their stock are to satisfy their thirst, or if green pastures are to become perennial, the flow of the river must be diverted on to the land. Yet if it is so directed the boats of the traders must continue to lie cracking in the sun in the dry bed of the higher reaches of the Darling, except when floods in exceptional years sweep them down to the main river hundreds of miles southward. Navigation and irrigation are the great alternatives of the interior.

OPPOSING INTERESTS.

South Australia, relatively one of the poorest and least populous States, is on that account doggedly determined to surrender no jot nor tittle of her riverine advantages. The evidence given on her behalf points to a reliance on her legal rights as proprietor of both banks of the lower river to enable her to prevent diversions by her neighbours higher up. This will be no simple question. Of course, the High Court will be chief arbiter if the momentous issues involved in claims of this kind are put into definite

shape. The consideration of these issues will require the traversing of many masses of legal lore to secure a reconciliation of the conflicting interpretations of British and American Courts on such vexed questions. In the meantime New South Wales and Victoria have acted, and are continuing to act, as if under no definite obligations to their stiff-necked and somewhat shrewish sister. Victoria long ago began to tap the Murray and its tributaries—the Murray at Mildura, in defiance of our title to the whole watercourse, and the tributaries within her own borders, in spite of the protests of South Australia. The See Ministry is now proceeding with extensive storage works in our dry areas, the effect of which will be to spread a network of channels across the country at suitable places, largely diminishing the annual freshets and seriously affecting the ordinary flow of the streams which feed the Murray. The engineers from this State and from Victoria agreed to advise that, after allowing a certain share of the river to enter South Australia, the balance should be divided between the three. They recommend the creation of reservoirs on the Upper and Lower Murray for irrigation, and the locking of the Lower Murray at eight points for navigation. The South Australian engineer on behalf of his Government, and as its mouthpiece, dissents from the allotment proposed. He asserts, in the plainest terms, the paramountcy of navigation over all the uses of the water—executed or projected. Should Sir John See and Mr. *Irvine* ignore this plea and join hands, as they will if terms can be arranged between them, Mr. *Jenkins* will be left to his legal remedy. The commissioners for the upper States suggest that there should be general legislation vesting the ownership and control of all natural waters in the Crown, or, in other words, that the riparian rights asserted by South Australia should be absorbed. This has already been done in our State, but whether it is intended that Victoria should follow suit, or that the Commonwealth should be invoked, or what vested rights, if any, should be admitted are questions not decided by the commissioners, and are not likely to be finally settled by any authority for years to come. As was pointed out in these columns in April last a bargain between the competitors appears impracticable. No reference of the matter to the Federal Parliament could be approved by South Australia, whose representatives would be hopelessly outnumbered in the House. The interests of the States being diametrically opposed, we have reached a deadlock.

THE LABOUR SECTION.

The conflict between New South Wales and the Commonwealth over the food and fodder duties, which appeared inevitable, has, after all, been avoided. Sir John See evidently knows his Assembly better than Mr. *Carruthers*, and at the last moment robbed Mr. Carruthers of the victory which had seemed certain. It is true that the leader of the Opposition made one false step which, if avoided, would have left him with all the honours of the combat, even though outvoted. His own numbers in the

division would not have been less, but his followers would have been united and could have confidently appealed to the public on the assertion of their independence of the Labour Section. Mr. Carruthers had just won a very significant victory at Balmain, where Mr. Law, a Labour member, seceded from its caucus, of which up till then he had been a loyal adherent, resigned his seat, and, in spite of the frantic opposition of his old associates, regained his place in the Assembly by a substantial majority. A chief agency in his success was the declared support accorded by the Protestant Defence Association, but at the same time he stood openly in the interest of the Opposition. He broke with his Labour allies ostensibly because of their support of the Ministry when approving the hurried release of Friedman by Mr. Wise on a judge's recommendation and in the teeth of the finding of a jury. Mr. Carruthers and his party ably assisted in securing the defeat of the Ministerial and Labour candidate at Balmain on grounds whose consideration will probably lead to the early retirement from the Cabinet of its brilliant Attorney-General, whose premature release of Friedman recently provoked a crisis, as explained a few weeks ago. Having wrested from his opponents one of their safest seats, Mr. Carruthers, instead of further emphasising his determination to stand clear of Labour control, proceeded to make a bid for Labour support by coupling with his proposal for a rebate of the fodder duties, at the expense of the State, a further approval of direct purchases or imports by the Government in case of necessity. The consequence was that his rebate was rejected, while by the help of the Labour section authority was vaguely given by the House for any interference with the food and fodder markets that the Premier and his colleagues may think fit. Mr. Carruthers's resolution was thus completely stultified. Sir John See, having twice invited the Prime Minister to suspend the duties objected to, and having been twice refused by Federal Ministers, has on each occasion persuaded his Assembly that nothing more was required of it.

RUSH OF BILLS.

With the approach of Christmas the Legislatures in every State are making feverish efforts to clear their business papers and escape into the recess. South Australia alone has set her members free, while Victoria alone has definitely decided to prolong its session into the summer. The slaughter of measures in the Second Chambers has already begun, the electoral redistribution of seats and reform proposals of the James Government have been peremptorily set aside by its Council, while an equally hostile reception will be accorded to the schemes of the same character now being elaborated in our Assembly and in that of Victoria. The Tasmanian Ministerial programme and in Queensland the new Land Bill continue to engross attention in those States, though there are many other measures of a grave character under debate. Working at high pressure for long sittings in hot weather, it is not surprising that discreditable

“scenes” are of frequent occurrence, but it is unfortunate that our own Assembly should witness the most frequent outbreaks. The rush of Bills in each Parliament and the rapidity with which they become Acts at this season render any adequate exposition of their nature and effects impossible. Criticism inside the Houses ceases to be effective, and criticism from outside becomes impossible because until the statutes can be closely examined it is often beyond the power of onlookers to realise what has and has not been achieved. In our Legislature a new issue of Treasury Bills up to £4,000,000 has been approved, a long schedule of public works authorised, an elaborate policy of relief for the drought-stricken districts endorsed, and the financial situation once more explained away. It is not the amount of legislation but the pace at which it is taken that kills comment.

“PROHIBITED IMMIGRANTS.”

Sydney has been aflame with aggravation for a week because of the declaration by the Federal Ministry that six skilled hatters who were passengers to this port were refused permission to land on the ground that, as they arrived under contract to an employer, they were under the Federal Act prohibited immigrants, for whom an exemption ought to have been obtained in advance. No objection is taken to the men, and if they and their employer would have agreed to the rescission of their contract they could have landed at once. Both objected to this, though they could have re-entered into a binding agreement in precisely the same terms the moment after they set foot on the quay. The law does not and cannot touch contracts for employment made in Australia, but only applies to those made elsewhere with manual labourers—contracts which are intended to be carried out in this country. While these contracts exist those who would be bound by them if they landed are here, as in the United States, prohibited from leaving their ship unless in our case they are allowed to do so by the Minister in charge on the ground that they possess special skill. What roused the public to exasperation was, as Mr. Reid declared, the fact that honest and capable British citizens were being treated as if they were undesirable aliens. From every city and State went up a chorus of reproach at this unprecedented and arbitrary act. Sir Edmond Barton, not a whit disturbed, defended both the policy of the statute and his duty of rigid obedience to it. He declined to be hustled or bustled into any hasty concession, but insisted on strict proof that the men properly came within the exemption which empowers him to admit those under contract for manual work in Australia if they possess special skill. His deliberate delay fanned the flame of excitement still higher, and the capitals of the continent rang with condemnation from all the Employers’ unions and those whose sense of an Empire citizenship was outraged. Despite the tumult, the Government insisted on having its pound of flesh

in the shape of satisfactory proof of the openings available for those who had arrived and for others reported to be under way. The authorities were thus unflinching apparently for the purpose of proclaiming the stringency with which they mean to insist on administering the law. Sir Edmund Barton's decision on the request for an exemption was conveyed in a memorandum drawn up in every particular precisely like a judgment from the High Court. Of course, he ultimately granted the applicants *pratique*, but, nonetheless, his rigid and frigid attitude during his dealings with them, however judicial, is condemned even in his own constituency, where Mr. Reid has received a royal reception when repeating his general arraignment of the Ministry and a further particular censure of their treatment of skilled immigrants.

THE NEW COMMONWEALTH.

END OF THE DROUGHT. THE QUESTION OF LAND TENURE. ECONOMIC CONSIDERATIONS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Dec. 23 1902; Jan. 31 1903.

At last the long-looked-for relief has come; at last the great drought has ended. Another may follow on its heels, but for this summer at all events even the far interior is assured of full supplies of water. If another dry period is to be faced it will not begin until next winter. In the meantime the privations of the settlers and of their terribly diminished flocks are over. For the time the high prices that have ruled for all eatable sheep or cattle will possibly go higher still, because their owners can now afford to keep them and because all capable of breeding will be instantly in immense demand for restocking. There will be an unlocking of funds by institutions interested in mortgaged grazing areas, and an unbuttoning of pockets on the part of the capitalist landowners who have survived the lean years and are looking forward to a chance of recouping themselves. The outlay on fodder and on trucking stock to the seaboard has abruptly ceased, but larger expenditures must begin in order to make the most of the reproductive opportunities just opening before them. A great load has been lifted from many minds since the disastrous drain on the flocks and herds of the country has dragged to its end. For a little while it is not unlikely that our railway revenues may even further decline. But in a few months more, especially if the autumn closes, as expected, with refreshing showers, the vast tracts that have been lying fallow for years will yield all the more generously next spring.

PROCESSION OF THE COAST-WISE STORMS.

The physical unity of Australia has been once more demonstrated on a great scale. A steady procession of coast-wise storms from the west has visited the southern and eastern edges of the continent for some months with uncertain, scattered, and intermittent supplies of moisture. These supplies have been of incalculable value

to Western and South Australia, Tasmania, Victoria, and New South Wales, but in limited districts only. It might have seemed inappropriate if, in this way, before a slow succession of minor showers the dreadful trials of the last seven seasons had been insensibly mitigated and dissipated piecemeal. The welcome change has sprung on the scene much more dramatically just when hope was about to be again postponed for another season, and with impressive accompaniments. Christmastide enters not with the customary height of heat marking the beginning of the fiercest span of summer, but is ushered by resounding gales and dropping temperature. A beneficent monsoon, laden with many million tons of moisture, has found its way southward into the very heart of the almost hopeless wastes known as “*The Never, Never Country*”. Once there, as if unable or unwilling to escape, it has lingered discharging its inestimably precious waters everywhere over the two-thirds of Australia included within the Eastern States, and probably deeper still into the arid solitudes all but untenanted to the west of the overland telegraph line to Port Darwin.

MONSOON OF REDEMPTION.

A shaded rainfall map of the world shows a white space in Central Australia resembling the deserts of Sahara, Arabia, and Asia in its unrelieved barrenness and thirsty furnace heat. Even there soft rains have been falling for the past week or two, gently bathing at the same time the superb plateaux of Queensland, and enriching the spacious plains of our own withered West. The dry beds of creeks have suddenly become transformed into roaring watercourses, and the streams into which they flow have risen and spread a welcome inundation over the featureless steppes beside them. Dams have been burst, bridges and railway lines swept away, hamlets invaded, and streets turned into rivers. Reports of rains are still arriving, but even if these prove the last for some time to come the monsoon of redemption has done an inestimable work. Water trains have ceased to run, and mines have begun to work—the famous Mount Morgan with six months’ supply of water in hand, Broken Hill provided for, and White Cliffs once more in full swing. Neither townspeople nor farmers need cart water any longer this summer. The Darling is likely to open some part of its course at once to the long-stranded boats. For months the question has been how to get rid of live stock. Now the problem is how to get it back. The stock routes are available for use, and along them the sheep and cattle will soon be returning to the paddocks from which they were driven by drought. The earlier rains set the herbage growing to the North, so that the dusty tracts which embraced even the marvellous Darling district, where three weeks ago there was not a blade of grass in sight, are now great rolling fields of succulent green. Waterholes, tanks, and reservoirs are filled, the gullies are running, all has revived under the magic influence of fostering rains. Of course, our

late depression has left its imprint deep on both land and people, and for a time the traces must be conspicuous. But it will not be for long. We are recuperating already with amazing rapidity and hope soon to establish another "record" of prosperity in its place.

PITY FOR THE PASTORALISTS.

One of the natural effects of the drought has been to arouse in the States a feeling of commiseration towards the pastoralists, who as a class have suffered most during its continuance. In South Australia and in this State their obligations have recently been taken into consideration, with the result that they will now be encouraged to recommence their ventures on more favourable terms. In Queensland the lot of the squatters has been just as hard, their sheep having dwindled from twenty-two millions to eight millions and their cattle from seven millions to four millions. It has been made perfectly plain that in the West severe droughts will always have to be guarded against, and that over a large part of the colony much capital will be needed to render grazing profitable. The Land Bill of the Philp Government exhibits but an imperfect appreciation of either the political or economic situation. A consolidation of the land laws of the State was much required, but it was an unpardonable tactical blunder to seek to accomplish that at this juncture and thus bring the whole range of vexed issues and the complex tenures of State-owned territory under discussion at the same moment. It was clear from the first that all the time that could be spared to the measure would be well occupied by the provisions intended to give immediate relief to pastoralists alone. Generalship in the Ministry there is none. It is the misfortune of Queensland that the members of the Labour Section constitute the only Opposition, and that they are simply impossible as administrators. Mr. Philp and his colleagues, though having no fear of being dispossessed of office, exhibit a combination of carelessness and timidity in their policy which apparently disables them for efficient action of any kind. They have become so much the slaves of the more independent members of their own following that an onlooker would suppose them in dread of defeat at every turn. They originate nothing. It is fortunate that they are often saved in spite of themselves from the consequence of their own ineptitude, partly by the influence of the Press and partly by the commonsense of the community. Critics are beginning to contend that this magnificently rich State has too small a population and too deep a division of political opinion in it to afford a fair field for the working of responsible government.

POLITICAL LEADERS.

Mr. Philp's Land Bill proposed an extension of tenure to lessees on the major area of Crown lands of forty-two years, and at the same time made it much easier than it has been to acquire considerable areas by purchase. So far it pleased the pastoralists and satisfied the public most concerned; but, on the other hand, it not only preserved but extended the existing rights of resumption possessed by the Ministry, with the additional disability that the measure afforded no sufficient security that when leased lands are resumed or their terms having expired the lessees would receive compensation for the improvements they had made. Nor were their interests protected even by definite enactments in these respects. In both cases lessees are left absolutely at the mercy of the Minister of the day, and having regard to Mr. Philp's own record this is by no means a satisfactory insurance. Panic legislation is bad enough, but panic administration would be still worse. Yet the Conservative Party in Queensland has no redress. It can replace the Premier of to-day as he did his predecessors from within his Cabinet and from among its allies, but the possibility presents little prospect of gain. Probably *Sir Horace Tozer* is the best available man, since the available leaders on the spot are not comparable with *Sir Thomas McIlwraith* or *Sir S. Griffith*, under whom the State attained its splendid development. The men now nominally in command require to be alternately led, checked, and extricated. It is Brisbane that really governs Queensland whoever appears to hold the helm, and it is on the judgment of its influential citizens that it must rely for its progress rather than on the politicians who follow its lead and tardily execute its behests.

THRIFT, FORESIGHT, AND ECONOMY.

It would be impossible to say who rules New South Wales at present. Just now Sydney heads the Opposition in State and Commonwealth, and ought to be well satisfied with the position and prospects. Our local session, like that of Queensland, has just closed ingloriously in our case by a count-out after the sacrifice of every important measure introduced or proposed except such as authorise more borrowing, spending, and provision for the drought. Our Parliament and its procedure, with our finances and their administration, all remain unreformed. In the whole of Australia we alone continue in our old unwise, improvident ways, as if nothing had happened or could happen to call for a readjustment of our finances or a readaptation of our policy. If there had been no Federation, no drought, and no arrears of legislation we might have proceeded in that fashion without earning the reproaches that must now attach to our negligence and slothfulness. Having the hegemony of all the States by virtue of population, position, and developed resources, we are content to

come last in thrift, foresight, and economy. Such lethargy cannot continue. Victoria certainly has offered an excellent example. Having determined to set her house in order, she has not hesitated to uphold the energetic action of her Government, and has accepted, almost without demur, remedies so drastic that even her most timid creditors would not have ventured to propose them. During the quinquennium just terminated her annual expenditure had increased by £2,000,000 annually without any corresponding increase in her permanent revenues. In the course of the current twelve months, beginning with a deficit of £300,000, she has cut down her proposed expenditure by £400,000 below that of last year. Then as the revenue is estimated to be less by the same amount she has increased taxation, and insisted on further retrenchments that are being courageously carried out. There are to be savings on the estimates of a permanent character amounting to £350,000 a year, and of a temporary nature reaching over £200,000 more, making about £570,000 in all. The income tax is to be practically doubled so as to yield £180,000 annually, probate duties are increased in such a way as to bring in £70,000, while £110,000 is to be taken from two railway contingency funds this year in order to produce a promised surplus of £4,000, or, at all events, to either balance accounts or come very near doing so. The measures are heroic, are undertaken in a spirit of thoroughness which bodes well for their perpetuation, and should, with the now probable return of normal seasons, place Victoria in the very enviable condition of paying her way year by year.

THE NEW COMMONWEALTH.

PORT DARWIN RAILWAY PROPOSAL.

INTER-STATE RIVALRY.

THE WATER DIFFICULTY.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Dec. 30 1902; Feb. 6 1903.

South Australia holds for the moment the centre of our stage as the most loud-voiced and belligerent of the States. She has been raised to that bad eminence as much by force of circumstances as by her own contentiousness. For several reasons she is not popular with her neighbours, none of whom can lay claim to any manifestations of unselfishness in dealing one with the other, but all of whom happen to be crossed just now by her feverish devotion to her own interests. Geographically South Australia is the central territory of the union, and that position endows her with possibilities of control over the great lines of communication across the continent. The coldness with which she has received the approaches of Western Australia, whose darling ambition is to stretch her railway through Adelaide to the east, has not promoted friendliness on that side. Her attempt to secure the construction of the Northern Line to Port Darwin wholly within her own boundaries has angered New South Wales and Queensland, which have long been casting covetous eyes on this enterprise. The struggle for the waters of the Murray just beginning puts South Australia at odds again with this State and with Victoria. Between the Tasmanian and South Australian farmers there is a keen trade rivalry arising out of the circumstance that both having been blest with good seasons are competitors in the markets of their less-favoured sisters, though beyond this they have no cause of friction. Finally, South Australia's attitude to the Commonwealth has been consistently hostile from the first, though manifested over points of no particular importance. By a curious combination of conditions and some bad management South Australia finds herself at loggerheads more or less with every constituted political authority from Tasman Peninsula to Cape York.

PHYSICAL FACTS.

The conflicts really originate in physical facts and arbitrary boundaries patent on a glance at the map. They have not been caused by the *Jenkins* Cabinet, though several have been aggravated by its want of dignity, tact, and foresight. The departure of practically all the political leaders of the State into the Federal arena has left the local Parliament in the hands of a few inferior men embarrassed by their own weakness and their enforced subserviency to an Opposition whose policy they are content to carry out. Perhaps it was to compensate for this feebleness at home that they have adopted a truculent manner abroad in their dealings with their neighbours, or it may have been because in the outside disputes that have arisen they have calculated on the support of their public. Had they observed the customary courtesies of speech and correspondence, however, they would have secured a more respectful hearing elsewhere for the protests and expostulations to which they are now giving currency. Fortunately for them, their claims to consideration are so numerous and strong that in the long run the manner of their presentation cannot count for much. In the Murray River struggle the Ministers have been wise enough to realise their own inadequacy and to call on their late colleagues and associates, headed by the Federal Speaker, *Sir Frederick Holder*, to come to the rescue. With the men of ability who have responded to this call acting as its advisers the State need fear nothing in any comparison of knowledge or ability with men who may be pitted against them when the matters of high import about to come under debate reach the stage of public exposition and appeal.

PROVINCIALISM.

It must be confessed that none of the States is entitled to throw stones at its fellows on the score of provincialism. When the South Australian Parliament almost unanimously agreed to offer to any speculative syndicate that would construct a railway to Port Darwin a principality in fee simple considerably larger than Great Britain, it was with the frankly confessed object of making Adelaide the head centre of the transcontinental traffic. The motive was selfish and costly, since only the Metropolis could benefit to any extent, though the State as a whole must pay the piper. Even when the Largs Bay works about to be begun provide a decent port for ocean-going steamers, Adelaide cannot hope to compete either with our harbour as a terminus or with our city as a trade centre. The interests of the great bulk of the Australian people would be far better served if the line to the central northern seaboard had its route from Sydney through Bourke and the West of Queensland. A great area of valuable country would be opened up, and the long journey through the sterile deserts of the torrid interior would be avoided. But Port Darwin is in South Australia, and the only

authority for the making of a railway thither is her Parliament, which has certainly nothing to gain by foregoing her advantage for our benefit. Nothing can be done by us or by anyone without South Australia's consent, and it certainly does not rest with our politicians—who have fought Queensland in order to divert her traffic to our lines and have refused Riverina its fair share of public works for development because of its proximity to Victoria—to preach altruism to South Australia at the very moment that we are doing all we can to wrest from her the freights she gains from our western holdings by means of her Darling and Murray boats. Yet our Sydney Press did not hesitate to condemn the mote in our sister's eye while absolutely ignoring the beam that obstructs our own vision. No wonder the Adelaide papers rejoined in kind with taunts as to the selfishness of Sydney. Both pot and kettle would have been wiser had they refrained from criticising each other's complexion. Queensland, and probably Victoria, sympathises with us, but all three together are powerless to invade South Australia by any railway to which she declines access. The proposed line is strictly a matter of domestic concern over which we have no control.

“GROSSLY UNFAIR”

The Murray River Commission report has now provoked a further and more eager inter-State rivalry. The finding of the New South Wales and Victorian Commissioners is as heartily endorsed by their journals as the objection of the South Australian is upheld in his. Again we have reached a deadlock; again we have Press recrimination inflaming the dispute, and once more Mr. Jenkins is making his complaint vocal by despatches both to the Commonwealth Government and to those of the two States whose interests are adverse. He now informs *Sir John See* and *Mr. Irvine* that the apportionment of water recommended by the commission is so “grossly unfair” that the quantity permitted to flow into South Australia will not even meet the ordinary necessities of its present settlements on the Murray, and he declaims the open warning that his Government, Parliament, and people “will resist all such schemes to the utmost”. He proposes a Ministerial conference between the three States, though with what hope, except that of advertising his case and posing before his constituents, does not appear. He can scarcely expect that Premiers who find their experts prepared to advise a distribution in their favour will sacrifice this foothold, and face all the unpopularity of doing so in their own States, simply to please him. He must be perfectly well aware that, except for purposes of dramatic display, such a meeting must be fruitless, and will scarcely be granted him by men who have nothing to gain and everything to lose. If it be conceded it will be with an eye to the theatrical utility of the granting and the danger of refusing the request. South Australia's only possible means of protection will lie in the High Court or the Inter-State Commission, or both, when they are constituted.

“VIRTUALLY UNCONSTITUTIONAL.”

In the meantime Mr. Jenkins has penned a complementary despatch to the Federal Prime Minister, in which Sir Edmund Barton is told that the suggestions made by the commission are “not only vitally unconstitutional”, but also calculated to “disturb the harmony of the Commonwealth”, as if harmony had ever been established or was likely to be on such a question. He then proceeds to ask with great solemnity for “the protection of the Constitution” against any interference with the “navigability of rivers” and for the passing of a Federal law dealing with this subject. But even if he gets all that he requests it is very doubtful if, when it comes to a tug of war between the States, he has any more hopeful prospects in that quarter. There are five Commonwealth Ministers, including their chief, from New South Wales and Victoria, and though the one South Australian is Mr. Kingston, he can hardly outweigh their united influence in the Cabinet. The political dice are heavily loaded against the smaller state in the Federal Executive and Legislature. As already indicated, its one and only protection must come from the High Court or the Inter-State Commission, all of whose members will be appointed by the Federal Government. Wise counsels may prevail and a feeling for compromise ripen if carefully cultivated, but so far the Jenkins Cabinet is responsible for embittering those to whom it is now making its pitiful plaint.

QUESTION OF LAND MONOPOLY.

Sir F. Holder, for instance, when Premier of South Australia, having offered its Northern Territory to the Commonwealth, and the Parliament having agreed to accept it, two or three letters from the Prime Minister have been required in order to convince Mr. Jenkins, the present Premier, that his proposal to hand over ninety million acres of the proffered area to unknown proprietors ought to be formally communicated to him. He has curtly intimated that the “offer” might be considered as suspended for the present with the obvious intention of withdrawing it altogether if the Transcontinental Railway should be constructed, or of renewing it merely if the territory was once more proved to be a dead loss to the State with which it is connected. The effect of these tactics and of the general antagonism of most members of the Federal Parliament to so huge a grant of land as that now contemplated must be to render it probable that the whole weight of the Commonwealth will be thrown against the scheme. The State binds itself not to impose a land tax for ten years on the grants to those who build the line, but no such restriction will tie the hands of the Central Parliament, whose powers of taxation are unlimited, and whose mastery of all matters affecting trade and commerce with foreign countries may easily impose unforeseen and crushing disabilities on the promoters. They will have few friends

at court outside the South Australians, who are themselves in a hopeless minority. Such contingencies are not pleasant even to name, but they have already been openly pointed to as probable weapons to be employed against any land monopoly sought to be created within the Commonwealth.

RAILWAY POSSIBILITIES.

Mr. Jenkins is issuing a prospectus of the ordinary type, so glowing in its picture of the possibilities of the projected railway to Port Darwin that it has already been remarked how strong a case he has made out for his own discomfiture if he should neglect to retain all the riches he describes as available within his State for its own people. What he has not foreshadowed, and is quite unable to control is the future policy of the Federal Parliament towards his concessionaires. He may at once reckon on the invincible enmity of the Labour Section and on the active opposition of all the representatives of the three most powerful States, which will respond to their local feelings of antagonism. His own defective diplomacy has contributed to increase the number of the foes of his ambitious design, which, unhappily, is less likely to be judged on its merits than from the standpoints of parochial and party prejudice. The scheme is great, and ought to be carried out without delay. Probably, in the long run, its grandeur will tell on public opinion sufficiently to overcome many existing jealousies and some of the heartburnings that now threaten all connected with it. But it will be impossible to safeguard the capitalists who would be added to the most unpopular class in Australia—its absentee landlords. They are certain to find their paths made thorny in very unexpected fashions, whatever the value of their services may be. Such misfortunes we must needs expect until the union which we enjoy in name, and of which the framework has been set up in our Constitution, becomes in fact and in truth a much more living and concrete reality than it is now. The Federal element has not yet become supreme.

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