

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



Volume 6: 1906

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— Volume 6 —

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

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

The First Eight Project: Australia's First Prime Ministers



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Portrait of Alfred Deakin seated at his desk, 190-?

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Illustrations

Advance Australia, postcard, National Library of Australia, nla.obj-153093943

[Portrait of Alfred Deakin seated at his desk], photograph, 190-?, National Library of Australia, nla.obj-136656646

Second Deakin Ministry, photograph, The Swiss Studios, Melbourne, c. 1905, Stonnington History Centre, PH9365, RN953678

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

La Nauze indicates that the letters of 13 March and 15 March 1906 (Australian date) were 'probably one article divided, with [the] date of the second part changed by [the] *Morning Post*.'³²

A similar thing appears to have happened with Deakin's letter of 21 May 1906 (Australian date). The *Morning Post* seems to have divided this letter to publish (on 27 June) Deakin's observations on New Zealand Prime Minister Richard Seddon who had died suddenly earlier that month. Seddon had embarked upon an Australian tour on 16 May,³³ and died on the first day of his return voyage on 10 June.³⁴

The remainder of the 21 May letter was published in the 13 July issue of the paper.

The letter published in the 27 June edition of the *Morning Post* is not listed in Appendix II of La Nauze's edition. The letter with the 'Sydney' date of 1 October published in the *Morning Post* on 8 November is also not included in Appendix II. It was, however, included in various of his handwritten and typewritten notes for the edition³⁵ and its subsequent omission may simply have been a collation error. This letter is included in Deakin's own collection of *Morning Post* clippings.³⁶

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. 303.
- ³³ 'Personal', *The Daily Telegraph*, 17 May 1906, p. 7.
- ³⁴ 'Death of Premier Seddon PC', *The Australian Star*, 11 June 1906, p. 1.
- ³⁵ National Library of Australia, MS 5248, folders 105, 110 and 180.
- ³⁶ National Library of Australia, MS 1540/8/259.

— 1906 —



Second Deakin Ministry, The Swiss Studios, Melbourne, c. 1905

Seated (L–R): **Sir William Lyne** (NSW), Minister for Trade and Customs; **Alfred Deakin** (Vic), Prime Minister and Minister for External Affairs; **Baron Northcote**, Governor-General; **Isaac Isaacs** (Vic), Attorney-General; **Sir John Forrest** (WA), Treasurer

Standing (L–R): **Sir Thomas Ewing** (NSW), Vice-President of the Executive Council; **Austin Chapman** (NSW), Postmaster-General; Senator **Thomas Playford** (SA), Minister for Defence; Senator **John Keating** (Tas), Minister (without portfolio); **Littleton Groom** (Qld), Minister for Home Affairs

(Stonnington History Centre, PH9365, RN953678)

FEDERATED AUSTRALIA.

CHOICE OF CAPITAL SITE. ALTERNATIVE SUGGESTIONS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 2 1906; Feb. 13 1906.

With the prorogations of all our Parliaments at the close of 1905 another chapter of Australian political history came to a conclusion. It is still impossible to summarise its contents, for the details of events in Western Australia are not to hand, and the exact results of the session even next door to us in Victoria or Queensland are only partially capable of being assessed. But whatever their records may show, the continuous hegemony of New South Wales is incontestable. Our session's work compares favourably either in quantity or quality with that of any other State. Even the Federal Parliament itself has not grappled with matters of greater magnitude. Our prominence may have passed unobserved outside our borders, and probably has escaped notice there and here too. The rate at which legislation proceeds in this country is such that each of our communities has a political curiosity insufficient for the study of all its own local statutes and the parts of any Federal Acts that may apply to it. None can spare even a cursory effort to examine what its neighbours are doing. If Mr. Carruthers has just passed fifty Acts so has Mr. Bent, who could probably, if we understood Victorian circumstances, make out a good case for contending that his new laws are as valuable as ours if everything is taken into fair consideration. What has put our Premier in front of his followers for the present, making him the focus of attention everywhere, has not been a prolific crop of legislation, but his Ajax attitude in defying the Federal lightning. On the last day and in the last hours of the session, without any debate worthy of the occasion, he persuaded both branches of our Legislature to adopt resolutions protesting against the treatment accorded to New South Wales by the Commonwealth upon "many matters", but especially with reference to the choice of a site for the future seat of Federal Government. What, then, does he mean? A brilliant caricaturist pictures our Premier as a sham gladiator challenging a stuffed lion of his own manufacture. Sensation-loving leader writers indulge in forecasts of a great secession agitation. The public outside our borders is puzzled whether there is or is not a real feeling of resentment entertained in this State against the Federal authorities. What is the true interpretation? So far as pose

counts in politics—and at times it counts for a great deal with us—Mr. Carruthers has undoubtedly scored. In a familiar phrase “he has the limelight”, and while it lasts his will be the most conspicuous figure upon our public stage. His final tableau as the curtain fell upon the session has attracted more notice near and far than the whole of its previous performances put together.

ATTITUDE OF THE PUBLIC.

But the resolutions discover more than a pose. Allowing for the extra zest which is aroused whenever the discussion of general questions more or less remote or misunderstood is replaced by a personal altercation which everyone can witness with interest, and most are able to comprehend, the mere fact that the threatened duel is regarded with widespread interest is one testimony to its possession of a certain amount of reality. Our Sydney dailies, after doing their best to bring about some declaration of war, and though compelled for journalistic reasons to exploit it as much as possible now that it has happened, are taken aback by some evidences that the movement is passing out of their hands. The *Morning Herald* retains sufficient Federal loyalty to deprecate attempts to dissolve the union which in its sober way it helped to bring about. The *Daily Telegraph* exults in the opportunity afforded of pointing to its old diatribes against Federation, and of egging on those who echoed them to resume their old assaults upon the Commonwealth. The first newspaper nervously hesitates to encourage Mr. Carruthers in case he should seriously embark upon a crusade for secession; the second hesitates cynically because it fears that he has not courage enough to undertake or ability enough to head that crusade into which they wish to force him. The fears of one and hopes of the other are both testimonies to the substantial character of the agitation about to be commenced in earnest from the public platform. The Mayor of Sydney has granted the use of the Town Hall for a meeting organised by leading citizens, headed by Sir Normand MacLaurin, the leader of the anti-Federalists in the referendum campaigns six and seven years ago. Other municipal bodies are to follow suit, and efforts are in progress to prolong the protests in country districts. The total response obtained will decide how far the propaganda should be pressed and what particular form of redress can be demanded. More than this is in our Premier's mind. He has framed his indictment in the vaguest way, so as to include every cause of dissatisfaction, real or imaginary, general or particular. The currents of public opinion can thus be sounded before any distinct line of action need be agreed upon. By this tactic, too, he starts with a heavy handicap in his favour, since all who support him have something to gain and nothing to lose. If the Federal Parliament refuses either to be cajoled or overawed our complainants will at least have

demonstrated their local patriotism by asking for more than we have got. If anything is conceded or anything that is done hereafter can be treated as a concession then they can applaud themselves upon their activity, to which these prizes are due. One of our Premier's weaknesses is a constant assumption that he is a much-injured person, who never has received or will receive his meed. This pretence has cost him nothing to maintain and has won him some sops in his time. He wishes New South Wales to adopt the same attitude with the same expectations. We have only to insist upon our wrongs and declare that we are creditors of the Commonwealth, without descending to particulars, in order to recover some solatium when the accounts are cast up. He begins, therefore, tactfully enough by disarming opposition in this State. None of us are stimulated to object to our being given more than we have yet enjoyed, especially as it is to be given to us at the expense of the other States. Why should we look a gift horse in the mouth, even if we doubt whether there is any sufficient reason for demanding his bounty?

THE MALCONTENTS.

Those who are unconscious of any real State grievance having been thus disarmed, a clear field is left for those who have grievances of any kind to combine in making a levy upon the Commonwealth. There are discontents in every quarter, but they have always been more numerous and more influential in New South Wales than anywhere else. The popular majority for union was smaller here than elsewhere, and in Sydney it was even at last quite inconsiderable. Any attack on the Federation has had from the commencement about half our population disposed to approve it. But while the anti-Federalists have lost few, if any, of their number the Federalists have suffered wholesale defections. The Free Traders have deserted almost in a body. The section whose battle cry was that Sydney must be the Federal capital, but who cherished the hope that if not upon the shores of Port Jackson it would at least be directly under Sydney influence, are now to a man hostile to the union which has put this claim aside. The thoughtful section, of which Sir **Edmund Barton** was the natural leader, which looked for escape from the domination of the Labour Party in the State when we possessed an Australian Parliament has gone over *en masse* to the Opposition. Most inopportunistly, too, the recent declaration of majorities in both Houses in favour of "a just scheme of Home Rule", though passed because it was believed that to refuse it meant a reflection upon our own system of self-government, has weakened Federal feeling. It has arrayed against the Commonwealth the large body of people in this State who are opposed as Unionists to any scheme of the kind, as well as those who are bitterly hostile to any movement likely to strengthen

the hold of the Roman Catholic Church upon the distressful island where its adherents are in a majority. Cardinal Moran's most ill-advised speech against the action of Mr. Carruthers has contributed to commend it to them. To these must be added the residents of all the sites unconsidered or considered and set aside, and the people who have in one way or another been offended by Federal legislation or administration, both of which have had a certain unpopularity from the first, because they have been "made in Melbourne". Altogether we may reasonably conclude that the Discontents in New South Wales today, of all colours and on all grounds, outnumber the Contents probably several times over, quite apart from the fact that the first are spurred to action while the rest are disinclined to make themselves heard. A fresh division of our people is in process which follows no established lines, because all our known organisations are severed by the new issue of localism against Federalism. The Labour Party, which opposed Federation in this State and elsewhere, continues either indifferent or antagonistic to a Parliament which lately rejected a Labour Government. The Protectionists themselves are far from unanimous. On this question, while Federal recruits could be obtained from all sections who would resist Mr. Carruthers's onset if necessary, and head a far larger body if his attack became serious, there is in all likelihood not a single group (unless the Labour Party should be rallied by Mr. Watson) which if it were polled separately would give a majority against a loose declaration of State dissatisfaction. This Mr. Carruthers has astutely submitted in a manner and in terms which have left everyone to put his own grievance to the front. It discourages those who have none from any intervention in a matter that does not directly affect them, and from which they may profit, though still fairly satisfied with things as they are. Under such conditions it will not be surprising if the active Federalists be found to constitute a small minority when a referendum poll is taken as our Ministry desire.

FEDERAL CAPITAL SITE.

What a vote will be taken upon one can only guess generally from the elusive language of the Parliamentary resolution already carried. That would cover a great deal, while as a fact our unspecified causes of annoyance or dissent enumerated above would actually operate far more upon the voters than even the question of the Federal capital itself. That is the one cause of offence distinctly named and the only point upon which an alteration of Federal policy is hoped for. If it stood alone it would be no easy undertaking to persuade a majority of the electors to go to a ballot between Dalgety and Lyndhurst or Lake George. Probably it is for this reason that Ministers are understood to favour voting by post and that they have also loaded

their statement of complaint with a phrase that embraces all possible grounds of complaint against Federation and Federal policy. The one concrete demand made on behalf of New South Wales so far is that the Federal seat of government shall not be placed at Dalgety, three hundred miles from Sydney, but as near as possible to the hundred mile distance from Sydney which the Constitution requires. The ground for this demand is that our people were led to suppose that this would be the choice of the Federal Parliament, and that a phrase used by the Conference of Premiers which amended the provision of the draft Constitution relating to the capital proved that this was the intention of the section which they prepared and the final referendum approved. The weakness of these arguments arises from the fact that their importance has been but recently discovered, for though employed in the House of Representatives before Dalgety was chosen, they then passed almost unobserved. Mr. Carruthers relies upon them now, but Sir **John See**, who was Premier of this State when the selection was made and who participated in all the steps taken that were preliminary to it, did not attach the slightest importance to them. Quibbling apart, the fact is that the sites originally submitted by our Government on behalf of New South Wales included Dalgety and other places more distant from Sydney, and that Sir John See's Cabinet distinctly refused to make any recommendation on the part of this State. The Commonwealth Parliament being thus advised, was, under any reading of its obligations, perfectly entitled to prefer Dalgety. We have no real ground for discontent on this score. Further reflection has shown that Dalgety is inconvenient, its winter climate severe, its position not easily accessible, and its connection with our railway system costly. There is no reason why its adoption should not be reconsidered in the light of this knowledge. But it cannot be denied that our present attempt to reopen the issue is based just as much upon a design to make political capital out of it as upon the practical reasons for asking Federal members to review their previous decision. Mr. Carruthers sees an opportunity of becoming the leader of opinion in New South Wales upon this matter, uniting under his banner the whole of our dissatisfied sections, and incidentally deposing Mr. **Reid** from the proud position he has so long held as head of the State. One of the features of the debate in the House of Representatives a fortnight since was the gingerly manner in which Mr. Reid and his deputy, Mr. **Joseph Cook**, referred to our Premier, only half apologising for him, and that with an ill grace. They expressly made the untimeliness of his intervention a ground for asking for the postponement of the Bill submitted by the Minister for Home Affairs, Mr. **Groom**. Mr. **Deakin** did not fail to put his finger upon their sore spot when he said plainly that the resolutions carried in the New South Wales Legislature really amounted to a vote of censure upon their Federal representatives in the Federal Parliament.

DISADVANTAGES OF DALGETY.

Mr. Groom's Bill, drawn before the Carruthers resolutions were made public, was framed so as to prepare the way for a grant of territory in proximity to Dalgety being made by New South Wales, and in its language provided only for that contingency. When, however, the **Attorney-General** was delivering a trenchant speech, caustically analytical of a rambling explanation by Mr. Reid of his own embarrassed attitude, Mr. Isaacs incidentally maintained that under the Constitution there is a duty imposed upon this State to make such a grant when asked. He further expressed the opinion that the High Court would enforce the performance of this duty if it were appealed to by the Federal Government. Later the Prime Minister, whose tone was conciliatory, pointed out that in Committee a majority could alter the site named in the Bill, and that in any event they were still open to receive representations from the State Legislature. But he, too, insisted, as did the speakers of all parties, that the final choice is to be made by the Commonwealth Parliament alone and not jointly with the State nor for the Federation by our Premier. If this was cold comfort for Mr. Carruthers he has the consolation of knowing that the more unpopular he becomes with Federal members the more popular he will grow with many of those who sit behind him in our Assembly. By comparison even with the representatives of Federal constituencies in our own State he now shines supreme, and anything that they may now attempt can only yield them a reflected glory. Whether the site will be changed is very doubtful. It was believed that a majority would have struck out Dalgety but for Mr. Carruthers's appearance upon the scene. The instant effect of that was to make all waverers in the House solid against his dictation and resolute to enforce the choice already made. But if Dalgety had been omitted in Committee on the Bill the report from Melbourne is that no rival locality could have commanded a majority, and that if it did the Senate which formally compelled the House to accept Dalgety instead of Tumut would have stood to its guns. From a Sydney point of view the one place is as bad as the other. Lyndhurst is still our preference, with Lake George as an alternative. Yass and Tumut are thought to be out of the running. According to the Whips the numbers are still near enough for any change to be possible. Dalgety won in the House last year by only one vote, and has not gained more than it seems to have lost in the interval. The Ministerial Bill was not pressed. What our Premier's resolutions will do to affect its reception when next introduced is not by any means clear. A popular vote which endorsed his complaints would not settle anything. Should the Federal Parliament persist in demanding Dalgety the State can decline to grant the land, and can appeal to the High Court, if not to the Privy Council, for protection. Should the judgment of the courts be adverse we must yield, though we shall cut the grant of land down to its smallest proportions, and Mr. Carruthers, if still in power, can be relied upon to make as much unpleasantness as possible for

the Federal intruders. These consequences are well in sight. To accomplish secession much more would be necessary. No alteration of the Commonwealth Constitution for that purpose could be carried in Australia. An appeal to the Imperial Parliament to do for us what we would not do for ourselves because we could not convince our fellow-citizens in the other States that it ought to be done, would not advance our cause. There is no other recourse. We can postpone the selection of the site by leaving the seat of government in Melbourne for an indefinite period, we can vent our discontent upon Federalists and the Federal Government and provide a great deal of political friction and fireworks, perhaps not entirely free from painful accidents. But all this would be barren of good. What we really hope and half expect is that the disadvantages of Dalgety will be admitted, and that another place nearer Sydney will be substituted by some of those methods of compromise which customarily obtain within the Empire and are continuously used in our State and Federal Legislatures. With this concession, if he can gain it, our Premier himself will be thoroughly content. He cannot hope for more, and may obtain much less.

FEDERATED AUSTRALIA.

THE WORK OF LAST YEAR.

NEW SOUTH WALES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 8 1906; Feb. 27 1906.

The political year in New South Wales closed with a flourish of trumpets, an anti-Federal flourish; otherwise it had proved more effective for party interests than for practical legislation. Mr. Carruthers began this Parliament the not too well trusted leader of a party with a very narrow majority. The first session closed with very frank and unfavourable criticism upon his proceedings from the Sydney Press and with a scanty record of useful work. He carried over to the present session all his important Bills, including one for the amalgamation of Savings Banks, two for local government, a fourth for liquor reform, a fifth providing for the amendment of the Arbitration Act, and a sixth amending the Old Age Pensions system. A new administration of the Lands Department was to be established by a seventh. Five out of the seven are again carried forward, as well as the North Coast Railway Bill to which he committed himself most valorously in spite of the adverse orders of the city newspapers. The anti-Federal resolutions not only diverted attention from these shortcomings, but have restored his influence if not his popularity with the journals from whom he threatened to break away. The direct Opposition consisting of the Labour Party has lost ground in the Assembly and probably in the country. One consequence of this is that the Premier has abandoned the efforts to conciliate them, which annoyed his "Reform" stalwarts last session. He has hit them whenever he could, has defied the Catholic vote at every opportunity, and has carried a Liquor Law, which temporarily satisfies the Temperance Party. His acceptance of a local tender for railway engines at an increased cost and his contract for local iron from local ore have rendered the Protectionist remnant of the former Ministry now occupying the Opposition corner fairly content without offending his Free Trade bodyguard. The great Barren Jack water scheme has pleased the country. Thus by a deft and well-planned series of concessions he has contrived to consolidate his support by challenges to what may be termed his hereditary foes, the Labour Caucus, the liquor trade, and the Irish Catholics, while at the same time disarming Mr. Waddell and his little knot of fiscal adversaries. When he threw down his gage

of battle to the Federal Parliament he clinched his hold upon his friends, while at the same time obtaining much sympathy on local grounds among his bitterest antagonists. All this is good politics. It is good management and astute leadership. The consequence is that despite his legislative disappointments, evasive methods, and crusty utterances Mr. Carruthers stands better today with his State, and at the head of a stronger party, than at any period in his previous career.

LEGISLATIVE MEASURES.

The Liquor Bill, for which we have been waiting forty years, deserves most of the praise our Premier awards it. It substitutes a time limit of three years for the money compensation paid in Victoria, which has been the means of stopping reductions in the numbers of unnecessary hotels. The maximum period of immunity is granted to public-houses owned by licensees or leased for long periods, and amounts to eight years from this date. Out of all the hotels in this State only four hundred can hope for that assured lease of life. The other 2,800 are liable to be gradually closed by the popular vote which will be given at each triennial election. It is not anticipated that the verdict will be for no licence districts except perhaps in a few small areas where the experimentalists happen to be in a large majority. The former experience of New Zealand, just repeated at the late election, proves that in spite of persistent agitation, elaborate organisation, and the expenditure of a great deal of money, the temperance vote cannot be brought up to the point at which it will prohibit hotels even in small neighbourhoods except under special conditions. Of course no attempt has ever been made either there or here to prevent householders from obtaining alcohol in any quantity for their own homes. The average Australian is temperate, and the number of those who either do not touch intoxicants or use them very occasionally is probably larger than anywhere except in portions of the United States. We have, however, many parts of Sydney and some country towns in which licensed premises are far too numerous for the legitimate demands of the public. There ought to be, and will be, reductions in the authorised number of hotels and clubs in these localities, together with an improvement in the control of those that are allowed to remain. Ministers are, therefore, well entitled to congratulate themselves upon their share in making it possible for our citizens to remedy real grievances where they exist near their own homes. They may also plume themselves upon the passage of the Shires Bill, whose purport has already been explained in these columns. It will give our country districts the responsibility properly belonging to them for local works which are improvements of local property. Only part of their cost will come upon them as a fresh charge, the rest being obtained by a transfer to them of the tax upon the unimproved value of land at present paid to the State. This will be the beginning of a healthier condition of affairs. The postponement of the Bill enlarging

municipal powers is not altogether to be regretted, since some of its proposals appear to err on the side of excess. The alterations of the Arbitration Act and of our Old Age Pensions Act are held over, probably in order to enable an attack to be made upon the Labour programme with as much parade as possible next year. The Savings Banks Bill seems to have been sacrificed to the newspapers of the party, whom the Premier has several times publicly defied to hinder its passing. The Lands Commission has been abandoned, though the need for it has become more apparent the farther our investigations into the department have gone. Probably until the charges against Mr. [Crick](#) are disposed of a full discussion of the subject would have been unpleasant. In the meantime the Minister for Lands, Mr. [Ashton](#), can only apologise for the absence of first-class Crown properties and applaud the new scheme for conditional purchase leases embodied in his little Act. The "Reform" Government has been slow in its financial pruning and still slower in its correction of our obsolete and unprofitable manner of settling people upon unoccupied territory.

POPULATION, TRADE, AND MANUFACTURES.

As the figures for last year come to hand the returns are everywhere most favourable to New South Wales; so much so that our newspapers have not failed to point out our supremacy in every branch of production. More than a third of the total exports from and nearly a third of the imports into the Commonwealth are credited to us, our revenue is nearly half as large again as that of Victoria, though to make the comparison fair the income of their local governing bodies would require to be added. Our population has a natural increase larger than that of any other State, and in only two particulars can we be made to suffer by contrast. Our city population has a larger proportion to that of the country districts, and our public debt per head is heavier than that of Victoria. In manufactures we are making giant strides. Since 1892 the machinery employed has doubled in value. Last year it was employed in making up our own raw materials of the value of £16,500,000, while using over half a million worth of local fuel. The wages paid were over £5,000,000 and all this has been accomplished before our immense deposits of iron, kerosene, shale, tin, copper, and spelter have been utilised at all, as they soon promise to be. Owing to the public spirit and energy of the [Australian Natives' Association](#) of New South Wales an [exhibition](#) of goods manufactured in Australia has been open for the last three weeks in Sydney. This has greatly contributed to enlighten the purchasing public to the astonishing development of many industries in our midst of whose very existence most of us had been unaware. It was perfectly appropriate that it should be inaugurated last month by his Excellency the [Governor-General](#), who came to Sydney expressly for the purpose, although he was obliged to return to Melbourne the same evening in order to prorogue the Federal Parliament. Their Excellencies Lord and Lady Northcote have

not only shown the closest interest in our local industries by frequently visiting them, but also by extending their patronage as far as possible to Australian products of every kind. The example thus set in high places in an unostentatious but practical way has proved the best advertisement that our manufactures could have received. The **President of our Chamber of Manufactures** has not failed to follow the precedent set by many other leaders of commerce in eulogising the thoughtful manner in which the Viceregal household has helped to make the merits of our manufactures known. In the course of one of the thoroughly judicious and sensibly business-like speeches to which Lord Northcote has accustomed us, his Excellency did not fail to dwell upon the extra importance of our home market, because of the distance which separates our country from any other with which we can hope to do business with our wares. He then went directly to the possibilities of its expansion “by the introduction of as many suitable immigrants as possible”, adding that “he took every proper opportunity of expressing his hope that he should see immigration on a sound basis earnestly embraced in this country”. As our Savings Banks are overflowing with deposits and our banks in much the same condition, money for investment is plentiful here and throughout Australia. In years like the present we have so much to sell abroad that we become independent of imported capital. Local ventures are financed with local funds, and an increasing holding of our own public debentures is becoming a feature of the Money Market.

PROGRESS IN VICTORIA.

The Victorian horizon appears to be unclouded, though there is a loan falling due next year which Mr. **Bent** has not yet provided for, so satisfied is he that he can get the £1,500,000 due next July for the asking in Melbourne. The gigantic irrigation works now in course of construction in connection with the northern plains of that State where they slope to the Murray are involving a large expenditure, most of which has been locally obtained. Several private estates of large size have been purchased out of revenue, and after being cut up have been resold at prices which will recoup the outlay. Mr. Ashton promises to follow suit during the recess, and points with pride to the sale of two or three farms on the Myall Creek Estate to English farmers who have personally inspected them before deciding to settle among us. It must be admitted that Victoria has been more energetic and more successful than he has in fostering closer settlement, having invested three-quarters of a million sterling in repurchases in little more than a year and apparently with hopeful prospects. The wheat yield this season amounts to 23,000,000 bushels, the largest ever harvested in that State, and money is even cheaper with them than it is in Sydney. The charges brought against Mr. Bent are that he is so wholly an opportunist that he is prepared to draft or drop, to support or oppose, any proposition of any character that has a majority in his

Legislature. It is asserted that he is not trammelled either by his announced policy, by his own speeches, or the platform upon which he has rallied his supporters. Wherever he sees the chance of doing something popular he does it out of hand and is thus incessantly surprising but always in appearance leading where the public wish to be led. The manner in which New South Wales politicians are caricatured by our Press makes an onlooker suspicious of the frequent representations from Melbourne papers painting their Premier in flaring colours as a champion political contortionist. Their severest reproof directed against his Budget is that he has wilfully under-estimated his revenue in order to ensure himself a large surplus of receipts, which he knew he must receive, and will by and by propose to distribute as surplus revenue in constructing various public works in the constituencies. This proceeding, reprehensible as it is in the opinion of the taxpayer, who feels himself defrauded of the reduction in his burdens, which he would have demanded if he had known that the Treasurer's income was going to be as buoyant as he now discovers it is, furnishes another illustration of the prosperous condition of the country. To have an excess of funds capable of being devoted to attractive undertakings is probably the ambition of all Premiers, and very likely the bulk of his electors will not find fault with Mr. Bent so long as he confines himself to paying off part of his accumulated railway deficit now that the lines are more than returning interest upon capital, to buying sheep stations in order to turn them into farm homesteads, and to constructing water works which will quadruple the productive capacity of the lands which they render independent of drought in all seasons. Victoria seems to have no reason to complain of her fortunes during 1905.

1905 IN QUEENSLAND.

On the other side of us Queensland has a less jocund tale to tell, though it is on the whole more than satisfactory. One of the greatest losses sustained has been due to the death of Sir **Hugh Nelson**, K.C.M.G., Lieutenant-Governor and President of the Legislative Council. A former Prime Minister in several Cabinets of the "continuous Government", and an active member of the Legislature for many years, his ripe experience, upright character, and genial disposition made him a power in the State none the less because his influence was often invisible. It was always exercised in accordance with his sense of public duty, and thus enabled him to retain to the last the respect and regard of his most inveterate opponents. If the rumour that Mr. **Morgan's** health cannot much longer endure the strain of office and that he is likely to accept the vacant post of President of the Council, the course of politics in this State would be deflected to an unpredictable extent. Mr. Morgan, though not lacking in firmness, is not what is ordinarily termed a strong man, yet he is the one leader capable of maintaining the alliance between the Labour Party and the Moderates under which the Government of Queensland is being carried on. If there

be another Minister able to step into his shoes, unless it be the Attorney-General, Mr. Blair, who seems too young for the task, he is not yet known. Mr. Morgan has repeated in Queensland exactly the same achievement as Mr. Deakin did during the last Federal session, and with greater success, because he has a definite coalition with the Labour Party, who are represented in his Cabinet and who meet his direct followers in Ministerial caucus to consult upon their joint action. Mr. Deakin has only a public understanding with Mr. Watson, no common programme, and no Labour representatives among his colleagues. But just as he persuaded his allies to endorse a good deal of Commonwealth legislation which they positively disliked, Mr. Morgan has managed to induce his Labour supporters, for such in fact they are, to uphold him in continuing to sell land in defiance of the fact that they are all solemnly pledged to the contrary, and also induced them to extend the time for the construction of a private railway from Burketown to Lilydale, though that again is directly forbidden by their party programme. Both these departures would have been considered and treated as unpardonable political sins a year or two ago. Judged by these transformations the evolution of the Labour Party in Queensland becomes one of the most remarkable and unprecedented developments in recent Australian politics. Mr. Morgan is the man by whose tact, patience, and judgment it is being brought about. In other respects fortune has not favoured his State. The drought has not relaxed its hold upon some districts, the sugar industry is passing through a difficult and dangerous phase consequent upon the coming exodus of the Kanaka next year, while Brisbane has suffered from the wise restriction upon borrowing which has been imposed ever since the present Ministry took office. Nevertheless, the fact that two new railways are to be constructed which will make some of the vast mineral resources of this wealthy State available for development is an encouraging sign of the times. The extension of the Orient mail service to Pinkenba, at the mouth of the Brisbane River, has already had an excellent effect upon the local butter industry. Allowing for the transient difficulties now being encountered there is no possible doubt as to the splendid future of the immense territory in which Lord Chelmsford represents the King. The inspiring story of the three great eastern States is repeated with minor variations in the centre and west. Taken as a whole 1905, pastorally, agriculturally, or financially, in commerce and in manufactures, has been a very good year for the Commonwealth. Its beneficial influences have not been by any means exhausted or fully recorded yet.

FEDERATED AUSTRALIA.

GROWING PROSPERITY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 15 1906; Mar. 2 1906.

Australia was never more generally and substantially prosperous than today. This is not only true of this State and of Victoria, as was shown in my last letter. There have been seasons which appeared more flourishing, though these have been few. They were rarely larger in their totals, though these were swollen by the expenditure of large sums of borrowed money and by exceptional occurrences. Without unusual events or stimulating injections the comparisons for 1905 are all favourable. Not that the gross wool clip or other yields are in every instance as imposing, but taking prices into account and balancing one consideration with another our profits on the whole and in nearly every department are larger than they have been. Australia's reputation as a field for investment suffers inordinately because of our droughts and the prominence given to their results upon our wool and wheat exports to the Old World. What is unknown or forgotten is the rapidity of the recuperation. Reviews of the returns for 1905 in particular branches of business in the several States are still coming in to complete our summaries of the business of the year. The tendency of all of them is upwards. The last and longest drought we have ever known has not yet had all its consequences repaired—indeed, it has lingered in parts of Queensland up till a few weeks ago; but in spite of it we find the pastoral industry flourishing and agricultural development proceeding more hopefully than ever. Of other results I wrote recently. Every winter there is some kind of attempt to force the State Governments to find work for men who would rather be idle than leave the great cities of the seaboard. Last year the agitations were fewer, feebler, and less legitimate than ever. Slowly and patchily fertile areas are being set free from the nerveless lands departments for settlers anxious to put them under the plough. Our mineral revenues in Australasia continue excellent. What a factor they have become in the world's exchange is shown by the circumstance that in addition to sending some £15,000,000 worth home we despatched £10,000,000 more abroad to the order of London. Yet there has been no boom anywhere, prices for the baser metals have improved, and an increasing output is assured, but even in this most speculative product the year's progress has been even and regular. This makes it a better proof of our true position. It is because 1905 may be fairly described as a normal year that its fruits are worthy of

special notice. Prices are high for most of our principal exports, and these we cannot control, but the application of any test making allowances for this does not affect the incontestable fact that, despite the drought, Australia was never more prosperous than today. Whether the examination made is mercantile or financial, rural or civic, of all staple productions or any of them, of imports or exports, the results tell the same tale.

EXTERNAL AND INTERNAL INDUSTRIES.

Comparisons are always partial, but those that are broadened enough to make them independent of special gains are equally convincing. Australasian exports in 1905 equalled those of Canada and South Africa taken together. Despite our distance we sent home nearly twice the value of merchandise and precious metals as Canada. We own twice as many cattle and fifteen times as many sheep as we have people. Our State-owned railways pay more than 3 per cent. upon the capital invested in them, without reckoning the inestimable services they have rendered in making the vast plains of the interior accessible to the squatter and the miner. Our banking returns are better in every branch than they were in our years of extravagant living. Deposits are higher, while coin and bullion reserves are larger. Advances made by the banks exceed £100,000,000, which figure also represents the amount of our external trade. We owe £230,000,000, it is true, but are not adding to that sum, while in addition to the sinking funds in hand, that are steadily mounting up, the proportion of the bonds issued which are held in this country, though still small, is steadily growing. Naturally, Australians appreciate the soundness of their own securities while they are purchasable at present rates. The individual investor who puts out his spare cash in local ventures has plenty of encouragement to take his chance of making exceptional profits if he is prepared to face the risks of the enterprise. The shareholders of one of our Broken Hill companies, who originally invested £384,000, have since received more than £8,000,000 in dividends. The Australian Agricultural Company, according to a former statement of its chairman, had paid on the average 25 per cent. upon its capital for very many years.

DISCOUNTING OF PARTY STRICTURES.

Quite apart, therefore, from the occasional windfalls to prospectors and individual speculators, the market price lists today show numerous instances in which the general investor is reaping a rich harvest. In what country of the world can better opportunities be found? Our papers, while boasting of the fruitfulness of capital in local industries, invariably add that but for the Ministry or Opposition, as the case may be, the figures would be better still. Nothing is allowed to be satisfactory by

them unless their party is in power in the State or Commonwealth, as the case may be. They are, therefore, most of them at most times biased witnesses whose testimony seems to be accepted in England without allowance being made for their additions of very contestable opinions of their own to incontestable facts and figures. Next to them come politicians who for party ends indulge in the same kind of gloomy vaticinations unless they are at the moment on the top of the wave. It was Sir **George Turner** who said that "the most irritating thing about the Federation is the attitude of the State Treasurers. They are never satisfied; always grumbling". Their grumbling is partly legitimate here because it occurs during their efforts to drive better bargains with the Federal Treasurer, but should not be accepted at its face value elsewhere, as if it consisted of the judicial utterances of competent and disinterested judges. Australia was never more prosperous, but the demonstration of that exhilarating condition rarely attempted in the Press or on the platform is continually discounted by partisan writers and speakers for their personal ends instead of being proclaimed to the four quarters of the globe, as it would be in America or elsewhere.

THE SUGAR INDUSTRY IN QUEENSLAND.

For instance, in Queensland at the present time there is a difference of political opinion as to the policy to be pursued in fostering the growth of sugar. One of the last acts of the Federal Parliament was to prolong the bounty upon cane for another period. Up till the end of this year it will continue to pay an excise of £3 a ton and receive back £2 a ton in bounty. The duty upon all imported sugar being £6 the net effect of former legislation is to give white-grown cane an advantage of £5 a ton when in competition with foreign sugar and of £2 a ton in competition with local sugar grown by black labour. This last retains an advantage over foreign imports of £3 a ton. But for the next four years after 1906 local sugar is to pay an excise of £4 a ton, or £1 more than heretofore, but if it be white-grown it is to receive back £3 a ton in bounty, and will therefore keep the advantage over imported sugar of £5 a ton, which it has enjoyed since 1902, and obtain £3 instead of £2 over black-grown sugar in Australia. Moreover, black-grown cane paying £1 extra as excise has its protection against foreign sugar reduced to £2. It will therefore find itself exposed to keener competition both from home-grown white sugar and foreign sugar, which, of course, is all black-grown. In 1911, the fifth year, the bounty paid to white-grown sugar is to be reduced by one-third, and in 1912, the sixth year, by two-thirds. This is accompanied by an equivalent reduction of the excise, and therefore to that extent will lessen the disparity between local white sugar and black sugar, since the latter, receiving no bounty, will not be subject to any reduction, while the protective duty will remain as before. The object of the diminution of the bounty and excise together was to give warning to the sugar industry that it must not look upon the exceptional

treatment now accorded to it as permanent. After four years it is believed that coloured labour will have ceased to be employed in Queensland. The Kanakas are to go after this year, and are indeed already going in detachments. The wholesale exodus will begin this time twelve months.

OUSTING OF COLOURED LABOUR.

There are now about 7,000 South Sea Islanders in the north, of whom probably not more than 1,000 will have a legal right to remain in Australia after December next. The other 6,000 will have to go, and probably almost the whole of them will be glad to return to their own homes. Those who left their villages under a cloud or who have lost touch with their tribes and ancient practices are expected to be provided for under missionary care. Besides the Kanakas there will be 4,000 other coloured aliens, Chinese, Malays, or Japanese, who cannot be repatriated in the same fashion. Consequently there are two schools of alarmists now making their voices heard. Those who quote Dr. Maxwell, the sugar expert, to the effect that in the northern districts, where the largest yields are obtained in the most trying climate, it will take more than four years' bounty to accomplish the replacement of coloured labour by white men. The second group is composed of those who point out that though three-fourths of the sugar-cane farmers are white they represent only one quarter of the yield; the remaining fourth of the plantations, which use coloured labour, produce three-fourths of the total crop. To oust the aliens will mean the substitution of some thousands of white labourers for the present hands. Where are they to be got? In the southern part of the State the white grower is gaining ground, but not in the north. Dr. Maxwell calculates that some 4,500 white farmers in addition to those already on the land could supply all the needs of the State. But these are slow in coming forward. Queensland has about 120,000 acres under cane, or nearly six times as much as we have in this State. The crop is highly profitable. To the onlooker it appears quite certain that it must always remain so, and that the exceptional conditions now existing will pass away with any readjustment of the bounty that may be found necessary, without any such disruption as the opponents of a White Australia policy either dread or affect to dread. Besides, even if sugar were never grown again Queensland would continue to be one of the richest agricultural States. In maize it already ranks second, in wheat it is steadily expanding, and in dairy products it is making great strides. The prospects of cotton are excellent, coffee grows well, the meat export trade is regaining its pride of place. As a stock-raising country Queensland cannot be surpassed, while its mineral wealth is untold. Yet in the heat of local squabbles about details language is employed by the Opposition and its papers that would not be justified of the smallest and poorest of the many rich areas it contains. Despite the unfortunate season in some parts and the check given by the drought, Queensland was never sounder, though doubtless sometimes more obviously prosperous, than today.

SOUTH AUSTRALIA'S PROGRESSIVE GOVERNMENT.

South Australia is in one sense in a similar position, though there the season has been excellent. She has no financial perils of any magnitude ahead, and the whole of her trials, such as they are, arise from the fact that she not utilising either the Northern Territory or her southern lands in the most judicious manner. In Queensland Mr. Morgan leads the Labour Party as well as the Liberals of his own way of thinking. In South Australia Mr. Price, who was leader of the Labour Party until he became Premier, leads the Liberals as well as those who were his followers until he took office, and who are now his supporters. In each State the Ministry is faced by an antagonistic Legislative Council, that in Brisbane consisting of nominees of the displaced Continuous Ministry still acting in Mr. Philp's interest. In Adelaide the Legislative Council is elective, but its franchise only embraces two-sevenths of the electors of the Assembly, and contains only one Ministerial member besides the Chief Secretary, the nominal head of the Chamber. This gives just two votes for the Government. Mr. Price with a larger majority in the Assembly than any Administration has rallied for many years has consequently been compelled to content himself with passing such of his measures as the minority in his own House countenance and the majority in the Council approve. Even under these disabilities he has done very well, for though the late Premier and Leader of the present Opposition, Mr. Butler, was an acute and economical Treasurer, he was essentially a timid and temporising head of the Government. The Labour Premier, perhaps to make a contrast, is doing two things that ought to have been done years ago which the Labour platform does not include and the present Opposition never had the courage to attempt.

SPIRITED POLICY OF THE LABOUR PREMIER.

Mr. Price is first extending the railway from Port Augusta to Oodnadatta to the MacDonnell Ranges in the hope that the present heavy loss in the existing line will be made up in consequence of the extension. If he can get more revenue out of the Northern Territory, whose southern boundary will be crossed by the new line, he will have conquered one of the standing problems of his State. At present he is visiting Victoria to inspect the irrigation reservoir at Waranga, where Mr. Swinburne is impounding an immense quantity of water from the Goulburn, which, if it had not been intercepted there, would have flowed down the Murray through South Australia. For a very long time the Ministries of the Central State have talked about storing the flood waters which this great river artery of the Continent annually pours into the sea, but until Mr. Price came into power none of them did anything. He has passed an Act providing for a great scheme of conservation and navigation by means of a series of locks. What is more, he has set aside £100,000 towards the cost of

constructing the first weir, which will back the river for a hundred miles and contain 42,000,000 cubic feet of water when it is completed at an estimated cost of a quarter of a million sterling. If he never does anything else these two bold enterprises will cause his Administration to be remembered longer than any since Mr. Kingston's eventful reign. But all the pet projects of the Premier for broadening the electoral basis of the Legislative Council, imposing a progressive land tax, and authorising the compulsory purchase of agricultural lands for closer settlement have been blocked by his Upper House. The last Bill, though strictly Conservative in its results and alleged to be essential to the increase of population in the State, was rejected because its conditions were deemed too despotic. The Treasurer's forecasts of revenue have been further interfered with and the progress of cultivation impeded as well. An improved output at Broken Hill will help to make up the small deficiency apprehended by the Treasurer, but in any event private business is brisk. There are no unemployed, and it is evident that here, too, the prosperity of the State is very encouraging.

EXPANSION IN WESTERN AUSTRALIA.

Western Australia has a somewhat similar stage to pass through, due to other causes. The helplessness of the Dalglish Ministry and its policy of drift have prolonged the political crisis. Owing to the want of time before the Christmas holidays the Rason Cabinet was unable to launch its progressive measures. The mines, which have paid £13,000,000 in dividends, have now reached a stage at which their earnings are regular and large, but new fields are not being opened up with the same readiness as formerly. Agriculture is thriving, immigrants are beginning to arrive in small parties, and settlement is quite satisfactory as far as it goes. There is very little borrowed money in course of expenditure, and consequently the local money market lacks the stimulus to which it has been accustomed since the enterprise of Sir John Forrest seized the opportunity afforded by the great influx of capital and manhood into the Colony to give a wise and general impetus to the development of all its varied resources. The State is in a healthy condition, but is involved in difficulties consequent upon Federation, without which its own temporary trials from political causes would have passed unnoticed. By way of recognition of its exceptional suddenness of expansion its Treasury was allowed by the Federal Constitution to retain its former schedules of duties upon imports when these were higher than those levied by the Commonwealth for five years after the Federal Tariff. The difference between the local and the federal imposts has been reduced by one-fifth each year. On October 8, 1905, the collections for the fourth year were £150,000 less than they were for the first year. After October next the special tariff will cease altogether. It began by yielding £270,000 in 1901-2, so that the decline on a revenue of three millions and three quarters is serious. On the other hand, it must be recollected that

the concession to this State has been worth £800,000, and will probably become worth £900,000 before it terminates. Though Mr. Rason calculates that the deficit for the first half of the present year ending last month amounted to £124,000, it will not exceed £132,000 at the end of June next; compared with last year's receipts he will receive £95,000 less from Customs than in 1904–1905, while his interest bill will be £60,000 greater. Reduced expenditure and increased income will diminish this total by at least the amount assessed by him, and possibly may dispose of it altogether. The public service in that State is more costly than any other except our own, absorbing nearly £250,000 a year more than Queensland, allowing for the difference in population. On the other hand, the immense extent of Western Australia has to be allowed for, and the higher cost of living in its remote settlements. Agricultural railways and development works upon the goldfields are to be authorised next session. Again it must be noted that one cause of its falling Customs receipts is due to the supplying of local wants by local producers. Another is the necessity of keeping ahead of settlement with pioneer works. Western Australia, therefore, when fairly judged, in spite of temporary trials, is by no means an exception to the rule that today prosperity reigns throughout Australia and in every one of its States from sea to sea.

FEDERATED AUSTRALIA.

ANTI-FEDERAL MEETING AT SYDNEY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 22 1906; Mar. 8 1906.

The *Anti-Federal meeting* in our Town Hall last Wednesday evening was the first fruit of Mr. Carruthers's protest, and conveys the response of the people of this city to his appeal, though a little suburban gathering was contemporaneous. It was awaited with anxiety by onlookers far and near, because whatever the effect of the movement in the Commonwealth Parliament may be, all saw that its consequences would not end with this overture. There was its effect on State parties and persons and upon other States to be discovered. Then, again, much remained to be learned of the real character of the agitation, for upon this the speech of the Premier had cast little or no light. The chief newspapers had to take a definite line. Was it to receive the support of all sections in New South Wales or to be dominated by one or more of them? Above all, was it to become a movement to influence the Federal Legislature from within in favour of its Opposition, perhaps confined to securing a change in the selection of the capital site in order to bring it nearer to Sydney, or was it to be the first shot fired in a campaign of secessionists against the Union? All these and many more questions were asked and expected to be answered by the meeting, though very little experience should have been needed to protect politicians and journalists from any such unreasonable anticipations. In spite of the fact that the special interests of the Metropolis were alleged to be at stake, and that the municipal jealousy of Melbourne has been astutely played upon in every possible manner, the hall was never quite filled, and the attendance lessened as the meeting proceeded because of its tameness. The crowd came curious and went away unsatisfied. Yet a rally of the Temperance Party would have packed it to the doors with zealots for and against alcohol, a fiscal speaker of eminence would have faced a raging throng of friends and foes, while a gathering against Home Rule or for it would have meant standing room only before the proceedings began and a crush in the streets clamouring for admission. What the attendance and the lukewarmness meant was that the vagueness of Mr. Carruthers's resolution which the public of Sydney were then asked to endorse left it without either strong popular backing or strong antagonism. Our Town Hall is very large, capable of accommodating 6,000 people, and an audience which would have

overflowed from any other building appeared diminished in consequence. Looking at them and listening to the speeches one learned the old lesson that in these matters it needs either a great personality or a faction fight to stir the pulse of New South Wales. This is always languid in matters of general political interest, and is only to be raised to fever speed by some essentially local or highly partisan issue.

APATHY OF AUDIENCE.

The name received with but tepid interest by the meeting was that of our Premier. He it was who initiated the agitation in Parliament and arranged for this meeting as its introduction to the electors. He even provided material for its speakers by the distribution of a pamphlet published at Government expense containing his speech and the fragment of debate which he permitted under the closure on the last day of the session. He even summarised all his old complaints, though when extended to the utmost they made a poor show. Not personally present himself, it was really he who called the meeting, presided over it, and moved the first resolution, though in fact it was the *Lord Mayor* who did accept those responsibilities on his behalf. Having done so much Mr. Carruthers might as well have come forward himself upon the platform. He would have addressed a larger and a livelier gathering, and could at least have put his own case more effectively than his substitutes. Mr. *Garland*, upon whom the chief burden rested, was much more fair than his Leader was or would have been. Mr. *Reid's* name was very coldly received, but so far as the meeting disappointed public expectation the Premier is answerable. It was feeble in platforms and wanting in enthusiasm in the auditory because of his manner of launching it. Not a leading member of either House, except Sir *Normand MacLaurin*, M.L.C., the head of the old anti-Federalist army, took any part. One Commonwealth member was on the stage, but did not speak. Two State Legislative Councillors, two members and one ex-member of the Assembly, and two merchants were the orators of the evening. Their contributions contained nothing novel, and even fewer charges than Mr. Carruthers made, so that in these directions the demonstration fell short of the impressiveness that such a subject demanded. It was to an extent a miss-fire, and has been promptly stigmatised as a total failure, particularly in Melbourne. But those whose wish is father to their thoughts evidently undervalue the occasion. They confuse the results of bad management with those of the purpose of the protest. Were a meeting to approve the conduct of the Commonwealth Parliament advertised the outcome would be very different. The people of New South Wales generally believe that they have been and are being badly used by that body. The people of Sydney are still more dissatisfied with its want of consideration for their wishes and susceptibilities. But they are not sufficiently provoked to take overt action at this moment at Mr. Carruthers's invitation. If they were less unanimous there would be more evidence of their

sentiments. The Sydney Press never ceases repeating that we are being defrauded, ignored, and insulted. Sometimes it even gives details of fresh indignities heaped or to be heaped upon us. No refutation is attempted in the dailies, and so the case goes by default. We feel defrauded, and there is no one to prove the contrary, except far away across our borders, whence, of course, any denial aggravates our grievances. Any more courageous man than our Premier, even if less astute, had he been straightforward in an appeal to the public here would have had a different response. Because his weakness and shiftiness have led to the recent unsatisfactory warning, it would be a mistake to suppose that the materials for a genuine outburst were not ready to hand in this city.

FEDERAL PRESS COMMENTS.

Although each speaker disclaimed secession, the meeting gives no final answer to the question whether that cry is likely to emerge in any definite shape from the existing situation. Evidently in the hands of those who have come forward and upon the lines laid down by our Premier, nothing of that kind is to be anticipated just now. There will have to be a change of front, capable leadership, and a better case before anything serious will be threatened. Up to the present the pressure has only been sufficient to revive the distinction between the old parties. The *Morning Herald* remains Federalist, dubs Mr. Carruthers's resolutions ill-advised, and insists that "it is not federation which is to be blamed. It is the policy of certain Federal Ministers who aim at making Melbourne the absolute seat of Government ... To attack federation as responsible for their tricks is but to play into the hands of the authors of this mischief. Besides, it is short-sighted and stupid. The Federation is an established fact, fixed beyond recall. Any talk to the contrary must be idle and futile". The sound sense of the business community will be behind this journal now as it was in the nineties, and will support its opinion that the proper purpose of this late meeting was to educate popular opinion. The statistical figures of the Federation give us an extra member, while depriving Victoria of one. We have been the most numerous represented State, and next Parliament will have five more representatives than our southern rival. We need but to return a solid body of New South Welshmen and we can command the situation. In this advice our Moderates are to a degree upheld by their antagonist, Mr. O'Sullivan, former Minister for Works and ally of the Labour Party. He reminds the aggressive Anti-Federalists that our border districts north, south, and west would never tolerate a return to State isolation, that manufacturers and merchants alike are now dependent upon inter-State Free Trade, while the great body of the working classes are resolute in their adherence to the Union. There is great weight in these considerations, as even the would-be belligerents must and will realise.

THREATS OF THE ANTI-FEDERAL PRESS.

The Anti-Federalists as a party have not yet ventured to come out into the open, but their leaders are already prominent enough to attract attention to their undisclosed aims. Their organ, the *Daily Telegraph*, is not only ready but willing to adopt any tactics that offer them a hope of avenging their former defeat in this State. During the referendum contest they spared nothing in the shape of calumny, caricature, insinuation, and innuendo to defeat Federation, and are obviously equipped with the same classes of missiles for the new campaign. At present they restrained themselves at the suggestive stage. "If we cannot get justice through our representatives in that Parliament [the Federal], there is no other way while the Union lasts ... Mr. Carruthers denied that his singular resolution partook in any shape or form of the nature of a secession movement. It is, nevertheless, a practical marshalling of the secession clan, whose shrill war note was distinctly audible above the din of the debate" (on the resolutions last month); and "if the proposed referendum should be taken, it is morally certain that this is the issue by which such voting as there is will be governed ... If there is to be a referendum at all, therefore, it would be just as well to ask the people to say what they mean ... One thing is certain. It is no use attempting to frighten anything from the Federal Parliament ... by threatening it with a secession gun unless the weapon is loaded. While we are under the Federal Constitution we must be content with what we can get through our Federal representatives. If we are not satisfied with that ... there is but one other course. But it is both foolish and dangerous to mobilise the secessionist forces for a mere parade when no more than that is intended". The inferences from this argument with its "if" and "while" we remain in the union were unmistakable. Mr. Carruthers, as they see and say, was using a secession gun, but so far was only bold enough to have it "loaded with blank cartridge". The *Daily Telegraph* and its allies want ball cartridge instead, and want it used at once unless the Commonwealth obeys its demand to "stand and deliver". Since the meeting it has been watering down its threats and veiling its aims. Still, whatever may be the immediate effect of the Town Hall meeting, we may yet have the old parties distinguished and reorganised for another struggle, this time for the maintenance, as formerly for the creation, of the Commonwealth. For the reasons given by Mr. O'Sullivan, among others, there can be no doubt of the result of such a battle, but a battle will be necessary to prove it to the *Daily Telegraph*.

THE FEDERAL MINISTRY.

Meanwhile even the *Morning Herald* feels bound to exhibit its local patriotism by adverse comments upon every action of the Deakin Administration, because these are tactical from an Opposition point of view as well as for this State. Sir **William Lyne** was never accused of neglecting its interests while in our politics, but the mere fact that the central office of his Department of Trade and Customs is in Melbourne is enough to arouse the suspicion of our importers even against him. That their complaints should be referred to Melbourne, though they must be dealt with at some head centre in order to maintain uniformity of Federal action, is felt as a reproach. There will always be some differences of opinion between those who have to pay duties and the officers who collect them, usually on minor points, but they must be numerous and often vexatious. Armed with details of these our Chamber of Commerce has waited upon the Minister as a deputation with a grievance. Undoubtedly, if the facts and figures furnished by his officers are fairly selected, his reply, though too complacent, was reasonable in almost every case. Perhaps because these incidents were fresh in memory he was selected as the Minister chosen for special animadversion at the Town Hall meeting. It is also announced that Sir **William McMillan** has commenced a libel action against him for £5,000. From these several circumstances it would appear that he has a storm centre to himself, although notoriously during his Premiership, and in fact for the whole of his political life, he has proved a devoted upholder of the claims of his State and of its capital. The Anti-Federalists formerly found in him one of their most ardent advocates chiefly on this account, though naturally since the union and his own participation in Federal affairs he is now in the opposite camp. His colleague from New South Wales, the Postmaster-General, Mr. **Chapman**, has also had to meet a deputation, this time from the Sydney Labour Council, complaining that it is intended to transfer the printing of postage stamps from the State printing-offices in the various capitals to a Commonwealth office in Adelaide. The Minister's rejoinder was that he hoped to save £5,000 by doing the work himself, while maintaining a better supervision over the printing of the stamps. He was surprised to find their plea endorsed by the advocates of the doctrine of buying in the cheapest market, even though it were foreign, but who were now resisting a change which would enable us to carry out that principle in one of our local workshops. Here, too, though the Minister had the best of the argument, the incident served its turn. The object is to keep up the impression that, whether we import goods or manufacture them here, New South Wales either has suffered or is in danger of suffering because her interests are politically neglected in Melbourne. Even while the Customs and the Post Office are under the control of our own representatives we are led to believe that it is only by constant vigilance and unceasing sallies that we are enabled to prevent ourselves being pillaged in the Federation for someone else's profit. To refute the charges one by one serves with some of our censors only to deepen their conviction that our neighbours are too much for us at every turn.

THE FEDERAL REPRESENTATIVES.

But after all by far the most embarrassing position in the present state of affairs is that occupied by our Federal members. Mr. Reid, who is for the moment under a cloud with his party Press and the public because of his absences from the House last session, has diplomatically disappeared to Colombo until his omissions are forgotten and the present storm has had time to settle. Mr. **Joseph Cook**, his deputy, indicates their attitude towards Mr. Carruthers by correcting some of his errors and belittling his efforts with faint praise. On the eve of the Town Hall meeting Mr. **Dugald Thomson**, late Minister for Home Affairs, and one of the most esteemed representatives of Sydney, **said bluntly** that he was not in accord with its promoters and did not intend to join in the protest they were about to make, adding significantly: "I know that some of those who were always against union are so today". To assail the union now would require Australians to declare themselves failures and in a political sense, a veritable "community of incapables". After this plain speaking there can be no doubt of the attitude of the Reid regiment. It is not with the secessionists, because their enlistment under that flag would amount to a confession of their own incompetence. It would also subordinate them to Mr. Carruthers in his role of saviour of our State. They are, of course, not with the majority of their Parliament in its choice of Dalgety or in its resistance to the claims of Sydney for special consideration in matters of administration. But, on the other hand, they desire to keep the embers of resentment in New South Wales smouldering for their own use at the coming Federal elections. They hope to take advantage of local feeling then so as to capture seats from the Ministerialists and Labour members. There will be an angry and resolute attempt to defeat Sir William Lyne, Mr. **Chanter**, and, if possible, Mr. Chapman on any and every ground. Their denunciation during the electoral mêlée as enemies of their State and friends of its foes might turn the balance against them. These three support the sites near Victoria which are most objectionable to Sydney. Then Mr. **Watson** and his half dozen Labour followers, though some of them support Mr. Reid in resisting Dalgety, will be pilloried on the same plea. Though the General Election is nearly a year ahead organisation is proceeding in all the constituencies to retain the seats held for the Opposition and capture those which are still beyond its control. Funds have been collected in advance which will permit of a liberal expenditure against all who will not enrol themselves as Anti-Socialists before nomination day. In the meantime the effort is to brand them as unfaithful stewards of State rights, and thus to make them obnoxious to the electors who put provincial loyalty first. What Mr. Cook is doing in his chief's absence, therefore, is to fan the flame of discontent in New South Wales for party

purposes while sprinkling it with cool disparagement whenever it seems likely to burn too freely or to Mr. Carruthers's profit. He has to be ousted from the lead to begin with. The more independent and Federally-minded followers of Mr. Reid chafe at this subordination of national principle to local interest. Mr. G. B. Edwards, M.P., has frankly told the public that the present agitation is hollow, and others repeat the same comment under their breath. This restiveness and coldness of the Federal representatives, far from distressing Mr. Carruthers, assists him so long as it leaves the leadership of the agitation in his hands. He does not hesitate to announce that whatever they achieve after this will be won in consequence of his action and in pursuance of the policy he has laid down. It was to avoid such a compliment to him that Mr. Groom's Bill for defining the territory to be acquired at Dalgety was talked out in the Federal House last month by Mr. Reid and his friends. But the same situation will repeat itself next session. The more our Federal representatives abstain now the more prominent will our Premier become by reason of their silence. He will really be in command whenever they resume their attacks upon the Government for its neglect of the wishes of New South Wales. It therefore seems as if, whatever happens, he has and will keep the first place in the public eye. He needs and perhaps seeks nothing more.

FEDERATED AUSTRALIA.

POSITION OF THE LABOUR PARTY IN QUEENSLAND.

FROM OUR OWN CORRESPONDENT.
SYDNEY [Jan. 29 1906]; Mar. 17 1906.

A prophet rash enough to foretell that Queensland would quietly accept a Labour Premier in 1906, even if his forecast had been made only two or three years ago, would not have been taken seriously. He might have found himself classed as a satirist or an alarmist, but whatever his attitude suggested his warning would have obtained no credence either in Parliament or Press. Yet today the miracle has happened, Mr. *W. Kidston* stepping into Mr. *Morgan's* shoes without the least display of diffidence on his part or of the smallest anxiety in the community. Mr. Morgan is a great loss. But for him this feat would not have been feasible. As President of the Legislative Council he becomes in effect Lieutenant-Governor of the State during Lord *Chelmsford's* absences, and though he still holds a political office does so without partisan alliances or personal ambitions. There are some who consider that he has played his part out as Premier, and that the time had arrived for more positive and energetic leadership, but the better opinion is that his moderate views, opportunism in method, and pacific disposition can be ill spared from the arena of action in public affairs. He had the confidence of the country to an exceptional degree, not accompanied with clamorous popularity or by association with any particular individual note in politics, but based upon his uprightness, conciliatory demeanour, and business capacity. Such men are not too common in any State, though the late Sir *Hugh Nelson*, whose office Mr. Morgan now occupies, was in a more prominent and impressive fashion a man of much the same type, enriched by a fine personality and distinguished record. He belonged to a period when under Sir *Samuel Griffith* and Sir *Thomas McIlwraith* a number of men of strong character and considerable ability carved their names upon the history of Queensland. Sir *James Dickson*, Mr. *Byrnes*, Mr. *Morehead*, and Sir *Hugh Nelson* now belong only to the past. Sir *Horace Tozer*, who remains Agent-General, is almost the last of the veterans of that time, when the northern State seemed richer in men of experience and vigour than most of her rivals. Mr. Morgan and Mr. *Philp* were juniors, who in some measure preserved the old tradition, but with Mr. Kidston's advent there is a distinct breach in the succession. That period has come to an end. A new departure has been made. New men, new measures, and new relations between them and the electors herald a transformation of local politics, in which, as it happens, all Australia is interested for several good reasons.

A LABOUR PREMIER: MINISTRY OF INDEPENDENTS.

There was once a **Labour Ministry** in Queensland, which existed for about twenty-four hours. Mr. Kidston was one of the members who took office as a practical joke and left it immediately amidst general derision, recognising that all they could accomplish by their transit was a piece of bravado. He became a Minister in earnest when a little more than two years ago Mr. Morgan allotted him the portfolio of Treasurer. He was not the Leader of the Labour Party then, and is not now, but from the very first he took precedence over all his colleagues in the coalition. The judgment with which he handled the finances and the firmness with which he insisted upon carrying out the economies then necessary made his name. As a Minister he turned a deaf ear to the unreasonable demands of his own constituency. As a member he gradually became the chief of a revolt against the control of the caucus of Labour members in Parliament by branches of the leagues which compose its outside organisation. The Morgan Ministry was not a Labour Government, though it was dependent upon the votes of Labour members from its first moment till its last. The Kidston Ministry is not a Labour Ministry, for its personnel remains as before. Mr. Morgan's vacant place is taken by Mr. **O'Sullivan**, a popular politician of moderate views, who has hitherto held an honorary seat in the Cabinet as a member of the Legislative Council. He is now contesting Warwick, the constituency of his late chief. Besides Mr. Kidston the Government contains only one other Labour representative. Moreover, its Labour Premier is in open war with the Press and recognised office-bearers of his party outside the House. An election is due within a year, at which he can scarcely hope for success unless in the meantime he is able to heal the internecine strife within his own party. The present body of Labour members are in arms against their local leagues, who exercise the right of nominating the Labour candidates to be accredited to the electors for the seats which those members now occupy. How he hopes to reconcile this imbroglio is not at all clear to an observer in another State. Even without this disturbing element the last two or three elections, particularly that at Charters Towers, have been unfavourable to Labour and have aroused much apprehension in its ranks. According to the Parliamentarians among them, the defeats are a warning against going too fast or too far. According to the branch officers, who are looking for nominations against the present allies of their party, or, if necessary, against their own moderates, the reverses are due to the timidity of their members of Parliament. According to them the only hope lies in a more vigorous and more radical propaganda and the exclusion of all compromises or alliances outside their party. Mr. Kidston before becoming head of the Government had identified himself with the advocates of milder measures. Now he is more than ever committed to them. As Premier he will hold office only while he retains the support of the Independents outside his party, who constitute the majority of his colleagues, and give him his

working majority in the Assembly. The Labour vote is one-half of the total of that body, but one-half cannot rule it effectively. Mr. Kidston's Ministerial career must therefore continue to be one of compromises of patience and of practical solutions of current difficulties. As Premier he must attempt even less for the extreme projects of his party than he asked when a Minister, although his strength of character had then made him second in command.

PROSPECTS OF THE COALITION.

The Opposition view of the effect of the change in the leadership has been astutely indicated by Mr. Philp. Commencing with complimentary references to Mr. Kidston, which by implication disparage his colleagues, he proceeds to suggest that the Morganite Party will now cease to exist. Many of its number had become discredited, in his opinion, and must now fall in with their allies as members of the Labour Party. If it were returned with a majority a purely Labour Ministry would then be formed. As it has been the consistent endeavour of Mr. Philp to dissolve the coalition that originally ousted him from power, and will continue powerful enough to exclude him while the Independents and the Labourites act together, these comments from him are nothing but natural. Unless he can sow suspicion and distrust between the combined forces he must remain where he is, dependent upon the Legislative Council to make a real resistance to measures which he is too weak to be able to block in the Assembly. If he had stopped there he would have evoked less bitterness. But he has indulged in personalities at the same time, which are necessarily producing a certain amount of resentment. He threw out the suggestion that probably Mr. Denham, the member of the Cabinet who but for his indiscretions might now have been Premier, would replace Sir Horace Tozer in London; that Mr. Blair, the Attorney-General, would take a judgeship, and Mr. Bell the first opening in the Land Court. Of course, the retort made is that Mr. Philp's party would have cheerfully adopted such a plan of providing for themselves if they had seen an opportunity, and that he could hardly blame his rivals if they forestalled him while they had the chance. What he overlooks is that, even if Mr. Denham be made Agent-General, should Mr. Blair fulfil the promise of his youth the Opposition will find in him an antagonist quite as dangerous as Mr. Morgan. He at all events is capable of carrying with him the Independents who distrusted the continuous Ministry, and when the time came overthrew Mr. Philp. Personalities apart, the situation in this State from henceforth is likely to be more instructive than in any other. If the Labour Party anywhere possesses the power of developing into a constitutionally effective organisation it is in Queensland, although its wild oats were sowed there but a few years ago more recklessly than ever before or since in Australia. That its members are sufficiently educated to permit of this evolution is extremely doubtful, and whether Mr. Kidston,

with all his energy and ability, can accomplish such a transformation in the face of the foe is also problematical. But to those who appreciate what the politics of Queensland are today there is no doubt but that changes of magnitude of some kind are imminent. All things are possible in a party sense within the next twelve months. While the probability is that the situation will be resolved, as is usual with us, piecemeal, and in a rule-of-thumb way, it is not improbable that it may be attended with some wholesale alterations of existing conditions.

THE POLICY REQUIRED BY QUEENSLAND.

The State Labour Party can carry Queensland easily on condition that it ceases to be the Labour Party of the past or of the far future, and is content to deal with problems of the present in a businesslike way. Strange as it may seem, yet upon the immediate considerations now before its citizens such a reformation would be the best outcome that can be looked for. What the State needed more than anything else were sound economies, the cessation of borrowing, and a reasonable electoral law. These it is getting from a Ministry only containing two Labour men, but supported by the rest of their caucus in the Assembly. They have been content to accept from their friends in power what they would never have accepted from Mr. Philp. The utmost they have asked from the Legislative Council has not been inordinate, and they would certainly take much modified measures from them by way of instalment while Mr. Philp is out of office. Where their party is about to be shipwrecked is owing to the dissension between their elected representatives and those chosen by the local branches of their leagues. These new aspirants are encouraged to be impracticable not merely by their ignorance of public affairs but because it is their interest to supplant the sitting members on their own side. Besides, they can curry favour with the Labour Press, always unreasonable and intransigent, at the same time. If because of this division in their own camp the Labour Party refuses to slough its old skin, it will cease to be a power in the House. It will be left by the cohort of independents who, like Mr. Denham, Mr. Blair, and Mr. Bell, can only command the confidence of their constituents so long as they are dissociated from the ultras and their excesses. No doubt if Mr. Philp comes back in consequence of a Ministerial disruption he will have laid to heart the lesson that has been taught him. He will take up the work of the present Cabinet and carry it out almost upon the same lines. But he would be embarrassed by his old associations with the class which profits by lavish public expenditure, and be fiercely opposed as before by an irreconcilable and impracticable Labour Party. In the latter the extremists would drag after them a large section of well-meaning working men who feel bound to vote with their own class even while they dissent from the violence of those whom they send into Parliament. This would bring back the old unsatisfactory state of affairs. Notwithstanding an only

partially favourable season, Queensland is thoroughly prosperous in every branch of production. With normal seasons her progress will be remarkable, for no State of the Union has wider opportunities or a greater variety of them. The sober finance of Mr. Kidston has had a great deal to do with the restoration of a healthy condition of things. Public works of a large and legitimate character are now being undertaken. The receipts from the sale of lands are no longer treated as revenue, but are put to capital account. As it happens, there is a possible return to healthy Constitutionalism open at the same time which can be most rapidly assured if Mr. Kidston succeeds at the polls. Though if it fail for the moment the growth of this splendid territory cannot be interrupted, it is to be hoped that moderation in politics may accompany the flourishing times that our producers and commercial classes generally are now enjoying. Between them they comprise the whole population of Australia.

POLITICAL ANALOGIES IN OTHER STATES.

The chief interest the rest of us are now taking in Queensland is due to the likeness between her political puzzle and that presented in all the States. In New South Wales we had a Ministry and the Commonwealth now has a Ministry neither of which contained a Labour member, though both of them won the support of the Caucus. In our own case the results were unsatisfactory. It must be confessed that this was largely due to the coming of Federation and the extravagant hopes which it encouraged. These were potent influences in perpetuating a spendthrift policy just when we should have taken in sail. Such a favouring breeze as we then enjoyed would have tempted an administration of any colour. What the coalition, or rather the working understanding with the Federal labour Caucus that keeps Mr. Deakin in power, will lead to does not yet appear. So far the caucus has got nothing but a legalised "Union label" in return for its concessions in the Immigration Restriction Act. South Australia has a Ministry which is a much more equal coalition than Queensland, but the work done in Adelaide, as recently explained in these columns, has been limited by its Legislative Council to useful measures that never had a place in the caucus programme. In both States a conflict is at hand between the majorities in the popular Chambers and their Legislative Councils. It must be admitted that there is a good deal to be said for certain progressive proposals which the Second Chambers have stubbornly refused to consider. The Ministerial alliances in those States can be sustained only upon condition that the caucus consents either to suspend or abandon the most distinctive planks in its old programme. If the Labour Party could be educated up to that stage it would assume a constitutional attitude that would neutralise a great deal of the antagonism which its exclusiveness has provoked hitherto in those States and in the Federal Parliament. There is scant hope of such an orientation, but while even a hope exists it leaves the whole situation open. In New South Wales and Victoria the Labour Party has been

forced into direct opposition and left there. This was not because in accordance with its tradition it had upheld Ministries in which it had no representatives hoping to grow until it could see a Cabinet consisting solely of its own representatives. It lost ground because it persisted in putting forward impracticable schemes for economic changes of an unbusinesslike character. Neither here nor in Melbourne have the State members shown signs of repentance for their past errors of this kind. A Labour Conference is now sitting in Sydney which will probably reaffirm the old shibboleths and thus ensure to Mr. Carruthers and Mr. Bent a long lease of office. Should, however, Queensland and South Australia follow an opposite course their Ministries will live even though they are led by Labour Premiers. If Mr. Kidston and Mr. Price are successful we may look some day for a singular change of front in the States which are still hidebound to the old caucus methods. Until this happens our party politics will continue disturbed and unpredictable.

GOOD SEASON IN THE EASTERN STATES.

Meanwhile good seasons have eased the financial stress previously felt throughout the Eastern States to such an extent that the last traces of the depression are being rapidly effaced. Victoria is raising within herself the £1,500,000 required to meet her loan falling due in London a few months hence, and that on terms very favourable to her Treasury and without unduly depleting her available funds. In a week or two our population, which is increasing faster than at any time during the last twenty years, will reach 1,500,000. Shipping shows an increase of half a million tons. Our imports for the year are higher than ever, and so are our exports, the former nearly reaching £20, while the latter is £25 per head. The total value of our primary products this year is actually £45,000,000, which, as our Premier says, is “£23 10s. per head, including every baby in arms”. Add manufactures and our annual creation of wealth is £30 per head, or, taking the settled area of the State alone, £110 for every square mile. Some of these have been recently swept clean of grass by bush fires, for the season was so prolific that the stock could not consume a fraction of it in most places. In Victoria the heavily-timbered country in Gipps Land has been the scene of a great conflagration, attended unfortunately with loss of life—a quite exceptional and most painful experience. Though it may seem callous to recall the circumstance, the work of fire in this and similar districts accomplishes in a few hours a work of clearing which by labour would employ many years. Fires with us are rarely unmixed misfortunes from a settlement point of view. Their injuries are personal, local, and temporary. Like our political vicissitudes, when they do not assist development they are powerless to stop the steady conquest of the interior or to hinder the rising tides of prosperity which we have enjoyed, and are enjoying with brief intervals of pause, but never with any retrogression. Progress is visible everywhere and in every field.

FEDERATED AUSTRALIA.

THE NATIONAL HOLIDAY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 5 1906; Mar. 23 1906.

Our national holiday was observed this year with Australian wholeheartedness, but with a scant allowance of ceremony. What there was of that was English. We are miserable copyists in all such matters, and a luncheon with speeches marks the limit of our invention in the way of formal demonstrations. The first settlement in Australia and the foundation of New South Wales are honoured in this same fashion on January 26 each twelvemonths with deadly earnestness and on most occasions deadly dullness. Our predecessors the Aborigines would have done better, though they, too, would have had as great a horror of originality in any tribal display. They would have held a "corroboree"; and, though just why it took its particular mode might defy explanation, the performance would have been somehow associated with religious sentiment, mythical suggestions, and remote traditions visibly expressed in white ochre, bizarre dressing, and dramatic dances by firelight accompanied with weird music. That would have been looked forward to for months before and talked of for months afterwards. To us our celebration marks little more than another holiday, and holidays are so frequent in this country that no special distinction attaches to it on this account. One of our papers puts it very prettily, justifying to ourselves our predilection for amusements by saying that we have a genius for holiday-making. So have some much less prosperous peoples in sunny climates like our own. In our out-of-door habits we are still true to type, but have much finer opportunities for indulging them than can be expected in the Mother Country. Our Midsummer is never too hot for picnics nor for sports, and this year the day was cool. An Interstate cricket match, a regatta in the harbour, and the indispensable race meeting were among the attractions of the crowd in Sydney, but there were also rifle matches and many other minor competitions within a short radius. The whole population was on pleasure bent, and apparently succeeded in getting it. Working the shortest hours for the best pay obtainable under the same conditions anywhere our masses have always money to spend upon recreations. They do spend it, and those concerned in providing it thrive proportionally. The anniversary was welcomed in all the States with the same energy and the same rigid uniformity of official recognition. Victoria, owing to some local law, chose to hold its festival on Monday, the 29th,

instead of the preceding Friday. That was the only particular in which there was any visible variation of the proceedings intended to remind us all that 118 years ago our first Governor, **Captain Phillip**, landed the first British settlers at a thickly-wooded cove, which is now densely covered with palatial buildings and ringed by the great mail steamships lying stern to stern all along Circular Quay.

The "A.N.A.", as it is generally termed in Victoria, where it is much more numerous than in any other State, is established in every one of them. It would not be an Australian Natives' Association, or, in less ambiguous words, an association of the native born, if it were not continental in area. In Melbourne its committee was fortunate enough to get the **Prime Minister**, who is one of the members, to make an important utterance. Following this example, but preceding him on this occasion because our holiday was duly observed on Friday, the 26th, our local branch of the association secured the attendance of his colleague, Mr. **Ewing**, Vice-President of the Federal Executive Council, Mr. **Hogue**, our Chief Secretary, and Sir **John See**, the ex-Premier. At the luncheon the first speaker was humorously sly in his insinuation that while we complained because the Commonwealth Parliament had not built its capital in five years, we in Sydney had been talking of a library for 20 years and of a central railway station for 25 years without getting either. His one incursion into party politics contained the anticipated declaration that at the next General Election the Ministerial policy would be Protectionist in every event and under any circumstances. Mr. **E.W. O'Sullivan**, M.L.A. ex-Minister for Works, remarked that within his time the population of Australasia has increased from 350,000 to nearly 5,000,000, and inquired what it would be 50 years hence. A third Federal Minister, Mr. **Chapman**, the Postmaster-General, who spoke at a dinner of the same association in Launceston, where he happened to be on Anniversary Day, added that the Administration would submit an Australian policy fostering employment and settling the people upon the land. The members of the Tasmanian Legislature present appeared to be in sympathy with these sentiments. Ministers were wise in attending these gatherings. The secession movement, if it ever takes shape, will have to deal with the active young men who compose this association.

IMMIGRATION QUESTION.

Mr. Deakin **said as much** in Melbourne in the course of a fervid appeal to the national feelings of his hearers. If the Federal Constitution were not perfect none of its defects had, in his judgment, been discovered during our five years' practical experience of its working. It comprised all that was claimed for it by its authors since it had given us a union upon Federal principles thoroughly under the control of the community. Those who assailed it were members of minorities whose grievance

was not against the Constitution, and whose proper remedy was to convince a majority of the electors that their views were sound. Unity had been achieved in the Commonwealth, but unanimity was of course impossible. The nearest approach to it was by assuring the rule of the majority. This was to some extent interfered with by the existence of three separate parties, but as Prime Minister he proposes to challenge opinion at the coming election upon a national programme that ought to divide the constituencies into two main camps. Beyond this he would not then disclose his designs except in one particular, upon which he laid great stress. The first part of his speech provoked immediate but scoffing attention from our Press, and the second was put aside in the same fashion until it was seen that it had aroused attention in the London papers. By reaction here they redirected our thoughts to the subject of immigration, upon which our citizens seem to be growing weary of mere discussion. What is wanted is action. The Prime Minister did not promise it except as contingently and upon conditions which may not be fulfilled. In point of fact no Prime Minister well could. He has not the power. That being clear, it would almost appear to an outsider as if at the very moment when Mr. Deakin was insisting that no practical imperfection had been discovered in the Federal Constitution, of which he was himself one of the framers, he was laying his own finger upon at least one manifest defect.

“The Commonwealth has the constitutional control of immigration within its hands, but has no lands upon which it can place immigrants when it gets them.” On the other side the States, subject to Commonwealth authority, whenever they seek to introduce immigrants, have sole control of the unoccupied lands, without which the best class of settlers cannot be attracted. That contrast discloses the foundation fact upon which Mr. Deakin based a renewed offer of federal aid to immigration, made by him more than once before, and repeated this time with greater explicitness than ever. Obviously he intends to put all future responsibility for delaying immigration upon the shoulders of the State Premiers. They are to meet in conference in April specially for the purpose of considering this as well as other questions of less urgency. It has been announced already that they do not propose to invite his attendance or that of any of his colleagues. The results of the joint conference at Hobart last year were not sufficiently encouraging to the State Administrations. Mr. Carruthers in particular returned to New South Wales openly discontented with Mr. Reid’s responses to the none too courteous suggestions he made as to their future relations. He professed to be appalled at the assumptions of supremacy apparent among Federal members. Extremely anxious was he lest the independence of the local Legislatures should be undermined by the insidious tactics of the Commonwealth Parliament. Were it not notorious that our Premier is always suspicious of everyone, not excluding his own intimates, upon the slenderest pretext, his cry of alarm would have evoked

more attention. Instead of taking it seriously our public men simply shrugged their shoulders with the curt comment that it was "only pretty Fanny's way". Since then he has opened fire with his anti-Federal resolutions, supported outside by the one ill-managed meeting held in our Town Hall. If anything he is now more suspicious than ever, and has, of course, less difficulty in expressing it, seeing that his adversary today is Mr. Deakin, a Victorian, instead of his late ally Mr. Reid.

THE STATE CONFERENCE.

Probably Mr. Bent is no better affected to the Prime Minister, though he comes from his own State, than Mr. Carruthers was to his predecessor, although he represents East Sydney. The fact that the next Conference is to meet in Sydney, and that it will be exclusively a State gathering, is indicative of the temper of our Premier, who, in accordance with precedent, will preside over its sittings. But it is also indicative of the steady drift of events which are forcing the Commonwealth and the States into opposite camps, and will before long bring them face to face in frank hostility. A casus belli can be readily found. It may even come in connection with Immigration. Mr. Deakin's offer in that regard, which is virtually a challenge, may be taken up as early as April next. A real cause and a decisive combat will arise from a readjustment of the financial relations between the Federal Parliament and the States. That peril may be postponed by the supineness of the local Treasurers, as it has been before. It could emerge in respect to the bookkeeping clauses this year, and if they are wise this will be brought to the front as soon as possible. If they are foolish enough to let the struggle have any other subject they will sacrifice their strongest ground, and probably make even a victory futile. Immigration would be the most or one of the most hazardous matters upon which they could come into conflict with the Central Government. No one but themselves can make a dispute in connection with it, and it is their interest to hush that problem up as quickly as possible. Perhaps for this very reason Mr. Deakin persists in dragging it forth and calling public attention to the absence of anything like a sufficient effort on their part to meet the pressing needs of Australia. His iteration is, of course, intensely disagreeable to all the Premiers except Mr. Rason, and perhaps Mr. Kidston. It must be to Mr. Bent, who has done a good deal less than Mr. Carruthers. Yet none of them can complain that the Prime Minister has suddenly broached the issue to them. It was he who first addressed them upon the topic at the Melbourne Conference early in 1904. Mr. Reid was content to lay his predecessor's representations before the Premiers at Hobart in 1905 without comment and without result. He stayed away from our Sydney meeting which Mr. Deakin attended. Now the latter is to the front again evidently determined to wring some sort of reply from the Premiers in 1906. He has given ample notice of his intention, and in advance makes a specific proposal to them upon specific conditions for joint action by the Commonwealth and the States.

Again, if there was one memory more than another which the Premiers desired to bury in oblivion it was “General” Booth’s embarrassing offer of 5,000 families, which not one of their number dared either to accept or refuse. They played with it in public, execrated it in private, and shuffled it out of sight by paltry devices. Mr. Deakin persists in bringing it up, dwelling upon its bona-fides, and reminding the public that it has never yet been practically answered. Whether this is because he believes in the “General” or disbelieves in the Premiers, the effect is extremely distressing to them.

TREATMENT OF SETTLERS.

They have something to conceal. The parlous condition of our land administrations was *illustrated* in the most painful manner in Tasmania, the smallest and in this respect most backward of all the States, only a few days since. Two families of ten persons, of whom four were adult men, who have been farming in Manitoba, induced partly by the severity of its winters, left Canada for Tasmania. The active Agent-General of that State had supplied them with literary encouragement to come, but when they arrived in his Colony they spent nearly a fortnight in vainly endeavouring to obtain either a railway pass to see available lands or any distinct intimation where suitable lots could be inspected at their own expense. When they did discover places where they might make homes they were tardily offered a refund of their fares if they actually selected one of them. This they properly deemed mean, and dreading the mainland because of the danger of drought, have therefore returned to the Dominion. There they are sure of being received back with open arms. Such an incident carries with it a final verdict upon the Tasmanian Legislature and Lands Department which happily applies only to them. None of the other States would have been quite so helpless. In New South Wales, Queensland, and Western Australia immigrants have been arriving of late who are heartily satisfied with their reception and have chosen their homesteads. They are writing back to their friends in the Old World telling them of the prosperity they see with their own eyes. There are many openings in Australia for energetic men and women who know something of agriculture and are prepared to learn more. These arrivals are only ripples marking a beginning of the tide of immigration that we hope to witness rising higher each year.

Mr. Deakin dwelt emphatically to the “A.N.A.” upon the wisdom of *President Roosevelt’s* warning, “Fill your cradles or open your gates”, a text upon which our indefatigable immigration apostle, Dr. *Arthur*, M.L.A., has lately written with equal enthusiasm. Having the advice of the Agents-General present to his mind the Prime Minister wishes to see the Commonwealth acting with and for the States in advertising Australia at home, in subsidising steamers so as to obtain cheap

passages, and in fostering new products for agriculturists by means of bounties. He admits that the closer settlement policy now in vogue is providing for our own people and for some newcomers who are possessed of capital enough to purchase holdings of valuable land. But his ambition extends to those few among us and the thousands in the Old World without capital who are industrious, clean of record, and hard of hand. These he wishes to see put in the way of becoming farm labourers and then farmers, brought here in just such numbers as the States can absorb, and supervised in their new venture among us as they are in Canada. We are exulting in New South Wales in the score or two of very desirable men and women whom Mr. Coghlan has despatched to us. Some of these are small capitalists well experienced in rural undertakings. On the other side of the Continent Mr. James is sending in more applicants for land, rather less well-to-do but in every way promising settlers. Queensland is not forgotten, and under her new Land Law is offering exceptional facilities which are likely to draw farmers from other States as well as from abroad. South Australia's Land Minister announces that next month there will be 360,000 acres ready for selection along the Pinnaroo Railway line which can either be purchased on easy terms or leased in perpetuity at from a halfpenny up to twopence per acre, without any future increase of rental. That State claims returns of from 30 to 50 bushels an acre this season and a total crop of 20,000,000 bushels. At last the departmental drybones are commencing to show signs of life in all the States. Tasmania will repair her mistake. All over Australia the choice of land is being made easier and its price cheaper. As this becomes known in Great Britain we may fairly believe that our long period of atrophy has come to an end. We shall both "fill our cradles and open our gates".

COMMONWEALTH ACTION ABROAD.

The Prime Minister attached two conditions to his offer of Commonwealth action abroad. First, that sufficient land should be made available by the States each year to supply a steady stream of suitable immigrants. Second, that they should agree among themselves upon some scheme obviating competition with one another, and any duplication of expenditure and effort in the Mother Country. We learn by cable that this plan commends itself to the Agents-General, who had indeed suggested it themselves as one of the first lessons of their experience. The plan has been approved by your great papers, which have the fruits of such a policy directly before them. But in this State it is treated by the Press strictly from a party point of view. As far as possible the offer is suppressed or flagrantly misrepresented. The Prime Minister is taunted with not having a majority that will enable him to give effect to his proposals, and is warned that he must abandon them because the Labour members will not support him. The same critics said that of the Amending Immigration Acts

now in force, and of much else of his last session's legislation. They were refuted by the facts then, but it must be said that the prospects of his doing as much this year are slight. Mr. Reid and his followers, however much they may agree with the policy, will not really support it. They will do their best to make this or any other business impossible. The Labour members will be divided, and in all likelihood the greater number of them will oppose the liberal grants which the Prime Minister promises to submit to Parliament.

But, in the first place, the offer has to run the gauntlet of the assembled Premiers in April next. They may require to tax their ingenuity to find reasons for refusing it, but they will not stand at a trifle in order to keep the Commonwealth Administration in the background. Mr. Carruthers and Mr. Bent will oppose it, because they are jealous of Federal authority, and resent having their hands forced as they have been on this question. Their States are flourishing enough to finance immigration of the kind they prefer out of their own Treasuries, and mean to get the better of their neighbours if they can by means of their longer purses. Mr. Kidston and Mr. Price as Labour Ministers will be lukewarm. Tasmania will have little money or land to speculate with. Probably Western Australia may respond to the offer unless, constrained by his fellow Premiers, Mr. Rason should shrink from standing alone. There is one visible influence which can render this pessimistic forecast incorrect. If the public of Australia could be spurred to a sense of its duty as persistently as Sydney is now being spurred by our Immigration League under Dr. Arthur, even the Premiers would have to abandon their isolation and agreement to keep isolated in dealing with immigration. But as in this city the dailies, for party reasons and State reasons alike, are hostile to the Deakin Administration and to the Federal Parliament, there seems scant hope of kindling the electors even here to that keen appreciation of the weight of President Roosevelt's warnings which would coerce them into unison in immigration methods, as they were formerly coerced into the Federal union. The Press elsewhere seems either not influential or not favourable enough to the Deakin scheme, and hence it is generally feared that the latest Federal effort will not succeed.

FEDERATED AUSTRALIA.

LABOUR PARTY CONFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 12 1906; Mar. 30 1906.

What we shall do with our Labour Party or what it can do with its growing authority are two of our puzzles today. But are they not also British puzzles?—or likely to become such? We are certainly much less concerned about them than we used to be, and possibly yours will be a similar experience. Our triennial Parliaments make political changes easier than if they had only a septennial limit. Certainly they become easier to measure. In every Australian Legislature Labour members are now proportionately stronger than they are in Great Britain, though you begin with a band of fifty. By and bye their coming will be described as inevitable. It is certain, judging by our experience, that they have come to stay. Just now it must be confessed that their advent and the entrance of one of them into the Cabinet has sent “a shock of mild surprise” throughout the whole Empire. No doubt exaggerated expectations are being nourished by this event on both sides of the world. Gradually the excitement will pass, and we shall measure the incident more truly. But we live so much under the influence of the daily paper nowadays that short views and hurried estimates always seem dominant. These, too, are further magnified out of all proportion by journals which cater specially for a sensation-loving public. Hitherto we have been pioneers in the Labour movement in political spheres, but it must not be forgotten that the changes which have been experienced in Australian public affairs have not been due to this cause alone. They have been enhanced in appearance rather than in actuality by frequent changes among its many administrations, which occurred with the same frequency before there was a Labour phalanx in Parliament. There have been no profound modifications of the real spirit or substance of our political development, though necessarily the forms of Responsible Government have been undergoing a process of adaptation unknown and unnecessary in the Mother Country. It would be strange indeed if the British Constitution, when transplanted to vast territories with small populations, without aristocracies or established institutions, had preserved the same outward characteristics that persist in its place of origin. The marvel is that exposed to the strain of many novel circumstances and placed in the hands of untrained and inexperienced politicians our systems of legislation and administration have remained so true to type. On this account our

line of evolution is likely to present in anticipation a parallel to yours. What we see today you will see tomorrow or perhaps later in some shape, and afterwards accept with the same matter of course imperturbability. Twenty years ago a portentous phenomenon, today an ordinary annual occurrence; then the dream of a few visionaries, now an accepted fact; in 1890 a new portal to Utopia; in 1906 merely the open operation of another party machine, the latest Conference of delegates from our New South Wales Labour Leagues has met quietly, debated briefly, and finally dispersed in peace.

SIR HENRY PARKES'S DILEMMA.

Sir **Henry Parkes** was considerably more nonplussed when confronted with the first contingent of Labour members than Mr. **Balfour** has been or Sir **Henry Campbell-Bannerman** may be. He was full of Federal enthusiasm and forecasts of Australian greatness just when he found himself compelled to put these aside in order to face social problems and weigh the local nostrums propounded for them by men chosen from the wage-earners. The "class consciousness" thus inopportunistically manifested in this State has continued to derive almost the whole of its fighting strength from the same stratum of our population. The Labour Party in politics represents and seeks to represent the manual labourers of the community on two grounds, first because they constitute the numerical majority, and next because their interests are alleged to have been sacrificed in the past to those of the minority. In 1890 their members represented nothing else but the labourer first and last. Gradually the force of events and lessons of public life have compelled them to widen their outlook and their policy. The class limitations remain, and the class taint may be detected in most of their oratory, but they now include in their ranks many men who are not and never have been manual labourers. They, therefore, command thousands of votes from other classes who prefer them with all their faults to the parties whom they seek to displace and whose platforms they have succeeded in enlarging in their own direction. The Labour Party in this State requires to be criticised as a growing and expanding body whose leaders are already far away from its earliest conceptions and ambitions, while its main body is steadily though slowly submitting to their influence. It may be queried whether in Queensland these two sections are not approaching a separation. They are certainly waging a civil war in their own domain with much bitterness. Mr. **Kidston** has much more to fear from his own extremists than from the Opposition headed by Mr. **Philp**. He seems more likely to succumb to a rebellion behind him than to any frontal attack. Here in New South Wales much less antagonism prevails in their councils, but a similar divergence has already discovered itself. The men under responsibility in the Legislatures, guided by their riper knowledge of the conditions of successful legislation, are being opposed by the men without their experience or

responsibilities, who are, of course, in the majority. The breaking strain was felt to some extent at the recent Conference, and will be felt again more seriously hereafter. If it leads to a permeation of the party programme with constitutional ideas the Labour movement has a great future before it in this State and in Australia generally. If experience leads to a modification of its policy of exclusiveness it will dominate our Legislature and most others throughout the Commonwealth. Meanwhile, there is not much risk of its accepting either development at present.

A RIGHT TO RECOGNITION.

It would be idle to attempt to ignore our *Labour Conference*, since measured by all the ordinary standards it asserts a right to recognition. If the present Ministry were able to summon representatives of its following it could not gather a larger assemblage, put forward an ampler programme, or assure its closer consideration, and this notwithstanding the larger forces under its flag. Naturally a Ministerial Conference would embrace a greater number of educated, well-to-do, able, and influential men, and would adopt a more reasonable outlook, but the surprising feature is that a class assemblage should be able to sustain comparison with it in other respects. In a State like ours the meeting together of more than 200 delegates to discuss 144 resolutions touching all current political and social issues is in itself a remarkable incident, and testifies to a remarkable organisation. The conference was much larger than the total of the members of both Chambers of our Legislature, it sat for more than a week almost continuously, and so far as we are aware conducted its proceedings with due decorum. Before the bulk of the delegates had taken their seats a majority of one vote from those present excluded the Press. Hence, except so far as the Labour newspaper has published the debates, no complete record of them is available. However, quite enough is known to prove that the motive power of the Leagues has not diminished, that they are more numerous than ever, and better prepared for an election. If nothing unexpected intervenes they ought to poll a bigger vote than ever. This will be achieved if it be done at all without adventitious aids. All politicians in New South Wales and throughout Australia are without patronage, and after the introduction of local government have few grants of public money obtainable for their districts. There are no "bosses" in any of the States; no agents who make money out of municipal or State affairs. The Labour Party has no funds to corrupt any one. It has not even resources sufficient for the next election, and is making a collection for the purpose. An estimate of the expenses of the contests given by Mr. *Hughes*, M.P., lately a member of the *Watson* Cabinet, tells its own tale. For constituencies thinly peopled, of course, but whose electors are scattered over regions larger than Wales, £30 each was allowed; for the whole State, nearly four times the size of Great Britain, £60 was suggested for each candidate for the Senate. State

seats, most of them larger than English counties, were to be fought for £10 a piece. An organiser for the 40 weeks' campaign in this State was to cost £200. The gross sum required for the party in two elections was £2,000. This would have to be raised from 60,000 unionists, but it was frankly confessed that there was little prospect of collecting it. Last year two levies were instituted; one realised £78, and the other 5s. Probably outside Gilbert and Sullivan's comic operas there never was a political balance-sheet of such modest proportions. Judging by the published calculations, the canvassing of the dense population of the United Kingdom and Ireland if conducted by the most economical managers yet discovered, and in the smallest constituencies, could not be carried on upon this scale.

VIEWS OF THE DELEGATES.

The perspiring conference exhibited really amazing brevity, and despatched its business at electrical speed. The number of projects approved, some of them for hare-brained innovations, was amazing, though the vagueness of the language used left even these pious aspirations instead of practical determinations. One of the most unsatisfactory features was a philippic by Mr. **Riley**, who represents the employees as a member of the Arbitration Court, against the State and Federal Acts, though for this he might have been excused but for his office. He added an attack upon its judicial administration for which there is no possible justification under any circumstances. Certainly there is nothing in the facts to support him. The **conclusion at which he arrived** was that the occupants of the judicial bench must be in future "in sympathy with the statutes they interpret". The innuendo is explained by the allegation that all judges are now chosen "from the most Conservative members of a Conservative class, and can always be relied upon to lean against the Liberal interpretation of Democratic measures, and often to exercise considerable energy and ingenuity in actively destroying them". According to a legal opinion obtained from two sympathetic interpreters of Labour views who are now at the Bar, the effect of the decisions of the High Court and our Supreme Court has been to destroy "the common rule, which is the safeguard of the fair employer, and preference to Unionists, the corresponding safeguard of the employee". Under these impressions the Conference decided to recommend wholesale amendments so as to give the courts no chance to evade their mandates. These would require a new Bill, which there is not the slightest possibility of their passing into law. Another set of theorists contrived to convince the Conference that the abolition of the State Governorship would be a great saving of public money, though what substitute is to be found is not indicated. These illustrations are forcible reminders of the untutored character of the mass of the delegates, though if one considers the manner of their selection from

little knots of energetic partisans in our small back-country settlements, the wonder is that they were sufficiently amenable to their leaders to confine most of their attention to businesslike propositions. Nothing like the full number of them seem to have attended the whole of the sittings; the divisions taken rarely include more than a hundred. Possibly if all had been present some of the extravagances might have been avoided, but on the other hand it is the zealots who make the party and control it, finding this in many cases a sufficient, or at least the only recompense they receive. The fighting platform consists of eight main planks, which, however, subdivide into about forty distinct demands. Roughly grouped, half of these are practicable with minor amendments, and half the remainder aim mistakenly at commendable ideals. Once more taking into account the way in which the delegates were brought together, the results evince a degree of discipline, of constitutional aptitude, and of capacity for joint action very creditable to our plebs. One can fairly say that the talent for self-government possessed by the British stock was once more exhibited this year in the strange conglomerate drawn from our working class.

LAND AND TAXATION.

The programme for our State contains nothing else alarming. The cessation of sales of Crown lands is to be accompanied by provision for throwing open all land fit for the plough and providing for closer settlement. Every citizen not now a landowner is to be given a preferential right to acquire a holding worth £200, and assisted in its preparation for cultivation by remission of rents while it is being improved. The Land Acts are to be consolidated, land agents' fees regulated and taxed, and members of Parliament debarred from acting in that capacity except as advocates in open court. Among the financial articles are included a cessation of borrowing except for the redemption of existing loans or completing authorised works, and provision for a sinking fund in connection with all existing loans. The new taxation foreshadowed comprises graduated land and income taxes, an absentee tax, and increased probate duties upon estates over £20,000. Free education, economic government, workmen's compensation, and full civil rights for all public servants were in last year's platform, and are now re-endorsed. The possibility of corruption in the public service is to be guarded against by drastic legislation. Mr. Carruthers's savings, his borrowing, and all his measures are, of course, condemned. The whole of the measures passed in the last session of the Federal Parliament are enumerated and approved, especially the Trade Marks Act, which includes the legalisation of Union labels. Our Labour Party is in opposition to the State Government but in partnership with the Federal Government for the time being. Its power in one sphere has been and will be very limited, because it has neither the strength nor the leadership that would enable it to make head

against our Ministerial combination. It is content to carry out its reforms piecemeal and by steady stages under the guidance of an experienced Cabinet. Ours is a sober community which admires sober methods and distrusts the political dogmas to which the Labour Radicals continually make appeal. Still, as an Opposition our Labour members are justified by most of their works and in most of their practical proposals. They will probably have the mingled pride and mortification of looking on while Mr. Carruthers carries some of them into law on a rule-of-thumb fashion whenever he is satisfied that they have become popular enough to father in Parliament.

PARTY DISCIPLINE.

In Commonwealth politics the Labour Party, though it plays a much more important role than in the State, owes its weight to its discipline much more than to its platform. Whatever the latter may contain will remain there and not find its way to the statute-book unless either Mr. Reid or Mr. Deakin happen to take up any part of it. Their solid votes and not their ideals are the potent element in Melbourne. These have already put Mr. Deakin out and put him in again during this Parliament. Whether they intend it or not they will put him out once more at the approaching General Election if their organisations in the other States follow the lead just set in Sydney. The pitched battle of our Conference was waged over the cardinal issue of alliances. Should the Labour voters declare themselves a chosen people and wage war like the early Islamites against every neighbour who refuses to accept their creed? Or should they at times make common cause with friends against a common enemy? Mr. Watson and his lieutenants put forth all their energies in the attempt to secure for themselves freedom to enter into treaties offensive or defensive on behalf of Labour. The local party Press and its agitators who are not yet legislators fiercely resisted this doctrine of expediency and won the day. All that Mr. Watson could coax from them was an authority to the Executive in this State to grant immunity from Labour opposition for Sir William Lyne and Mr. Chanter. The delegates decided by a large majority that there should be no allowances except for the term of an existing Parliament, or in other words, that Labour candidates should contest all seats irrespective of the nearness to or remoteness from their platform of the sitting members. This means that they will fight all the State and Federal constituencies alike, treating Mr. Deakin and Mr. Carruthers with equal hostility at the polls. After the election is over they will be willing to unite with some of those they have sought to eject until they have another opportunity of fighting them again.

ISHMAELITISH POLICY.

Their politicians may protest, and have protested, that these tactics are suicidal; but in vain. How the Leagues will treat their own representative, Mr. Kidston, now Premier, and those who support him, will be decided by the Queensland branches. The odds at present are that they will oppose his colleagues and friends who are without their Caucus. When Mr. Price is in a similar predicament he may have to separate from Mr. Peake and Mr. O'Loughlin, who now sit with him in Cabinet upon the best of terms. The result will be that Labour candidates will divide votes everywhere, thus in many cases bringing about the success of their opponents and the defeat of their late friends. Now that New South Wales has endorsed the decision of the Federal Conference of last year, which was to that effect, the Labour Leagues elsewhere are likely to act unanimously. Mr. Carruthers, when his hour comes, will be returned with a larger majority. Mr. Deakin, Mr. Kidston, and probably Mr. Price, will find themselves in a minority. The Labour Party, too weak everywhere to obtain a majority, will become the Opposition in the Commonwealth, and the States. That is its place now in this State, in Victoria, and in Western Australia. That will be its place very soon in the Commonwealth, in Queensland, and probably in South Australia. That is the place that the majority of its delegates desire that it should occupy. It is not merely because they have some distrust of their leaders, but because they hold that the Ishmaelitish policy pays. While the Leagues renounce all hope of office for their representatives they expect to achieve more legislation of their own brand through others more or less in sympathy with their aims. While they are willing to keep their members in check and out of temptation Australia has no reason to complain. The Administration in more competent hands, as it would in most cases be, will be somewhat less liable to be legislatively venturesome, though, on the whole, whatever party may be in power, the policy pursued, except upon fiscal questions, would be much the same. The misfortune is that the fiscal issue is at present by far the most important of all.

FEDERATED AUSTRALIA.

THE PARTY OUTLOOK.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 19 1906; Apr. 11 1906.

While to the cursory observer it may seem that nothing particular is happening throughout Australia, in reality a great deal is going on preparatory in character and gradually defining the political situation for 1906. Tasmania opens the ball with a General Election of little promise unless much clearer issues are submitted by the Ministry than it has yet fathered. The Legislature of Western Australia meets in May to undertake the businesslike policy upon which Mr. Rason obtained his large majority a few months ago. All the other Legislatures will follow suit about the middle of the year, which will close with dissolutions by effluxion of time in the Commonwealth and Queensland. An eventful period is before us. Party platforms are now in course of reconstruction, and campaigns are being planned, preliminary to the battles in Parliament and out of it, which will register the decisions of majorities. The Prime Minister is rumoured to have in contemplation an interstate tour, and not without reason. No public man of the same prominence is so little personally known beyond his own State. Here, too, he is much less conspicuous than many of his contemporaries. What he will have to say can be generally guessed from the circumstances of his situation. How he will say it or what he will emphasise may possibly be foreseen by himself but cannot be calculated either by his colleagues, followers, or opponents, however versed they may be in his idiosyncrasies. What he must say is "Protection", and he must keep on saying it. Whether he will still insist upon Preferential Trade or what he will have to add upon Immigration or Defence it would be idle to speculate just yet. What he will add depends upon his own mood. The outlook for his party is gloomy and obscure, and however jaunty his attitude may be he must know it. But then it is remembered that he was never so light-hearted as when he walked out of office in 1904, when no one saw any need for it. With this curious temperament and the introspective habits commonly ascribed to him by his familiars in politics all present prophecies are discounted. Except that he will declare for Tariff Reform in the light of the report of the Royal Commission, whenever that may see the light, nothing can be safely predicted of his next trajectory.

MR. REID AND FREE TRADE.

Mr. Reid's position, though less immediately responsible, is one in which any other leader would feel extremely embarrassed. Caricaturists delight in depicting him as a circus rider in the act of bestriding steeds of different colours and sizes, and certainly the feat he has to perform now is well illustrated in that way. The Free Traders who still cherish their gospel as the sole means of national salvation, are restive in consequence of his renewed proclamation of a fiscal truce, because this includes an acceptance of the existing Protectionist tariff. The small knot of uncompromising stalwarts, of whom Mr. Bruce Smith, K.C., is the intellectual leader, is already protesting against the absolute sacrifice of principle implied in Mr. Reid's exclusion of the fiscal issue. This was stomached when the alliance with Mr. Deakin was entered into because that was for a definite period. There was then no real prospect of tariff amendments of any kind confronting them while it lasted. When afterwards it was to come forward for renewal their conscientious convictions could have been insisted upon if necessary. Now the whole Free Trade cause is to be surrendered without a blow, and for all the future. It can never be revived again. Its party will cease to be. Its programme will become an object of merely historical interest. After being labelled "Cobdenism: the Australian Variety 1901-5", it will be put away in our cabinet of national curiosities. That is the price to be paid in order that Mr. Reid may keep a Protectionist horse in his team. He seeks to rally such of the advocates of higher duties as dread the Labour programme more than they desire increases in Customs imposts. Not numerous in this State, these make up an influential body throughout Australia, because of the nearly equal strength of the three parties. This horse is shy and needs very careful driving. The third steed upon which his foot is most firmly planted is that of Protestant ascendancy. This represents a sufficiently strenuous sentiment in our State to carry him on and carry the reluctant Free Traders with him. The fact that a majority of Commonwealth Ministers and the whole of the Labour Party voted for the Home Rule resolution has proved a more potent force for solidifying the Opposition here against both of them than anything else could. Mr. Reid's vote will be an Anti-Catholic vote first and a fiscal vote second. He will gain a great accession of strength from classes very dubious in their opinions about him and more doubtful of some of his opinions. He has to thank his enemies for voluntarily severing their own ranks and consolidating his, so as to enable him to carry out an otherwise impossible feat of political equitation. But the fact remains that however loudly Mr. Deakin may say "Protection", Mr. Reid's retort will not be "Free Trade".

LABOUR PARTY CATCHWORDS.

The position of the Labour Party though nebulous was examined at length in my last letter. As Mr. Reid's criticisms show it will be found vulnerable at a number of points. He picks out the joints of their armour with an expert eye and pierces them with an expert hand. The misfortune is that he wraps up his own proposals in a cloud of generalities. These never fail to win him an escort of cheers whenever he takes a public meeting in hand, but lose a good deal of their effect when appearing in printed reports of an interview. His best indictment could have been based upon the confessed failure of their own pet expedients. Our Labour Party's weak point is its sentimentalism. More than any other class it is governed by phrases, catchwords, and illusory promises. Its reign in this State was signalled by the passing of an Old Age Pension Act confessedly the most extravagant of any in Australia, and of an Arbitration Act, which its own representatives are angrily denouncing as unworkable. In the Commonwealth one of its first feats was the establishment of an Arbitration Court, still unused, but of which the failure is confidently predicted by their own members. They are beginning to realise that the measure that caused Mr. Deakin and Mr. Watson to resign and Mr. Reid to pass it against his will to get into recess can apply to but a few callings after all.

A PROGRESSIVE LAND TAX.

The policies of each of the three Federal parties are for these and other reasons upon which it is unnecessary to dwell now awaiting crystallisation. Main features cannot be altered. The Ministry will hoist the flag of Protection, the Labour Party that of Socialism, and the Opposition that of Anti-Socialism. What the first means we all know; but what the other two cries may be translated into is a matter of much speculation. Mr. Watson idealises Socialism, but when pressed for particulars talks of a Progressive Land Tax, which is in no way associated with anything Socialistic. Mr. Reid declares for Anti-Socialism, and when cross-questioned as to its concrete product says that the country shall be informed in due time. His practical measures are likely to be equally irrelevant to his shibboleth. With us minor measures are often turned into lightning conductors for a time, conveying more or less harmlessly into the earth immense charges of diffused political electricity. The Federal Arbitration Bill is a remarkable instance of this class of cases, because in spite of its several limitations it became a centre of conflict. Besides being born great it achieved greatness, and had more greatness still thrust upon it as well. Fundamental importance came to be attached to it because a primal necessity of the Labour Party is to justify its existence by legislation which is or is believed to be of special and immediate importance to the labouring classes. As in this instance it may not warrant any of the promises made

in its behalf, and may belie them from the start. But they have served their purpose if they advertise their authors and promoters, provoke violent polemics, and become for the time being tests of party allegiance. No new remedy of the kind exists in the Labour repertory at this moment. It does not seem likely that they will devise anything answering to their alleged "Socialism", at all events until after the next election. Hence Mr. Reid is obliged at present to confine himself to a broad denunciation of the "Socialistic movement" and a declaration of his intention "to stamp it out". He says that a progressive land tax is "confiscation", monopolies are to be "regulated", instead of "nationalised", and trades unions are to be forbidden any legal advantages over non-unionists. Only in the last item is there to be discovered any hint of what Mr. Reid would undo if he had the power, and there he has not the power. Upon all other questions his statements are negative, and leave him committed to nothing. When he was Premier of this State the principal measure he was associated with was that which taxed the unimproved value of all our lands. He is now inclined to object to any increase of that impost, particularly if it were made heavier in proportion to the extent of the area included in a single estate. The curious thing is that right upon the heels of his condemnation of a "progressive land tax" comes the assurance that in New Zealand, where such a tax has been in force for years, it is now approved by many leading Conservatives. Strangely, too, the authority for this comes from Mr. Swinburne, the Victorian Minister for Agriculture, one of the stoutest adversaries of the Labour Party and all its works. He happened to be passing through our city on his way home from Auckland, when, in the course of an interview, he accidentally discounted Mr. Reid's opposition to anything of the kind here.

FEDERATED AUSTRALIA.

NEED FOR A HIGH COMMISSIONER.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 26 1906; Apr. 12 1906.

State politics seem dull because there are no prospects of change visible at any point on the horizon. There is an absence of sensations and even of the promise of sensations that bodes well for Mr. Carruthers. Federal politics are dull, too, though there the possibilities both of changes and sensations are patent on every hand. The general situation is not clarifying. Ministers preserve a silence either of indifference or of caution. Mr. Deakin's replies to Mr. Reid's frequent explanations of his bellicose intentions are merely mockery and persiflage. An occasional growl from Sir William Lyne at his old enemy reveals nothing except an antagonism to the Opposition Leader that is now inveterate. He resides principally in Sydney during the recess, and is at much pains to smooth the local administration of the Customs by the officers of his department stationed here. Nothing he can do will appease our critics, but the effort is not unappreciated by merchants and the public generally. If it were not for the colour of his opinions he would be a dangerous rival to Mr. Reid for the affections of our Metropolis. He has been a loyal upholder not only of its rights but of all its claims, almost without reservation, ever since he entered public life. Among business men and in the clubs he is better known than the member for East Sydney himself, though by no means as acceptable to the importers. At the moment he is being made defendant in a suit for slander brought by Sir William McMillan because of disparaging statements alleged to have been made at a dinner in Parliament House. He is accused of reflecting upon the methods of marking locally-made hats adopted by the firm of which Sir William McMillan is a leading partner. The action appears paltry when the place and time of the slander are taken into account, but is supposed to be a preliminary to an electoral contest between the two knights after the approaching triennial dissolution. A determined attempt is to be made to defeat the Minister of Customs for Hume, the border constituency which he has held hitherto in spite of the hostility of the numerous Free Traders in Albury, its largest centre. But if Sir William Lyne has always been a loyal citizen of Sydney he has also always been a most attentive local representative of his district in which he formerly resided and for which he has sat either in the State Assembly or Federal House for more than a quarter of a century. The duel if it takes place will be full of incident and of interest. Sir William McMillan,

though a much more eloquent and finished speaker, is a far less capable strategist, and though he will be backed by unlimited funds will be viewed as a Sydney merchant, and therefore a stranger in a country which does not thank Sydney for much and where the Minister for Customs is treated as a son of the soil.

FINAL BLOW TO FREE TRADE.

Mr. Reid has held a meeting of his friends in the Federal Parliament who represent New South Wales. About a dozen out of the thirty odd attended and took sweet counsel together. It was, of course, decided to “organise” and “to contest every seat” in the State, just as it has been decided often before on similar occasions. The crucial question debated was whether another fight should be made for Free Trade. As anticipated Mr. Reid had his way, and in spite of one or two protests all present agreed that a fiscal truce with the Protectionists is indispensable. Fiscally the programme is to consist of a declaration for things as they are. The iniquitous tariff, of which the repeal was made the main cry of the last General Election, is to be preserved intact according to the cry now devised for the next General Election. There is a good deal of grumbling among the ultras at this, but even the Cobdenite Press has to follow his lead. Mr. Reid knows his business, knows public opinion, and knows Federal politicians much better than Sydney journalists do. When the pinch comes they have to tread in his footsteps instead of his following them. The *Daily Telegraph* has the wit to see that this proposed compromise is not a compromise at all but a surrender. The Free Traders returned to the next Parliament will, of course, vote against any reduction of duties just as if they were good Protectionists. The question is will their Protectionists allies vote against increases of duties just as if they were Free Traders? There is no evidence upon this head, but the probability is that they will not. Mr. McLean is their acknowledged leader, and it is doubtful if he can expect to be returned in Victoria with authority to refuse to raise any duties during the next three years. There is thus the risk that when Mr. Reid speaks of sinking the fiscal issue he is only sinking his own views, and that his co-leader will only coincide with him to that extent. The *Daily Telegraph*, seeing that there will be three or four Free Traders at least for every Protectionist in the joint Opposition, has the happy thought that they should consent to be bound upon this question by the votes of a majority of their number. They would then be taking a leaf out of the book of tactics of the Labour Party and following its practice upon most questions, though, as it happens, not upon the fiscal question. It is safe to say that, however anxious Mr. McLean may feel to share the chieftainship of another Government with Mr. Reid, he dare not enter into such a transparent sacrifice of his fiscal faith. That surrender is left to Mr. Reid and his friends. Mr. McLean and his handful of supporters are willing for the sake of union to share everything except the sacrifices. All of these they leave to their colleagues.

“ANTI-SOCIALISM”.

Mr. Reid remains true to his old faith in “Anti-Socialism” as a rallying cry. He intends to enrol his followers under that banner and to make it the guiding star of his whole policy. Ministers may, if they choose, refuse to be dubbed Socialists, and may insist if they wish upon calling themselves Anti-Socialists. That will not affect his line of advance. He intends to dispose of them by showing that they owe their existence to the votes of Labour members and must therefore carry out the Labour programme no matter how much they may disapprove of it. Anti-Socialism really means Anti-Labourism, though it does not pay to say so. The revolt against Labour methods led by Mr. Deakin himself is utilised still and furnishes the text for half Mr. Reid’s speeches and more than that proportion of the leading articles in his Press here and elsewhere. Onlookers may be surprised that, this being the case, the Opposition is not frankly founded as Anti-Labour instead of Anti-Socialist. The one and only reason why it is not is because of Mr. Reid’s timidity. He dreads the sentiment which makes the non-unionist as well as the unionist classify himself as a Labour man. He is prevented from calling himself Anti-Trade Unionist because he favours the industrial operations of the unions for the benefit of their members as much as if he were one of them. On the other hand, he is conscientiously Anti-Socialist, though, like all Australians, he defends the national ownership of the railways, telegraph lines, and waterworks, and the municipalisation of other enterprises of the same character. He considers Protection through the tariff “Socialistic” in its nature, though he is compelled to accept it for the present in order to have a chance of winning a majority in Parliament. If he could he would destroy Protection while fighting under his present flag. But by reason of this and other qualifications of meaning which he is compelled to introduce in order to make a party his “Anti-Socialism” has no coherent or definable principle. Mr. Reid adopts all the Socialism that is now in force in Australia and as much more as may be forced from him by electioneering exigencies. He rejects only those proposals which he can safely afford to challenge at the ballot-box. Indeed, if any of these happens to command the numbers in both Chambers next year he would swallow them without a grimace. Though he is a sincere Anti-Socialist in aim, the current is against him and carries him with it. As it happens, his hostility is confined to those additional Socialistic enterprises against which he can capture a majority. A prince of opportunists, he would prefer to make no more concessions than have been forced from him already, but must phrase his resistance carefully enough to permit him to yield on any particular proposal rather than lose office, and with office an important citadel of defence against fresh demands. His Anti-Socialism is not intended as a bridle-rein for guiding the State coach into any road he thinks best. It is merely a brake with which he hopes to check the speed of its advance while it keeps the old road and he keeps the box-seat. Both for himself and for his charge a brake is better than a breakdown.

A POLICY OF REFUSAL.

This policy is prudential and perhaps wisest. At all events it suits Mr. Reid exactly, leaving him the critical part in which he is strong, and enabling him to omit the constructive where he is always weak. But it does not suit others who are not concerned simply to patch up a temporary peace with the help of a sufficiency of members. Neither will it suit the party unless the advisers to whom they look up can be warmed into more active commendation. At the moment there is danger of a frost. The *Morning Herald* writes candidly of the proposed programme, "We talk of the great battle before us and of the need for organisation, but what are we to organise upon? If the leader is undecided what is to become of the rank and file?" The case is really worse than that from the paper's point of view, since what its leader has decided is to remain undecided. He means to leave his own projects undefined and trust wholly to the success of destructive attacks upon the Ministerial platform when it is announced. Until then as well as afterwards he will devote himself to attacks upon the Labour platform as lately reformulated. His watchwords will be "No more Protection", "No more Free Trade", and "No more Socialism". These may serve while he remains in Opposition, but can suffice, of course, only if he remains in Opposition. The electors' appetite can hardly be appeased by any Ministry with contradictions and nothing else. Mr. Reid says boldly enough that "infinitely higher considerations have arisen even than reform of the tariff", adding in consequently, "if that were possible, which I very much doubt". It may be impossible, but are the "higher considerations" any more realisable? No one can say because no one knows what they are. If Mr. Reid knows he does not catalogue or explain them. His mission is to block all Socialistic legislation without indicating what class of measures come under that category. His policy of blocking is a policy of refusal and nothing else. Whatever the Labour Party ask is to be denied, but nothing else is to be done or promised to be done, except that Labour members are to be kept in a minority. It is a meagre bill of fare. Even his own newspapers cannot pretend that it is appetising. Mr. Watson may be a ghoul and Mr. Deakin his accomplice, but the animus against them will not be lasting enough to justify a free hand and an uncharted course to those who aim at nothing more than superseding them as pilots of the Commonwealth. The Government has been very active during the recess seeking new plans for the defence of Australia and putting new life into the administration of the Department, reviewing all our mail services, embarking upon novel experiments in the postal and telegraph services, preparing for fresh developments in New Guinea, and for now electoral distributions of seats at the general election. Curiously enough, the Opposition, which is about to be in perpetuity what it always has been in practice, nothing if not critical, has been strangely uncritical in relation to these noteworthy acts. Either it is storing thunder or else is too dispirited to venture to comment upon these displays of energy.

A HIGH COMMISSIONER OF AUSTRALIA.

Perhaps the most unexpected coup of the Government since its successful appeal to the Imperial Committee of Defence for an Australian scheme of naval and military organisation has been the opening of a Commonwealth Office in London. Here, again, Senator [Playford](#) has been able to score with a new departure that may mean much. The best evidence of the timeliness of the stroke has been the undisguised disgust of our Opposition journalists seeking to cover their chagrin with screeching epithets. What would have been a stroke of genius if Mr. Reid had either conceived or executed it is now belittled as a makeshift of timidity and helplessness. Really it is a very galling stratagem, because there is so much to justify it. We are buying war material to the value of several hundreds of thousands of pounds in Great Britain without any supervision of our own worth mentioning, or any means of pressing the contractors for expedition when that is necessary. The Secretary for Defence, [Captain Collins](#), having lately taken his furlough in England became acquainted with the disadvantages under which we labour. His Minister found it possible to conduct the local department without him and also to spare one of his chief assistants as an accountant to accompany him back to London. We shall now get our buying, inspecting, and despatching well done by their transfer home for an extra thousand a year. If this were all it would be a good stroke of business. There is quite another side to the transaction, since it appears that our present plan of paying for our purchases is carried on through all the six Agents-General of the States in a manner not satisfactory to the Treasury. The late Government proposed to concentrate this work in our London agency and to repay us the cost. Instead of this the Commonwealth gets an office of its own, not only for its defence dealings but for the whole of its financial transactions as well, without extra outlay. Here is a much better bargain by a better business arrangement to begin with. Furthermore, though we have no High Commissioner yet we have at least the foundation for an office into which such a dignitary could step without delay. [Lord Jersey](#) has been named for the post very frequently of late owing to his recent visit to Australia, and the many proofs he has given of his sincere interest in our public affairs. No appointment would be as popular in New South Wales, and Sydney would take it as a special compliment. If Mr. [Coghlan](#), our present Agent-General, could have been associated with him our satisfaction would have been complete. On the other hand, no English Peer would be likely to submit himself to be balloted for such an appointment. This was proposed by a majority of the Senate last year, and might have been accepted by the House under some circumstances. The Labour Party would always be assisted in this device by those who suspect Mr. Reid of designs upon this pleasant means of exit from the Federal Parliament. The probability is that neither Peer nor Commoner

would be selected at a first vote by a joint ballot of both Chambers. The final outcome of that extraordinary method of procedure cannot be foretold, because probably not a man in the first ranks of our public life would consent to enter the lists. Nor are they ever likely to be put to the test. When the time is ripe this Ministry or its successor will probably make an appointment themselves and risk the consequences of an adverse vote. At present there is no statutory position to which anyone could be appointed with security of tenure. Nor is an Act creating it likely to be passed this year. All that it is possible to do has been done by the opening of an office in London where Commonwealth work will centre and expand. This step will not be retraced. The next step will be easier. Once more the Opposition have the mortification of realising that they missed a great chance of making a business-like beginning and at the same time of preparing for emergencies which may some day lead to the unheralded appointment of the High Commissioner of Australia, so long looked for and much needed.

FEDERATED AUSTRALIA.

ANOTHER FAVOURABLE SEASON.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 4 1906; Apr. 16 1906.

“It never rains but it pours” in Northern Australia, or, if it does, the fall though recorded is not remembered. From our far western plains up to the Gulf of Carpentaria is a great region to which monsoons come straying from the tropics. Sometimes in the very core of the continent, where aridity reigns most rigorously, streams of great width and of considerable depth follow their appearance and flow into the large inland lakes covering untrodden tracts with dense verdure. The watershed towards the coast chiefly depends upon them and discovers its amazing fecundity after these heavy downpours. Then for many months and sometimes for a year or two this cloud-dropped fatness enables them to flourish mightily. Within the last fortnight the whole of Eastern Australia has been blessed with one of these most welcome and fruitful visitations. The skies have opened in parts of Queensland for a beneficent deluge, doubly precious because this territory, which had not really recovered from the great drought, or else its relief had been temporary only, has now enjoyed the good fortune of the rest of the Commonwealth. For a long time to come the production of some thousands of square miles of pastoral country will be raised to its highest power, while its agriculture will benefit in the same proportion for the remainder of the year. What this means in pounds sterling will run beyond six figures for that State alone. We have received the same supply, less needed but extremely valuable, distributed over the whole of our area. Naturally our cultivators are therefore in the highest spirits. Nor has the boon been confined to us, for Victoria and South Australia have had an abundant share. Autumn has come at one stride with a rainfall assuring even the driest districts fine winter grasses whatever happens. The last vestiges of the great drought have now been obliterated everywhere from north to south. The harvest returns last year top all records, with perhaps a single exception. Those for this year are now most happily started and may easily outsoar even the exceptions mentioned. Our farmers, in good heart because of the profits just pocketed, are consequently ploughing cheerily fresh fields, in addition to those previously laid down. Never has Australia been more thriving and never has her outlook either for yields or prices been more inspiring than it is today—our lean years are over and the fat years well begun. Trade is excellent and money plentiful.

The revenues of all the States are rising above high water mark. It is now all but certain that the Treasurers without an exception will surpass their estimates. Large surpluses are assured. The Commonwealth returns to the States will also exceed expectations. There is not a cloud visible upon the business horizon. The new direct steamer service from Hull to Sydney and Newcastle shows that our growth is appreciated at home as well as here.

EXAGGERATIONS OF AUSTRALIAN CATASTROPHES.

A false impression of the operations of nature is certain to be imparted in Great Britain by the journalistic habit of reporting every departure from normal conditions under the name of the country without regard to its size. Telegrams from the United States or from the Commonwealth frequently contain allusions either to drought or floods, to accidents or sensational incidents, because these are collected in each case from areas of upwards of 3,000,000 square miles. Even the educated Briton must occasionally assume without reflection that abnormal events are much more common in them than in his own home. For the moment he forgets how small a fraction of the earth's surface is contained within the United Kingdom when contrasted with the gigantic extent of these new worlds. Because his own tongue is spoken there, though in the one case by many more and in ours by many less people than at home, he is led to institute parallels that will not bear examination. A disaster at St. Petersburg affects the Londoner little, though if it were in Middlesex it would appear greatly magnified to his eyes. He does not recollect that the bush fires of yesterday or the floods of today are further from Sydney and from each other than Berlin or Morocco are from the Mansion House. There are immense stretches of country in Australia where neither fires nor floods are known, or within which they are as rare as overflows are in the Severn or the Thames. Again, while a countryside on fire or under water would in England mean great damage of many kinds and perhaps irreparable injury to historic houses or memorials, both are in their results and in most cases beneficial in Australia. Floods, indeed, never do any damage worth speaking of, and always scatter precious gifts over our grassy plains. There are very rarely any losses of buildings or possessions by flood or fire that cannot be immediately replaced. The blizzards and tornados of America or Canada are incomparably more fatal to stock and also more dangerous to man. Besides, these happenings only affect fractional sections of our occupied area and leave little trace behind a year or two after. We are reading today with unmixed satisfaction the news of mails delayed, of bridges swept away, and of small settlements isolated, because the rivers and creeks are over their banks in Queensland and in our own State. We know what returns we shall reap from this in a few months' time. Probably to English readers there is very little suggestion of any such contentment in cablegrams describing the situation here. There are, of

course, individual sufferers who find these occurrences catastrophes, though they are few at any time. To Australia and its people as a whole both are fruitful. The floods are hailed with jubilation. When will our kinsmen understand these differences in circumstance well enough to become free from their false alarms and groundless apprehensions?

ENCOURAGING OUTLOOK FOR TRADE.

Droughts have at all times room to exist here and there over extensive areas without the Commonwealth, as a whole, knowing or caring about them. But when they coincide in their arrival, in fixing themselves upon the whole settled east, and in persisting for several years in succession, such an extraordinary combination of adverse circumstances becomes alarming. It was a conjunction of this kind that gave us the great drought culminating after a series of minor droughts in 1902–03. It pulled down our exports by £6,500,000 in one year, and cost us many times that sum in other ways. Two years later our exports had risen more than twice as much as that disastrous drop, and they are still rising. Our stations are not yet stocked up in any State, and have leeway to regain that will take us a year or so longer. Still, despite this drawback, the steady improvement in our methods, increases in the carrying capacity of the land, and the fleece-bearing capacity of our sheep have already lifted us far above the totals obtained in the days before our flocks and herds were cut down by the million. Prices have helped no doubt, and promise to continue good. We were £3,500,000 better off last year for our wool clip alone, of which about a seventh can be credited to the rise in values. In addition, we have made a great leap in wheat, in spite of the hesitancy of growers to enlarge their sowing. Metals are high enough to stimulate production, coal is cheap, and labour well employed. Imports and exports are satisfactory, though they by no means afford an absolute index to our development. Nearly half the gold raised last year has been retained, our banks are embarrassed with funds. Though building is being pressed on in our Metropolis and elsewhere, and factories have been enlarged, there is plenty of cash seeking investment at what are for us low rates. The success of the Victorian and New Zealand loans have been followed by a statement from the **Victorian Premier** that he intends to retain his large surplus this year and the next, which he is sure to receive in 1900–07 towards meeting his loans of £5,000,000 due during 1907 in London and Melbourne. There is today a good deal of Australian capital finding its outlet in Lombard-street. Australians are incidentally continuing to increase their holding of their own State Debentures, which are now obtainable at cheap prices in the Mother Country. While we are exporting £20,000,000 a year more than we import our credit abroad is bound to improve. Within our own borders there is not a rural industry that is not expanding. Butter factories are multiplying, particularly in Queensland, and closer

supervision in the South will send out an even better product. Our export of meat, and specially of lambs, is certain to advance rapidly now that feed is growing faster than cattle and sheep can consume it. If we could only be assured that all run-holders were paying that attention to the improvement of their water supplies which they should have discovered by this time to be their best insurance against dry years one would be tempted to say that no great drought in the future can ever affect us as did that of three years ago. In any event our critics can see that most station properties are now being handled with much more discretion. Even if it be possible for all the elements of misfortune to combine again as they did then the consequent losses will be coped with more effectually in the light of that sad experience. At present, happily, any such danger is very far off. The floods are here, and with them the beginnings of another golden season.

LAND NEEDED FOR IMMIGRANTS.

Under these conditions public attention is being directed once more to the defects in our land laws. The **Prime Minister's** request for an assurance from the States that they will find land enough to tempt immigrants has met with no direct reply, but everywhere increased interest is being shown in the answer to be given. Our Labour Conference in this State made the situation an excuse for demanding a Federal land tax, increasing in its levies in proportion to the land held by a single owner. Mr. **Watson** has spoken warmly upon the text, and has been warmly responded to with accusations of an attempt at legal confiscation. But last week the Labour Premier of Queensland, Mr. **Kidston**, told a country audience that the Government and the people must put an end to the present state of things. He would not promise to buy estates in order to cut them up for closer settlement by small purchasers, but he would promise to take action so as to bring about the cutting up of large estates. This must mean a progressive land tax or something very like it. Strangely enough, our own Anti-Labour Ministry at the same time authorised an exactly similar declaration from the mouth of the Minister for Lands, Mr. **Ashton**. Admitting that but a limited amount of unsold farming land was left for selectors, and that Government land transactions were not always satisfactory, he promised legislation which would make it possible for the Ministry to assist financially those who bought lands directly from private owners with a view to cultivating them with their own hands. He has for some time cherished this scheme, which, though it has a decidedly Socialistic colouring, does no more for private buyers from private sellers than several States do already in various degrees for those who buy from the State either its bought or unbought lands. But Mr. Ashton went further when he offered the owners of great estates a public piece of advice. Speaking as one who knew something of the current of politics, he urged them not to be slow to seize opportunities for subdividing

their properties whenever offered. Steps were sure to be taken, he said, whether of a quiet, pacific character, or even going some-what beyond the bounds of moderation, to bring about closer settlement. This monition, like that of Mr. Kidston, can mean nothing less than a progressive or some other land tax. The object is to make it easier for settlers to acquire farms wherever farming will pay, that is, wherever means of transit are provided from agricultural areas. Mr. Ashton speaks as the most popular and trusted member of the Carruthers Cabinet. He probably possesses a broader outlook than any of his colleagues, and is fully competent from his intimate knowledge of our country districts to preside over the Lands Department efficiently. When he thinks it necessary to adopt such a decided tone it may be taken for granted that the political currents to which he referred are setting strongly towards a more vigorous land policy. No Anti-Socialistic Ministry shrinks from a fresh development of State action whenever the public are prepared or are even thought to be prepared for it. The pressure upon all our Governments is forcing them to the conclusion that pastoralists and speculators are possessed of more arable land than we can spare or they can profitably use themselves. They are therefore warned either to sell their surplus when they can or to expect undesired inducements to sell it to be applied to them. Knowing Mr. Ashton, they will do well to take his emphatic hint without procrastination.

LAND REFORM FOR SOUTH-EASTERN STATES.

The two States which have been lagging of late are South Australia and Tasmania. In the former a very large area in the Pinaroo country is about to be thrown open, while the system under which blocks of land bought by the State are being resold to applicants is being closely scanned. During the past three years upwards of 2,000 persons have been put in possession of upwards of 2,000,000 acres. The complaint is that the best cultivatable lands have been sold in blocks too small for the most profitable handling. Tasmania has been sufficiently stirred to induce Mr. Evans to make a series of promises in his Ministerial programme. Our own Government has just discovered that it is idle to throw open districts where the access to markets is too costly for farm products, unless roads, bridges, and in some instances railways have first been made. Mr. Evans dwells upon the same fact, and is liberal though vague in his promises. Rejoicing that his receipts equal expenditure as a consequence of his readjustment of taxation, he gives no proof that any excess to be anticipated will reach a sum adequate to the demands that can be legitimately made upon his Treasury for roads and bridges to unoccupied Crown lands. He is himself subject to two disabilities since he believes in an income tax, against which the electors have pronounced, and is in favour of a tax upon unimproved land values, which his finances will not permit him to substitute for the existing impost. He talks of

purchasing estates for closer settlement, of helping the producers, and of revising the present local assessment of land values, but except perhaps in the last instance it seems doubtful whether his constituents can expect anything more from his new programme than they have obtained from the old. The notable fact is that even the least sympathetic legislators are being forced to recognise land reform as inevitable, especially in the South-Eastern States.

A WARNING TO TRADE UNIONS.

But wool and wheat, meat and butter, zinc and tin, gold and silver are not the only industries of the country. Our Eskbank ironworks at Lithgow already spread over twenty acres, and together with the colliery in its own ground employ four hundred men. In order to fulfil the contract with the railways lately entered into they will soon cover ninety-five acres, and require another 250 men. If all the iron used in Australia were manufactured from our own ore 20,000 to 300,000 men would have constant employment. Then there is the Portland Cement Works opened in 1902, with a weekly output of 900 tons and a pay-sheet of 350 hands. A capital of £300,000, wages paid of £123,000 a year, and railway freights of £25,000 a year are the fruits of an enterprise which on its 1,500 acres has coal, limestone, clay, shale, and water, all the constituents required for its manufactured article ready to hand. In Sydney itself the town industries are steadily expanding, but there a difficulty has to be faced which no legislation can overcome, though it may be invoked to sustain it. When the Clyde Engineering Company wished to tender for 60 engines, required by our Railway Department they were prevented in consequence of the refusal of their Unionist employees to accept the English plan of piece work, although the rates of pay were to be calculated on the higher Australian scale. Mott's Dock and Engineering Company has just lost the construction of a new steamer for exactly the same reason. Wages here are 87 per cent. higher than in Great Britain, and the piece work was to be reckoned at those rates. But the workmen were not to be induced to forego their present advantages, though £12,000 extra was offered them beyond what they would have earned in England. The tender was 50 per cent. higher, and of course the contract was lost. The day labourer remains master of the situation, but has lost the work he might have had. He can only continue master on those terms. The industries of our towns cannot be expected to progress while he is able to maintain such demands. Considering the wages paid, the advances that are being made in other trades are remarkable, and say a great deal for their skill and the capacity of their employers.

FEDERATED AUSTRALIA.

CONFERENCE OF PREMIERS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 13 1906; Apr. 20 1906.

The **Prime Minister** is to meet the Premiers after all. When they assemble in Sydney on April 5 he will have his opportunity of saying as much as may seem expedient in relation to immigration and other Australian issues that he has at heart. But the Premiers will also have their chance and their say, and may be relied upon to take full advantage of the opportunity. It is to be hoped that both will be the better for the encounter. Nothing that promotes a better understanding between them ought to be omitted, still less anything that promotes a better understanding among the electors of the relations of these two constitutional agencies and of the merits of the many controversies which have arisen or are rising into prominence. But the particularly interesting thing that everyone would wish to know is why the invitation to Mr. Deakin was so long withheld. Mr. **Carruthers** did not include him in any of his communications about the time, place, or purpose of the Conference, but after these had been concluded by the Premiers, simply asked him as a guest. Nothing could be more in contrast with the proceedings leading up to the meeting at Hobart last year. This was officially entitled a "Conference between the Commonwealth and State Ministers", was held largely at Mr. **Reid's** instigation, summoned and attended by him, together with three of his colleagues, a majority of the salaried members of his Cabinet. The Prime Minister was president, and submitted either in person or through his Ministers all the principal matters discussed. It is true that, feeling the necessity of joint action for their own defence, the Premiers met privately among themselves to prepare their case. What they said then was not allowed to transpire. The whole of the proceedings, at which the Prime Minister was present, were reported, though not officially imparted to the Press until the meeting was over. From the very first it was evident that Mr. Carruthers resented the procedure adopted. He first sulked, and then attempted to constitute himself a leader of the Opposition, in which he sought to enrol the rest of the States. His tactics failed, chiefly, according to the accounts, from his own faults of temper. Worse than all, though he was Premier of the Mother State, Mr. **Bent**, the head of the Victorian Government, gradually usurped the post of spokesman so far as it fell to any of them. Mr. Carruthers went to Hobart unwell, became ill, and returned extremely angry, evidently registering a vow that the same arrangements should never recur. He has kept that vow religiously.

THE INVITATION TO MR. DEAKIN.

On the present occasion, after a little preliminary private negotiation among the Premiers, Mr. Carruthers succeeded in having Sydney selected as the place of meeting. This gives him the presidency and the control of the proceedings. He becomes host as well as chief. In this dual capacity he has requested a visit from the Prime Minister, who on this occasion will go simply in the character of an interested outsider. He will be consulted upon such points as may seem desirable, and nothing more. The official conference will consist of State Premiers and will register whatever resolutions they may think fit from the States' points of view. Last year Mr. Reid contrived to divide them, and by the exercise of his own influence and that of his colleagues obtained a majority of votes upon sundry questions which when reviewed next month may possibly be reversed. They will, if Mr. Carruthers has his way, and in this case he will be the leader of the orchestra instead of playing second fiddle at the beginning and afterwards a comparatively minor instrument, as he did at Hobart. His ruling idea then was that there should be a dividing line drawn, with the Commonwealth on the one side and all the States on the other. When he returned to Sydney from Tasmania he confessed himself appalled at the pretensions of Federal members and their claims to supremacy. These find no stronger antagonist than himself, and that at every turn and upon every issue. Whatever curtailment of the dignity and authority of the State Ministries has followed from federation is, of course, felt more keenly in the New South Wales Cabinet than anywhere else, since prior to 1901 our Ministers enjoyed the distinction of speaking for the State which held the hegemony of Australia. It is felt more keenly by Mr. Carruthers than by any other public man locally of the first rank. Judging by the delay in the issue of his invitation to Mr. Deakin, he may have taken this step under pressure from his fellow Premiers and not of his own motion. Having so far recognised, in a left-handed fashion, the existence of a Federal Government, he is expected to endeavour to minimise its intervention and to rally his fellow Premiers against any and every extension of its powers. Remembering how cavalierly he behaved to his old chief, Mr. Reid, at Hobart, it is clear that a Victorian Protectionist like Mr. Deakin need look for no more consideration at his hands.

FEDERATION ON ITS TRIAL.

The number of problems requiring to be solved by the Commonwealth and the States before a distinct demarcation of their boundaries is attained are far from diminishing. Every one of them which existed when the Hobart Conference assembled persists today. They are numerous and grave; they are increasing in weight and urgency. Something has been done by way of definition of opposing views, and the public

mind has been partially enlightened upon a few of the crucial issues, but this is all that can be claimed for us after five years' experience under the Federal Constitution. Even now the electors as a whole have by no means grasped the difference between the powers that they can employ through their Commonwealth representatives and those for which they must turn to their State representatives. Contests between their two sets of members are viewed in almost every instance entirely as they affect any particular question before them. When their State Legislature supports the elector's opinion he desires that body to deal with it. On the other hand, when the majority in the central Legislature is of his way of thinking and the State adverse he becomes a staunch Federalist in that matter. Needless to say that the true interpretation of the Imperial Act assigning diverse functions to each of our representative Assemblies is far from being furthered by alternating currents of opinion biased in this manner. The Labour Party, while growing in power in the States, opposed Federation absolutely, and when it was carried in spite of them became advocates of a strict limitation of its sphere. Since their decline in the States and success at the Federal polls they have exactly reversed their attitude. Many of our Free Traders, originally warm advocates of Federal unity, are now fervent in defence of State rights because of their disappointment with the Tariff. Ultra-Protectionists who followed Sir **Edmund Barton** bewail the fruits of their labours on opposite grounds. Constituencies thus swayed by inconstant and irrelevant impulses are obviously not the best tribunals to which our leaders can present an appeal. Our own State, never Federal except by a comparatively small majority, is now against the Commonwealth and in favour of its local Ministry and Legislature. A clear discernment of this fact and determination to use it makes our Premier's power and provides the opportunity for its exertion. By his exclusion of the Government from the Conference, by his endeavour to array the States against any expansion of its authority, and by his effort to force local issues, such as the choice of the capital site, to the front, even to the displacement of purely national questions, Mr. Carruthers has with ingenious strategy brought his party and the majority of our citizens behind him. He has now got them in step with his aggressive march against the Federal Ministers and members, whom he intends to treat as political invaders. Consistent in his course from first to last, he is about to make another grasp in Sydney at the sceptre of the States such as he made and missed in Hobart thirteen months ago.

FEDERATED AUSTRALIA.

FINANCES OF THE COMMONWEALTH.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 15 1906; May 1 1906.

The peculiar temporary relation between the finances of the Commonwealth and the States has often been explained in these columns. As I wrote in February, 1905, when summing up the Hobart Conference: "Readers of the *Morning Post* will not need to be reminded that ever since Federation took place this paper has pointed to the financial relations between the Commonwealth and the States as containing the *casus belli* out of which would come in due time a determination of the supremacy of the central Government. Mr. Morgan and Mr. Kidston four years later have arrived at the same conclusion". At present the Federal Treasury can use only one-fourth of its net revenue from Customs and Excise, while the States until 1911 will annually pocket the other three-fourths. Whether the Commonwealth Parliament will be satisfied with this apportionment after that date is now no longer in doubt. It will not. What the new distribution will be is all-important to them and to us. At Hobart the States first preferred a unanimous demand for the continuance of the present proportions in perpetuity, but Sir George Turner's weighty warnings of the fruitlessness of tabling such a proposal led to more moderate counsels prevailing. After much haggling all except Queensland agreed as a compromise to an extension of the Braddon Clause retaining three-fourths of the Customs receipts for them until 1931 coupled with a taking over of the debts of the States on condition of their restricting their future borrowings to the local market. New South Wales also dissented, but this was supposed to be due to Mr. Carruthers's opposition sentiments rather than to his reasoned judgment, and our adhesion was reckoned upon in the last resort. After the Conference the question was allowed to lapse, the Reid Ministry being pledged to nothing decisive and failing to include the subject in its list of measures for last session. The present head of the Federal Government, as the prime mover in the introduction of the debts discussion into practical politics more than two years ago, is not likely to be as generous as Sir George Turner became under pressure at Hobart. Mr. Kidston, now Premier as well as Treasurer, who was then emphatically hostile to anything less than a permanent Federal endowment for the States, is not known to have altered his attitude. The delicate task of putting an effective brake upon extravagant State borrowing has also to be dealt with. Consequently, except that the

difficulties in the way of a settlement are better understood, there has been no real progress apparent towards a solution of this vital problem. Unless the States obtain a continuance of their three-fourths of the Customs revenue the whole of their finances will be dislocated five years hence. They can only obtain its continuance by coming to terms with the Commonwealth. Not much is to be expected from the Sydney Conference in this regard, though probably it was the absolute necessity of arriving at some agreement upon the point that has forced Mr. Carruthers to extend to the Prime Minister an invitation which at first he appeared to intend to withhold.

ENCOURAGEMENT FOR IMMIGRATION.

The State Ministers agreed in 1905 to abandon all preferential or differential rates upon their railways or wharves in order to anticipate the work of an Inter-State Commission which the Federal Parliament was about to establish in order to abolish them. Substantially this has been done. It is, indeed, the one thing accomplished and out of the way of the Sydney Conference. The departmental properties transferred from the States are being valued, but as Mr. Carruthers challenged the basis of payment proposed for them that matter may be again debated. Strangely enough, he and almost all his colleagues objected strongly to the Commonwealth taking any action to encourage immigration. Three of the States, including our own, are now making a very modest effort in a very economical way to bring out a few suitable settlers, but everything is being done on the smallest scale. The reception of "General" Booth's offer a few months ago showed that even our most Liberal Ministry, that of Western Australia, was not able to provide for five thousand families or any considerable proportion of them at once. Whether the "General" could have promoted such an exodus as that would imply has not been demonstrated, but he is reported to be despatching several thousand persons to Canada this year. Mr. Deakin has already made a public offer to submit a Bill to the Commonwealth Parliament this year if the States will find sufficient land of good quality reasonably situated. The Premiers are by no means grateful to him for this public trial of their capacity to fulfil their platform promises. If he presses it upon them they will be likely to retort with unstimulated irritation. His offer deprives them of the leadership of a movement which they hoped to thrive upon, while it exposes their good faith to a rude test. The Murray waters conflict has decidedly developed of late. The present South Australian Ministry has largely abated its demands, and there is now a reasonable prospect of an agreement being entered into between the three States concerned. The most doubtful assent is, or was, that of Mr. Carruthers, but it is hoped that the Presidential chair and the responsibilities of a host will sweeten his disposition. It will be discreditable if this practical problem is once more shelved. The utilisation of our greatest scheme of water storage and distribution contains more promise of material

progress inland than any other project within our horizon. Its postponement now would be an unpardonable piece of folly, demonstrating the anti-Federal spirit which still embitters relations between the States. The Federal Parliament and Government are not directly concerned in this dispute, which lies between ourselves and our two Southern neighbours.

FORECAST OF CONFERENCE RESULTS.

The coming Conference, so far as it can be forecast a month beforehand, will not be final upon several of the biggest issues which it will meet to consider. In all likelihood the State debts transference will not be arranged, nor the term of the Braddon Clause extension fixed, nor the payment for the transferred properties determined. There will be no pledge from the Premiers which will justify an energetic Commonwealth immigration policy, and it is doubtful if a Murray River treaty will get beyond generalities. The absence of Mr. Rason will in itself be a serious obstacle in regard to the first series of questions, since unanimity among the States is practically indispensable. The value of the meeting will be mainly educational. Politically, if our Premier can persuade his guests, it will probably result in a list of peremptory demands upon the Federal Parliament. There is little love lost between its members and our local Legislatures. Their struggle for power and precedence goes on quietly but insistently in every direction. Hitherto it has been decently veiled as a rule, but the restraint upon our leaders is dwindling as the probationary periods of the Constitution approach their end. Any time after the end of this year the bookkeeping system which gives each State the revenue raised within its own borders will be open to revision. The prospects of gain to Tasmania and of loss to Western Australia by changing this plan, taking them as the two extremes, in this regard will make any readjustment of the present method very ticklish. A termination of the subsidy, equal to three-fourths of the Customs receipts yearly, will be well in sight after the next Federal election at the close of this year. The following Parliament may decide that. Payment for the transferred properties must be made in some way when the valuations now under way are completed. Long foreseen but still imperfectly realised by Australia, the financial battle for supremacy between the Federal and States Parliaments has now to be fought out.

FEDERATED AUSTRALIA.

GROWING SURPLUSES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 19 1906; May 8 1906.

The year, which began with bursting barns and multiplying flocks, has since enjoyed the soaking rains and flowing streams that promise a favourable winter. Fattening herds and moist soil for sowing are now assured. The dry north has been more plenteously endowed than for ten years past, and appears about to return to the kindlier cycle of fruitful seasons to which it was accustomed until recently. These natural gains are no doubt the chief, though they are not the only, causes contributing to make business brisk and the money market easy. Their total result is a larger turnover than ever, the disappearance of all the unemployed, whether in town or country, except those who prefer a state of idleness, and as a barometer of these improvements the rapidly increasing revenues of all the States. The race this year will be for the biggest surplus. New South Wales and Victoria ought to finish on June 30 with a good deal over £1,000,000 in their coffers after paying all their just debts. The Customs receipts are, of course, a principal item in this advance. Our *Morning Herald* rather sourly reminds Mr. Carruthers that he has already received £135,000 more than was anticipated from this source. In some respects an even better test of the prosperity of the country as a whole is derived from the railway and tramway takings. During the first two-thirds of the current financial year they have yielded an increase of £373,000. In these two items we have half a million to begin with in New South Wales. Sanguine critics hope for almost as much more. Severe critics regret that Mr. Carruthers should have consented to spend £1,000,000 out of loan moneys upon various public works while such a golden tide was flowing into the Treasury. Three-quarters of a million surplus will look well in our accounts, and if Mr. Bent is to be believed Victoria in hers will pass the million. Surpluses of two millions sterling for the mainland States will be an encouraging symptom, especially when they are due to retrenchment. As the *Herald* grudgingly concedes, "A certain quantum of negative praise is due to the [State] Treasurer and his colleagues . . . While we can by no possible stretch of generosity give the Government any credit" for the increases "we must admit that they have not allowed their expenses to increase in corresponding ratio". The average citizen, however, is quite content since prosperity is here and appears, in American phrase, to have "come to stay".

THE FISCAL TRUCE.

Federal politicians, though at first sluggish after their Christmas holidays, are now busily employed in burnishing their weapons. Preliminary skirmishing has already begun. Despite the taunts of his newspapers Mr. Reid persists in repeating his familiar generalisations about the dangers of the Labour platform and the necessity for maintaining a fiscal truce. The misfortune is that its terms are still in dispute. A most unprecedented exchange of courtesies has taken place upon this question. Our *Daily Telegraph* as a paper is first devoted to ultra-Free Trade, next to anti-Federal, and last to anti-Victorian aims. Its Southern antithesis is the *Melbourne Age*. This ultra-Protectionist journal is childishly hostile to our State and its capital, and always doubtfully Federal except for local reasons. Both are extremely able and energetic propagandists of their particular doctrines and both are opposed to the Labour Party, though in recent years the *Age* has been obliged to temper its antagonism in order to secure its fiscal support, just as the *Daily Telegraph* did when it needed the votes of our Labour members to repeal the Dibbs Tariff and afterwards to fight against Federation. These two antagonists are now seeking a common basis of co-operation in the hope of uniting their forces against Mr. Watson at the coming General Election. On the surface there is a real approach. Each is content to advocate what it calls a "fiscal truce", though this, according to their differing definitions, is susceptible of quite opposite interpretations. To the *Age* it means a concession this session of the score of increases of Protectionist duties for which it has been clamouring, and then an election on non-Fiscal principles. To the *Daily Telegraph* it means no increases at all that are really Protectionist this year and a pledge that none shall be asked or granted during the life of the next Parliament. The *Age* truce would begin after it had obtained its coveted imposts. That of our paper would begin now and extend for three years after this. Both, of course, would agree to correct any anomalies of the existing tariff where no principle is involved, but beyond this they remain further apart in creed than Sydney and Melbourne are geographically. Mr. Watson at all events seems to hold this view. In the course of what is probably a farewell address to his old constituency—which under the new distribution of seats disappears by being divided among neighbouring constituencies—he announced a simplified Labour programme. The Commonwealth is to assume the State debts conditionally upon the local Legislatures abandoning their powers of borrowing. Their present three-fourths of the Customs revenue would be applied to the payment of interest upon their debts by the Federal Government. There is nothing new in this perfectly sound proposition if the subsidiary conditions of such a transfer can be agreed upon. His second proposal is a Federal progressive land tax intended to hasten the closer settlement now proceeding mainly by means of State repurchases of large estates and their resale to small holders. He is inclined to apply the revenue derived to the establishment of

old age pensions. Though this is an ingenious means of tying two of his party's best electioneering planks together, it has no other special recommendation. Unless the *Daily Telegraph* and the *Age* settle their fiscal differences they will need to prepare to meet a programme of this character as best they can with their divided and mutually hostile forces.

MR. REID AND HIS PARTY.

There is no division in the party that Mr. Reid leads, but there is a change in their relation to him. In the first Federal Parliament his deputy was Sir **William McMillan**, more reliable and more conservative than his chief, and therefore inspiring greater confidence among the commercial classes. When, after Sir William's retirement, Mr. Reid formed his coalition with the Protectionists the Free Trade members from this State looked naturally to Mr. **Dugald Thomson** as his successor. He became first lieutenant for a time, but when the Government fell he was relegated without explanation to a subordinate position under Mr. **Joseph Cook**. Sir William McMillan and Mr. Thomson were merchants to whom the city of Sydney looked to conserve its large shipping and importing interests. Mr. Joseph Cook is a self-educated miner who graduated as a local preacher, and sits for Lithgow, a country constituency. He was a leader of the first Labour Party before its organisation was made rigid, and had early leanings to Protection. He remains a Radical and a trades unionist, but has become a Free Trade zealot too. Being in close alliance with the ultra-Protestant societies he is now in effect a working-class replica of Mr. Reid, with less eloquence but more consistency. A far better fighting leader than his predecessors, he acted as general of the Opposition last session under Mr. Reid's instructions to the entire satisfaction of their followers. Were it not for a certain resemblance in his weaknesses to those of his State colleague, Mr. Carruthers, owing to defects of temper and want of humour, he would outstrip his chief in popularity with our stalwarts. His speech at Ashfield was certainly a far more cogent and original review of the situation than Mr. Reid has favoured his hearers with for some time past. He began by **admitting** that they "could not run a campaign in negatives. Mere negation would keep the party in opposition for ever, while Socialism ran riot. They could not pretend to do without very definite proposals ... They must confront the destructive policy of Socialism with a constructive policy of Liberalism". While loyally upholding Mr. Reid he is thus really pushing the hesitating and wandering steps of his into a path to which he means to keep him if he can. He is becoming joint leader. Instead of being content with the trite and abstract exposure of Socialistic fallacies, he brought his lessons home by apt allusions to current experiences. Our State railways are doing splendid work for the country, but in the last seven years they have cost us one way and another £1,000,000

more than they earned. The Post Office and its dependent services since Federation has cost the general taxpayers a much larger sum. Taking these services and adding our other Governmental expenses we are disbursing some millions a year more than in 1900. True, we have a rather larger population, a much larger revenue, and considerably greater facilities for developing the interior as a consequence. But we cannot indefinitely enhance our outlay even for these most beneficial results. As the present Prime Minister has always insisted, the question in respect to every Socialistic project is, "Will it pay?"

BUREAUCRATIC INCOMPETENCE.

Mr. Cook was very pertinent in his references to the recent disclosures of administrative discords and tangles in our own State departments. At the Railways the public has learned with something like stupefaction that for years a civil war has been raging between the chairman and his two colleagues, to the great injury of their administration. In the Lands Office we have found departmental wheels so clogged that they would only move when lavish fees were paid to agents for unspecified assistance in getting the machinery to do its regular work. Mr. Cook may have exaggerated the injuries sustained, but his illustrations of the dangers attendant upon bureaucratic government went home. They were timely and telling, because the confessed objects of the Labour Party imply an extension of State activities costly in their exercise and liable to these wasteful perversions of function in spite of the oversight of the Legislature and the Government of the day. Mr. Reid has taken the very curious step of agreeing to meet Mr. **Holman**, M.L.A., the Deputy-Leader of the Labour Party in our Assembly, in a public debate upon "Socialism". Putting aside any consideration of loss of dignity in conducting a serious argument upon such a complex issue in the face of a public meeting packed with hostile partisans it is doubtful if any success of the ex-Prime Minister, achieved by his marvellous ability as a platform speaker, will be compensated by a corresponding education of the audience. No one is likely to be converted, both sides will claim a victory, and though the two champions may rejoice in their championship, Mr. Reid will need to take a leaf out of Mr. Cook's book if he wishes to affect public opinion. The "man in the street" is well satisfied with things as they are, particularly during seasons like the present. The State Socialistic agencies which carry him to business by rail or tram and transmit his messages by letter, telegram, or telephone will not trouble him if the bill he has to pay looks fair. What is required is that the defects inseparable from these institutions when not managed and guarded with unsleeping vigilance should be impressed upon the voter. Mr. Cook's method does this where Mr. Reid's does not. He is so busy burying or trying to bury the Fiscal issue that he relies upon his old

truisms, which have seen service so long that they are now worn quite smooth and make no mark upon the public mind. In South Australia “the Lib–Lab Ministry”, as Mr. Peake, the Treasurer, describes it, puts forward a programme for next session which is not strictly or immediately Socialistic. It proposes to widen the franchise for the Council, add to the progressive land tax, and provide more liberally for closer settlement. Mr. Reid’s line of address has not enough relevancy to such issues. It would be equally futile in Queensland and will have no direct application to the Commonwealth, judging by Mr. Watson’s latest deliverance. What are needed are arguments drawn from our own Australian experience of similar experiments if he wishes to rally Australian voters for next November against the extension of the functions of the State.

THE NEW HEBRIDES COMMISSION.

We are suffering from another scare about the New Hebrides. This may be partly due to want of knowledge or, rather, want of official and precise knowledge. What we have learned has been from newspaper cables, the most suggestive of which come from French sources. Their tendency has been distinctly disquieting because it has not been counteracted by any information supplied by the Prime Minister. His reticence may be commendable since it must be supposed that he knows directly or indirectly what has been done, though he says plainly and without qualification that he has not been officially informed beforehand either of the personnel of the Commission, of the date of its meeting, or the subject of its discussions. He adds that he is also uninformed of any decisions that have been arrived at. Unless this is to be taken literally as a disclaimer only of strictly official knowledge the position is astounding. Considering the profound interest that Australia has always evinced in the control of these islands and the repeated representations made by the States, and since Federation by the Commonwealth, upon their disposition, this would be an amazing evidence of Colonial Office ineptitude. It is surprising even if, as we are entitled to assume, Mr. Deakin knows unofficially a great deal that he will not confess. The fact that the agreement arrived at by the Commissioners is to be laid before our Government before being ratified is, of course, a great security. Nevertheless, there is a good deal of quite justifiable uneasiness. The British Commissioner and his assistants appear to have known nothing personally of the New Hebrides. However carefully they have studied the reports in the Foreign and Colonial Offices their knowledge is at best second-hand. The French Commission, on the contrary, contained two members intimately acquainted with the group and all its problems from their own knowledge gained on the spot. That is certain. But the cables have gone further, and from the foregoing considerations their forecasts do not appear improbable. It is alleged that a recognition of local municipal control

for special areas has been approved. If this be the case it is probable that its outcome, unless attended by other guarantees, would be the loss of the harbours around which the French settlers have been gradually planted with that end in view. Many other apprehensions are entertained which might have been removed had some knowledge been officially communicated to the Commonwealth Government, if only to enable it to give assurances that our wishes and interests had not been altogether ignored. Be it admitted that we ourselves are by no means free from reproach. We do handsomely subsidise a line of steamers from this port and thus keep in touch with all trade developments there. But we do not aid our settlers in the Australian market as French Colonists are favoured in Noumea. Copra we admit free, but we tax maize and coffee, and their import is therefore stopped except at times of shortage not to be counted upon beforehand. We have done a great work towards the Christianisation of the islands, but we have not cultivated their productive powers, chiefly because we have so much idle territory of our own upon which we are anxious to plant white farmers. After all the Commission has done less than it has left undone. So far as is known, except as between Frenchmen and Englishmen, the reign of lawlessness in the islands is to be perpetuated indefinitely. In any case, therefore, the handling of the Commission seems to have been careless and most of its fruits to be decidedly unwelcome.

FEDERATED AUSTRALIA.

MINISTERIAL CAMPAIGN.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 26 1906; May 16 1906.

Our journalists are relieved of many apprehensions. The **Prime Minister** spoke at Ballarat on Saturday evening and relieved as well as disappointed them of the strain imposed on their powers of speculation. His career in the Parliament had prepared them for anything. Unstable from the first, it has fallen to Mr. Deakin's lot to have the deciding voice in each of its crises. The first was created by his voluntary resignation, the next by his attack upon the extreme methods of the Labour Leagues and the overthrow of Mr. **Watson**. Then came his alliance with Mr. **Reid**, his refusal to take office with him, a breach with a section of the Protectionists, and finally his reunion with them for the defeat of the Free Trade Leader. During the session he treated the Opposition to quite a series of surprises, reaching their climax in their defeat upon the new Closure motion. Since then, except for reprisals between Mr. Reid and himself, he has been silent, and therefore suspected of meditating some other coup. Last week he gave them a mild shock by **publishing a letter** to Mr. **Rason** relating to immigration. This step was taken because the Premier of Western Australia will not attend the forthcoming Conference of Premiers, at which Mr. Deakin intends to submit his proposals, and on that account will not be able to lend them support in person. The net effect of its appearance at this juncture was naively disclosed by a complaint from the **Minister of Lands** of Victoria, because it openly threw the blame upon the States for merely attempting to settle their unused areas at a snail's pace. A growl from Mr. **Carruthers** said the same thing. This is the political effect of the letter was evidently intended. By constant reiteration the Prime Minister's aim is to bring it home to the electors that they must employ their State Legislatures to free the soil from its overgrowth of Acts, regulations, tenures, and other legal devices. These were originally adopted to safeguard the public domain from the monopolist, but are now acting as barriers to the multiplication of farmers' holdings. Other State Ministers had the wisdom to hold their tongues, but the resentment of their Premiers at Mr. Deakin's perpetual pin-prickings is likely to express itself when they meet him face to face. In the meantime this little incident whetted the expectations of our newspaper prophets. They were kept upon the *qui vive* until Saturday night.

THE PRIME MINISTER'S SPEECH.

The first surprises were that owing to the choice of the evening the meeting was small and cold, and that the Prime Minister's *speech* was almost wholly an official record. The Press was partly prepared for this by his preliminary warnings to the papers a day or two before. Owing to the abundance of material at hand, he informed them that he proposed to confine himself at Ballarat to a review of the work done by his Administration and the work proposed for next session combined with a comparison with that done and intended to be done by the Opposition. There were three parties, including his own, to be taken into account, but he remitted any criticism of the Labour policy to a future address in Adelaide. As the reports show, there was an object in this severance. Though the speech dealt with a great variety of details it was pervaded from the first sentence to the last by a determination to give Mr. Reid no mercy. Chapter and verse were quoted to prove the heinousness of his conduct in seeking to rush a dissolution last year with the object of stifling Protection till 1910. This accusation was familiar matter to the political world, though a little novelty was imparted to it by a number of quotations from our *Daily Telegraph*. They were designed to show that the real foundation of the Reid alliance was a burial of the fiscal issue once and for all. This was never contemplated by the Protectionists, though confessed by Mr. Reid's paper without disguise. According to Mr. Deakin his rival perfidiously broke their written agreement in 1904, the terms of which he read to his audience, being only detected in time in a deliberate betrayal of his Protectionist supporters. After such an opening, or rather reopening, of old grievances he undertook a caustic analysis of all the leader of the Opposition had accomplished or attempted during his reign over the Commonwealth. This, too, was a stale censure hardly worthy of the careful and ingenious marshalling of facts by which it was supported. The duel between these political gladiators grows wearisome here, and must be an even less attractive spectacle to onlookers oversea. But the motive of Mr. Deakin's assault is plain. He is bent upon discounting in advance any indictment that Mr. Reid is preparing, forcing him, if he can, to stand on the defensive and carrying the war as much as possible into the enemy's camp. Still the speech was a disappointment, and whatever the Prime Minister may have to say of Mr. Watson this week cannot be as personal as the counts he has brought against Mr. Reid. They may be, as he says, a rejoinder to what he calls the campaign of calumny to which he has been subjected from the Opposition champion. This was probably dictated by tactical reasons as is the retort. Between Mr. Deakin and Mr. Reid there will be neither giving nor taking of quarter. No one would have wondered if this had been the outcome if Mr. Reid had commenced the contest, but it is rather foreign to his opponent's habit. The severity of his challenge comes, therefore, as a distinct departure. Beyond that the greatest surprise is that there were no more surprises.

FORLORN HOPE OF THE MINISTRY.

The leader writers and critics were obviously taken aback by the plain manner in which the Prime Minister put the situation before them, because he made no secret of the dependence of his Cabinet upon Labour members, but for all that treated his obligations to them very lightly. Whether he will be able to keep up his air of indifference when he gets to Adelaide is another question. A careful perusal of his speech shows that the whole of his aim is to drive Mr. Reid into a corner. He is trying to compel him to choose between his Free Trade phalanx and the handful of Protectionist allies who are attracted by his anti-Socialism. Mr. Reid, however, is a rival of *De Wet* in his powers of evasion. The first sally appears to be projected in connection with a second turning movement having for its object the compelling of Mr. Watson to choose between a further isolation of his party or an acceptance of Tariff Reform, that would be at least more explicit, even if given by his following individually instead of collectively. It is doubtful if either piece of strategy will be successful, though each is bold. The Government has not sufficient reserves at its back to give effect to such tactics. The inference, therefore, is that it means to die fighting while making an attack instead of waiting for its adversaries till the next election. The session still to intervene will therefore be exciting, probably beyond those that have preceded it, though they have been full of shocks and casualties. Three Ministries have already foundered on the voyage, and if the omens are to be trusted the fourth can scarcely reach port. Mr. Watson has little to fear and not much to hope. While the other two parties are bent upon belabouring each other he may well rely upon his marshalled followers to protect their flag and carry it further. Mr. Reid is evidently about to storm a citadel that will be more desperately defended than he supposed. The manner in which he has been singled out in advance for reproof, ridicule, and challenge is apparently intended to show how vulnerable his position is and how little his assaults are dreaded. The placable Prime Minister, whose persistent amiability was the complaint of his friends, seems to have become imbued with a martial spirit ever since he carried the closure in what our papers, until it was lost by their party, called "the greatest political battle ever fought in Australia".

AUSTRALIAN DEFENCE SCHEME.

Battles of another kind are also coming into view. The defence scheme now being elaborated by the Imperial Committee of Defence is much needed. Everything we learn of our military or naval preparations, though the reports discover progress in many particulars, conveys the impression of a want of unity of plan and of co-operative power in our defenders. The land forces under their new system of control have been inspected in detail by *General Finn*, but the complaint now is

that he seems to have inspected details only. He has discovered a number of small deficiencies and errors, mostly inconsiderable, a few of which were remedied before his report appeared. The tenour of his remarks suggest that he is dissatisfied with his own position and duties and with the new system of control by Boards. On the other hand the Military Board is not unnaturally well satisfied with itself, pointing with pride to the decentralisation of administration that has followed since some of the functions of the General Officer Commanding have been distributed among the Commandants. For one reason or another our Sydney newspapers have become very exigent in their demands for better defences. They do not like the new system any better than the Inspector-General, and clamour for a large extra expenditure to prepare for war. Parliament, on the other hand, is of quite an opposite way of thinking, and is unlikely to approve of a greater outlay than the £1,000,000 a year we now spend until satisfied of the general scheme into which the several forces we possess are to be fitted. In naval matters we have recently had a very necessary experience given to our Sydney Naval Militia upon a gunboat—the second only for many years. But useful as it was it served rather to advertise the defects of their equipment. This is not surprising seeing that our small naval force has long been confined to drill-room training. Its very life has been precarious, Sir Edward Hutton having, first in the State and ten years later in the Federation, all but compassed its annihilation by transformation. Neither branch of our forces can hope to become vigorous until with the new scheme of the Imperial Defence Committee before us Parliament will have a definite goal in sight. It has taken us some years to supersede in part the old State methods. Until lately we erred by centralisation. Now at last a more balanced plan suitable to our great distances and extensive coast-line is being brought into play.

FEDERATED AUSTRALIA.

THE VETO IN THE TRANSVAAL.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 2 1906; May 29 1906.

The Prime Minister's second speech at Adelaide taken together with its forerunner at Ballarat has diminished the disappointment of his friends but increased that of his opponents. What his purpose may be is only known to himself, for none of his colleagues have broken silence, and his followers from their comments seem equally abroad. The effect of his two utterances is not clear either to the Press, and yet to a spectator it seems clear enough. At Ballarat he was occupied in trouncing Mr. Reid and proving that it was impossible for Protectionists to either trust or act with him. At Adelaide he was paying compliments to Mr. Watson while regretfully admitting that it was impossible for the Labour Party to continue to act with him. He was as sweet to the latter as he was bitter to the former, but in spite of this contrast both speeches led to the same conclusion. The Ministerial, or, as he terms it, the Liberal, Party stands alone directly the next session closes. It goes alone to the polls, where the triangular duel of 1903 will be resumed. Protectionists, Revenue Tariffists, and Labour candidates will battle promiscuously with one another. Ministers will not join hands with Mr. Reid and cannot unite forces with Mr. Watson because his supporters will not be then under his command. In that part of their campaign they will obey their local and State organisations. How order is to come out of such a chaos no prophet can foretell. Each set of partisans satisfies its bellicose sentiments by magnifying its own prospects and depreciating those of its neighbours. To read our Sydney papers only one would suppose that the battle was already over were it not for the remarkable confusion they display in their explanations of the fray. Mr. Reid, speaking in the same vein, professes not to be able to comprehend the enigmas suggested by the Prime Minister's picture of the position. Yet it can be summed up in a sentence. The Commonwealth Parliament has always possessed three parties, and in spite of the temporary union between two of them three parties still do and will remain.

THE FEDERAL POLICY.

What is the remedy for this political stalemate? According to Mr. Deakin it is not to be found either in the Socialism of the Labour extremists nor the Anti-Socialism of Mr. Reid. The one goes too far because it attempts to deal with the present in the light of an imaginary future; the other does not go far enough because its real but unavowed aim is to do nothing for the present, or, at least, as little as possible. Of course this contention is a prelude to a recommendation of his Ministerial wares—what he calls his “programme for today” with Australia as its “objective” in place of the visions of the Socialist and the doctrinairism of Free Traders. He wants Protection, immigration, land settlement, the encouragement of all native industries, preferential trade with South Africa, Canada, and the Mother Country, and an adequate national defence. But for his fiscal heresies this portion of his proposals ought to satisfy our Sydney business men. His bids for Labour support are fitted into these schemes in a supplementary way. He tenders them industrial legislation against the aggressions of Trusts or callousness of Gradgrind employers, old age pensions, and unlocked lands, all of which are included in his repertory. Both at Ballarat and Adelaide he besought his hearers to “look at the map” to realise the vast extent and great resources of Australia and to adopt a practical policy for its development. Mr. Deakin, indeed, might perorate as he pleased to a packed audience in South Australia amid the cheers of many Labour listeners. But he freely confesses his knowledge that nothing either in his policy or his past career can save his Protectionists from the onset of Labour candidates, even though in most instances they are fiscally of the same way of thinking. If his object was to tear aside all veils so as to expose the inherent instability of Federal politics under such conditions he succeeded. Perhaps that was his only real success.

THE IMPERIAL VETO IN THE TRANSVAAL.

British politics, even when they are Imperial in character, do not receive as much attention as they deserve on this side of the world. Most of our public men sympathise with one party at Westminster and oppose the other, though in the majority of instances their adhesion is qualified. But they are all at one in resisting interference with self-governing Colonies anywhere unless the Imperial nature of the case is perfectly clear. Hence our politicians and a host of newspaper readers pricked up their ears when Mr. **Winston Churchill** delivered his dictatorial dictum as to a possible exercise of the veto upon Transvaal legislation. We have not been accustomed to this tone nor in such matters to the surveillance threatened. It seemed the assertion of an inherent superiority and an almost feudal authority for which

precedents are lacking. Lord Elgin's reputation for shrewdness and cautious restraint counterbalanced the unfavourable impression made by his junior, but did not remove it. When, therefore, he made his own **startling plunge** into the troubled waters in Natal the impression of disquietude at once deepened and threatened to become serious. South Africa suffering at the same time from one form of the "yellow agony", from a black rising, and from unexpected interferences in its local affairs has strong claims to the title of the "most distressful country" in the Empire. If its British people, their representatives, and their responsible Government are not hopeless degenerates they surely can be trusted to deal with natives in insurrection who murder the officers of the law. If not, their self-government is a mockery. Whether a Court-martial was the proper tribunal or not is a question for lawyers. Our kindred upon the spot, whose lives were at stake and who must bear all the consequences of carrying out the decisions of the court, are better able to judge them than the most expert politicians in Downing Street. Satire could not have been favoured with a more tempting spectacle than that furnished by the Imperial Cabinet, its zeal for local self-government and political liberty leading it to insist upon Home Rule for the island at its elbow while seeking to take it away from our fellow countrymen thousands of miles away who have been managing their own affairs for years wisely and loyally. No stronger Colonial Secretary than Mr. **Chamberlain** has ever held office, but the firmness and frankness of his administration were perfectly free from the hectoring speech and arbitrary attitude lately assumed. With a good understanding and mutual respect the Ministry at home and the Colonies have hitherto worked harmoniously together in their separate spheres; without these friction and antagonism will soon accrue.

THE COMMONWEALTH CADET SCHEME.

The Commonwealth cadet scheme is now complete, all the States having consented to come in to a uniform system. Up till now our own State has had 3,000 of its cadets, that is, almost the whole number of them, under our Education Department. Western Australia had over 1,000 under the same control. South Australia had none, and Tasmania next to none. Now all these will fall in with the cadets from the other States, who have been already taken over by the Commonwealth and will become a distinct part of its military equipment. They will be divided into companies and battalions, wear the same uniform, and have their administration as much as possible entrusted to their own officers. They will be supplied, of course, with adult officers and non-commissioned officers for instructional purposes, who will also prepare them for the examinations precedent to promotion. They will be provided, according to age, with Francolie, Westley Richards, or Martini- Enfield rifles, and will be trained

in shooting at vanishing as well as fixed targets. Musketry badges will be awarded to “marksmen” and certificates for effective service given as rewards of merit in addition to promotion. The minimum strength of a detachment will be 20 boys, who will receive an allowance of £3 to £5 per annum in proportion to their number of effectives. Provision is now made for 20,000 cadets, of whom 7,500 will be easily raised in New South Wales. Those of them who are earnest in the work may continue their training in the senior cadets, enrolling up to 19 years of age and numbering 3,000 more. After this it is intended to draft them into the Militia Forces, for which by that time they will be disciplined in every respect to the extent of their capacity. The Service is very popular with the boys, who have won high commendation from all our military visitors by their smartness and drill. In addition, a strong body of naval cadets is to be formed in our seaports upon the lines successfully followed in Queensland. By degrees, therefore, our defence forces are becoming federally based and organised. So far as the cadets are concerned it is believed that they afford a more promising set of recruits than can be found elsewhere in the Empire. That at all events is what their eulogists claim, and whether such a high encomium is deserved or not it faithfully reflects the hopes of the sanguine Australians, who are throwing themselves heart and soul into this movement.

FEDERATED AUSTRALIA.

THE PREMIERS' CONFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 9 1906; Jun. 1 1906.

The Premiers' Conference is now in full swing in this city, and in most respects follows the customs established by previous gatherings confined to the States. Mr. Carruthers presides, and the proceedings are in private. But in other respects it differs first in being incomplete and next because its business has been carefully concealed up to the last moment. That Western Australia should be unrepresented is serious; that the public should have been left in ignorance of the questions to be treated until the day of opening is not material; but both causes of friction are due to the curious conduct of our Premier. When the Prime Minister arrived on Friday it was as a guest and not as a member of the Conference. He knew no more of the proposals to be discussed with him than he could gather from the list just published in the newspapers. Confidence has not been encouraged by these preliminaries, which at all events make for delay. Of course it was obvious that the Conference would review the decisions such as they were which were registered at Hobart at meetings in which the then Prime Minister, Mr. Reid, and his colleagues took an active part. The differences are that the Commonwealth, though officially represented this year at the Conference by Mr. Deakin and his colleague Mr. Groom are in no way members of the Conference, and that three new Premiers have to be reckoned with. Queensland now speaks through Mr. Kidston, who was Treasurer when at Hobart, and South Australia by the voice of Mr. Price, a second Labour Premier. Mr. Dalglish has disappeared, so that his successor, Mr. Rason, not being in Sydney, the party complexion of the Conference remains unaltered. Mr. Evans, who attends for Tasmania, has lost his Attorney-General and a good deal of prestige at his recent elections. The other members are the same. A general forecast of the character and probable business of the Conference was given in my letter of March 13, and so far nothing has transpired to change the outlook. Mr. Carruthers's anti-federal bias must tend to make a settlement of the vexed issues to be reconsidered as hopeless as was then feared. The Hobart Conference, though very useful in its exposition of difficulties and differences previously known, settled nothing; apparently that now sitting in Sydney will do little or nothing more in a final way. What approaches are being made are not yet known.

SECRECY OF THE PROCEEDINGS.

When the Premiers left Hobart last year they were divided among themselves and from the Federal Government upon every point. There was not a matter of moment upon which there was unanimity. Sir **George Turner** having strained his concessions to the utmost was left no nearer a settlement of the terms upon which the State debts would be transferred or the subsidy paid to the States of three-fourths of the federal Customs receipts renewed. Most of the Treasurers were either openly in agreement with him or very near it, but while on the surface this looked promising they all separated with a sense of disappointment. They felt that there was no reality in the approximation. The trusted Treasurer of the Commonwealth, whose taste is always that of the practical business man for working compromises, felt that he had gone too far to meet the Premiers. Always susceptible to the possibilities of political compromise, he had allowed his Cabinet to influence him greatly. There was also his own avowed belief that this would be his last chance of fulfilling his honourable ambition of placing the financial relations between the Commonwealth and the States upon a firm foundation. He had, therefore, many motives to yield; those present knew this, and took advantage of it. He yielded more than his Parliament would ever have authorised, and was not long in discovering it. No one then foresaw the sudden crisis by which he lost office or that renewal of the illness from which he has long been suffering that will prevent him from submitting himself to his constituents again. Mr. Reid, if not chagrined at the failure to arrive at an understanding with the Premiers, was more annoyed because it deprived him of the tactical advantage he hoped to gain by posing as the friend and ally of the States. Mr. Carruthers having played the chief part in thwarting his schemes, came in for the brunt of his displeasure, and it was with difficulty that even an appearance of cordiality was maintained between them. Since then the events that have occurred have brought them together again. The Liberal and Reform League, of which our Premier is president, though confining its activity to State politics, has openly declared itself in support of Mr. Reid at the coming Federal elections. Mr. Deakin, therefore, represents a Government to which all our parties, including the Labour Caucus, are in opposition, a state of which we are jealous, and a new line of policy in Federal finance less favourable to us and to the States as a whole. It is no wonder that he has not been invited to become a member of the Conference. The conflict of interests between the Premiers and himself seems to have been accentuated by many circumstances of the situation. He has had three interviews with the Conference in camera. The first was devoted to a rediscussion of the **Braddon section** of the Constitution guaranteeing the States three-fourths of the Customs receipts until the close of 1911. The second appears to have ranged over the whole field of the relations between them and the Commonwealth, its chief feature being a formal submission

of his immigration proposals. Today he is reported to have met the Premiers after they had arrived at their own conclusions upon the matters he had touched upon, and particularly upon those on which they believe themselves to have grounds of complaint against the Federation. With his usual rapidity of movement he leaves tonight, having transacted his business without a moment's delay. Festivities abound, of course, and will occupy an increasing portion of the time of our visitors. Probably the work of the Conference has concluded on all except minor matters of detail. Sydney always has been and will be the city of open-air enjoyment, of picnics, and of social pleasures generally. In this our primacy is admitted all over Australia. As host and President of the Conference our Premier is seen at his best. During the absence from town of Sir **Harry Rawson** our hospitalities are headed, as usual, by those of his Excellency the Governor-General and Lady **Northcote**—which are invariably tasteful, tactful, and most generous.

SUGGESTIONS FOR JOINT ACTION.

What the Conference has done or will do nobody knows as yet. From its meetings no wars or even rumours of wars have emerged to become known outside the charmed circle of those who attend. There must have been friction, because echoes of certain heated denunciations of federal iniquities have crept into the Press which were uttered before the Prime Minister was present and also afterwards. The claim that Federal public servants shall not be liable to pay State income taxes unless these are imposed by the Federal Parliament is bitterly resented. The persistence of the Commonwealth in taxing all imports of goods purchased abroad by the States in defiance of a judgment of our own Supreme Court to the contrary is another vexatious grievance. Upon these issues the Prime Minister is believed to have been politely immovable. As one of the staunchest upholders of what may be termed the high doctrine of federal supremacy this was to be expected, and has occasioned no surprise. It is also known that he has strongly urged the allocation to the States of a fixed sum annually and for a fixed period out of the Commonwealth Customs in place of the present fixed proportion of a total that fluctuates every year. He has warmly pleaded for co-operation in a vigorous immigration campaign at home and has offered liberal support from the Commonwealth for that purpose. So much is certain. Beyond these clear propositions he is rumoured to have broached new schemes for improving and enlarging the shipping facilities for our export trade, and to have scattered other suggestions for joint action between all our Governments with a liberal hand. Whether any of this seed will fall on good ground cannot be determined until exactly what he promises and what responses they provoked become known. He is going, but the Conference remains to review at leisure the budget of business he so swiftly opened before it.

MR. REID'S PUBLIC DEBATE.

Nowhere outside Australia would an ex-Prime Minister, formerly a State Premier and now Leader of the Opposition in the National Parliament, have entered upon a public debate with a simple member upon "Socialism" with admission at sixpence a head. A charge was necessary, but this was too low to limit the number of those anxious to witness the display, for naturally rhetorical display was expected and obtained. Crowds were turned away from the doors. The substance of discussion was not wanting; the questions put were at the outset fairly faced and partially elucidated. Nothing more was to be anticipated from such a meeting. After all, it may be asked in what respect an oral encounter upon a platform differs from a duel with magazine articles, Socialism is a question of the moment. A literary series of arguments would be more dignified, measured, accurate, and complete, but the oratorical wrestle before an applauding crowd has a sporting interest. It is much the more sensational and stirring for those who are present to witness it. Among other spurs to interest were those of visible contrast. The physical personalities of the combatants cannot be overlooked. Their poses, gestures, and tones told as well as their arguments. In this instance, too, the contrast was piquant, because to a stranger who was an eye-witness first impressions would have been quite misleading. The slim, clean-shaven young barrister with a grave, suave deportment and studied utterance would never be taken for a Labour member. On the other hand, one would hardly have pictured our leading statesman and political commander-in-chief as a stout and prosperous-looking citizen, whose highest flights were delivered almost in falsetto, and whose best strokes set the audience in a roar. Yet the two types were representative, the one of the well-read theorist building Utopias out of his inner consciousness, the other of an experienced trader with practical knowledge of the ways of the world. Of course, as a tactician Mr. Holman was a child in Mr. Reid's hands, and lost most ground with his hearers on that score. The latter did not shine in his exposition of principles, but did when he drew upon his own knowledge of affairs to point his arguments. His erudition might not bear examination, but his illustrations barbed with jest told even when not apposite. The champions, therefore, proved on the whole neither ill-chosen nor ill-matched as their respective qualifications became disclosed during the debate. Mr. Holman's speeches will read better, but those of Mr. Reid, weaker in point of style, not only sounded better but were driven home to his hearers because they were the fruit of a wider and more practical acquaintance with men and with the business of life. Mr. Holman, though pleasant to listen to, was a novice by comparison. If such a contest were worth having, which may be doubted, one could not have expected it to take a higher range, especially having regard to the demands of the audience and the ambiguity of the subject chosen.

THE TWO DISPUTANTS.

Of course nothing new was said by either, while a good deal that was doubtfully true was confidently asseverated. On the opening evening the disputants were at arm's length. Mr. Holman laid down clearly what he intended to be a philosophic basis for his principles. But Mr. Reid would have none of this, and at once commenced his attack upon the present day application of Socialistic doctrines to Australian circumstances. It was in vain that Mr. Holman protested that his thesis was not being dealt with. Mr. Reid never intended to deal with anything so abstract except in the slightest way. He was picking his points of attack with excellent judgment, not in logical order, but wherever they gave him the best openings. Despite the offended appeals of his opponent Mr. Reid brought him down to earth and held him there as well as he could on such an occasion. The honours of the night were his in consequence. On the next evening Mr. Holman endeavoured to adopt the same tactics. He confronted Mr. Reid with his own legislation, and in his turn hung on to some of these illustrations with harassing consecutiveness until he had wrung from our ex-Premier the admission that there were a number of points upon which he agreed with the Socialists. Mr. Reid maintained his superiority in debate until he harked back to Plato and forward to the destruction of society. But his admissions were noted. The impression was that in this bout Mr. Holman had done almost as much damage to his adversary as he had received. Mr. Reid placed on record some carefully-prepared sentences which he intends to use in his coming tour throughout the country. Of this the highest expectations are cherished here. In our State he will have every political organisation worth mentioning except that of the Labour Party in close sympathy with him. He intends to fight their electioneering machine with the aid of machines which, if not as effective, will command more votes. Mr. Holman's announcement of his personal opinions as a "convinced Socialist" will be used as much as possible against his party, in spite of his laborious efforts on the second evening to insist upon the difference between his creed and that formally sanctioned by his party. This is the one fruit of the debate which Mr. Reid sought when entering it, and with which he emerges hopefully. Whether it was worth the pains is another matter. As a contribution to our knowledge of Socialism the value of the duel was nil, as a demonstration of the forensic capacity of two lawyers it was unnecessary, and as a political advertisement for either it was little worth. Mr. Holman may gain relatively because his position as Deputy Leader of our State Labour Party is confirmed both by their choice of him as spokesman and the fact that he has in the estimation of his friends fairly held his own in a debate with an ex-Prime Minister, the Leader of the Anti-Socialist Party and our ablest public speaker. What Mr. Reid has achieved has been an exposure of the nebulous impossible character of the real Socialist Party. This the public has often had before.

“THE LIGHT OF THE WORLD”.

Another remarkable attraction of quite another character has helped to throw a more encouraging light upon the taste of our people. The happy thought of the Hon. Charles Booth in despatching Holman Hunt's "Light of the World" to the Antipodes has produced a most extraordinary demonstration on the part of the masses in all our chief centres. Art critics and connoisseurs, as well satisfied with themselves here as anywhere, have criticised the picture from the heights of what they consider their superior knowledge. Controversies have sprung up offering all sorts of classifications and comparisons of the work to the satisfaction of the writers and of some newspaper readers. The freshness and vividness of colour, truth of detail, and pathos of expression in the picture have been universally admired, but the appeal which it made to the masses was principally to an appreciation of a religious kind. Three hundred thousand visitors have stood before it in Sydney, four-fifths of them inspired by a simple sentiment of devotion. Two hundred thousand flocked to see it in Melbourne, and probably another hundred thousand elsewhere. The totals tell something of the extent of the influence of the sacred allegory in this country. No altarpiece has ever looked upon more sincere worshippers, many of those who visited it uncovering by instinct and obviously much moved. Of course the frivolous were there in throngs and of all classes, but it was particularly noticeable how very large a proportion of the most reverent were people of the working, trading, and wage-earning class. No doubt the numerous pulpit references made to the picture were responsible for this in a considerable measure. Many, no doubt, saw what they were told that they ought to see, but all allowances of this kind being made there remains the unquestionable fact that a deep and probably abiding impression of an ennobling character has been made by its means upon many thousands, young and old, who have been elevated for a time, breathing a pure atmosphere of sincerely religious art.

FEDERATED AUSTRALIA.

THE SYDNEY CONFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 16 1906; Jun. 4 1906

The disparagement of Conferences, whether Federal or State, appears to be a confirmed habit with our local Press, and supplies one more evidence of its provinciality. Both our papers blundered badly when they belittled the Hobart Conference last year. It is true that nothing was done there except to discuss the situation created between the Commonwealth and the States by the financial clauses in the Federal Constitution; but, as was insisted in the *Morning Post* at the time, this was an essential stage prior to our grappling with the most serious question with which Australia has to deal during the next few years. If a vindication of Hobart was needed it has been furnished by the Sydney Conference which closed last week. The Premiers' cry when the financial problem was then pressed upon them was: "Back to Hobart". The **Prime Minister's** rejoinder was: "On to the Federal Parliament". No agreement was come to, but the disagreement this time was definite and explicit. We have at last reached a second stage upon our way towards a recasting of the **Braddon Clauses**. Five years ago it was demonstrated that, owing to the confusion in which the Commonwealth was founded, a settlement of the respective spheres of the central and local Legislatures in respect to their powers of taxation had been postponed, but that it must soon become due. It was frequently explained that the struggle for supremacy in this matter concealed a contest for supremacy in all other matters. From that time until now it has been consistently predicted in these columns that the inevitable and fateful battle between the Federation and the States would be fought out upon this line and no other. The result of the Conference that has just closed is to put this beyond all doubt, to show that the Premiers have tardily discovered their danger, and that the Federal Government, having seen it clearly, is prepared for opening the campaign. Mr. Deakin protests that never was Conference more cordial or were discussions more courteous than those in which he has just engaged; but he cannot deny that his polite phrases conveyed a distinct ultimatum, and that the final resolution passed by the Premiers was an uncompromising ultimatum in direct opposition to his own. When combatants have got this length it is clear that they understand the position. They have saluted each other like duellists, rapier in hand; the signal to set on has been given and taken by both without demur.

FIXED GRANT FROM THE COMMONWEALTH.

The upshot of the Hobart Conference, in which Federal and State Ministers sat side by side at the invitation of Mr. Reid, then Prime Minister, was that a series of propositions and counterpropositions was exchanged without finality having been attained. The main offer of Sir George Turner was an extension of the Braddon Clause till 1931 if all the State debts were transferred to the Commonwealth and future borrowings either by Commonwealth or State carefully conditioned. He persuaded three States to consent to this, but Queensland point blank refused and neither our own State nor Western Australia endorsed his arrangement after taking time to think it over. When Mr. Deakin addressed the Premiers a few days ago he first withdrew Sir George Turner's proposal on the ground that it would not have been approved by the Federal Parliament. It would have left all our Treasurers uncertain from year to year what they could look to receive from the Customs revenue. It condemned a Federal Treasurer who wished to obtain more money from this source, to impose duties bringing in £4 for every £1 he required. The States must always pocket the other £3 between them whether they needed it or not while the Braddon Clause remains as it is. The Prime Minister's alternative was that of Sir John Forrest's last Budget, the payment by the Federal Treasurer to the States of a fixed sum for a fixed period of years or else in perpetuity. Then both the Federal and State Legislatures would know for the future exactly where they were financially. Each would proceed to make up its accounts and shape its own financial policy quite independently of the others. No sum was specifically named last week, but the Prime Minister offered his own suggestion that the fixed sum to be divided among the States should be the average three-fourths of the Customs handed over to them during the past four years. He further indicated that he was prepared to consider any other basis, such as a fixed grant *per capita* to each State. Providing that Commonwealth and State finances were severed, the whole of the debts transferred, and future borrowings restricted, he was almost indifferent to the method of assessment adopted. If the principle of fixity was accepted he was prepared to make an effort to agree upon the exact subsidy. As the principle was not agreed to, though its temptations were admitted, nothing resulted except the shock given to such of the State representatives as had not previously realised how fervent a Federalist the present Prime Minister is and always has been. A fixed sum for a fixed period instead of three-fourths of the Customs whatever that might become and payable for an indefinite period expressed his ultimatum.

THE COMPROMISE REJECTED BY PREMIERS.

The Premiers had not consented as a body to be satisfied with Sir George Turner's most favourable overture at Hobart, and judging by what has since occurred they would probably not have consented to it last week if it had been repeated. They could not obtain a guarantee that their three-fourths of the Customs would be preserved to them for twenty years longer and would not make themselves responsible for even that compromise. On the contrary, they fell back upon the proposal of theirs which Sir George Turner rejected before submitting his last concession at Hobart. The Premiers there claimed first that the Braddon Clause should remain in perpetuity, and so refused all fixity or severance. Next they asked that the Commonwealth should pay interest to them on the value of the departmental properties nominally transferred by them, though this would have absorbed so much of its present revenue as to make direct taxation by the Federation necessary out of hand. Finally, they asserted their right, after the loans they have incurred are taken over, to issue fresh loans at their pleasure in the local market. The Commonwealth was to refrain from competing with them, or, in other words, was to be excluded from local borrowing altogether. Instead of making any advance towards the Federal Government, these demands marked a retreat to a fortified position at a greater distance. No one of the conditions could be approved by the National Parliament, nor was it expected that they would be. The gulf was not bridged but widened, and that deliberately. For such an act there is but one possible interpretation. All idea of a compact or compromise with the Federal Ministry or Parliament has been abandoned. Nothing is hoped or sought from them through their constitutional machinery. The Premiers are looking over the heads of Federal members to their constituents, and that without excuse or disguise.

THE CONSTITUTIONAL POSITION.

As it happens, there is a certain warrant for the course they are meditating. The Premiers touched upon it at Hobart when they reminded Sir George Turner that the original draft Bill of the Convention provided for the continuance of the Braddon Clause indefinitely. Of course, the clause was subject to amendment or repeal like the rest of the measure, but subject to that general possibility it was put to the electors in five States and triumphantly carried in all, though in New South Wales the poll was ineffective because our statutory majority was not obtained. Queensland did not take a referendum on this occasion. The Bill was then altered by the Premiers, who among their amendments added one making the Braddon Clause open to review after 1911. It was then accepted by another referendum in all the States. The Premiers seem to attach no importance to this second vote now because they are inclined to demand another. But Mr. Deakin plainly told them that they would only get this under the

Constitution when an Amendment of the Braddon Clause embodying the views of both Houses of the Federal Parliament is sent, as all amendments must be, to a vote of the people and the States before it is sanctioned. Mr. Carruthers contemplates each State having a referendum of its own, just as he lately intended to initiate one in New South Wales upon the Federal Capital sites. He appears to have either forgotten the Federal Constitution or else to be desirous of overriding it by a new and popular mode of his own as part of a political war to be waged in each of the States against the Commonwealth rallying its citizens by means of the State members to the State ballot-boxes. The idea may be original but is scarcely practical, since no Federal Ministry would need to take any heed of irregular fulminations against its policy and dignity such as at best these mass votes must be.

OBJECTIONS TO A FIXED GRANT.

What all the Premiers saw when Mr. Deakin put his plan before them was that any sum fixed now by the Federal Parliament as their subsidy must be much less than three-fourths of the Customs revenue which will be received ten or twenty years hence. The expansion of production and the influx of more population portended by our current seasons of splendid prosperity and by the progressive policy now everywhere in favour will raise these receipts far above their present level. All the increase, whatever it may be, and a great increase everybody foresees, would go into the Federal Treasury once its obligations have been fixed. The States would get none of it. Nothing in Australia is stationary now and nothing in its finances will be except this subsidy if it were agreed to. The prospect of overflowing coffers in a grown-up Commonwealth makes our Premiers' mouths water. The prospect of having to fill their own purses by direct taxation in order to meet the wants of more people and more extended areas of settlement fills them with gloom, even as an anticipation. The States, however, retain all powers not expressly granted to the Commonwealth and mean to exercise them. They can touch their citizens at every turn in their business, in their industries, in municipal and family affairs—domains from which the Federal authorities are shut out. They are in far more intimate relations with them, better known to them, and more trusted than a Ministry which acts for the present in alliance with the Labour Party. Unification will not be accepted without a long contest. There is nothing to prevent the States from joining forces. Their electors are all Federal electors also, and may be relied upon to lend an attentive eye to any pictures of the perils which all State Departments' efforts must encounter when each State Treasury is deprived of all but a fixed fraction of the Customs revenue collected within its borders. If State politicians can capture a majority of the Federal electors, of course the Commonwealth would lie at their mercy. They can clip its wings, make the Braddon Clause perpetual, and reduce the National Parliament to a Customs-collecting and generally useful administrative agency managed in their interest. If any visions of that description are cherished by any Premiers they do not venture to let them be known.

MR. CARRUTHERS'S PRACTICAL AIMS.

What Mr. Carruthers hopes for as the outcome of a war with the Federal Parliament is probably an excellent means of distracting attention in his own Legislature and in the constituencies of New South Wales from practical issues with which he would find it much more difficult to deal. The Conference was called principally for that purpose. Still, whatever aggrandisement he and his Cabinet obtain from it will be well earned if the agreement entered into for the conservation and distribution of the Murray waters be completed in all its details. It has already been sanctioned as a complete proposition by the three States concerned. This in itself is enough, and more than enough, to justify the Conference. Two or three millions may be spent, but in good years more millions will be earned along its banks. Putting this great undertaking aside and with it the crowd of miscellaneous trifles introduced as padding for the notice paper the meeting was well warranted by the urgency of the problems of our public finance. A constitutional crisis will occur before they are disposed of altogether. But in spite of this prospect Australians are not, and need not be, concerned. They have nothing to lose except some time and opportunities, because they are the sole principals in the transaction. Their assets are not at stake, only the commission to be divided between the two sets of agents who do their business for them. Naturally these are much excited and eager to overreach each other by securing the larger and more profitable share of the brokerage. Their employers being the whole people may be relied upon to take a fair view of their respective claims.

FEDERATED AUSTRALIA.

HUGE IRRIGATION SCHEME.

FROM OUR OWN CORRESPONDENT.
SYDNEY, [Apr. 23 1906]; Jun. 12 1906.

The conclusion of a tentative agreement by the Premiers of *New South Wales*, *Victoria*, and *South Australia* providing for a distribution of the waters of the Murray is properly accepted as an event of capital magnitude. The *Prime Minister*, whose first great political enthusiasm twenty years ago was for water conservation and irrigation, is apparently still as ardent in his conviction of its value to Australia, since he pronounces the understanding arrived at the most important ever accomplished between State Governments. Perhaps it is, but none the less it has yet to be authorised by three Legislatures consisting of six separate chambers. A single amendment insisted upon by any one of them might be fatal to its adoption. If it survives this series of ordeals it will be remarkable for that if for nothing else, and indeed for getting as far as it now is. But it has many other exceptional features. The extent of the area affected and the length of the streams proposed to be operated upon make the works as a whole notable even among the greatest of which our engineers have knowledge in any part of the world. They cannot, of course, sustain comparison with those elsewhere in certain particulars, but according to the authorities nothing achieved in their own class in modern times can be matched with the plan projected for the three States. The physical condition of the country to be supplied must be remembered, and if the facts that the whole enterprise will be executed with white labour, and the present sparse population of the territory are allowed for, it may reasonably claim to be measured by standards of its own. What is proposed is to break in and bridle one of the longest rivers of the world, making it a permanent highway for thousands of miles and enabling it to water hundreds of thousands of acres that now often run short of a sufficient supply of moisture for profitable cultivation. Indeed, reckoning the land that can be either irrigated or protected against drought so far as its stock is concerned, and adding the works, some of them already constructed, upon its tributaries that command local areas, it appears that this total of storages and diversions will enrich or safeguard millions of fruitful acres. Here they will plant and prosper a large and thriving population. Such pictures presented in official reports have long captivated the imaginations and stirred the rhetoric of susceptible newspaper writers. Like the Americans, our public are fascinated by big things. "The biggest thing in Australia" is attractive on that score alone, how much more "the biggest thing of its kind in the world". Many of our journalists are becoming inclined to omit all qualifying words. Their phrases after that can fly no farther.

THE SCENE AND SCALE OF OPERATIONS.

Familiarity with the features of our country makes us omit much that impresses a visitor, while unfamiliarity misleads the reader in the Old World. To appreciate the scale of the scheme and the conditions under which it is to be executed a new landscape such as can be seen nowhere in Britain or west of Russia has to be visualised. One can journey for days over stretches of slightly sloping or gently rolling plains, recalling the prairies and pampas of North and South America more than the steppes. Through these immense stretches sluggish streams flow west and south, millions of sheep pasturing between. The people are few in number, and none but the smallest townships, or villages as they would be termed in the Old Country, are met, and those far apart. The soil is fertile, often very fertile, splendidly adapted for wheat and in most parts for fruit. But even homesteads are rare, and one can ride scores of miles without sight of a human being. Through this region, favoured with an ideal climate for more than half the year, wind a number of watercourses, which in summer sink to chains of water holes, or after rain become deep and sometimes far-spreading streams. Even the Darling, the chief arm of the Murray entering our State from Queensland on the extreme north and emptying into the Murray at the south-west, does not run all the year, though, like the main river, it spreads in flood time miles on each side of its bed. Nothing that can be seen in the valleys of the Thames or the Severn can suggest these great spaces or the breadth of the inundations. They are also most beneficial to all the country they cover, repaying over and over again whatever destruction they occasion. To hoard these floods, diminish their extent, distribute their surplus during times of deficiency, watering the stock and reviving the pasture, is our principal aim in the little we have done in this State, seeking to make the most of the water supply furnished by nature. Victoria in her smaller domain has done, and is doing, much more to that end. South Australia has so far accomplished least, but in her case fosters a separate aim of her own. She desires to procure a steady flow in the ordinary bed of the Murray and chief tributaries sufficient to permit steamers of light draught to draw long lines of flat-bottomed barges upstream laden with stores and down stream laden with bales of wool. Railways, both in New South Wales and Victoria, have been built for this traffic, because water is too precious and the river runs are too short to make it worth handling in any other way. The case is different with South Australia, since by the rivers goods from Adelaide can penetrate the whole of our back country, because of the cheapness of freights, while the wool-clip of our West can be railed to the same city from Morgan or sent right down to the sea to be transhipped at the mouth of the Murray. The agreement of the Premiers is tripartite in object, embracing the policies of each State by means of mutual compromises.

THE REGULATION OF THE STREAM.

The Murray has been compared at different times with the Nile, the Indus, and many other rivers very different in character. At present its variability is baffling, and hence the necessity of harnessing it for the benefit of agricultural and horticultural development. In New South Wales we have lagged behind our neighbours, though at **Barren Jack**, Wentworth and other places we know that irrigation can reproduce the splendid successes visible at Mildura in Victoria and lower down at Renmark in South Australia—although at these places the country in its natural state consists of sandy rises clothed with light scrub timber and open plains suitable only for grazing. The touch of water to the soil seems to discover almost magical properties. Vineyards, orangeries, lemon-groves, peach and apricot orchards flourish rapidly and yield amazingly. Mildura, in spite of many troubles connected with its management and financing in its early days, is now officially reported to be one of the most flourishing districts in Victoria. We have only a few private successes of the same kind to record, the most impressive being achieved by the application of irrigation to stock raising and wool growing by Sir **Samuel McCaughey** upon a greater scale in Riverina than either of the other States has attempted. The estimates are that both of these means of utilising the waters of the Murray and its subsidiary streams can be employed in many localities when the new scheme is carried out. This will be done in concert with a system of locks designed to maintain the rivers open for navigation every year for a longer period than heretofore. How long will depend upon the seasons. One of the chief stumbling blocks to the agreement now provisionally approved has been a determination of the quantity of water to be impounded by ourselves and by the Victorians out of its fluctuating flow. This is intended to be limited to a minimum obligation to deliver at the South Australian boundary a fixed proportion of the gross flow at each of the two seasons of the year—one of five, the other of seven months. A separate agreement between Mr. Carruthers and Mr. Bent apportions between Victoria and ourselves the water available after passing this minimum quantity on in the dry months and a larger quantity still in the wet period, though those divisions are very uncertain. The regulation of the stream requires works to be constructed and maintained, with measurements and apportionments administratively supervised controlling the Murray itself and also its principal tributaries. That is the project adopted by the Premiers. When authorised it will put the diversions which Victoria has made and those we are about to make beyond attack by South Australian lawyers, who contend that we have both been infringing their riparian rights. Fortified by the legal opinions of eminent counsel, they have often threatened an appeal to the High Court and to the Privy Council, which can only be avoided if the Premiers' agreement be sanctioned by their Legislatures.

THE SCHEME AND INTER-STATE POLITICS.

In the course of a *despatch* to Lord Elgin in January last year the *Governor of South Australia*, writing for his advisers upon the Murray question, said : “I believe it would be the best possible thing if the Commonwealth could deal with it as a subject of national rather than inter-State importance, and take it out of the sphere of inter-State politics. Unless this be done, or unless the three States interested can come to a definite and permanent agreement which will be, and remain, entirely unaffected by changes in political parties, I see no way of avoiding constant disputes, embittering State relations, and probably leading to costly and uncertain litigation”. Whoever drafted that paragraph must have been considering its effect upon Mr. Carruthers and Mr. Bent much more than upon the Secretary of State for the Colonies. While it is a matter of indifference to Lord Elgin who settles the dispute, so long as it is settled, just that point is all-important to our two Premiers. They would be prepared for almost any sacrifices rather than consent to see the Federal Parliament aggrandised by a transfer from them to it of the power of disposing of a great practical question of imposing importance. The Commonwealth Government has more than once expressed its willingness to undertake the responsibility of taking over the Murray, and has already a claim to be heard upon any works affecting navigation. When Mr. Carruthers and Mr. Bent met Mr. Price they were under pressure to prevent any such transfer. Still, probably because they were more experienced in public affairs and in business bargains than the Labour Premier could be, they succeeded in coming to terms with him without any undue concessions. If he had appreciated the full strength of his position he could have wrung more from them, but as it is the arrangement seems fair so far as it has been committed to print. To detail the quantities of water allotted would only weary an English reader. He will be satisfied to know that navigation is to be maintained for the five months when the river is usually low as well as for the rest of the year, and that large storages will disburse their contents upon the thirsty lands of the two eastern States regularly each season, though beyond a fixed amount their share will depend upon the rainfall. Mr. Butler, the late Premier of South Australia, says the conditions are too severe upon his State, but whether he thought so or not as leader of the local Opposition he would be bound to make the statement. For their part Mr. Price and his Treasurer, Mr. Peake, seem to have decided to take the best terms they could get. They are permitting the locks and dams planned by their engineers to remain unbuilt until the necessity for them is demonstrated to the satisfaction of a Commission yet to be appointed. The number of the locks is to be reduced, bringing the cost down from £3,500,000 to £2,250,000. On the other hand, the works at Lake Victoria, on our western border, are to be constructed at the expense of the three States, prolonging the period of

high river for two or perhaps three months more than at present. The locks are to be placed on the Murray and Murrumbidgee, New South Wales being relieved from the obligation of locking the Darling until diversions are actually made. Two other changes of moment are those by which stored waters are to belong absolutely to the State in which they are impounded, while certain intermittent streams both here and in Victoria are not to be included in any assessment. In both these respects we appear to have gained decided advantages, though unless the South Australian case at law were successfully established in the Courts we should probably have been entitled to these and other benefits due to our up-stream situation. New South Wales and Victoria have promised two-thirds of the expenditure between them, but have got value for their money.

THE ANTICIPATED TRANSFORMATION.

The Murray is a fine stream, about as wide as the average of the Thames from Richmond to Oxford right through South Australia and halfway towards its source in the eastern coast range between New South Wales and Victoria. It is navigable with its Darling branch 2,345 miles from the sea. If the length of its chief tributaries were added together they would probably reach as far as a hundred rivers each as long as the Thames. The locks now to be constructed are to be scattered along 3,000 miles of waterway, and will serve a country more than twice as large as the whole of France. The watershed is more than three times as large as Great Britain and Ireland together. These figures may give some idea of the area coped with; those of the cost of the works may furnish another test. Mr. Carruthers not long since foreshadowed an expenditure of £10,000,000 in this State alone for water conservation. Victoria has already spent more than half that amount, and is still spending. Very probably the future will see £20,000,000 invested in schemes of water supply in the Murray Basin. Its carrying capacity for sheep has been tested for many years. It includes much of the very best wool-growing country in Australia. At Mildura and Renmark, where horticulture is practised, it now sustains a thousand people for every one formerly occupied upon the sites of those settlements when they were used for pastoral purposes only. They are, of course, specially suitable for fruit growing and drying, and have an almost unlimited supply of water. Still, it seems quite certain that when the agreement just drafted is acted upon the population of the Murray region will be tenfold or twentyfold what it is today. The value of their products will be in proportion. With a climate like that of Southern Europe the heat in summer is severe but dry, and appears to exercise no injurious influence even upon those who work in the sun through the hottest weather. It is a perfect climate for stock. The blue skies,

balmy air, and constant sunshine make it a sanatorium during the winter months. Its projected transformation by means of water is about to be undertaken in a country which Englishmen can only appreciate by their experiences abroad. In our southern districts great spaces of untilled land lie open to the plough, though at present tenanted only by flocks of sheep. These can still be reared when the sections for which water is to be made available year after year have been put to better use. Already they have taken their place among the granaries of the Commonwealth, rich in fleeces and meat, sending abroad increasing exports of fresh and dried fruits, nuts, and dairy produce. As a whole, the Murray valley, so called, though it is a valley without visible boundaries except near its head waters, is assuredly one of the most promising parts of Australia to which immigrants can be directed once the full scheme outlined today is executed. The Legislatures of our own State, of Victoria, and South Australia will have this year an opportunity of proving their capacity to treat the great practical proposal endorsed by their Premiers in a businesslike spirit and with a sense of its immense national possibilities.

FEDERATED AUSTRALIA.

IMMIGRATION PROPOSALS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 30 1906; Jun. 26 1906.

The last *Premiers' Conference* has, as usual, settled nothing finally. It has no power to do more than arrive at certain understandings between the responsible heads of existing State Administrations, who may not survive or may not obtain the sanction of their Legislatures for the agreements arrived at. But nevertheless it has most distinctly helped forward a great many matters by educating public opinion, while the Murray River partition, though only involving three States and but tentatively adopted by them, marks a long stride forward towards a practical determination of their dispute. The *Prime Minister's* part in the Conference, though nominally that of a visitor, was really most influential because he dealt with the greatest issues. Federal dominance cast its shadow over the meeting to such an extent that four-fifths of the time of the whole body was spent either with him or in deliberating upon his overtures. As already explained, few of these were discussed at any length, and no arrangement was come to upon any of the vital financial relations between them. In point of fact, the one practical piece of cooperation expressly approved was in respect to immigration. Up till now each State has depended upon its own officials for whatever little has been done with this object. When the Agents-General recently advised the Prime Minister upon the best manner of initiating an Australian campaign for immigrants in the Mother Country they were unanimously of opinion that the one thing needful was Commonwealth control and Commonwealth advertisements of the resources of Australia. Sir *James Graham*, who has just returned from England, cordially endorses their opinion. Although this proposition came recommended by their own representatives in England, the States regarded it askance. Queensland Ministers openly condemned such an "interference" and were supported by their provincial Press. Our own Administration was also unfavourable, and no other spoke out in its support. Mr. *Coghlan* and his *confères*, being on the spot, might have been trusted to know the necessities of the situation better than their political chiefs, but such is the jealousy of the Federal power entertained by the local Legislatures that it looked at first as if any accommodation was hopeless on that score alone.

IMMIGRATION AND INTER-STATE JEALOUSY.

As a fact, when the Premiers came to consider the proposition in cold blood it soon became clear that the real obstacle had been curiously disguised either from them or by them. Jealousy of each other had far more to do with it than their common antagonism to the Commonwealth. It had been assumed that a Federal Ministry governed by the big battalions among its representatives from this State and Victoria would make us the chief objects of its activities in Great Britain. At all events, it would have opportunities for favouritism against which the less populous States would have insufficient means of protecting themselves from this distance. Queensland and Western Australia, with their boundless areas of cheap and fertile land, had no mind to be kept in the rear while their potent neighbours either profited at their expense or ignored what they believe to be their superior attractions. Tasmania is not ready to claim any new settlers without means and South Australia will not ask for more than a small influx for some little time to come. Swayed by considerations of this character, there was no enthusiast among the State Premiers for invoking Federal aid in the encouragement of immigration. The Prime Minister apparently appreciated their motives. His letter to Mr. Rason had partly disarmed suspicion and also covertly conveyed an insinuation that those who opposed united action must be opposed not to the means suggested but to the immigration which it was designed to foster. The little he seems to have said to the Conference went straight to the root of their alarm. He proposed to confine the Commonwealth Immigration Office to the advertisement of Australia as a whole without recognising any State divisions, and offered to pay for this out of the Federal fourth of the Customs. They began to thaw. He went on to explain that Commonwealth officers would make no statements in respect to any State except those furnished from its official records, for which the State would be held responsible. They would decline to advise immigrants as between the States, to whose agents they would refer them for all details and information upon which to make their choice. The Federal officials would finish their task when they had drawn inquirers to a central office in London, where each State would have its own representatives ready to place before them all the particulars they required. At this no wonder the most hostile melted. They were being offered everything they needed in the way of general advertisement by a Government prepared to attract immigrants to them at its own cost, leaving them to compete with each other freely for the intending settlers drawn to its hospitable roof. The offer looked too good to be true and certainly much too good to refuse. The assembled Ministers privately searched for its weak points, and when they could find none rather grudgingly gave a hesitating assent. To the Central London Office and whatever unity it may imply they are now all of them committed.

THE SCHEME AND THE FEDERAL PARLIAMENT.

But the battle for immigration is by no means over, and indeed has hardly begun. The Federal Parliament has never been asked for a specific vote of money for this purpose. True, there can be little doubt how the House would deal with it if it could be separated from party politics. But, of course, it cannot be so severed, and this may lead to some very insidious finessing. The Labour Party as a whole is inclined to insist that before fresh people are introduced those here already in search of land should be satisfied. This demand applies only to the older States, but as they include a majority of the House any vote submitted may be defeated by them in order to assist their comrades in the State Legislatures. Mr. **Watson** is openly announcing that he will support no vote unless his Progressive Land Tax is first adopted in order to make provision for a wholesale settlement at a rapid rate in New South Wales, Victoria, and Tasmania. Some of his followers may go still further. They could be easily outvoted, however, did the Ministerialists and Opposition combine. The latter will gladly give effect to their principles if the question becomes serious enough to threaten a split between the Prime Minister and the Labour members. If it does not Mr. **Reid** may either direct or permit such tactics as will bring about a Ministerial defeat by the rejection of the vote or Bill. It has been very galling for him and his Press that immigration has been from the outset associated with Mr. Deakin, who made it a prominent plank of his first programme, and has consistently assigned it a leading place in his platform utterances ever since. When Mr. Watson succeeded him it was dropped out of sight, and Mr. Reid's year of office witnessed no attempt to revive it. Directly Mr. Deakin succeeded him he renewed his agitation, and has pressed it on determinedly till he attained his unexpected success at the Premiers' Conference. To allow him to actually obtain the money to make a beginning in London in a practical way would be to consent to a refutation of the persistent declarations of the Opposition Press that he has been playing with the question. The Opposition struggle between patriotism and party tactics will be interesting when the division comes. Last session the Prime Minister was master of the situation, and with a dissolution in hand could keep the unruly in order, though as he accepted office with the assurance that business would be done in defiance of Mr. Reid any such step would have been a confession of failure. But the rank and file of the Opposition manifested no desire to slit their thin-spun lives before the three years were up; the Labour members were docile, and public business was completed in the ordinary way. This year the Labour members and the Opposition have less to hope or fear, and may easily destroy the usefulness of the coming session, in which there will be plenty of opportunities for cross-firing and electioneering. It may easily happen that one of the several possible crises in view may be brought about when the House is asked to provide for a Central Immigration Office.

THE CONSENSUS OF AUSTRALIAN OPINION.

Of course, immigration is now a professed aim of all Federal parties, though vaguely and variously qualified in their several policies. Mr. Reid prefers agriculturists, including farm labourers. Mr. Deakin goes further, and Mr. Watson not so far. Our Labour Party owes its strength to the Trades Unions, which are mainly artisan, and look jealously upon any proposal to stimulate any influx of men of their own class in case they should prejudice the advantageous wages and conditions they now enjoy. Politicians outside the party are content to allow town tradesmen to be tempted to Australia by a knowledge of the pay and privileges offered to good workmen of their class. Of course, employers would not be unwilling to see more competition for employment, although before any contract labour law required them to look to the equities of any agreement they might make abroad with workmen whom they desired to bring to Australia there was never an attempt worth mentioning to secure cheaper labour by this easy means. Every year our great towns are becoming greater, and though the proportion of the population of New South Wales centred in Sydney has slightly decreased its numbers expand. The prosperity of the whole continent enables it to sustain its seaboard cities with ease though the abnormal multiplication of residents in them provides a margin of ne'er-do-wells who are always prepared to clamour for State wages during the winter months. But an infinitesimal portion of these are really deserving, the great majority being victims of their own habits, feebleness, or thriftless improvidence. The dread of adding to these undesirables has led to a too rigorous attitude towards projects like those of "General" Booth because his recruits are believed to be largely drawn from the towns and incapable of fighting their own way in other surroundings. They would be quite unsuitable for rural pursuits in Australia since they possess neither a rudimentary knowledge of farming nor the capacity to acquire it under entirely new conditions without a laborious training. The consensus of Australian opinion therefore is that the men and women we most need and ought to assist to come are those who are prepared for the plough, the spade, the dairy, and the farmyard, who will not cling to streets and terraces, and are not dependent on their neighbourhood for amusements. With us a bush life is in most instances a great deal more secluded than at home, because our settlers, with bigger holdings and imperfect means of intercommunication are much further apart and more remote from their markets and social centres. The splendid chances presented to them of becoming in a few years proprietors upon a considerable scale are often realised by men of force ready to seize the openings around them. There is free and healthy living for all. The highly successful here as elsewhere are culled from the flock, to whom they offer plenty of inspiring examples.

THE PROPOSED OFFICE IN LONDON.

The Federal Office in London now projected will be simply an agency for the several States, but there is a strong probability that its functions will be extended before long so as to permit of its acting on its own behalf. The Northern Territory of South Australia, a "white elephant" to the flourishing southern portion of the central State of the continent, is once more under offer to the Commonwealth. The terms asked are high, and the reasons urged for raising them above what they were are contradictory. But it was not to be expected that the State Parliament or Ministry would fail to fix their upset price as high as possible. What abatement they will be prepared to make when the time comes is another question that need not be put or answered at present. Everything points to an assumption of this territory by the Commonwealth, whose Parliament will then have to meet all the difficulties raised by its own "White Australia" policy in their most acute form. It may be presumed that a determined effort will be made to tempt white settlers to occupy the large richly productive stretches of country which are to be found in the far north and to utilise the high plains of the interior to their fullest extent. This will mean money, and much money, principally for railways, an assumption of the South Australian debt incurred upon the territory and the borrowing of the first Commonwealth loan. It must reopen the coloured labour problem and imply a large extension of Federal administration. New Guinea, or rather that part of it under the British flag which is to be known as Papua, is about to be our first field of experiment, though in that country a dense native population are already in occupation so far as that term can be applied to savage utilisation of very small patches for cultivation and of larger areas for hunting. In the New Hebrides something like a joint protectorate is being established under which Australians will continue to trade and settle. On all sides, therefore, we are approaching the difficult task of solving tropical problems in connection with government upon the colonial methods adopted by British settlers for men of their own blood. How existing institutions will stand the strain cannot be foretold. American administration under its strong and independent executive was much better equipped for dealing with similar situations in Cuba and the Philippines.

THE WELCOME GIVEN TO IMMIGRANTS.

Immigration to this State has been proceeding for the past few months, and under stimulus from Mr. Coghlan, with the help of our Immigration League, we are now receiving those who come to us in such a manner as to make them feel welcome. One gentleman with a waxed moustache and a very profound ignorance of everything pertaining to farming was temporarily aggrieved in the West. Another of a captious type left us for a warmer part of the continent, but the blunders of Tasmania's

Ministry have not been repeated elsewhere. Those who arrive in Australia are being well looked after, and all of them seem content with the homesteads they have picked. The States, however, have still a good deal of their old independent and indifferent ways to unlearn, now that they are seeking settlers instead of waiting to be sought out by them. Their several land systems on being scrutinised from a new angle are discovering many flaws. Mr. Reid, in his extravagant way, has declared that our New South Wales methods of allotting legal titles to Crown purchasers or lessees exhibit "the greatest mess the world has ever seen". It is true that they have been added to since his reign, and much for the worse, but the reproach is of old date, and incriminates to some extent every one of our preceding Administrations, not excluding his own. One of the features of the political situation which must have its effect upon immigration is the necessity for amendments in our land laws generally, and perhaps for land taxes, if the Radicals have their way in Queensland and South Australia. The other feature is financial, and arises from our splendid seasons. For the first time for many years all the railways of Australia will have a balance to credit after paying in full their interest upon capital as well as working expenses. Every State will have a surplus, and most of them large surpluses. In New South Wales our banks are plethoric. Their deposits are higher than ever, having mounted to £39,000,000 in spite of reduced rates of interest. They will soon be nearly as much greater than their advances as they were less than them when the crisis of 1891 began. Victorian banking returns tell the same tale, though their advances have varied less. On every side accumulations are increasing faster than employment can be found for them. Certainly such testimonies to the abounding prosperity of Australia should assist to direct to our shores the industrious and energetic who can enhance its marvellous productiveness and share its rich returns.

FEDERATED AUSTRALIA.

GENERAL ELECTION TACTICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 7 1906; Jun. 30 1906.

Parliament meets on June 5, that is to say, the Commonwealth Parliament which at present is in the full focus of public attention assembles in Melbourne on that date. The State Legislatures will be summoned later, for none of them apprehend a dissolution this year, and all of them rejoice to have the critical eye of the country directed upon their big brother instead of themselves. Two of those Ministerial transformations to which we have become accustomed in local politics have been accomplished within the last week. *Captain Evans* lately lost his *Attorney-General*, who, though formerly a Labour member, had no objection to taking office with colleagues to whom he was abhorrent while he sat in Opposition. The Premier has just replaced him by securing the assistance of Mr. *Propsting*, the head of the Government which he defeated about two years ago, upon the ground that his policy was destroying the credit of Tasmania abroad by revolutionising its domestic legislation. Since then Mr. Propsting, as leader of the Opposition in the Legislative Council, has said harder things of the politician whom he has joined. Hence "honours are easy" between them. Such unions are not as unprincipled as they might appear because outside the Labour organisation there are no parties in the island worthy of the name. Its Legislature is too small to permit of its escaping from the municipal methods which naturally attach to its narrow sphere. Cabinets are formed either on personal considerations or from motives of expediency much more than on principles common to their members. In Western Australia there has been no real change except in the name of the Premier. Mr. *Rason*, for reasons known only to himself, prefers to be Agent-General in place of Mr. *Walter James*, who resigns for equally unspecified motives. Owing to bad management the change of leadership was carried out in such a manner as to expose rivalries and jealousies in the Cabinet. Mr. *Moore*, the late Minister for Lands, has taken up the reins of government and the policy to which the party is pledged. His new colleagues are Mr. *Keenan*, who takes the portfolio of Attorney-General, and Mr. *Price*, Minister for Works. The Evans Ministry in Tasmania and the Moore Ministry in Western Australia have readjusted their personnel, and that is all. No one is a penny the worse or better for the change outside those directly concerned.

THE POLITICAL METEOROLOGISTS.

The Federal atmosphere is very different. The air is charged with storm, the Press filled with portents and prophecies. New South Wales remains obscure in tendencies because seen only through Sydney glasses, while the other States from here seem undecipherable. With a session at hand and an election looming in the middle distance our papers are more than ever determined to prove that what on their theory ought to happen is happening. They are often potent in this way, bringing into play by suggestion the influences which they have depicted in anticipation before they were in existence. But in the meantime devices of this nature make it most difficult to gauge the real processes of Australian political developments. Sydney itself, as I long ago forecast, is sitting down solidly under Mr. Reid, such feeble efforts to supersede him as were exhibited having died away. The battle in our constituencies will be between Labour and Anti-Labour candidates, or, as he prefers to phrase it, between Socialism and Anti-Socialism. Under pressure the Socialistic proposals of the Labour Party have sunk into the background. During Mr. Watson's absence in Western Australia Mr. Hughes has been touring the country on its behalf with speeches three-fourths critical of their opponents' programme in detail and one-fourth explanatory of their own platform without detail. In the metropolis there is alleged to be a marked growth of the Protectionist vote, but, granting the truth of the story, it is very uncertain how it will be cast. The Labour platform evades the Fiscal issue altogether, while Mr. Hughes himself has always been a Free Trader. Few Protectionists will support him merely to spite Mr. Reid.

Owing to the redistribution of seats Mr. Watson will contest a new metropolitan constituency, and with certainty of success. He, as a Protectionist and as a moderate counsellor of his own followers, will undoubtedly obtain strong Protectionist assistance. But this will not be distinctively given, and it is to be feared that whatever reinforcements this vote has received will not be sufficiently manifest on the day of election to tell us how the fiscal tide is running. In the country the Labour vote will be cast for Sir William Lyne and Mr. Chanter as a return for their support to the former Watson Government. But it is doubtful whether Mr. Chapman and Mr. Ewing, who followed Mr. Deakin, then and always, can expect to be treated with any consideration by them. Whether any of Mr. Reid's Free Trade members can be challenged successfully by Protectionists depends upon the candidates chosen. Generally speaking, however, any co-operation there may be on the part of the Protectionists and Labour electors will be individual, incomplete, and probably ineffective. Ministerial prospects in this State are not encouraging. Mr. Reid has not made the progress promised by or to him. He has no substantial Protectionist recruits to show. His tour has been a success as it always is upon the platform, but it has not done more than recall his old adherents to his standard and give his members fresh heart.

THE PRIME MINISTER'S FIGHTING ALLIANCE.

The *Prime Minister*, for his part, has been pursuing a peculiar path unsupported by any utterances from his colleagues or followers, and apparently either disapproved or not understood by his party. He began with a *speech at Ballarat*, the net effect of which was to emphasise his past and present differences with Mr. Reid. He chose a small hall, had a small audience, and went nearer to reading his indictment of the Opposition from a manuscript than he has ever done before. A chorus of disappointment followed both from friends and foes without appearing to disquiet him, for he has since published the speech and continuously refers to it as showing the base of his position. He next went to *Adelaide*, where he dealt tenderly with Mr. Watson and reproachfully with the Labour Party. His utterance did please his followers and his Press, but deepened the disgust of Mr. Reid and his newspapers when they contrasted his attitude to them. Next he hied to *Camperdown*, a small town in the rich agricultural district of Victoria, where, taking his former speeches as having sufficiently defined his attitude to his rivals, he proceeded to develop his former exposition of Protection. He asserted most emphatically that at the present time this was the one and only issue that must be settled by the people at the next election. After such a nailing of his colours to the mast his friends became enthusiastic, while his foes, uneasily recognising that there was a decided method in his advance, were made more bitter and more alarmed. Mr. Reid's cue was to affect to put Mr. Deakin aside and keep him there as a neglectable quantity so as to force a choice between his *laissez faire* policy and the Labour programme. This lead was eagerly adopted by his journalists until the Camperdown declaration struck them with its full significance. When Mr. Watson, speaking at Perth, openly stated that he had no quarrel with Mr. Deakin's programme so far as it had been published, they began to see that Mr. *Joseph Cook* was more keen-sighted than his leader. He had contended that in spite of their independent parties and particular divergencies the Prime Minister and Mr. Watson understood each other. They meant to act together not only during the next session but at the next elections. As this is the one contingency which would make a defeat of the Opposition certain the efforts of its chiefs are being redoubled to prevent such a combination by setting the Government and the Labour Party by the ears. There was no difficulty in doing this generally. In fact, it was done without their aid just where it will be most injurious, right under Mr. Deakin's nose in Victoria.

DEAKINITES AND LABOUR IN VICTORIA.

The Prime Minister has a feud with the Labour Leagues of his own State of very ancient date. Several times they ran candidates against him in the pre-Federal days, and since then have seized every opportunity of attacking him in his own constituency and elsewhere. It was in Ballarat that two years ago he contributed the most complete and

merciless analysis of their methods that has been given in Australia. Mr. Reid and his supporters have been using it ever since and with particular zest when the whirligig of politics caused the critic and the criticised to act together. Putting aside the Labour programme as visionary Mr. Deakin then denounced the introduction of "machine politics". He specially censured the rigidity of their enforced unity, the intervention of local leagues when only nominally representative, the adoption of pledges of obedience by members, and the "caucus" system when pushed to an extreme. Naturally those who are now running that "machine" will not now allow it to be employed for his benefit and at their expense. The Victorian State "machine" even refused to recognise Mr. Watson's assurances of support to the men who left Mr. Deakin in order to keep him in power and to keep out Mr. Reid. He asked no such consideration for the Prime Minister himself, who refused beforehand to be a party to any arrangement with the Labour Leagues about his own seat. He and his Protectionists are now open to be opposed whenever the local branches of the Labour Party in each constituency think fit. As this means that those who desire to be candidates themselves, either to gain an advertisement or a future claim for services rendered, will be left to settle the course to be pursued in each case, one may safely conclude that Protectionist Victoria will be divided at the next election. With Deakinites and Watsonites at variance the Reidites will be able to retain the hold they now have upon several districts in which they are in a minority. The delight of the Opposition at this disruption of Ministerialists and Labourites in Victoria was unfeigned and well warranted. No wonder that Mr. Watson's resignation was expected and, according to all reports, half tendered to his reckless Victorian Leagues.

THE "WRETCHED SESSION" AHEAD.

Nothing has angered the Opposition so much as the imperturbable calmness with which the Prime Minister has met this attack in his own State, apparently because he was prepared for it in advance. Between Victorian Labour men and himself there can be no real truce. It will be a fight to a finish, and possibly his finish next December. But in the meantime there is a session to be faced and work to be done which can be put through only with the help of Labour members. Of course, the difficulty of transacting it will be immensely increased by the fact that nothing will be possible for him except by the co-operation of his supporters and those who will be at their throats electorally a few weeks later. Mr. Watson's help may be relied upon in the meantime because, more far-sighted than his followers, he realises that if both the rival fiscal parties unite the chances of his party at the polls will be minimised. They would be reduced from a third to a sixth of the House and cease to possess the status they now enjoy. But not even Mr. Watson can accept the whole of Mr. Deakin's immediate programme. Though more favourable to immigration than his rank and

file, he stops short at a point where the Prime Minister is most anxious for instant action. The new central office for immigrants to be established at Federal expense and maintained under Commonwealth control will be resisted in all likelihood by himself as well as by his men. Protection, too, may provoke discord between them if the Tariff Commission reports raise a fiscal fight at once. Some at least of the Labour members will decline to move in that direction, especially the Senators. They may drag their leader with them part of the way. There are measures for which Mr. Watson may press, though Ministers may not see their way to concede them. Among these may be an amendment of the Arbitration Act to remove the block that has hamstrung the Court and is making the statute a dead letter. But the tale of matters in which disputes between them are probable is too long and the animus of the Opposition too pronounced to allow any expectations of a fruitful session to be indulged. All the omens up to date point to the fulfilment of Mr. Reid's prediction that we have a "wretched session" before us. Mr. Deakin is probably right when he says that his rival means to make it wretched and fruitless too. Four months of strife, of angry party tactics, of plot and counter plot, and of perpetual appeals to the electorates will constitute an ordeal from which the strongest might shrink. The Prime Minister's health nearly gave way last session, and may collapse this time under intensified pressure. Last year's attacks seemed to make him more belligerent and hardened his majority. This year the conditions are widely altered. Ties are loosened by the impending electoral cyclone; the alliance which enabled so much to be done in 1905 has all but ceased to exist. On critical votes Mr. Deakin's own followers may break for cover to save themselves from being confused with the Labour Party, which in its turn may dread being taken in the rear by its own extremists outside. All the odds are in favour of the Opposition during the session, and of their capturing whatever advantages can be won in it for the campaign in the country coming right on its heels. Ministerial stocks, depressed already, are likely to go lower. The outlook for business is bad. Even if the Prime Minister and the leader of the Labour Party fight back to back they can escape with their political lives only by very good luck and wise management.

FEDERATED AUSTRALIA.

A "CINDERELLA" PROVINCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 14 1906; Jul. 4 1906.

Our pleasant autumn weather has been systematically utilised of late for touring. The **Governor-General** has made acquaintance for the first time with the chief townships of the northwest fed from the great plains stretching to the far interior for which they are the railway termini. Orange and Bathurst at high elevations are summer resorts, agriculturally prosperous and enjoying a delightful climate. Dubbo and Bourke, on the other hand, face a torrid heat in January and February, which, dry and healthy, is yet too fierce for comfort, though in winter their weather is bland and bright like that of Southern Italy. From there to the borders of South Australia the pastoralist reigns supreme, except over a few mining townships, some of them rich in precious stones, especially opals. It is needless to say that Lord Northcote's visits have been, as always, highly appreciated and chiefly for his own sake. Quite apart from the high office whose burden he sustains with quiet dignity and whose hospitalities he consistently though unostentatiously discharges in Sydney and Melbourne, his personality has gradually impressed itself upon our people generally in a most effective manner. Retiring in manner, simple in tastes, and brief of speech he has won the confidence of all classes and parties by the thorough impartiality and prompt decisiveness of his administration. At social functions in the capitals Lady Northcote naturally shines as leader of society. Lord Northcote is more than enough of the English country gentleman to keep himself in touch with the station-owners and farmers whom he meets in his inland expeditions. The happiest relations have always existed between the Governor-General and Sir **Harry Rawson**, the most popular representative of the King whom we have had as a State Governor. He in his turn has been away to the middle west, obtaining everywhere the warm reception always accorded to our frank, straightforward, and cheery admiral.

NEGLECT OF THE RIVERINA.

Our southern district, colloquially described as Riverina because it lies between the Murrumbidgee and the Murray, the boundary of Victoria, has been favoured by the presence of our Premier. Ministerial visits to this portion of our territory have not been rare, but have been rarely attended by those practical results in the shape of

public works that are usually the outcome of political trips. Mr. Carruthers confesses himself amazed at the beauty and wealth of the country to which for all these years he has remained a stranger, but has offered no explanation of his own remissness or that of his predecessors. This, in fact, supplies a rather shabby story. Forty years ago or more the neglect of Riverina was sufficiently clear to the eyes of its pastoral tenants that they organised an agitation for its severance from New South Wales. Some would have preferred to join Victoria, and others to establish a separate colony, but all were agreed that their just claims upon their Government were ignored in Sydney. They reaped some recognition after this which contented them until the markets of Melbourne were partly closed to them by the imposition of a stock tax in the interests of Victorian graziers. After that we became more alive to their interests and to the value of their trade, constructing strategic railways to cut off the wool traffic where it drifted to the Victorian railways or went down the Murray to South Australia. A war of railway rates commenced, half avowed and half of it carried on by secret contracts very little to the profit of any of the three States concerned, but greatly to the advantage of the squatters of the west, including Riverina. This was only terminated the other day by the threat of the Federal Government to establish an Inter-State Commission. The Constitution of the Commonwealth provides for such a body, and authorises it to forbid discriminations or preferences in railway rates if undue, unreasonable, or unjust to any State. Rather than be subject to Federal control for such a purpose the combatant State railway managers came to terms, and the long battle ended satisfactorily.

SYDNEY HOSTILITY.

But in the meantime Riverina remained otherwise the Cinderella province of our State, less cared for but more jealously watched than any other. Its splendid area of rich plain lands ready for the plough, its fine streams, available for irrigation, and the equable climate enjoyed for three-fourths of the year made it eminently suitable for closer settlement. The great sheep runs, which include much of the best country, have been farmed only in part under a "share system", which in bad seasons leaves all the loss to the cultivator. Nowhere had we more opportunities of putting a considerable population upon the soil, but everywhere else has received more State patronage. The Sydney influence, usually paramount in our politics, was prepared to fight Melbourne and Adelaide for the carrying trade of the west and south. But it realised that Riverina proper must always yield the chief fruits of its development to Victoria and send its produce to a seaboard only half the distance of Port Jackson, and was therefore hostile to all other concessions. Besides, the border districts in part out of resentment towards Victoria and in part under her influence had become Protectionist and Federalist because those policies suited their interest. Our Free Trade and anti-Federal

Metropolis had no sympathy to spare for opponents in its own camp. Owing to these and other reasons Riverina has received the cold shoulder, has been little known, and less studied until something approaching a feud has been created in the course of years. The domination of this city has been assailed from Riverina, but, of course, in vain, since it was to the advantage of the rest of the State that the number of rival applicants for grants from the Treasury should be reduced by their elimination from the competition. Our politics are always practical on the public works side, and therefore the plaint of our far-off settlers to the south has been invariably disregarded as much as possible. They did not fare as badly as they would have us believe, as their fine buildings, some of them too fine, and their excellent roads visibly testify, but its people were made to feel that they were regarded as to some extent outside the fold. Their representatives took care to cast the blame for all omissions upon the adverse sentiment of the Metropolis, even where that was not a factor. Consequently what may be termed strained relations existed for which there were at least some foundations to be found in our own coldness.

CLAIMS OF VICTORIA TO THE DISTRICT.

The situation has suddenly changed. Serious revival in the *Melbourne Age* of an old but hitherto disregarded claim, that when Port Phillip was separated from New South Wales sixty years ago the boundary from the Murray to the sea was erroneously drawn, is responsible for the change of front. Owing to an error which it is said passed unnoticed at the time because “**Black Thursday**” came with its devastating fires to engross attention on the new Colony, and because the value of the province was not then understood, Riverina, though intended to be part of the new Colony of Victoria, was allowed in the Colonial Office by accident and in Sydney by design to remain in New South Wales. One would have supposed that so “tall” an interpretation if given a place in a leading newspaper would have figured there as at best a fanciful romance of what might have been. The *Age*, however, takes the matter very seriously, quotes legal opinions, rakes up ancient records, and solemnly demands a rectification of frontiers. The Victorian Government is reported to be formally seeking advice upon the proposition. Our newspapers and Mr. Carruthers treat the whole thing as a jest, and a jest it would be were it not for the bellicose sentiments of some dwellers in Riverina and the business instincts of others. The first rejoice in hope of inflicting retribution upon us, while the majority seize upon the chance of playing off one State against the other for their own profit. They have some chance of success. Mr. Carruthers is more than making amends for any past negligence of ours by the energy with which he is pressing on with the **Barren Jack scheme** upon the northern boundary of Riverina, the Murrumbidgee, which according to the *Age*

is really the northern boundary of Victoria and our southern limit. One humorous effect of the proposed annexation would be that Dalgety, the chosen site for the Federal capital, would cease to be eligible, because it would be outside New South Wales. It is unnecessary to analyse the *Age* demand further than to mention that it depends wholly upon a new technical reading of a loose description after sixty years of undisputed acceptance in order to transfer 31,000 square miles of territory from our State to our neighbours, both being parts of the same Commonwealth. Whether the superior attractions of Mr. Bent are in his mind or not Mr. Carruthers seems more affected by the surprise incident than one would have supposed possible. This may be because it is just the kind of thing he would like to have discovered himself if he had been Premier of Victoria in order to found a shadowy grievance upon it. How he would have wailed over those who were callous enough to make a joke of it.

THE SPLENDID RAINS OF MARCH.

An unexpected discovery of another kind has been made during the recent political tours by the city reporters who attended them. In a great State such as ours one is apt to accept the statements made of particular areas because they are large as if they applied to the whole country. There were splendid rains last March. The eastern coast districts as a whole, and Riverina, too, received a generous meed, and are flourishing accordingly. But on the inner side of the great dividing range, which for the whole length of Australia separates the narrower ocean watershed from the inland watershed, it was only in Queensland and Victoria that the same full measure was obtained. The fall throughout our central region was lighter, making the grass green but not enough to give it the body that is desirable to make it last the winter through. The country seen by the Governor-General and the Governor was in this condition. Mr. Carruthers saw a better watered tract. Happily fine rains have fallen again during the last week over an immense area, and for the nonce the great plains are richly carpeted with herbage. North and south of us and away to South Australia there have been most welcome soakings. The crops even in our driest regions are now looking well. More wheat has been sown than ever before, and the prospects of farmers are good. The stock will be well fed this season. What has concealed from Sydney the insufficiency of the rains in the back country is the prosperity reflected from all quarters in our money market. Australia has £15,000,000 more cash on local deposit than she had two years ago. Prices have helped us it is true, but then we had a good deal of leeway to make up. What we are really learning is that we all underestimate the producing possibilities of the Commonwealth. The astonishing recovery we have made of late has not been due to simultaneous good fortune of all the States or of our own. On the contrary, as in our case, the rich returns elsewhere have been won in

these defined limits. With the more scientific methods of farming now in vogue and by the use of phosphates we are increasing our yields of grain and also the area over which it is being grown. If by any chance we are blessed this year, as we may be, with a favourable season all over there will be a greater plethora of savings and a volume of business far in excess of the already splendid returns which this year and last year have exhibited. Australia's outlook was never so promising in any direction as it is today.

SETTLERS' PROSPERITY.

The newspapers are doing excellent service in directing attention to our varied sources of agricultural production. They show that the number of men who are every year substantially improving their holdings upon our northern rivers is almost as large as the total number of settlers there. Few are the failures, and these are accounted for without difficulty in each instance on assignable grounds. In the older districts the general verdict is the same, though the progress would be more rapid in them if old residents more readily adopted the new processes that are proving successful around them. The fact that they are comfortably off now and making steady headway with their familiar routine in a large measure explains their want of effort to do better. Pass to the other extremity of the State, where on the further side of the Murray near to Wentworth, our extreme south-western centre, we find Mildura, a settlement exactly opposite in character and surroundings. On our forest-clad northern rivers a regular and heavy rainfall in hilly country sloping to swift streams fattens dairy cattle and yields rich harvests of corn upon areas ranging from 50 acres up to several hundred. Mildura, on the other hand, in a dry, flat, sandy country, with no rainfall worth speaking of, and depending upon water pumped from the Murray, some of it lifted three times over, carries 4,000 people upon orchards averaging 2½ acres per head. Outside the watered area as many square miles would not keep a farmer alive; inside the charmed circle, by means of careful culture, as much as £60 an acre is earned in a season, and some blocks fetch £100 and £200 an acre. In a normal year the income of this little settlement, the size of a good grazing farm of the west, rises to £120,000 for its miscellaneous fruits, fresh and dried. Just the same class of land lies open on our side of the river. There is an absolute contrast between all the circumstances of these two extreme portions, one in the north-east and the other in the south-west corners of New South Wales, but there is no contrast in the broad results achieved and achievable. In each a whole community is thriving and enriching its prudent proprietors. Where within the Empire, or indeed in the world, could there be found more striking examples of rural prosperity today?

THE LATE MR. SEDDON.

AN AUSTRALIAN APPRECIATION.

[May 21 1906]; Jun. 27 1906.

We have just received from our Sydney Correspondent a letter which, though written on May 21—three weeks before Mr. Seddon died—seems to have been inspired by a premonition of that sad event in Australasian history. Our correspondent writes:

The Right Hon. **Richard Seddon**, Premier of New Zealand, may be called the principal political personage in Australasia. His friends say as much openly and more think so. When a year ago his health caused them the greatest anxiety the mere prospect of his disappearance from public life made apparent the great blank which that would have created. He has an able lieutenant in Sir **Joseph Ward**, whose right of succession to the vacant place would have been undisputed, but it is no disparagement to that able financier to add that his succession would have marked more than the termination of the longest reign of any Premier on this side of the world. It would have meant the almost immediate creation of a real opposition in a Colony where in the ordinary sense of the term such a compensating check on the Ministry has not existed for years. This is partly due to the fact that Mr. Seddon never allows any other leader in the House or out of it to occupy a really distinctive position that is beyond the comprehensive scope of his all-embracing policy. Rivals as well as colleagues seem to be but satellites, so wide is the orbit of that policy and so indefatigable the energy with which he traverses it. He does not visit Australia often, although a most constant traveller in his own domain. This is larger than Great Britain, and requires a good deal of sea voyaging as well as coaching, but there is not a corner of it that he has not visited nor a village in which he is not personally well known. The most copious and frequent platform speaker in this hemisphere, he finds no audience too small and no meeting unsympathetic. Immense physical power and endurance are required to enable him to face such tasks—endowments which place him as much in advance of competitors as does his inherent political capacity. The biggest, heaviest, and most popular of our Premiers must yield to Mr. Seddon, beside whom Mr. **Carruthers** is puny. Mr. **Deakin** slight, Mr. **Reid** of modest proportions, and Mr. **Bent** a home-keeping youth of homely wit. In bulk, as in energy of body and mind, he surpasses them all.

It would not be fair to push personal contrasts further or even to imply other superiorities. He is similar in tastes, methods, and ideas to his confreres, for he has acquired all of them by degrees, and, aptest of adaptors, he is still acquiring them. Not the most original nor logical of thinkers, nor the most eloquent or forcible of speakers in the group, he is of the same pattern as most of our politicians. Mr. Reid is not a greater opportunist, nor Mr. Carruthers more sly, nor Mr. Bent more various, nor Mr. Kidston more composite in his views. He is of the same stuff as they are made of, but there is more of it, and it has worn far better. The duration of his regime as Premier makes them appear but transient and embarrassed phantoms upon the Parliamentary stage. He outlives them and outdoes them as do all challengers in his own Colony because he is a better business man than any of them, a better hand at a bargain on the floor of the House or in his Department, a consistent framer of compromises, and an expert watcher of the tide of public opinion, ready to use every ounce of advantage that it can give him. A keen strategist, a man of the people, he has lived their life, earning his living by his own hands and by the shifts and expedients of petty trading. He is, therefore, in the closest touch with the masses and their interests on the farm, in the mine, in the shop, or in the factory. He enjoys life in the same way and from the same standpoint, is proud of his eminence, his popularity, and honours, enters into all amusements freely, and is always accessible, sociable, and conversational. "King Dick" is naturally monarch of his people. There is not in Australia a more representative politician.

FEDERATED AUSTRALIA.

A PROTECTION ELECTION CRY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 21 1906; Jul. 13 1906.

The **Prime Minister** has just paid his long-promised visit to Sydney, where it is no figure of speech to say that he is little likely to be recognised by the Man in the Street. Mr. Deakin, an infrequent visitor to Sydney, is little visible even in Victoria, and may easily be overlooked in Melbourne itself, where his home is and always has been. Nothing but absolute public necessity drags him from his retirement anywhere, though our newspapers always contrive to convey the impression that he is specially unwilling to come to Sydney. From the first it was part of his political campaign to speak here, and though he delayed until last week events have justified Fabian tactics in this particular. He reserved for us not only the last but the most important of his four speeches, and **delivered** it just when some response from him became imperative. Mr. **Reid**, who confined himself while in this State to variations upon his old retorts to Mr. **Holman** in their **debate upon Socialism**, added quite another facade to his indictment of the Government when he went to Victoria. Here he painted with all his accustomed dexterity and a gusto that was manifestly sincere the chequered career of Mr. Deakin and his followers during the present Parliament. Naturally he was less concerned to present a strictly faithful portrait than one which should be impressive from his own point of view, or rather from that which he desired the country to accept. The Ministerial alliance with himself, the alliance with the Labour Party, its present isolation and uncertain future were all laid upon the canvas with his master hand. The Prime Minister's protests that dates were altered, the order of events inverted, and the facts perverted have been repeated since, but apparently in vain. In the gentle art of "slang-whanging" Mr. Reid's humour, readiness, and Bar-practice before juries makes him unapproachable. Both at **South Melbourne**, where there was some interruption, and at **Geelong** he gave the head of the Government a very bad time. From one reason or another the Commonwealth battle during the last three years has been resolving itself by degrees into a prolonged personal duel between the two leaders. Their followers have for the most part been silent, and Mr. **Watson's** freedom is now severely curtailed by the control of his party caucus. Mr. Reid and Mr. Deakin have therefore faced each other with an increasing concentration of hostility, because upon each depends the fortunes of his party and policy.

MR. REID AND THE TARIFF COMMISSION.

Between personalities which amused and a demonstration of the financial fallacies of Socialism Mr. Reid sandwiched a more serious matter. Provoked, as it would appear, by the taunts of the *Melbourne Age* he at last expressed himself with plainness upon the fiscal question. But the real pressure to which he yielded was not, however, that of any newspaper. It was applied by events. Last week Sir **John Quick**, the Chairman of the Tariff Commission, handed to the Prime Minister its three first reports, signed by the whole of its members. They were brought to Sydney by Mr. Deakin and presented here to the **Governor-General**. They have not been published, but the fact that they have been approved by both the Protectionist and Free Trade Commissioners deprives them in advance of any party significance. Besides, they deal only with spirits, wine, and industrial alcohol, and are understood to relate merely to excise duties. But as the first reports of a body which is believed to have under consideration a long series of recommendations of a highly contentious character, it is clear that other and much more disputable proposals may be laid before the Federal Parliament. When they are the fiscal battle will begin. This it is Mr. Reid's endeavour to stifle and the interest of the Ministry to postpone. It was, therefore, no longer possible for him to reissue in Victoria the enigmatic oracles upon this question perpetually upon his lips of late. He was obliged to speak out, and very tactfully chose Melbourne as his rostrum. For months past, in order to avoid alarming any Protectionists whom he could tempt into his net, he has been assiduously conveying the impression that under certain undefined circumstances he might meet them halfway in respect to the Tariff Commission reports. Having prepared the way for minimising their disappointment he has been arousing all the apprehensions he could of the aims of the Labour Party, and declaiming against the perils of Socialistic dominion. Under compulsion he has now announced his real fiscal intentions. As has been stated in these columns for some months past these were dictated to him in advance by his associates, and especially by his newspapers in this State. With him Free Trade is a fetish clasped more closely to the bosom the more generally it is repudiated elsewhere. There was never but one answer Mr. Reid could give, and it was never in doubt. *Nolens volens* when the time came he must break the news to his Protectionist allies that he was powerless to meet them by any fiscal concession. There is nothing to hope for under his banner either in the present session or the coming Parliament. He would if he could, but dare not. Beyond general declarations, which are non-fiscal and unmeaning, he is barren even of promises. He told them explicitly that they must be content with this and nothing more. If any Free Trader in the Commission signs a report of a Protectionist nature he will give that his best consideration and nothing else. Such an event is unlikely to happen, and if it did he is not committed to anything. The period of finesse and of allusiveness is over. Under no circumstances is the fiscal truce to cease if he can help it, whatever the Tariff Commission may do or refuse to do.

MR. DEAKIN'S AUSTRALIA FOR THE AUSTRALIANS.

Except that Mr. Reid's apostleship was likened to that of the notorious **Dowie**, now in difficulties in Chicago, he scarcely appeared in the Prime Minister's response. His negations were met in the most absolute fashion by the counter-enunciation of a positive policy. The "Australian Party" formed here of late, under whose auspices he spoke, supplied him with a text, "Australia for the Australians", to which he spoke with great energy. To do our duty to the Empire as a whole or to the States within the Commonwealth we must seek to make Australia populous, productive, prosperous, and powerful enough to undertake her own defence. We need more of our kith and kin or of those who can intermarry with us in order to establish a British stock effectively occupying and using to best advantage the whole Continent and able to hold it against aggression by means of our citizen forces and coast defences. We could only hope to people the country by affording employment within it either by Protective duties or by closer land settlement upon a great scale. Protection comes first, because it is called for by the circumstances of a new country remote from Europe. It is next insistent because only by its aid can we attain the means of distinguishing between the Mother Country to whose Navy we owe our security and those nations whose Navies are a danger to our future. He instanced the rise of the three new Powers of the present day, the United States, Germany, and Japan. Each of these justified its entrance into the lists by prowess in war, but each of them was made capable of defence and offence by the adoption of a national policy developing its national resources. Recurring again and again at different stages of the speech to the same theme Mr. Deakin demonstrated the imperious necessity of a Customs Tariff framed upon the same principles to meet the primary and fundamental economic needs of Australia. He pointed to the Tariff Commission appointed by Mr. Reid as the immediate occasion compelling us to deal with this very question before all others. The Leader of the Opposition has now to meet the crisis which he created when head of the late Government, and which he sought to escape by a surprise dissolution last year. It can no longer be postponed or evaded. The Prime Minister says that there can be no Australian development without an Australian policy. There can be no Australian policy without an Australian Tariff. The Tariff Commission reports oblige us to deal with the existing Customs duties at once. We must, therefore, ask Parliament to decide either for an Australian or a non-Australian policy.

That and that only is the issue before the country, and that alone the coming election will decide for us. Mr. Deakin's answer to Mr. Reid was a passionate and enthusiastic declaration for an "Australian" policy.

IMPERIAL PREFERENTIAL TRADE.

The Prime Minister's Protectionist programme is qualified by a warm declaration for preferential trade within the Empire, and especially with the Mother Country, as soon as that shall become possible. Common defence against common foes, whether in the field of commerce or of open war, is his ultimate aim. But his patriotism towards the States seems to provide no counterpoise for the reductions of their functions which he foreshadows. Profoundly dissatisfied with their land administrations and their finance he opened fire upon these, and through them upon their administrations. Sufficient lands are not available in several States, including our own, to encourage more than a meagre immigration. He wishes to force them to throw open their fertile areas near to railways and ports. Even in Queensland and Western Australia no more than a good beginning has been made to tempt population. Mr. Coghlan has done wonders for us considering how he is hampered from this end. The Prime Minister reiterated his often-expressed criticisms of State borrowings and the need for restricting them and any other increase of indebtedness abroad. But he linked his two assaults upon their land laws and financing in a very unexpected way. The Premiers' Conference last month passed two unanimous resolutions, one calling upon the Commonwealth to take over from them their Old Age Pensions and the other insisting upon a permanent return to their Treasuries of three-fourths of the Customs revenue collected by the Commonwealth. As the one-fourth left is the sole source of Federal supplies at present this was equivalent to directing the Federal Parliament to impose direct taxation without further delay. Land being the natural and most available asset the fresh taxation required must be imposed there. Mr. Deakin suggested that the State taxes had better be repealed under arrangement with the Commonwealth, which would then impose an uniform land tax for its own purposes and theirs. But he would also shape it so as to encourage the cutting up of large estates now carrying sheep or cattle, and thus provide holdings for a great influx of immigrants. In his opinion employment upon the land goes hand-in-hand with employment in the cities, each assisting the other and both indispensable to the Commonwealth as a whole.

When our Press grasps the full meaning of this part of the Australian policy their fulminations will be bitter indeed. They are almost without exception provincial in tendency as they are in interests, and will resent Mr. Deakin's Federalism more fiercely even than his Protectionism. The two combined will render it unspeakable, because they narrow the difference between him and Mr. Watson. Already our Free Trade dailies have done their best to belittle his meeting and to discount its remarkable success. Several who were present agree with me that the reports

published were inadequate. In the *Daily Telegraph* they were so misleading that the Prime Minister felt obliged to **protest**. Electorally, so far as this city is concerned, the meeting, crowded, enthusiastic, and overwhelmingly in his favour, as it undoubtedly was, does not imply much. Free Trade reigns here with an assured majority, though the minority is rapidly gaining fresh recruits. Two thousand people applauded the Australian policy last week, but far larger numbers elsewhere are expected to be reached by its appeals to their patriotism both in New South Wales and farther afield. Mr. Deakin has struck his top note just when and where it would be most resonant. There will be a great deal more heard of "Australia for the Australians" before the year is out.

FEDERATED AUSTRALIA.

THE JAPANESE SQUADRON.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 28 1906; Jul. 17 1906.

The harbour near the city never looked more beautiful than a week ago, when the half-moon frontage of Circular Quay sparkled with innumerable electric lights of welcome to the *visiting Japanese Squadron*. On the other side of Government House grounds Farm Cove was filled with dazzling light from the *Powerful* and sister ships of the British Fleet. The throng of large, brilliantly-glowing ferry boats on their several routes crossed and recrossed each other more rapidly than usual. Few, if any, of the ports of the world offer such spectacular opportunities as Port Jackson, and on this evening they were utilised to their fullest advantage in most impressive fashion. The inauguration of the Commonwealth was not more honoured decoratively because electric lighting was not then in such general employment here. When the visit of their *Royal Highnesses* came later in 1901 of course the recent demonstration was surpassed, but that involved much greater effort and expense than were enlisted last Monday. Yet *Admiral Shimamura* and the jolly little Japanese mid-shipmen with whom his training ships were packed cannot complain of any want of cordiality. Melbourne was said to have excelled herself in hospitalities, and Sydney was determined not to shun comparison. We had the *Governor-General*, whose dinner and reception rank among the most distinguished functions, and a host of varied festivities, Ministerial and municipal. But above and beyond them all was the fairy-like beauty of the lovely scene when the metropolis shone by night around her bay studded with illuminated shipping richly jewelled with many coloured lamps. Our citizens had every reason to be content with the manner in which their capital arrayed herself in order to extend a fitting greeting to the great Eastern ally of the Empire.

EMPIRE DAY.

By happy coincidence Empire Day was celebrated on the Thursday following, with more ceremony, though not with more heartiness, than in preceding years. It has now become firmly established as our annual patriotic demonstration of loyalty and unity. We learn by cable that Canada has seized the opportunity with equal enthusiasm,

and note with some amusement that, judging by the records supplied, we both surpass the Mother Country not only in the relative but in the actual number of our demonstrations. Very wisely the chief emphasis is being placed among us upon school displays. Though the weather was most unfavourable these were a marked success. They showed an advance upon those of last year, which will probably be repeated every twelve months until the demonstration becomes universal in the country as well as in the towns. The growth up to the present has been amazing. This is to some degree due to the reverence for *Queen Victoria*, whose birthday has been, so to speak, perpetuated, and also to the gathering force of the race sentiment among us. The very fact that in our politics we are following a path of self-assertion and laying stress upon self-governing aspirations seems to make our people more generally anxious to seize every opportunity of proclaiming the real and permanent unity which underlies and supports our claim to manage our local affairs without interference. The two instincts are felt to be complementary and not antagonistic. The Monarch and the Empire loom larger than ever, although the distinctiveness of our political methods and of our racial sentiments in respect to our coloured fellow subjects of the Crown are more prominent than of old. While the "White Australia" ideal is now accepted everywhere by a huge majority of the people of the Commonwealth, our Japanese allies have been feted with unaffected enthusiasm wherever they have landed, have been cheered in the streets, their sailors petted in every public place, and their officers overwhelmed with courtesies. Yet at the same moment five of their countrymen, labourers returning from New Caledonia, were kept on board ship until the steamer for Yokohama was ready to leave because the shipping company would not be responsible for their departure, or rather for the fine to which they would have been liable if they had not departed. So curious a contrast in attitude ought to be worth a little attention in the Mother Country if either incident is to be properly understood. There are still many millions of Britons who know no other country than their own and are unacquainted with the problems which beset their brothers and sisters who have found new homes in our distant continent.

THE STATUTE BOOKS AND THE COLONIAL OFFICE.

An apt illustration of the situation has just been furnished. In some unexplained manner a confidential despatch from the late Secretary for the Colonies, Mr. *Lyttelton*, has been published in an *appendix to the report of the recent Premiers Conference*. This had been discussed by the Prime Minister with the Premiers in camera and a resolution of protest unanimously agreed upon. Prior to its transmission to the Colonial Office, apparently because of earlier communications from Mr. *Seddon* and Mr. *Deakin*, the question raised was "satisfactorily disposed of", though

why or in what manner is still unknown. Neither of these experienced public men will consent to make any statement upon the matter, on the ground that the despatch being confidential its contents or history ought not to be disclosed. Their reticence avails nothing, since the communication is now in print, with a telegram of Mr. Seddon's in which the whole meaning of the incident is disclosed. Mr. Lyttelton directed the Governor-General and the State Governors to reserve for his Majesty's consent all Bills passed by their Parliaments specially affecting natives of Asia and naming them in express terms. Our Viceregal representatives under their general power of reservation could have done this of their own accord if necessary. This further attempt to single out a particular class of measures for suspension in a "confidential" despatch laid before the Governments to be affected was foolish and high-handed. It was a kind of meddling certain to be resented and ultimately disclosed. It now appears that the origin of this inconsiderate action was due to the neglect of the Colonial Office to deal with a Western Australian Act discriminating against Chinese and other Asiatics seeking employment in factories. Yet a similar discrimination against their becoming gold miners has been in force in nearly every State ever since Responsible Government was enjoyed under Acts which have received the Royal assent. Whatever grounds exist for taking up a different attitude towards coloured aliens the change of policy projected ought not to have been attempted on peremptory terms by a "confidential" direction to our Governors. Mr. Chamberlain long ago laid down the principle that no discriminations could be authorised if they applied by name to particular peoples or complexions. It is for this reason that our Immigration Act sanctions in unlimited phrases the exclusion of all comers, although designed and used only to exclude the coloured races, who would speedily overrun the whole continent if their ingress was unchecked. Our Act was amended last year so as to remove a restriction to the "European" languages allowed to be applied as tests. On the surface, therefore, with a few long-standing exceptions and one or two more recent that escaped attention in the Colonial Office, our Statute-books are now in terms free from causes of offence to any nation.

THE IDEAL OF RACIAL PURITY.

But this equality of treatment is only on the surface. In fact and in effect our colourless laws are administered so as to draw a deep colour line of demarcation between Caucasians and all other races. No white men are stopped at our ports for language or any other tests. On the contrary, they are welcomed and encouraged to settle among us. On the other hand all coloured men are stopped unless they come merely as visitors. The Japanese were welcomed because they paid a flying visit and did not make any addition to our permanent population. They were welcomed only as guests. Mr. Seddon's telegram to our Premier plainly put the intention: "There is

one thing above all others we should jealously guard, namely, anything infringing our action respecting preservation of racial purity and the landing of undesirable immigrants". This is a fundamental principle of Australasian policy within the sphere of its self-government which no Administration could violate and live. It has, unfortunately, an impact beyond our borders. A more fervent imperialist than Mr. Seddon is not to be found outside the United Kingdom, nor, perhaps, in it. But the Empire in his view, though united in one whole, is, nevertheless, divided broadly into two parts, one occupied wholly or mainly by a white ruling race, the other principally occupied by coloured races who are ruled. Australia and New Zealand are determined to keep their place in the first class, and in order to secure that pride of place agree in putting racial purity before economic gain. The Maoris are well treated and fairly represented in Parliament, but do not affect this policy. What experience there is of half-castes is not encouraging even in their case. Like the aboriginals upon the mainland they will probably disappear in a few generations, but in any event they will not qualify the racial sensibilities of the colonists. Those States of the American Union which are without a noticeable negro population are better governed and more efficient members of the Union than those in which there are two separate peoples. The ambition of the Australasian States is to keep within the Empire a place parallel and equal to that of the Mother Country. An alliance with Japan is respected and approved, and the gallant qualities of her people are highly prized, but Empire Day is celebrated with enthusiasm because of memories that are solely British and ideals associated with the deeds of men and women of British blood. The Australian and New Zealander would feel lowered if these were borrowed or adopted. They now cherish them dearly because they are part of their birthright and of the inalienable traditions of their inheritance.

THE PRIME MINISTER'S AUSTRALIAN POLICY.

When the Prime Minister was speaking here ten days ago he asserted that Australia was fast coming to a self-conscious stage in which the ends her people desire and the means to gain them are becoming patent. His "Australian policy" consists of a series of inter-related measures providing specifically for increases of Protection, population, land settlement, immigration, and defence. But the whole course of his argument made it clear that each and all of these were intended to preserve and maintain a white and not a piebald Australia. There is probably a clear majority for each and every one of his proposals taken separately, or for the whole of them taken together, but there is also a minority resisting each of them on various grounds. There is a minority, too, in favour of the introduction of coloured labour, who think that a subject people can be profitably employed here without serious race admixture so as to expedite our material development. This minority it is safe to say is the smallest

of all those mentioned, consisting almost exclusively of the inconsiderable class who believe they see better interest upon their investments or who wish to reduce wages in kindred modes of production. They are probably less numerous than the extremists, who would rather be discourteous to the Japanese than seem to waver in their hostility to Asiatic influences. The mass of our community, however, is Imperialistic enough to do honour to our allies by showing courtesy to their fleet, and British enough to prize their citizenship in the Empire sufficiently to wish to hand it down to their children unimpaired by any foreign strain. When a proposal like that of Mr. Lyttelton even seems to run counter to this profound sentiment, and to our local self-government as well, it is doomed to failure, and to deserved failure. The unauthorised publication of the despatch will be less regretted if it makes Australian aspirations better understood in Downing Street itself, and also by those thoughtful electors who direct through Downing Street our Empire politics.

FEDERATED AUSTRALIA.

MR. SEDDON'S LAST WARNING. THE NEW SESSION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 11 1906; Jul. 19 1906.

The sudden death of the Right Hon. Richard Seddon, of which we heard this morning, came as a shock, but not wholly a surprise. He returned to Sydney on Saturday morning, having transacted business with Sir William Lyne in the train until after midnight. Then followed a very busy day, a farewell dinner, a theatre party and late supper, after which he boarded the *Oswestry Grange* in the early hours of Sunday morning. He had been living at this rate and under the same pressure ever since he came here for rest and a holiday. No wonder even his iron frame succumbed after years of similar strain, and that he died fourteen hours later. His character and career are so well known and appreciated at home that it is needless to comment upon them here. With him disappears the most potent and picturesque of all the public men of Australasia.

MR. SEDDON'S CENSURE OF DOWNING STREET.

A peculiar significance attaches to the last speeches of the great Imperialist. He spoke here with much warmth of the manner in which our great Imperial interests in the Pacific have been trifled with for many years, but his remarks to interviewers were restrained and moderate by comparison with the vigours of his language in Melbourne. His speech there was nothing less than a public impeachment of the Colonial Office and its policy. It naturally created a great sensation. Not that the matter of his indictment was new, but that our leading men have always alluded to the unfortunate history of these events in more diplomatic language. Mr. Seddon simply said right out what most of them believe or know. It was late in the day to recur to the negligence that allowed New Caledonia and the New Hebrides, both originally under a general jurisdiction vested in the Governor of New Zealand, to pass out of British control. The manner in which Germany outwitted Lord Derby in New Guinea is an oft told tale. It is idle to review the treaty by which the annexation of Samoa was refused, and then what rights remained to us were exchanged for part

of the Solomons and a concession of fishing rights in Newfoundland. The risks to which we have been submitted in Tonga as in the Cook Islands and the opportunity missed in Hawaii in spite of Mr. Seddon's personal warnings also belong to the past. But his recital of this list of grievances and of our futile protests for many years certainly supplied a dark background to his comments upon the occurrences which belong to the current year, to the existing Government in Great Britain, and especially to the draft Convention for the New Hebrides now in debate between our Prime Ministers. His first complaint was that we have been and still are placed in a false position because many despatches upon great questions are marked "secret" or "confidential". By this means our attitude is misunderstood among the public in England and here, and the blunders committed are not sheeted home to those responsible. His hands were tied, he said, by this familiar device in respect to the terms of the Convention now before him, although the French Press had long ago published substantially the very information that Australia was entitled to obtain. His next complaint was that though Mr. Deakin and himself had been consulted last year upon the appointment of a Land Commission they had not been consulted at any stage of the proceedings while that Commission was being transformed and its scope immensely widened. They had not been even informed of the time of its meeting or the nature of its work until a draft was put in their hands either to take or to leave. Australasia, though most vitally concerned in the Convention and containing within its borders men thoroughly acquainted with all the circumstances now obtaining in the New Hebrides, had been ignored. British representatives of high standing and ability, but wholly without personal knowledge of the group, its people, its trade or conditions, had met French officials, one of whom had lived in the islands, and all of whom were thoroughly seized of the local situation. Finally, he complained that the surrenders in Samoa, in Hawaii, and in the New Hebrides afforded the worst auguries of what was to be expected from "the supineness of the British Government" and the wilful indifference of "Downing Street" to all Australasian appeals.

RECEPTION OF THE SPEECH.

The tone of bitterness that pervaded the whole speech and the directness of his challenge to the Colonial Office provoked no protest from any section of the Press in Australia. On the contrary, his sentiment was approved and his frankness applauded. Disclaiming any breach of confidence with the Colonial Office, he contrived to say that if anything like a joint protectorate is to be established it ought to be under one law administered by one tribunal, capable of making preferential trade arrangements with New Zealand, New Caledonia, and the Commonwealth. But the principal consequence of his outburst is a revival of the old conviction that the Colonial Office is out of sympathy with Australasia and hide-bound in its officialdom. This apprehension had been diminished almost to vanishing point while Mr. Chamberlain

was in office, notwithstanding the Samoan exchange and the absence of any improvement in the New Hebrides. But with the loss of that great personality the old system reappeared again in full force. It was manifested most seriously in respect to South Africa as soon as Lord Elgin took the reins. Mr. Winston Churchill's speech at the Western Australian dinner in London has been most favourably received everywhere, but it has by no means restored the public confidence shaken by the threats of veto which he made in the House of Commons. What, it is asked, is the value of such assurances if, as Mr. Seddon said, Australasia has been absolutely ignored at every stage by his chief and himself while framing a draft Convention for the New Hebrides which our Prime Ministers do not appear to consider satisfactory in any aspect? Fine words from the Under Secretary for the Colonies "butter no Australian parsnips". But Mr. Seddon's last solemn warning to the Colonial Office expresses a real ebullition of distrust towards Downing Street which is decidedly undesirable and unwholesome because it seems to be almost universal among us.

THE GOVERNOR-GENERAL'S SPEECH.

The Federal session opened tamely, its commencement appearing all the more tame because it was expected to be stormily eventful. The Governor-General's speech was full of provocation, recapitulating in a long array of 36 paragraphs all that has been done since prorogation last year, and all intended to be done prior to the coming dissolution. "External affairs", a name which with us includes our relations with the Mother Country and other parts of the Empire, besides our indirect relations with foreign countries, occupied a large place. There was the New Hebrides Convention, the taking over of British New Guinea, of Norfolk Island, and the proposed purchase of the northern territory of South Australia, together with the drafts of Preferential Trade treaties with South Africa and New Zealand—all matters of great moment. In addition there were references to the late International Postal Congress in Rome, at which we were represented, the new Pacific Cable tactics in competition with rival routes, the fresh tenders for a mail service via Suez, the visit of Sir John Forrest to London in connection with our financial future, and the opening of a Commonwealth office in Westminster. These incidents, all of them take us beyond our own borders. They open up avenues for adverse criticism, and affect the very classes of issues most unsatisfactorily dealt with by the States before federation. Whether we are about to enter upon the national vistas which they disclose with sufficient prevision of the consequences of the course of action we are inclined to pursue remains to be seen. The Government may at least claim credit for having pushed out into this large and virgin field with courage and energy. Whether the particular proposals they submit hereafter turn out to be judicious or not they have not evaded our real responsibilities. In regard to these inaction was itself a kind of action, less effectually challengeable in the House and more non-committal to a

Ministry going before the electors. But the longer our decision on these matters is delayed the more complicated our situation is certain to become. Our interests in the New Hebrides, in New Guinea, in the Northern Territory, and in the suggested treaties of reciprocity will not wait. We have lost ground already in many quarters owing to the undue delay occasioned only in part by the confusion of our party politics. No previous Ministry has put forward a programme of external affairs anything like as large or complete as that outlined in Lord Northcote's official address to our Parliament last Thursday.

MR. REID'S TAME REPLY.

Mr. Reid, as Leader of the Opposition, is principally responsible for the tameness of the debate on the Address in Reply, so far as it has gone. In the course of a lengthy review of the political outlook he ignored every one of the allusions to external affairs. He occupied two hours and a half in a carefully-prepared criticism the only passages of which that exhibited or elicited any warmth being those containing personal attacks upon the Prime Minister and the Labour Party. Even then, as reported, he appears to have been less vigorous and effective than usual. No leader of a party in this country has ever adopted such an extraordinary attitude under similar circumstances. It is idle to speculate upon his motives, but the facts remain. The future control of the New Hebrides, the government of New Guinea and Norfolk Island as territories of the Commonwealth, the purchase and settlement of the Northern Territory of South Australia with possibly a trans-continental railway connecting us with Port Darwin, were matters that made no impression upon his mind or, at all events, upon his speech. The treaties for commercial reciprocity ought to have appealed to the representative of the commercial classes of this city, whose port is the greatest in the Commonwealth, but he does not seem to have alluded to either of them. In point of fact the only explicit challenge of the Ministerial programme which he uttered was contained in his complaint of the omission of an explanation of the intentions of the Cabinet for the repatriation of the Kanakas now in Queensland due next year. The Prime Minister at once supplied a statement of the several steps that have been taken to prepare for that emergency, upon which a State Commission is taking evidence in Queensland at the present time. That point and that alone was selected by the Leader of the Opposition as a ground of comment, and it proved quite inconclusive. No doubt his followers will be less restrained, but none of them can make up for the curious evasions of their chief. He allowed the speech to go by default, although it embraces a complete survey of what may be termed the external policy of the Government and of their domestic policy as well. For this to happen at the beginning of the last session of the Parliament, when a desperate and resolute onset was anticipated, is the surprise of the moment and of the occasion from which politicians have not yet recovered.

ABSTRACT AND WELL-WORN DENUNCIATIONS.

Mr. Reid is either very profound or very reckless in strategy. His formal opening for the session was most general in character. Even when he faced specific issues like the fiscal, which overshadows all others just now, he failed to arraign the Ministry or to put his own case in a new light. What he has been lately admitting on the platform he said over again before the *Speaker*. He will consent to adopt no recommendations from the Tariff Commission he appointed unless they are endorsed by at least one of its Free Trade members, and then promises nothing more than favourable consideration. Those recommendations not disposed of during the session will be put aside altogether, and will probably be met with the same Laodicean handling in the next Parliament. These forecasts do not take him a step further than he was before. The crucial issue of the moment has therefore been inadequately treated from a public point of view. We are left in the mists and clouds. Then, again, his indictments of Mr. Deakin, though quite in place, were equally well worn by continuous use during his recent electioneering campaign. The protests which he scattered over the Labour Party were of exactly the same tenour as those he has been employing in this State. The form of Socialism he denounces is that which regards every farmer, storekeeper, or property owner as a burglar, and seeks to nationalise all their possessions so as to make them either tenants or employees of the State. Most Labour Leagues have adopted this or something like it as their ultimate "objective", but as Mr. *Watson* purposes to acquire nothing from any owner except by purchase at a fair valuation, any realisation of this ideal is evidently postponed for generations to come. Near or remote, Mr. Reid is perfectly justified in denouncing chimerical dreams of this nature, as he has been denouncing them for months past since his *debate* here with Mr. *Holman*. But to make an abstract denunciation of these and the evils of three-party government the chief texts of an address as leader of the Opposition in which he was expected to head a deadly assault upon the Ministry was to hamper himself, and to leave to his followers next to nothing in the way of stimulus or guidance. He simply led them out for a dress parade on their daily drill ground.

PEOPLE FOR THE LAND.

Perhaps Mr. Deakin was taken aback by the vagueness of his opponent, but though he did not travel beyond the speech to which he was replying, and occupied about half the time of Mr. Reid, there was little noteworthy in his *remarks*. He retorted with quotations from "Hansard", which seemed to refute the personal complaints made, but was most rallied by interjections upon two matters not mentioned by the Governor-General. He showed that the Opposition was responsible for the transmission to the King of Mr. *Higgins's* motion in favour of a just scheme of Home Rule for Ireland,

the mover having consented at his request to strike out the parts of his motion which went beyond the record as an expression of opinion in each Chamber. Heckled in regard to his utterances upon the land question, he reiterated his conviction that under the laws and administration now existing in most of the States immigration was being discouraged. Refusing to declare for a land tax such as Sir John Forrest has recently condemned, he point blank declined to admit that the soil of Australia was to be left in the hands of the State Legislatures, no matter how they used or abused their powers over settlement. The people of Australia were quite free to use either their municipal, State, or federal institutions to encourage cultivation and occupation of the great territory under their control. The Prime Minister awaits definite assurances from the State Governments before opening a Commonwealth immigration office in London, which he proposes to work conjointly with officers representing all the States. His aim is to induce those who are leaving the Mother Country in search of homesteads to turn their faces to Australia. Though bluntly declining to commit his Cabinet either to propose or oppose a land tax, he made it plain that, if the States stand in the way of his immigration policy, it will be at the risk of federal legislation as a supplement to their laggardly methods of opening up suitable lands. Next night the *Attorney-General*, speaking to his county constituents on the Murray, went a step further in the same direction. The Government has not yet “considered the question” in an official way, but its leading members are evidently quite in accord in their resolution to carry out the Prime Minister’s policy of “people for the land and the land for the people”.

PROPOSED FEDERAL LAND TAX.

Sydney is more exercised over the report of *Judge Owen* upon the maladministration of our Lands Department and the re-trial of Mr. *Crick* upon a charge of improperly accepting money from Crown tenants who were granted extensions of their leases than by the policy of the Commonwealth or the proceedings of its Parliament. Whether or not Dr. *Danysz* is to be permitted to try his microbes upon our rabbit-infested areas, whether the regulations under the Commerce Act should be amended or delayed, whether our butter boxes should or should not be branded on the outside with a Government mark indicative of the quality of the contents are much more pressing matters to our citizens. They seem to forget that the three-party system still obtains, and that the Labour phalanx holds the balance of power between the Protectionist Ministry and the Revenue Tariff Opposition. The one item of his programme upon which Mr. Watson lays most stress is a progressive land tax. He makes it patent to all that if he can lead his party where he hopes, he will support Mr. Deakin in reforming the tariff and introducing British immigrants in return for a federal tax upon the great estates fit for the plough, but now used only to carry huge

flocks of sheep. Mr. Reid recognises this possibility, and is endeavouring to meet it by provoking a declaration from the Ministry either for the tax or against it. In the first instance this would send Sir John Forrest and possibly our Mr. Ewing out of the Government and deprive those who remained of some at least of their Conservative followers. On the other hand, if they declare against the tax Labour candidates, as well as those of the Opposition, would fasten upon Protectionist constituencies, making the defeat of some Ministerialists certain. No more delicate situation has been witnessed even in an always unstable federal Parliament than that in which Mr. Deakin finds himself before these alternatives. The condition is critical now, and will continue to become more critical as the session proceeds. Mr. Reid may have been wise in avoiding an onset upon the work of the Administration if he could find nothing to which strong exception could be taken. He may be excused for re-reading for the fourth or fifth time Mr. Deakin's scathing comments upon the methods and machinery of the Labour League. He was tactical in his latest bid for the anti-Catholic vote because of the Home Rule petition passed by both Houses. Though his appeal was unnecessary, it may assist to keep that grievance fresh. But why he did not make less of them in order to concentrate himself upon the proposed Commonwealth Land Tax more effectively, no one knows. By its means he can enlist under his banner all the State Ministries and Legislatures and most of the landowners who control both Federal and State constituencies. Why he weakened his case is still a puzzle to those who looked for a fighting lead at the opening of the new session.

FEDERATED AUSTRALIA.

THE RABBIT PEST.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 18 1906; Jul. 31 1906.

The romance of the rabbit is an Australian story not easily intelligible to dwellers in colder climates with denser population, where his marvellous fecundity and ingenuity are unrealised. Recent events have elevated him here into a public and political importance greater than he has ever attained. It is not the first time that he has appeared before our local legislatures, all of which at one time or another have been occupied with his depredations in past years, but it is the first occasion on which he has made his bow in the national Parliament. Way was made for him by the collapse of the debate on the Address in Reply. Tamely opened by Mr. Reid, it became deadly dull in the hands of two or three minor members, and expired abruptly at a third sitting. Never has the House of Representatives witnessed so impotent a review of a recess. An attempt was made to represent this failure as a clever stroke of Opposition tactics intended to embarrass the Ministry, but the truth has crept out since, showing that the result was quite unexpected and unintentional. Mr. Reid's followers, feeling how hard it would be for them to put new life into its languor, were waiting upon each other until they lost their opportunity. The next pretence adopted in the hope of concealing this discomfiture was that the redistribution of electorates lay in peril. The Government were accused of intending to delay the resolutions affirming the Commissioner's recommendations in order to allow Victoria to retain a member and deprive this State of the new constituency allotted to us under the scheme. It is no exaggeration to say that many columns have been filled in the Sydney papers during the last twelve months depicting and denouncing an imaginary Protectionist plot of this kind. The plain statements of the Prime Minister that this new scheme would be dealt with at once have been ignored or darkly suspected. Yet no sooner was the Address disposed of than, as promised, the resolutions were moved by Mr. Groom and carried in one night. That relating to Victoria was endorsed upon a division by the whole of the Ministerialists present, with only three exceptions. Ten of the thirteen seeking to alter it belonged to the Opposition. Yet such is the violence of party feeling in this Metropolis that our papers will continue to assert, and their readers to believe, that the Victorian Prime Minister and his colleagues have only been baffled in their nefarious designs by the vigilance of Mr. Reid's lieutenants. The fact is that only six of the Opposition went to the assistance of the twenty-eight Ministers and their followers who voted to give us our due representation.

DR. DANYSZ'S MICROBE.

Next day being set apart for private members' motions, the rabbit obtained formal admission to the floor of the House. The Federal Government had already limited Dr. Danysz's proposed experiments upon his family to the laboratory of our micro-bacteriologist, Dr. Tidswell, and subject to his inspection. Any debate in Parliament might well have been postponed until his scientific testimony was available upon the nature of the virus, which he intends to disseminate. Patience, however, is not one of the virtues of a democracy, and certainly is never conspicuous among those of our representatives who claim to be in close touch with the masses. Mr. Hughes, M.P., who held a portfolio in the Labour Ministry of 1904, and sits for West Sydney, wished to keep the imported microbes permanently locked up in the laboratory, no matter how innocuous to other forms of life they were proved to be. In this he had the support of his colleagues in the Caucus, who, however innocent of bacteriology, were perfectly prepared to sentence the unlucky micro-organism to perpetual imprisonment without waiting for his trial before a scientific court of competent experts. Whereupon, not to be outdone in fanaticism, our Opposition papers performed a complete somersault. After having in the first instance applauded Sir William Lyne's temporary restriction of the experiments to the State Laboratory and explained how much better this was than to permit them to take place on Broughton Island the opportunity of girding at the Labour Party carried them to the opposite pole of opinion. Ministers were taunted as usual with alleged subservience to Mr. Watson and the State Premiers instigated to defy them by permitting Dr. Danysz to breed his microbes in New South Wales beyond the reach of Federal interference. Our local "government cannot sit still", said the same oracle, which a week before had been complimenting the Commonwealth Ministry on its precautions. The bacteria bred of party prejudices are certainly numerous and potent among us at all times, and if they do not destroy the Ministry it is not for want of virulence. The rabbit has shaken State Cabinets in his time and with such assistance as he is now receiving might bring the latent antagonism between them and the Federal Government to a head in his interest were it not for the fact that the alarmists are by no means absent in Sydney itself. Mr. Carruthers would require to canvass his small majority carefully before declaring war on this pretext.

ADAPTATION TO ENVIRONMENTS.

The romance of the rabbit in this country began when he was introduced from home chiefly for purposes of sport or as a pet for children. He was "preserved" long enough to give him the freedom of the country, and only when he obtained it did his patrons wake up to what they had done. Proceeding upon the commonest of the tacit

assumptions that have led us astray in many of our public and private undertakings, it had been taken for granted that what the rabbit is in England he would remain in Australia—an amiable dweller in neglected corners affording practice for the sportsman and a toothsome dish for the table. What had been forgotten in this simple-minded inference was Australia—its gentle climate and boundless spaces of pasture, with but a handful of inhabitants scattered over thousands of square miles. That was all. It was all there was to forget. The amazing fecundity of the rabbit in a land of endless sunshine and fattening food was not long in turning its units into thousands, into millions, into uncounted myriads, eating grass till the sheep were left starving and consuming crops until the husbandman had nothing to reap. For a few years, when it was found that, in default of grass and wheat, the rabbit would eat anything, scrub, the shoots and bark of trees, all that was green, and all that its teeth could tear, it was feared that it would eat everything. Swimming rivers, climbing trunks, burrowing under close fences, and even climbing over them upon heaps of its own dead, it became a devastating scourge all through the country districts. Then a fierce battle began between the human brain and the multiplying armies of hungry rodents. Wire netting, with aid from State funds, was erected for thousands of miles about farms, gardens, cultivated grass paddocks, and, in some instances, along the borders of States. Waterholes were fenced off and poison laid in tracks wherever the nimble enemy appeared. They were trapped, snared, shot, dug up, and starved as occasion offered. Shut out and driven back wherever settlement was close enough or grazing land warranted the expenditure, our Legislatures imposed upon their tenants and upon all owners the responsibility for clearing their lands at given periods. Under this pressure the rabbit receded from the most fertile areas, but wandered farther and farther back, adapting himself as he went to our steppes and deserts. His pilgrim cohorts perished wholesale, but did not stay the march. Pushing on to the far north and the waterless west they died in masses, but the survivors propagated persistently, finding new food and new devices for obtaining it. The rabbit has sought to take all Australia to be his province.

THE RABBIT TRADE.

The next chapter in his history was less stirring, though it begun to build our contra account. Rabbit became a popular food. It was cheap, a wholesome change from the butchers' meat, of which all classes eat too much and too often for our climate, being bought at the door from regular hawkers in all towns and cities. The trappers and others destroying them for hire began to pay themselves handsomely by selling their prey—cold storage cheapening they began to be exported. Today at many of our railway stations in this State the crates of freshly-killed and cleaned rabbits form quite an item in our freight receipts. Tens of thousands of rabbits are now being shipped

weekly all the year round to the Mother Country. Their skins are in demand at our hat factories and constitute an important article of commerce. The latest proposition in respect to them has just been before the Bathurst Pastures Protection Board. Mr. Gardiner, a member of our Assembly, believing that by breeding long-furred rabbits he could greatly improve their value and make their preservation desirable in certain classes of country, submitted a request to be allowed to breed them in an enclosure. The Board indignantly refused consent, and will have much sympathy from all runholders in their dislike to any such idea. But it cannot be lightly dismissed from practical experiment. Even the rabbit has a value. Just now all estimates must be regarded as suspect, because there are two bitterly hostile factions in the field. These are the runholders, who see their sheep wasting away and their stations desolated by invading hordes of rabbits, and the farmers in similar plight, in regard to their crops. They have always enjoyed between them the cordial approbation of almost the whole of the public. Today they are challenged by another party more numerous than the runholders and allied with some of the farmers. These are the 20,000 persons engaged in rabbiting or in the shipping and commercial interest which obtains their business. £30,000 a year is said to be paid in wages, and the earnings of the rabbit industry as a whole are assessed as high as £1,750,000 a year. On the other hand, the losses due to the rabbits are calculated at ten to twenty times as much. This State alone disbursed nearly three-quarters of a million in combating them, and all its neighbours have spent freely for the same purpose. Our pastoral depreciation has been officially stated at from £8,000,000 to £10,000,000, with a loss in State revenue from our western Crown lands of £180,000 a year. The balance against the rabbit though it can only be guessed must be very heavy. No one knows just what it is. But it is plain that he has been to us the costliest of all colonists.

BACTERIOLOGICAL ANTIDOTE.

When the pastoralists put their hands in their pockets and provided £10,000 to bring out Dr. Danysz with his microbe they little suspected the antagonism which would be evoked. Hitherto they have experimented freely in any and every fashion, and might have continued to do so had they not succumbed to the advertising habit and vaunted in advance the wholesale eradication of the rabbit, which they expected to achieve by inoculating him with a deadly contagious disease. The best opinion here, based upon our own experience and the judgment of experts, is that at the utmost no such feat is possible even in limited areas for more than a short time. Our rats die of the plague, but they do not become extinct although we are killing them off at the same time. This may prove an inexpensive method of diminishing the pest where it can be economically applied, but nothing more is anticipated. Still, the rabbiters do not relish the prospect of even this competitor, because they know

that if infection is attempted they will be at once prohibited from either selling or exporting in the districts where it is being tried. Our Federal Commerce Act has given the Government a grip of all exports from one State to another and oversea, which would be unhesitatingly applied to them in such circumstances. Besides, the rabbits are again carefully inspected after their arrival in London and unhesitatingly condemned if not in prime condition. Hence, the men whose living is threatened, instead of objecting to the destruction of the rabbit have astutely aroused public alarm upon the supposed risk to be run by sheep, horses, cattle, and poultry if they should turn out to be susceptible to unintentional contamination. This artful suggestion has created a strong sentiment against the whole project, though Dr. Danysz himself and those who have engaged him, representing the largest owners of sheep and other stock, ridicule the possibility of such a communication of disease. The real doubt is not whether it will affect other animals, but whether it can be made to affect even the rabbit for more than a short time. The expectation is that though a generation or two can be reduced in numbers, their descendants will soon become immune. If bacteriological massacres were as easy as the uninformed seem to believe, it would have been employed long ago with universal approbation in Australia for the extermination of bunny and his interminable family.

TESTING OF THE VIRUS.

The actual upshot is satisfactory to all sensible people. Dr. Danysz will first satisfy our bacteriological expert that his pasteurella will not attack any animals except the rabbit. These experiments will be confined to the laboratory. He will then have to demonstrate its efficacy and repeat his proof of the insusceptibility of stocks generally upon Broughton Island, near Newcastle. After that ordeal he may be allowed to test his virus in the open and upon any scale. He asks no more. The resolution passed in the Federal Parliament confines him to the laboratory for the present, and as that is where he desires to be, it does not even occasion delay. Parliament or the Ministry must remove the embargo upon further experiments before they can be undertaken, but no doubt will act upon the advice of our official experts. So far as New South Wales is concerned, even this intervention of the Commonwealth was quite unnecessary, since we have upon our Statute Books a Noxious Microbes Act, under which our own Legislature must give its tacit consent before any experiments of this nature can be commenced in our territory. We are therefore doubly armed against Dr. Danysz and the minute germs at his disposal. Our rabbits might have some qualms if they were acquainted with his ambitions, for they are still as timorous here as in the Old World. But our rabbiters and hawkers can sleep in peace. Mr. Gardiner,

M.L.A., can foster his long-furred breeds and the shipping companies continue to enlarge their cool storage accommodation, housewives of the working class will not lose the delectable roast or stew to which they have been accustomed, our factories will not lack material for hats, and the skins will come down by bales as of yore. The romantic story of the rabbit will not be concluded by Dr. Danysz, whose advent has only added one more incident to the records—most of them sad, but some of them ludicrous—which are marking the transformation from an unmitigated to a mitigated pest with a growing commercial value to Australia.

FEDERATED AUSTRALIA.

DIFFICULTIES OF PREMIERS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 25 1906; Aug. 8 1906.

Midwinter finds the Federal Parliament deep in the work of the session and all the State Legislatures preparing to follow suit. Mr. Carruthers and Mr. Bent have made preliminary speeches giving an outline of their intentions so as to prepare the public mind for what is coming. What is thought of their promises and anticipatory explanations one cannot tell. The criticisms on our Premier from the Labour members who constitute the official Opposition in New South Wales are not intended to express so much as to form opinion. Their electors are expected to take their cues from these utterances. The comments of the Sydney newspapers have a similar object—none of them like Mr. Carruthers, none do justice to the difficulties of his position, or to the pressure under which his Cabinet labours. They make much of his infirmities of temper and tortuous methods, for which, indeed, he often merits reproof. But to impale his measures and mock at his acts of administration on this personal ground is neither fair to him nor to their readers. Yet this is their habitual practice. He for his part, value as he may the great influence they exercise, knows exactly where his first obligations lie. The *Herald* and *Telegraph* could consistently laud him to the skies. They could be relied upon to do so if he followed the broad political path recommended by them which would lead to the destruction of his Parliamentary majority. He not unnaturally prefers the narrow path of cautious opportunism that keeps him Ministerially safe in the Assembly. Our papers clamour for specific announcements of policy in respect to the management of our railways and lands, partly because these are now due, but chiefly because they wish to have the handling of them before the House opens. Mr. Carruthers lets his annoyance with them lead him to make a great parade of his duty to reserve his confidences first for his party and then for Parliament. By so doing he touches chords to which every member on both sides of the House responds, while at the same time he significantly snubs his censorious mentors of the Press. As a dissolution draws near he will lean more to the latter because he must depend upon them for his majority in the next Parliament. In the meantime he curries favour with the existing Legislature by boldly preferring them to the journals that have made and preserved his party. His immediate motto is “A bird in the hand”.

SITUATION IN VICTORIA.

The Victorian Premier enjoys a happier outlook, a larger majority, and a much more mercurial temper. Every now and then he shocks his most fervent supporters by outbreaks of violence and more frequently scandalises the serious by various antics on the platform, but is excused for his aberrations because he also exhibits some of the energy, geniality, and incessant “go” of the late Mr. Seddon. He is an excellent tactician in the House and a practised man of business out of it. Successful Australian Premiers, though extremely unlike one another in character and ability, all work on much the same pattern in their political campaigning. They follow popular feeling as a hound follows a scent, and are not usually far behind their quarry. To interest the electors with promising general projects and offer at the same time particular local advantages in doubtful districts is considered a sure recipe for a sound electioneering policy, equally adapted to every State and to the Federation as a whole. Mr. Bent applies it most adroitly, and being more audacious, dashing, and sociable than our Premier, proves himself better fitted for the vicissitudes of fortune. He has now in prospect the thorny provisions of an amending Licensing Bill closely akin to those which we adopted last year. The separate representation accorded to the public service in Victoria is also to be challenged with a view to a repeal of the Act, and although the present Ministers are responsible for its passing when Mr. Irvine was Premier, they now propose to undo the achievement that made them famous. Apparently they will carry their party with them, and possibly feared that unless they at once reversed their former policy they might be left lamenting. Something has to be attempted to suppress the gambling carried on surreptitiously in Melbourne, where, in addition to the heavy betting upon races by people of means, numerous illegal sweeps upon the totalisator model are widely patronised by the working classes. No one supposes that the Premier cares a straw about the matter, but he does care very much about the mass vote of the churches. Mr. Seddon was a social reformer on principle, seeking to meet all such emergencies half-way, but Mr. Bent emulates him only when it is plain that a majority is calling for the repression of a patent evil. For innovations in the States we must look past him and past Mr. Carruthers to Mr. Kidston or Mr. Price, who are credited with more aggressive intentions this year, though so far these are mere matters of speculation. Soon all of them will have opened their sessions, and then, indeed, the spacious opportunities afforded in this country for what is termed experimental legislation will be further explored.

INDUSTRIES AND MONOPOLIES.

In that field just now the Commonwealth leads. The House of Representatives has already been invited to sanction a very novel advance upon our past experience in this country. A “Bill for the preservation of Australian industries and the destruction of

destructive monopolies” was introduced by Sir William Lyne ten days ago. His speech supported its proposals chiefly by references to the immense capital and influence of Trusts in the United States. After some hostile criticisms had been offered he was followed by the Attorney-General, Mr. Isaacs, with a clear exposition of its scope and nature. The Opposition appear to have recognised the hopelessness of attempting to defeat the second reading, and to have resolved to concentrate their strength upon a postponement which will prevent the passage of the measure this session. That course is politic since the recent revelations of the Beef Trust’s practices in Chicago have directed a strong tide of sentiment towards legislation of this character. But for the fact that Ministers had brought in this Bill nine months ago they would have been suspected of pandering to this momentary impulse. As it is they are charged with having in view the “dumping” tactics threatened by an agent of the International Harvester Trust against Australian harvesters and agricultural implements. Probably this was the immediate occasion of their Bill of last year, but it is also true that they had announced an anti-Trust measure as long ago as 1903, so that only a portion of the Bill can be attributed to that experience. The real root of the Bill lies, as Sir William Lyne showed, in the successive revelations that have followed each other during the past twenty years of the tyrannous and injurious consequences of the great American combinations. It has not been launched as a result of any one of them, but of a consideration of the general lessons taught by their operations. It is probably brought forward now to afford some security to our threatened industries pending the amendment of the present tariff, though Ministers contend that no duties likely to be imposed can exclude Trusts from flooding our markets if they are so inclined. Whether this be true or not, and it seems to be true, the Opposition mean to make use of the Tariff Commission to side-track the Bill until its reports on agricultural machinery are submitted. Of course, the fact is that the preservation of industries is but another name for Protection, and the battle about to be commenced will be but another phase of our perpetual fiscal controversy. The Free Traders, hopeless of reversing the onward movement for higher duties, mean to make their motion for delay another line of resistance to the effective development of local manufactures by means of what they call “stark staring mad Protection”.

UNFAIR COMPETITION.

The Bill consists of two parts—the first aimed against Trusts or monopolies, the second against “dumping”, the fundamental grievance alleged in each instance to justify State control being “unfair competition”. “Restraint of trade”, now illegal, is not intended to be of itself sufficient to authorise prosecution. The restraint must be proved to exist and also to be detrimental to the public. Nor is it enough to show that the policy pursued by a Trust is intended to destroy an Australian industry. The

further condition is imposed that the industry threatened is one advantageous to the Commonwealth, having due regard not only to its employers and employees, but to those who purchase their products, or, in the words of the clause, to “producers, workers, and consumers”. By dwelling upon these provisions the Attorney-General’s exposition of the drastic clauses greatly softened their complexion. A Trust or monopoly is now made subject to the Bill even when its business is strictly confined to a single State if it be a body corporate. By this means and some other slight changes practically every local combination is brought under control. In this important respect the measure is wider than its predecessor of last year. The second part of the Bill is aimed at “dumping”. Here again a local industry must be justified from the consumer’s point of view before it can claim the benefit of the Act. Further conditions are that if the importer be a Trust or if the “dumping” of certain goods cause a lowering of wages locally “unfair competition” shall be attributed until the contrary is proved. If it is proved the importation can be prohibited. Great exception was taken to the original proposal which allowed a Board appointed by the Minister to decide whether the competition of the “dumper” was or was not fair. Ministers approached the High Court Judges last year, but only to find them properly averse to dealing with disputes not admitting of a final judicial decision. It is now announced that a new method of stating such cases is being devised that will permit of the power intended to be entrusted to a Minister being transferred to a Justice of the High Court. The one prerogative left to the Minister will then be that of temporarily prohibiting on the certificate of the Comptroller-General, who is the head of the Customs Department, the sale of “dumped” goods until the question of their fair competition is tried before a Justice of the High Court.

OPPOSITION TACTICS.

The complaint in Sydney runs that there is too much sparring for wind and too little open fighting by our Opposition representatives. Tactics and not principles employ their thoughts, while their anxiety not to miss a useful cry anywhere now that the elections are approaching is evidence of the subject upon which their minds are most occupied. One after another, except Mr. Reid, who has remained in Sydney, have solemnly denounced the Anti-Trust Bill through many columns of “Hansard” in all keys of denunciation. Having put this to their record on the one side for future platform use, each of them has instantly balanced it upon the other with a general declaration in favour of its objects and a promise to vote for the second reading. No wonder that some impatience is manifested at such a weakening among our stalwarts, while they forget the circumstance dictating it. Mr. Reid’s “Yes—No” policy in the fiscal question, which has been officially adopted by his party, is solely responsible for their impotence. Here is a measure, Protectionist in every aspect, that with its

anti-dumping clauses enables certain imports upon which the duty is tendered to be impounded, and perhaps prohibited. "The Bill that is worse than a tariff" was the title given to it last year. It is no better in its new form. Yet, as some of Mr. Reid's Protectionist allies in order to save their seats feel compelled to give it qualified support, the resistance of the whole party is paralysed. Yet its opportunity is clamant. The Protectionists, of course, hail the measure with rejoicing, and rally behind the Ministry. But the Labour Party is divided, its Free Traders detesting it on economic grounds, and its Socialists because it substitutes the regulation of abuses for their dreams of nationalising the industries in which they occur. Even Mr. Watson gives the Bill but a half-hearted support, and refuses to admit its efficacy. His Socialistic tendencies are all hostile to it. Yet the Bill will probably be carried, as so many measures were last year, because the Ministry, knowing its own mind, has the courage and firmness to follow its own course. When both of the other parties are divided it usually gets its own way. Mr. Watson lends his aid with but lukewarm cordiality, and his followers assent rather than assist the Opposition, and thus it happens that a Government frequently taunted with subservience and weakness, by persistently seizing all its opportunities always guides and almost always effectively leads a House in which it has but a minority of followers.

FEDERATED AUSTRALIA.

RECORD OF PROSPERITY.

FROM OUR CORRESPONDENT.
SYDNEY, Jul. 2 1906; Aug. 11 1906.

On Saturday, June 30, accounts were closed in the Commonwealth and all the States for the financial year 1905–6. This completes our first quinquennium under federation, which closes brilliantly with the happiest auspices for the whole of Australia. The figures of our public accounts tell but one tale, and though there are differences between the various sections of the continent they amount only to degrees of prosperity. Sound trade, abundance of money, increase of savings, large returns upon all investments, a growth of land settlement and of population obtain everywhere. There is no sign of retrogression. Even an unfavourable fruit season in Tasmania could not prevent her accounts from showing a cheering total. The pause in the rapid pace of expansion in Western Australia has to be allowed for at the moment, but its Ministry appears to be alive to the situation and prepared to initiate reforms which will soon put them once more in the front rank in the general march. This, indeed, has hardly been interrupted north or south so far as private enterprise is concerned. South Australia, apprehending a deficit this time last year, now finds herself in possession of the largest balance to credit she has ever known. But it is on the eastern seaboard in the three leading States where four-fifths of our people are congregated that the returns are most exhilarating. Queensland shows a surplus of £127,000, Victoria of £600,000, and New South Wales of £930,000, the Commonwealth, after paying over three-fourths of its Customs revenue to the States in the discharge of its constitutional obligations, having distributed among them its own surplus of £827,000, which is £358,000 more than was expected.

No comment is needed to make the meaning of these remarkable figures plain. They speak for themselves. Incidentally, they answer most of our critics. It is quite true that the excellent season last year is reflected in them, but it is also true that the current season promises to be still more favourable. Splendid winter rains have visited our pastoral and agricultural areas, and in many parts of the south the streams are still running bankers. A general mining revival, a high price for wool, a natural growth of export trade facilities, and an enlarged output of our manufacturing industries require to be remembered, since they are independent of the weather. Then, again, the

results chronicled are normal. They have not been purchased by fresh burdens upon the taxpayer and are not really exceptional. There is no reason why they should not be maintained for some years, and there are grounds for believing that they will be exceeded in 1906–7. New South Wales at least is in the happy position of courting comparison, and, indeed, of challenging it against all comers. Mr. Carruthers, realising this, is exhibiting a clearer appreciation of the value of advertising some statistical facts to which we can confidently appeal. Last year our population increased faster in proportion than that of the Mother Country, Canada, the United States, or Germany. Though only a million and a half of people, our gross production was assessed at £45,000,000 for the twelve months. Wool, sheep, and cattle gave us £16,500,000, agriculture, including dairying, £10,000,000, and mining nearly £7,000,000. We raised a total revenue of £14,000,000. Our railways and other business undertakings built with borrowed money, not only paid interest upon all the sums expended on them but within £200,000 of the total interest upon public buildings, bridges, harbour works, and other undertakings not directly reproductive. Nowhere out of Australia are these figures likely to be matched, or indeed approached under circumstances similar to those of our recent trials.

SETTLERS REQUIRED.

If these happy results cannot be traced to our Legislatures, they have a good title to assert a measurable relation to some of the successes coupled with a recognition of past errors and omissions. Much of their later activity has yet to bear fruit. Our encouragement to immigration has hardly effected the figures. Mr. Coghlan's energetic impetus has turned a little of the tide in our direction, but this State has yet to receive a full flow. Our new citizens, though few are wholly satisfactory to us, are well contented with their own prospects. We require, and ought to obtain, a hundred for every one now arriving. Though nearly 900,000 acres were selected during the last six months, there is plenty of room. We should make it much easier for men of small means or even of no means to obtain holdings, without exiling their families to the back blocks. Then the splendid record of the past few months would be repeated regularly. The calumnies of the interested who seek to decry our prospects in order to buy more cheaply either for themselves or for their principals would become futile. The clamour of insensate partisans, stopping at nothing that can injure their political adversaries, would be discounted as it deserves. Thoughtful observers admit that in the matters mentioned above our politicians have been grossly remiss, and that on other points they have been misled. But of what new country is that not true? In what old country do they avoid mistakes? It is not these but the mischievous personal spites and faction furies that injure

Australia's reputation here and at home. Only the official facts and figures lightly passed over as dull or intricate tell the plain unvarnished truth independently of prejudice. Whatever errors may have been committed, their effects are evidently transient or slight when the fifth full year of the Commonwealth surpasses all its predecessors.

SOCIAL LEGISLATION.

The substance of the Australian situation today is disclosed in the Treasury balances now publishing. These comprise within them all that is worth knowing or saying about our material progress, except to those who keep an eye upon our contemporary politics and politicians for special reasons. These may wish to glance at the bills of fare provided in our State and in Victoria for illustrations of these fresh social experiments for which we are noted. Nothing at all novel or extraordinary from our point of view appears in either, yet the list contains some items that would probably attract attention elsewhere. The establishment of a State Savings and Land Bank appears once more in Mr. Carruthers's programme, and if this time his object is attained, it will only be in accordance with precedents already tried and approved among our neighbours. Once more we have the promise of a measure extending the powers of local governing bodies, though these are not likely to exceed the municipal endowment customary in the Mother Country. The highest of the rates levied here is lower than the lowest of those imposed for the same purposes in Great Britain. Having regard to the size of the districts with which our shores deal and the small population included in the domain of our town councils, all comparisons of what may be termed net cost available are in our favour. Two more standing dishes appear in the programme in the shape of amendments of our Industrial Arbitration and Old Age Pension Acts. Whatever form these take, the first will certainly tend to diminish the authority heretofore exercised by the court, and the second to decrease the existing expenditure for the benefit of the aged and indigent of the community. A Workmen's Compensation Bill, a Pure Foods Bill, and the founding of labour farms to provide temporary employment for those in need imply no strange expedients. All these are based upon the experience of some of our neighbours. Mr. Bent's programme is of exactly the same pattern. It contains nothing radical according to our standards, and nothing unforeseen. Neither State will attempt anything expensive. On the contrary, their finances will be the better for the session's work as planned. Economy is the order of the day in every State, notwithstanding the flourishing condition of our public purses. Taking all these things into consideration the alarmists who persist in croaking disaster in face of our present political outlook must be pessimistic by profession.

WATER SUPPLY.

The only undertakings in Sir **Harry Rawson's** speech which will involve a large expenditure are those alluded to in the twenty-fourth and twenty-fifth paragraphs covering water supply and a judicious extension of our railway system. These can furnish no anxieties to any creditors who understand Australia and are acquainted with the particular proposals contemplated. First and foremost comes the regulation of the River Murray and its tributaries for the allotment of their waters. A similar paragraph has already appeared in the speech of the **Governor of Victoria**, and a third will occur this week in that of the **Governor of South Australia**. The gigantic scheme provided for in the agreement signed by the three Premiers of the States affected was fully explained and criticised in my letter of April 23. The mere fact of the agreement is most important and the prospect of its endorsement are satisfactory. The expenditure authorised would be spread over a considerable period, while the benefits to accrue would be widespread, permanent, would greatly increase production, and assist to reduce the cost of transport. The immense reservoir scheme near Yass, still in process of investigation, is associated with, but independent of it. Except the colossal works upon the Nile, there can be few enterprises of this character that vie with this storage either for magnitude or usefulness. Assuredly there seems to be nothing south of the Equator, unless it be the Victorian Waranga Works, now in course of completion, fit to be placed in the same category. These water schemes ought to become highly remunerative.

RAILWAY UNDERTAKINGS.

Besides these gigantic undertakings our Ministry clings to its railway to the north coast, a more ordinary undertaking in every way, and one that is perhaps premature, seeing that communication by sea will always maintain competition. Nevertheless, the country to be served is rich, its forests, the finest we possess, and its farms among the most prosperous in the whole State. It seems hard to deny its residents the immense conveniences of rapid transit, especially when one takes into account the great attraction this supplies to intending settlers. Money is being wisely spent here and in Victoria upon public works, which are, at all events in part, to be paid for by our Treasury out of its land revenue. This healthy financing ought to have been adopted long ago, but it is never too late to mend. Mr. **Seddon** was among the first of our Premiers who contrived to pay for many public works out of his annual surplus revenue. Where these are justifiable our own Premiers are safe in faithfully following his bold example. We have in this State alone almost unlimited opportunities of development, that is, when we measure what is with what might be. Despite the cries of Socialism and Anti-Socialism all parties look to State

action to assist and guide those who are making homes for themselves and revenue for the country. Many undertakings that ought not to be carried out by borrowed money can be properly faced with our own funds. A substantial advance towards this new policy is to be noted in every State on the mainland.

New South Wales has been very unfortunate in her Railway Commissioners, whose internecine strife is to be quenched by the retirement of two and the transfer of the third. We have been still more unfortunate in our lands administration, which for the future is to be placed in the hands of an independent Board, notwithstanding our recent experience in the railways. Western Australia, on the other hand, seems inclined to return to political management of her railway lines, and Mr. Bent would evidently follow such if he dared. New Zealand and South Australia have always insisted upon keeping them under Ministerial control. Mr. Seddon was the last man to part with authority to anybody, and most of our leaders share his opinion. The public, on the other hand, leans to non-political business management established by statute.

FEDERATED AUSTRALIA.

RIVAL POLITICAL PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 9 1906; Aug. 17 1906.

Half the Commonwealth Senate and the whole of the House of Representatives are due for election this year, probably about the end of November, and already the campaign is in progress. Parliament sits in Melbourne, but Mr. Reid is touring in Queensland as if it were still in recess. He has already carried out platform expeditions here and in Victoria and is preparing for further onsets upon different portions of the continent. If he is not successful at the polls it will not be for want of visitations, addresses, and personal appeals. He takes more kindly to this form of political activity than to any other because he excels in it, because it is individual, aggressive, and, as he contrives it, irresponsible. Voluminous and varied in utterance, he repeats the same thoughts and often the same phrases night after night with unwearied satisfaction amid rounds of applause. No such flood of talk, continuous, expansive, and vague, has been spread over such an area of country unless it be by Mr. Bryan in his Presidential contests throughout the United States of America. "He thinks he shall be heard for his much speaking" is the comment of adversaries who recognise the danger to themselves from a diffuse flow of facile oratory, however thin, when it has been brought, so to speak, within the reach of nine-tenths of the people of Australia. Whether from design or indolence Mr. Reid is saying nothing new and little that is positive. All his speeches can be summarised in a few simple assertions. His doctrine is that we are in danger of a Socialistic attack on private enterprise and personal liberty. The Labour Party, though it denies any such danger, does not deny some proposals which point that way. The duty of the constituencies is to reject all Labour candidates and those of the Government which depends upon Labour members for its majority. What Mr. Reid will do should he be fortunate enough to obtain a majority to his mind is not definitely stated. He steadfastly declares for a fiscal truce which is to continue for ten years, though he can scarcely remain master of the situation for that lengthy period. Thus, what he cannot defeat he hopes to postpone. After him may come the deluge. His whole policy, so far as it is original, is one of resistance and refusal. What he will not do if he can help it we partly know. What he will do if he obtains power would evidently depend entirely upon circumstances. "*Laissez faire, laissez aller.*"

THE LABOUR PARTY DIVIDED.

The Labour Party today is weaker than at any time since federation, not so much because of the reaction against its programme—though that exists, and Mr. Reid affects to rely upon it—but because of internal dissensions. Outwardly unity is maintained, but the breach between the Leagues with their branches and their representatives in Parliament with their caucus is wider than ever. It threatens to become impassable in Queensland, has swallowed a third of their number in Western Australia, and is provoking dissensions in their victorious ranks in South Australia. Wherever the party has come into power its hitherto powerful organisation, constructed solely for electioneering, has at once shown signs of disruption under that unprecedented strain. With responsibility and experience their Ministries and those associated with them have found it impossible to obey the behests of their irresponsible and inexperienced colleagues who are not in Parliament, and whose one aim is to get there. While outside the legislature they are ready to seize upon any cry, pit themselves against any section, and take advantage of any occasion that will afford an opportunity to them of heading the poll. These tactics, never profitable to their administration, are fatal when it depends upon the support of members who do not belong to its battalion. They brought the **Watson** and **Daglish** Governments down, and seem likely to overthrow the **Kidston** Ministry. Quite recently its Home Secretary, Mr. **Airey**, a late leader of the local caucus, angrily declared the programme to which they are all pledged to be “impossible” because it placed “a premium on hypocrisy and deceit”. Apparently the Federal Labour members who are seeking re-election in that State think it wiser to throw in their lot with the local branches upon which they must depend in November rather than with their State confrères, whose trials foreshadow their own. A still more direct test of Labour unity is being applied throughout Australia. When Mr. **Watson** was Prime Minister for three or four months his Cabinet was only sustained by the votes of Sir **William Lyne**, Mr. **Isaacs**, and the group of Protectionists who separated from Mr. **Deakin** when he entered into his ill-omened alliance with Mr. **Reid**. They sought to balance their leader’s new departure by a written treaty with the Labour caucus, under which they were guaranteed immunity from Labour opposition at the now approaching election. This treaty the members of the Federal caucus have honourably endeavoured to fulfil. Mr. **Watson** in particular has exhausted himself in public and private in order to persuade the Leagues to keep faith with those who kept him in power. His efforts have been in vain except in New South Wales, where his personal influence is naturally greatest. Owing to his fidelity to that bond Sir **William Lyne** and Mr. **Chanter** are safe, but he has failed signally to obtain a recognition of his pledge either in Victoria or in South Australia. Mr. **Isaacs** in the former and Mr. **Kingston** in the latter are the only Protectionists to be spared Labour opposition. After this repudiation of his action

alliances between the Federal caucus and any other section are henceforth banned. The Labour Leagues outside this State will give no quarter. They have emphasised their own independence, denied the authority of their leaders, authorised the self-seeking of their local branches, and enforced the isolation of the party.

THE FEDERAL GOVERNMENT AND LABOUR SUPPORT.

The present Federal Government came into office with the assistance of the whole of the Labour members and continues to legislate with their help, which is undivided except upon a few issues. So far as appearances go they are cordial as well as staunch allies, and are certainly generous in the extent of their support. Most of the Free Traders vote Protection, not because they are converts to the principle, but by way of rejoinder to Mr. Reid's attacks. The curious thing is that their agreement with the Ministry, so well observed, is strictly limited to the present session. At the dissolution Protectionists and Labour members will be at each others' throats as fiercely as at those of Mr. Reid's fiscal truce propounders. The immunity promised to Sir William Lyne and his group for past services to Mr. Watson never included Mr. Deakin and the other members of his Cabinet. The Watson-Lyne treaty was in fact aimed at them, and especially at the Prime Minister, who, to do him justice, has never asked for Labour clemency at the election and has publicly disclaimed any desire to receive it. The Ballarat League in particular and all other leagues in general will never forgive him for his unsparing denunciation of their petty methods and personal intrigues. Though sitting upon the Treasury Bench with the whole body of the Labour representatives and Protectionists behind him, Mr. Deakin has never withdrawn, softened, or apologised for his scathing criticism of their local organisations. The existing situation is indeed a most complete justification of his forecast, as Mr. Reid always delights in demonstrating by abundant quotations from his rival's speech. The Victorian Labour Leagues announce that they regard both leaders as "avowed enemies of Labour", and by the hand of the secretary of their principal executive in Victoria have now officially bracketed them together. The Labour extremists know that they have no more to hope from the Prime Minister than from the Leader of the Opposition. They are already in the field against Sir John Forrest and will make mincemeat of Mr. Ewing and Mr. Chapman as soon as they get the chance. While these Ministers are no worse off than the rest of their followers there is a special bitterness, not without justification, against Mr. Deakin and those who followed him when he defied the Labour Leagues and assisted to defeat the Labour Government. Labour members sit behind him now for their own sakes and not for his. United with Mr. Reid he would overthrow their dominion, and but for Protection that would be his role today. He saved them from a sudden dissolution last year and secures them a better prospect at this year's poll because of his strong sense of the importance of

the fiscal issue. On these accounts they permitted him, and are still permitting him, to dictate the policy of the country, which they endorse by their votes while they disclaim it with their voices. For instance, they are now repeating in chorus Mr. Watson's warnings that the Anti-Trust Bill must be an ineffectual means of preserving Australian industries and unitedly protest against the principle upon which it is planned. Yet they are voting en masse for every one of its provisions directly they are challenged by the Opposition.

THE THREE PARTIES.

To put the position in a nutshell, let me add that about November next we expect a contest between three parties, each of them in a minority when compared with the other two. The Ministry will seek a mandate for more Protection, while the Opposition will ask that it should authorise no more Protection. Unfortunately that line of cleavage will not be clear, because the Labour Party, officially indifferent to this distinction, will ask on its own account for more State control of industry. To this demand Mr. Reid will reply "No more State control than is necessary", and Mr. Deakin, in other words, will say much the same thing. Supposing that each party comes back in a minority, a quite probable contingency, the result will be two majorities, one for more Protection, and the other—but not the same majority—for more State control. The Ministry would not make greater concessions to Labour than Mr. Reid, but would very likely have the first opportunity of making them. The hostility of Labour candidates during the elections will not prevent those who become members from giving the Protectionists a first refusal of their votes. Unless Mr. Reid secures a majority in both Houses or outbids Mr. Deakin he is likely to continue in Opposition. Another possibility is a redistribution of parties. Even the Labour organisation seems liable to disruption, Ministerialists are already separated into two distinct groups, while Mr. Reid is only nominally commander of the motley forces temporarily combined under him by antagonism to the Labour Party.

RUMOURS OF MR. DEAKIN'S RETIREMENT.

There are still other factors of change in sight. The other day it was rumoured that Mr. Deakin contemplated an early retirement from politics, and though he denied the statement, the denial itself was very guarded. Should he withdraw or be defeated his party would either dissolve or assume a new shape. A similar transformation would attend the following of Mr. Reid if by any accident he stepped aside and though outwardly the Labour Party would remain the same under all contingencies, it would assume a very different aspect if Mr. Watson were absent. The conflict now

being waged is between three forces, whose constituent parts are at once held together and kept apart by their three leaders. There are but two real antagonisms in our public affairs. These are between the Protectionists and the Revenue Tariffists in fiscal affairs, and between the individualists and the advocates of State action in non-fiscal affairs. The cross division which results from this double division gives us nominally four parties, but in practice three. Protectionists may be individualists or not, but if they value industrial development most they are classed as Ministerialists. There are also Revenue Tariffists, who are for all that antagonistic to individualism. Generally speaking, however, those who favour State intervention for the encouragement of Australian industry lean to State intervention as a check upon monopolies or other encroachments upon the interests of the community. But there is no absolute rule. We have therefore three parties and three leaders instead of two. As a consequence we must suffer from political confusion, unrest, and uncertainty, while no one of them is strong enough to control Parliament independently.

FEDERATED AUSTRALIA.

THE PROTECTION OF TRADE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 16 1906; Aug. 24 1906.

The law-making propensity is not peculiar to Britons within or without the Empire, but assuredly it is vigorous enough among them all. Of course every Legislature is intended to legislate and is likely to keep on legislating even when no real need asserts itself. Members being obliged to recommend themselves to their constituents periodically can only do so by the number and attractiveness of their fresh proposals for new Bills. These are often little more than amendments of existing statutes, but if passed they add to the labours of the student and the bulk of our statute books. No doubt the ever increasing complexity of modern life calls for readaptations and expansions of the law. Our courts amid their other functions contrive by interpretation and almost insensibly to contribute their quota of precedents to the authorities of the printed page. No wonder that alarmists are already depicting our civilisation pinioned by all these enactments as Gulliver was with the threads of the Lilliputians. If the computations made included municipal bye-laws the totals would be immensely swollen, and when these bodies are endowed with the extensive powers intended to be conferred upon them in New South Wales their legislation ought to be added to the total. When there are double legislatures under a Federal system, as in the United States or Australia, the output is necessarily larger partly on that account and partly because the artificial limits imposed upon each of them tends to increase legislation as well as litigation. In our case, too, the ownership of Crown lands calls for State laws dealing with various tenancies and all kinds of purchasers. The ownership of railways and execution of great schemes of water supply have also to be allowed for. Still the Australasian Legislative total as yet is not formidable, and when our special circumstances are remembered cannot be considered unreasonable. At the same time the appetite for legislation among us is keen and possibly grows by what it feeds upon. Many of our experiments, audacious in themselves, promise to become parents of new broods of laws here and by imitation elsewhere.

ANTI-TRUST LEGISLATION.

The Commonwealth Bill for the “Preservation of Australian Industries and the repression of destructive monopolies” is framed upon the *Sherman–Wilson* and other anti-trust laws of the United States. The evidence upon which it is justified comes almost wholly from the same source. It is therefore an importation itself in its main principle, though there has been tacked on to it an altogether unprecedented device of our own. This prohibits particular importations of goods by any outside manufacturing agency if proved to be introduced and sold for the purpose of crushing out local competitors by unfair methods. Putting this indigenous addition aside, the body of the Bill defines trusts and combinations in the widest possible way, so as to meet all the ingenious forms of organisation adopted in America to defeat the law. In the great Republic several apparently independent groups of capitalists have shown themselves able to act together with irresistible force against their scattered and disorganised rivals for trade. Some of these combinations are employed simply for purposes of cheapness, and represent a form of cooperation, increasing profits by diminishing the costs of competition. No interference is attempted with them. They are held to be fully entitled to all their gains by saving and their increase of business by reason of the cheapness at which in consequence they can afford to sell their goods. But if they raise their prices because they have obtained command of our market and are no longer subject to effective competition here they are liable to be brought to book; their partnership can be dissolved and those responsible for its administration tried as criminals. The formation of trusts within the Commonwealth is forbidden under similar penalties of fine and imprisonment. In the opinion of a recent Select Committee of the Senate a Tobacco Trust exists which uses its practical monopoly of the business to the detriment of the public. The Colonial Sugar Refining Company, which under the Federal tariff rules supreme over the sale of its commodity in every State, is also in some jeopardy, although no illegal transactions are charged against it. What is feared is that having the power these monopolies will abuse it stealthily unless they are kept in check. A shipping ring which controls our coastal traffic is another suspect without challenge at present, except in connection with the rebates granted to those who ship goods only by those lines within the combine. If harmful trusts are operating in Australia they have yet to be discovered, and apparently the new provisions are preventive only so far as we are concerned. The Beef Trust, Oil Trust, Steel Trust, Copper Trust, and International Harvester Trust of the United States are aimed at in anticipation of possible invasion of our markets, for which we shall now be found well prepared.

LEGAL AND ILLEGAL ACTS OF TRUSTS.

After laying down the theoretical framework of the Bill, came the arduous task of discriminating between the legitimate and illegitimate operations of the Trusts. Here lies the crux of the measure. Admittedly co-operation among companies may be as desirable as it is among the shareholders of those corporate bodies which are playing a growing part in our industrial life. That cooperation is to be encouraged rather than discouraged. Yet business is business and not philanthropy. While in a new and expanding country such as ours there may often be commercial successes achieved by the supplying of new wants, new settlements, or novel industries, here as elsewhere a notable part of the gains of the large trader are made at the expense of his rivals, and particularly of those endowed with less capital, ability, or enterprise. Again, large profits on some lines are required to balance the ordinary margin of losses on others. A sacrifice of profits is continually being made to gain exceptional returns elsewhere. The element of speculation is never entirely absent, and often very prominent in mercantile and financial transactions upon any considerable scale. The crises that occasionally occur in these fields demand very unusual efforts from those caught in the storm. Scores of contingencies arise in which the bold man of business may escape or venture upon grave risks by abandoning customary paths on critical occasions. Any law must be lynx-eyed that could distinguish unerringly between all these various methods or inevitable hazards and those devices which have a malevolent end in view. The Federal Attorney-General, Mr. Isaacs, has devised a network of provisions enabling suspected trusts to be put to the test and in certain cases compelled to prove their innocence of guilty intention. The safeguard of these severities is that in all cases guilty intention has to be established. In its absence no matter what the conduct of the challenged parties or its consequences may have been, they go scot free. Opposition critics and the Labour members who are supporting the Bill without much interest and without any enthusiasm, insist that under these circumstances it will be almost impossible to obtain a conviction against any trusts operating in Australia. This is probably true, because if the Bill becomes law they will take no such risks where detection is possible. They will prefer to limit themselves to what may be called border raids upon our industries occasionally, abandoning the invasions for conquest which they are assumed to have been plotting. If the Bill accomplishes no more, it will have been warranted, but the evidence is slight that any such projects have been begun. The Australian market, though very profitable, is limited, and if for that reason more liable to be captured, cannot be controlled without disclosing the dominating influence thus brought to bear. The Bill amounts to a declaration against the predatory commercial descents upon our shores which, if they were ever planned, can only be executed in future under very exceptional conditions.

DUMPING.

The last part of the Bill, and the most original, is that directed against “dumping”. The word as used does not cover the ordinary selling of goods without profit or below cost price when that is done for business reasons, as, for instance, to clear out otherwise unsaleable stock. The “dumping” which is prohibited is that undertaken of *malice prepense*, as the lawyers say, with the deliberate purpose of destroying a bona-fide Australian industry. It is an act of commercial war, for the destruction of fair competition with a view to levying an indemnity upon the community when its power of resistance has been destroyed. The stores of the besieged are burned in order that they may be compelled to buy supplies from the besiegers at famine prices. Thus stated the object of the Bill seems to be laudable enough in itself, though it leads through a labyrinth of clauses and sub-clauses even more intricate than in the cases in which a criminal conviction is sought against the managers of a monopoly in the earlier part of the measure. In both circumstances a condition is imposed that no industry in this country shall be deemed worthy of preservation against a monopoly or against “dumping”, unless its existence is desirable taking into account the interests of the consumers who buy its goods, as well as of the producers engaged in making or growing them. But the task cast upon a Justice of the High Court of deciding the value of an industry to the country will be about as puzzling as any that a legal tribunal has ever had cast upon it here or in the Mother Country. This, too, is only one of the issues that he will have to decide before he can convict an offender, if that be the proper phrase, seeing that there is no punishment for him if found guilty except as owner of goods which may be refused an entrance into our markets. He is not to be fined except so far as his losses in consequence of the exclusion of those particular shipments are concerned. Hence this part of the Bill, though it embodies a just idea, is likely to remain a simple scarecrow planted on the edge of our field of commerce. It can only affect those whom it frightens by its appearance. Yet the Prime Minister, speaking two nights ago in Melbourne, set great store upon this measure as a whole, not, as he admitted, for what it is likely to achieve, but for what it means and points to in the future. Of this the politicians and electors today are poor interpreters. It is, he says, a first corollary of the principle of protection to our industries, but if it is not to be effective it might as well have been left to the future. He promised a revision of the Tariff as far as the Commission’s report will permit, and also preferential trade proposals for South Africa and for New Zealand as soon as negotiations with their Governments are concluded. The present delay, he insists, is not due to him but to them. A Bounty Bill for fostering new products and occupations is to be on the table very soon. This series of measures affords the foundation for his national policy by which he hopes to approach the Mother Country in due time. His call “Australia for the Australians” includes, as he is careful to explain, not only development of this continent by the help of British immigrants, but the preferred exchange of British and Australian products in vessels flying the British Flag.

FEDERATED AUSTRALIA.

THE HIGH COURT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 23 1906; Sep. 18 1906.

The Commonwealth is still young, quite young enough to be studied for its promise as well as its performance. Every principal Act it passes deals with more than its immediate subject-matter. It shows a tendency. It establishes a precedent. It builds up some part of the new Federal structure which is beginning to overtop the State edifices conspicuously in places. Take the amending Judiciary Bill, which last week passed the House without amendment. Nothing could be simpler or shorter. For the word "two" it substitutes the word "four" in a section of the existing Act which established the High Court in 1903. The Bench, if the Senate accepts the clause, will in future consist of five Justices instead of three. That is all. Neither in the Mother Country nor in our States would such appointments have much more than a professional interest. This would be momentary and mainly affected by the selection made by the Government for the two fresh posts. To the Commonwealth the Bill is far more significant. An outcome of a legal conflict waged for two and a half years between the Federal and State Courts which has been given a personal colouring in this and some other States, it really represents a conflict of principles. It marks another step towards that ultimate supremacy of the Federal power which is being resisted today step by step and inch by inch in every State. Evidences of alarm at the shrinkage of State functions is supplied every now and then by the scream of some frightened member of a local Legislature, Chamber of Commerce, or other body unwilling to accept the narrower orbit within which it has now to confine itself. The complainants are usually inconsiderable in themselves, but are sure of the tacit support of many leaders too astute to announce their antagonism openly. The latest portent of this character comes from Western Australia. The financial settling down of that State to the conditions common to the whole Commonwealth is causing inevitable friction. Here, as in Queensland, under a similar pressure, a cry for "secession" has been raised by those anxious to advertise their special sense of the unpleasantness of subordination. Having agreed to federate, they wish, while accepting its benefits, to cry out against the completion of any of those surrenders of local independence without which those benefits could never have been enjoyed. Happily the extent of their surrenders is not determined by them, but for them by an impartial and authoritative tribunal, the High Court. Hence the great importance of a Bill increasing the strength of its Bench and the weight of its influence.

ENLARGEMENT OF THE BENCH.

The present **Prime Minister**, perhaps because he is a barrister, has often described the Court as the keystone of our Constitution and always honoured it accordingly. At the first Convention, presided over by Sir **Henry Parkes** and led by the present Chief Justice, Sir **Samuel Griffith**, all appeals to the Privy Council from Australia were forbidden except when the public interests of the Empire were involved. The second Convention of 1897–8, led by Sir **Edmund Barton**, after prolonged and anxious debates, agreed to partially modify this rigorous project, though reluctantly and under strong pressure from without. The delegates to London in charge of the Bill in 1900 were obliged to recede still further in order to satisfy Mr. **Chamberlain's** resolve to preserve a unity of legal interpretation throughout the Empire. The then Lord Chancellor (**Lord Halsbury**) went much further, offering his strongest opposition to any curtailment of the sphere of the Privy Council and going to the length of imperilling the passage of the measure before a compromise was arrived at. The unsatisfactory features of that compromise are that appeals to the Privy Council are permitted both from the Supreme Courts of the States and the High Court itself, except in the latter instance, where the powers of the States as between themselves or against the Commonwealth are in dispute. It must also be remembered that the High Court is but an intermediate Court of Appeal. Though it possesses a small jurisdiction of its own it is dependent as a Court of Appeal upon its own ability and popularity with litigants, who can pass it by if they wish. Nevertheless, the States from the first have been antagonistic to its creation. They sought to postpone it and to weaken it. When Mr. Deakin, who was Attorney-General in 1903, proposed a Court of five Judges with the amplest powers it was only after a fierce struggle and the employment of every means of personal influence that he obtained a somewhat restricted original jurisdiction for the present Bench of three Justices. This was the minimum number possible. That he should now be able to obtain the sanction of the House to his original proposition for five Justices is one more evidence of the store he sets upon the establishment of a commanding Federal Court. His aim is to make it thoroughly efficient for purely legal work, but above all things to add to its dominance in constitutional questions and all interpretations of the Constitution. It is upon these last that the Commonwealth Parliament must depend for definitions of its powers deduced from the very general language of our charter. The ardent and aspiring Federalists who look forward to the time when every truly national function shall be in the hands of the Federal Government while the States and their Courts shall be restricted to subsidiary local affairs have no more zealous and consistent ally than the present Prime Minister. The mere circumstance that this amendment of the Judiciary Act of 1903 comes from him is sufficient indication of the true motive for enlarging the Bench of the High Court.

APPEALS TO THE PRIVY COUNCIL.

The High Court today consists of a Chief Justice, Sir Samuel Griffith, formerly Premier, and then Chief Justice of Queensland, assisted by Sir Edmund Barton, first Prime Minister of Australia, and Mr. O'Connor, his colleague in his Commonwealth Administration, and formerly in the Dibbs Administration in this State. Our two New South Welshmen had some judicial experience as emergency judges prior to their appointment to the Federal Bench. But it is the much larger experience of the Chief Justice, his masterful temper, vigour of mind, and promptness of decision that are generally credited with responsibility for the daring policy systematically pursued by the Court ever since its creation. Instead of sheltering behind the judgments of our State Supreme Courts, all of them enjoying considerable prestige and some of them twice as numerous as staffed, the three High Court Justices acting in almost every case with unanimity has dealt drastically with their decisions. It must be confessed that in this State our Supreme Court is said to consist chiefly of legal specialists. Then, too, our Chief Justice, debonair, dignified, and kindly, is in his seventy-sixth year, while Sir William Owen, one of his most competent colleagues, is about to retire on the score of old age. Our Bench is rather respectable than authoritative. Still, when out of some fifty appeals from them their judgments are reversed in twenty-nine cases and varied in eight more the situation from the litigant's point of view becomes extremely embarrassing. Two consequences are following this wholesale iconoclasm—a great increase in the number of appeals to the High Court and a desire to go direct. Victorian Judges fare no better, since only eight judgments out of twenty-three have been upheld, and these, many of them as with us, upon grounds other than those governing the State Court. The records of all the States tell the same tale. Of ninety-four appeals from our Supreme Courts fifty-two have been reversed and twelve varied. Only one-third have been sustained, and those often only as to result. The same courage has been displayed by Sir S. Griffith and his colleagues in dealing with English precedents and readings of accepted doctrines. So far they have met with marked success whenever appeals have been made from them to the Privy Council. The Federal Bench has fared far better than the Supreme Court Judges in this ordeal. There are, however, now pending in London one or two leading cases in which lawyers anticipate that the Privy Council may overrule the High Court in such a manner as to limit its jurisdiction. If this happens it will surprise no one here if Sir Samuel Griffith follows the precedent of challenging the constitutional standing of the Court that deals finally with Colonial appeals set by Sir Robert Stout, Chief Justice of New Zealand. A battle royal between Australasian Judges and the Privy Council might be very interesting to professional men, but would be disastrous to clients compelled to act under two contradictory interpretations of the law. On the other hand, it might help towards the establishment of one Imperial Court of Appeal of the highest eminence.

GROWING BUSINESS.

Newspaper critics and members of the legal profession in Sydney having conquered their first annoyance at the rough handling recently given to our Supreme Court Judges seem on the whole to agree that the High Court's judgments are in a majority of cases based upon sound principles. At all events, those which have dealt with the proceedings in our Arbitration Court and in connection with municipal affairs are admitted to be more intelligible, broader, and less technical than the findings of our own Bench. Of course, to the best of their ability and opportunity our State Judges are hitting back. The friction in Victoria is said to be greater still, while in the other States resentment possibly no less obtains milder expression. Now, State Judges everywhere are able and influential, have the sympathy of those who practise before them, of local society in which they take a leading place, and of State officialdom generally. A good deal of what is called Federal unpopularity arises from the fact that there is a Federal Court at all, though most of the acerbity springs from the ruthlessness with which the local Courts are being handled by it. At the same time the High Court is becoming a great source of Federal authority. Adopting the Federal doctrines which Sir S. Griffith, Sir E. Barton, and Mr. O'Connor preached as politicians during the campaigns for the Constitution, which were embodied in statutes by the two last while they were Ministers, the Court has the hearty approval of the Federal Parliament. The assent of the House of Representatives to the appointment of two more Justices was defended on the ground that the Court's business has grown to such an extent as to make these additions necessary. Of course its business is still growing, and the argument that it must be provided for is unanswerable. That, however, would not have sufficed of itself to conquer the opponents of the Court. Because members are realising the extent of their dependence upon its judgments and the value of these when they lay down the legal limits of State intervention and of Commonwealth control the Bench, which was refused off-hand in 1903, it is being sanctioned today.

THE TWO APPOINTMENTS.

Opposition tactics count for something. With two appointments to make the Ministry cannot overlook the claims of the Attorney-General, Mr. Isaacs, K.C., of Victoria, who has been for the past ten or fifteen years one of the leaders of its Bar. A Radical who remained in alliance with the Labour Party while Mr. Deakin was acting with Mr. Reid against them, its members look forward with hope to his *ex-officio* acceptance of the post of President of the Federal Arbitration Court. His removal from political life will make a breach in the Ministry which cannot be filled without arousing jealousies in the House and probably the loss of the seat he now holds.

The second appointment may possibly be made from the Senate where Mr. *Symon*, K.C., of South Australia, who is responsible for the redrafting of the part of the Constitution dealing with the Court, is now leading Mr. Reid's followers. This would remove a dangerous and bitter opponent. Mr. *Higgins*, another Victorian K.C., who was Attorney-General of the *Watson* Ministry, is also mentioned. Of course, the choice will not be, and ought not to be, limited to politicians, though a knowledge of constitutional procedure and of political methods is almost an essential in a Court, one of whose principal duties is to expound a political constitution and consider the legitimacy of the laws passed by the Legislatures of the Commonwealth. To dispose of Mr. Isaacs, make an attack upon his constituency, embarrass the Government with the task of making two selections, and censure them unless they receive one of the appointments appear to have been some of the motives that have paralysed opposition in the House. The Senate is hardly likely to be so flaccid, though it will grant one Justice without demur. If there had been four Justices in 1903 Mr. Isaacs would have been selected, and perhaps the Protectionist split of 1904 led by him might have been avoided. His elevation today may prove as injurious to the party as his retention did then. However, the head of the Government is so enthusiastic an upholder of the High Court that probably he would be prepared to pay a price that his party can in no way afford in order to strengthen the tribunal which he has always striven to make in fact as well as in name the keystone of the Federal Constitution.

FEDERATED AUSTRALIA.

THE VICTORIAN VOTE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 30 1906; Sep. 6 1906.

The crux of the session and of the political situation generally will be reached very shortly. What is really most momentous in both, from a broad Australian point of view, may be matter for controversy; what is most interesting to Sydney is quite plain; but the really important question in Federal politics is unfortunately still misconstrued in this State. Mr. Reid continues his round of political meetings in Queensland, delivering and redelivering familiar diatribes against communistic ideals interspersed with eulogies of his own more individualistic ideals. Of the two the latter are not only the sounder but the more practical and more popular. He meets with no contradictions and little antagonism in the region of abstract disquisition to which he confines himself when not engaged in the equally congenial task of censuring the Ministry and the Labour Caucus in a general way. The electoral value of his expedition has yet to be discovered. Queensland is now almost wholly represented by Labour Senators and members, and his object is to rally against them the whole of the voters outside the Labour Leagues. As these last are at present quarrelling among themselves he has a better prospect of success than in the two preceding elections. He cannot unite the outside voters unless he can persuade them to sink the fiscal issue, but as the existing Federal tariff suits Queensland fairly well he may reasonably hope to improve his position when the polls are open four months hence. In New South Wales the position is not much dissimilar. In Sydney the Free Traders dare not venture to face a fiscal fight. Their cause has lost ground elsewhere to an extent that convinces them of the foolishness of seeking any reduction of duties. With the help of the Protectionists, if they can secure it, they, too, may gain two or three seats. Probably Australia has not known during its whole political history as powerful and determined an effort to capture a Legislature as is now being directed from here on Mr. Reid's behalf.

THE "CALICO POLICY."

Sir William McMillan, the ablest accredited exponent of Free Trade among our public men, having retired from the field of politics, is more free to speak out his sentiments than many of the combatants on his own side who are of the same way of thinking. No language that he can find is strong enough to condemn the Anti-Trust

Bill now before the Senate. "The very foundations of this institution of commerce are threatened by laws through the Commonwealth Parliament of this country which are a disgrace to British legislation." Commerce, he said, had made England and saved England during the Napoleonic wars a century ago, had developed the Colonies and the United States, yet now we had "damnable proposals for restrictions in trade and commerce and every system of espionage throughout the country". The fact that the measure of which he complains has been introduced by Sir William Lyne, against whom he recently brought an unsuccessful libel action, appears to be partially responsible for this violence of speech. But it has also to be remembered that as a leading soft-goods merchant he has always been an ardent exponent of the narrowest doctrines of the Manchester School. Nevertheless his attitude is that of the Sydney Press and of the large portion of our public that takes its tone from its morning papers. Mr. Reid would echo every syllable of these denunciations if the rest of the Commonwealth would make any response to them. But even our country districts will not tolerate what they term the "calico policy" of our wealthy importers, and so, though Sir William McMillan remains a recognised spokesman of his class, it has no representative in the Commonwealth Parliament. Nor will it have any among the candidates whom the Opposition are putting into the arena. Mr. Reid remains visionary in his speeches because he cannot risk committing himself to concrete proposals any more than he can afford to repeat Sir William McMillan's invectives, though they would be entirely to his taste. This divorce between the doctrines of our leaders in New South Wales and the programme they are submitting to Australia as a whole puzzles our electors because no explanation is vouchsafed to them. The fact is that the storm centre is not here but elsewhere, and that our inconsistencies arise because we have to trim our sails to breezes beyond our borders.

MR. REID DISCREDITED.

The Sydney papers dolefully admit our isolation. "It is more than an anomaly in the political situation that candidates and members in Victoria are, if not emphatically at least indirectly, repudiating Mr. Reid's leadership." The painful result is "that leading public men there who are supposed to be united in the one cause of warring against Socialism should either feel constrained to or should voluntarily assert that they are not allied with the one man in political life who is the accepted head of the anti-Socialist movement". The fear of association with Mr. Reid is universal. "As far as he can be disengaged from dubiety and catalogued it would seem that Mr. Irvine is among what may be called the Victorian Party. In relation to issues generally the creed of this section is hazy, but it is crystal clear on one point, which is that Mr. Reid should not be Prime Minister." Not even Mr. Reid, with all his surrenders! What hope would there be for him if he confessed the creed of Sir William McMillan?

PROPITIATION OF VICTORIA.

When Mr. Reid was out of office in 1903 he was seeking an alliance with the Labour Party, but when he came into office in 1904 it was necessarily in alliance with Mr. Deakin's party. Without their aid he could not have ousted Mr. Watson. Without the aid of some of them he cannot hope to oust Mr. Deakin. He depends upon Protectionist votes to win the next general election. Hence his burial of Free Trade and his denunciations of all the Socialism, prospective or possible, that can be read into the objects of the Labour Party. He has no real choice either as to the programme he is putting forward or the coalition he is striving to form. Both are dictated to him by the circumstances of the case. The centres of Protection are Victoria and South Australia, but as the representation of the former State is three times that of the latter the irony of fortune obliges Mr. Reid to recast his programme and revise his opinions in order to seek support in his opponents' citadel. Victoria, and not New South Wales, will decide the coming struggle. But Victorians, though enrolled under the anti-Socialist banner, will not acknowledge Mr. Reid because he is, or was, a Free Trader. Those who oppose Mr. Deakin do so on the plea that he is receiving the support of the Labour members for the current session. They rally to Mr. McLean, who was joint head of the late Reid Government, and is still in partnership with his late colleague in a campaign against Socialism. Mr. McLean announces himself a Protectionist, as do twenty-two out of the twenty-three members of the House of Representatives elected in Victoria. Every follower of Mr. McLean is ardent in professing the Protectionist faith, and, what is more, in urging its immediate actualisation. The comedy of the situation becomes clamant when we find Mr. McLean and his knot of Victorians urging the Ministry to deal at once and without delay with the recommendations of the Tariff Commission. Mr. Reid, in a minor key, expresses anxiety for the removal of anomalies, but Mr. McLean is evidently desirous of raising duties on that or any other plea. Judging by appearances the followers of Mr. Reid are willing to help him at all events by allowing themselves to be outvoted (after making a decent pretence of resistance). The necessity for propitiating Victoria and retaining its Protectionists in Mr. Reid's regiment is thus responsible for a transformation of our politics that must be absolutely bewildering not only to any British spectators of our public affairs but even to Australians who have been absent for a year. Indeed, it is not intelligible to the large number of our own citizens who take but an occasional interest in Parliamentary proceedings either owing to preoccupation with their own businesses or remoteness from the actual neighbourhood of our political strife. To them it must seem as if two sudden somersaults had exactly reversed the fiscal position of parties in the Commonwealth.

THE TARIFF COMMISSION.

In 1903 the Reid–McLean Ministry was met with a demand from the Protectionists headed by Sir William Lyne and Mr. Isaacs for the appointment of a Tariff Commission to inquire into the effect of the existing tariffs upon certain local industries, principally situated in Victoria, which were alleged to be on the verge of ruin owing to the Federal reductions of the duties upon their manufactures which they had enjoyed under their State tariff. Mr. Reid and his colleagues, realising that when such a Commission reported the “fiscal truce” upon which their Government was founded must be abandoned and involve their disruption, studied every possible avenue of escape from making such an appointment. All their efforts were without success. They had to choose between an instant defeat in the House followed by a probable defeat in the constituencies if they appealed to them or else yield to the demand. They yielded perforce, but, directly the House met after the 1904 recess, attempted to snatch an appeal to the country by surprise before the Commission could report. They could then have postponed dealing with its findings. This attempt to jockey the House led to the sudden ejection of the Cabinet, while Sir William Lyne became Minister of Customs and Mr. Isaacs Attorney-General in Mr. Deakin’s Cabinet. Up till then the Free Trade half of the Commission had been systematically prolonging its inquiries and delaying its decisions. They did this under directions from the Reid Administration, and continued to do so after its exit. When, however, it became manifest that Victorian feeling was aroused to such a degree that the fiscal question must become the supreme issue at the elections unless it was disposed of beforehand, it became equally plain that no anti-Socialist combination was possible unless the Commission had its reports tabled and acted upon this session. All at once under this compulsion the Free Traders in the Commission instead of hanging back began pushing on. They wanted the tariff out of the way with as few alterations as possible, but at any price out of the way before the appeal to the people due this year.

FREE TRADE MANOEUVRES.

Then the more they warmed to their work the cooler became Sir William Lyne and his hitherto urgent associates. Protection being their trump card they had no desire to play it in Parliament because they wanted it for the country. When the House rose last week the comedy approached a climax. Three reports relating to spirits, wine, and industrial alcohol have been presented. They are believed to recommend increased protection for local manufacturers. Mr. Joseph Cook, as deputy for Mr. Reid, although an intransigent enemy of Protection in any shape, solemnly pleaded for their instant

consideration. Mr. McLean, whose watchword has been fiscal peace, passionately pressed expedition. Labour members listened in silence or replied with jeers. If there were no Protectionist issue at the next election there might be a union between both fiscal parties which would be ruinous to them. All their influence is exercised upon Sir William Lyne to hold him back, and as this falls in with his own inclinations he has done nothing to disappoint them. Other Protectionists by their irritated taunts showed their knowledge of the motive for the changed strategy of their adversaries and disclosed their own sensitiveness in their new role. They who were for haste are now for delay. The Prime Minister, fortunately, has been free from the entanglements on either side from the commencement. He wants Protection and he wants it now. His unhesitating assurance that all the recommendations of the Commission that reach him in time will be faced this session has temporarily stilled critical tongues. But party anxieties are unabated because his attitude of mental detachment upon all questions of tactics alarms both friends and foes. His policy embraces so much besides alterations of duties that he either entertains no fear of the elections or else is indifferent to their result. The Tariff Commission will formally decide what duties will be submitted. Parliament will formally decide with what alterations they shall be passed. But, despite its minority of direct followers, the Ministry will have both the first word and the last in the real decisions, arrived at in this and in most other matters of any importance.

FEDERATED AUSTRALIA.

THE BUDGET.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 6 1906; Sep. 25 1906.

Last week Sir **John Forrest** established a record in the self-governing dominions when he introduced his thirteenth Budget to the House of Representatives. Eleven times in Western Australia as Premier and Treasurer, and twice in the Federal Parliament as Treasurer, it has fallen to his lot to propound the financial policy of the Government of the day. Even the late Mr. **Seddon** has been outdone in this particular respect. In another way, too, the Australian has had a singularly happy experience, since in almost every one of his Budgets he has been a herald of prosperity and dispenser of bountiful largesse. His latest speech is no exception to the golden rule. Up till now, though he has been from the first a member of the Federal Ministries under Sir **E. Barton** and Mr. **Deakin**, and thus partly responsible for five out of the six Budgets of the Commonwealth, the influence of the late Treasurer, Sir **George Turner**, especially during the years of drought that ushered in the union, has always been paramount. The four Budgets introduced by the Victorian, as well as that of last year, which he drafted before leaving office, one and all bear the same impress of anxious, patient economy in general design and minute details. A lawyer by profession, timid in temperament and in outlook, he dealt with figures with the caution of an accountant so as to win the confidence of the prudent man in the street. But he never inspired and never soared. Sir John Forrest, on the contrary, trained in the developing days of his own State and encouraged by the return of good times, had this year his first opportunity of handling the national revenue and expenditure in his own large manner. Broad effects, bold anticipations, and a healthy glow of pride in the country exhale in his comments upon the summaries presented to his hearers with bluff manliness of demeanour. The consequence is the most attractive Budget and the most energetic policy yet propounded. The opportunity, it must be remembered, was afforded by the remarkable revival of all our rural and industrial undertakings. This Sir George Turner never enjoyed. If a boom had happened he would have met his unexpected surplus as if he rather regretted its temptations and distrusted himself in dealing with them. Sir John Forrest's mood, on the contrary, was that of a man moving in his natural element thoroughly satisfied with himself and his capacity to cope with all its opportunities. It was a case of the man and the hour meeting auspiciously as if made for each other.

PAYMENTS TO THE STATES.

The gist of the Budget having been cabled to England immediately upon its delivery, it is unnecessary to reproduce its principal figures. The chief conclusion the Treasurer intended to insist upon he did insist upon from start to finish. The Commonwealth has a great surplus which is its own by right and will be used for Commonwealth purposes. Very sympathetic with the States and a resolute guardian of their interests, he peremptorily declines to recognise any obligation to them or any title of theirs to be considered, as States, in the use to be made of the Federal fourth of the Customs allotted to the Central Legislature by the Constitution. Their three-fourths he must hand over to them without hesitation or question. That done his statutory debt to them is paid, and he peremptorily refuses to leave them any more than is necessary to maintain a reasonable margin towards meeting Commonwealth expenditure in the immediate future. He revelled in the figures showing that the States have already received from the Federal Treasury over £5,000,000 that might have been appropriated to national purposes. Up till this year they have obtained sums ranging from three-quarters of a million to upwards of eleven hundred thousand pounds annually out of Federal receipts, to which they had no legal claim. This year he is willing to allow them a gift of £300,000. This marks a very pronounced drop unless his estimate of the total receipts for 1906–7 proves to be under the mark. By June 30, 1907, we in New South Wales will have been given £2,200,000 in excess of our due, and that amount has, of course, been of great assistance to us during the lean years through which we have passed. For the current year we are likely to have at least as much as came to us in the twelve months just closed. But every other State may receive less, and most of them will unless Sir John Forrest's forecasts are much under the mark. According to him, they will miss over £400,000 from the guerdon they received last year, and must therefore begin to rely either on an improvement on the present prosperity or upon their own powers of taxation and economies. His warning is unmistakable. The Commonwealth has always had a large surplus, and apparently always will have some surplus, but from this time forth the States will have to be content with a small share of it.

THE PRICE OF WHITE LABOUR.

Last year and this year the revenue of the Commonwealth itself reached nearly £12,000,000. Australia as a whole now collects from its Federal, State, and municipal sources a total contribution fast approaching £50,000,000 annually. No 4,000,000 people on the globe can show a similar record. The Federal Treasury is still registering increasing receipts notwithstanding the sacrifice of £64,000 a year lately made in order to suppress the use of opium. Its tariff by the close of the financial year just

entered upon will have put £7,500,000 more at the disposal of the New South Wales Legislature than if we had retained our old scale of duties. Without this income from the Commonwealth our splendid recovery could not have been so rapid. On the other hand, Queensland has been deprived of £2,500,000 by the operation of Federal duties because they produce less revenue than those she herself levied before 1901. Tasmania, too, has saved her people nearly £1,000,000, though, taking all the States together, their revenue gains from the Kingston duties exceed their diminutions by £4,400,000. That sum represents revenue collected but returned to the States by the Commonwealth, though it might have been spent on Federal departments. The year just closed put more than £800,000 out of our Federal revenue to the credit of State Treasurers. This year half a million of it will be retained by Sir John Forrest for Federal objects. The surprising growth of the sugar industry exalts the bounty paid to £278,000 upon 116,000 acres cultivated by white men only, as against 37,000 acres worked by black labour. In four years the number of our white farmers has more than doubled, while the Kanakas have slightly decreased. After this year the bulk of the islanders will be ineligible for employment on any plantation. Of the 28,000 persons directly engaged in sugar growing and manufacturing today, 20,000 are white. Half the remainder will leave Australia during the next few months, and a sum of £25,000 is now being asked by Mr. Deakin to cover the cost of their repatriation. White labour produces 112,000 tons more sugar than it did four years ago. Black labour yields 12,000 tons less, and after this year will rapidly dwindle and finally disappear. We have our White Australia and are paying for it, but at least we do get what we pay for, and are generally content with our bargain.

THE PENNY POST.

There are considerable sums set down on the Federal Estimates for familiar aims, such as defence, though this outlay at present is limited perforce to the military side. There are also new expenditures intended to promote immigration, provide for wireless telegraphy and telephone expansions, establish an office for Australian statistics, and improve the position of Tasmania in respect to cable and steamer services. There are other minor grants for deep sea trawling, to assist British settlers in the New Hebrides, establish a fund for impoverished men of letters, and other novel developments. Taken together, these go to prove that the Federal purse strings are being deliberately loosened. But the best illustration of the changed attitude of the Government is one that ought to warn observers that it is not simply the open-handed disposition of Sir John Forrest replacing the close-fisted habit of Sir George Turner that can be traced in the Estimates. It is a settled policy that is embodied in the Budget as a whole, though most vividly expressed in the Cabinet's acceptance of Mr. Chapman's project for a penny post. That rate will cover all communications

within the Commonwealth, where at present the twopenny rate rules, outside Victoria and our larger townships in New South Wales, and also applies to all correspondence to and from the Mother Country. The concession is to be Imperial in scope and open for extension to reciprocating foreign countries. This reduction of postage means at least an extra £200,000, if not £250,000, a year diverted from the States as States and spent for Australia as a whole. Hence a Federalisation of all available funds in the sense of their outlay by the Federal Parliament, for broad Federal objects is the distinctive feature of the latest Budget. That is obviously the policy of the Deakin Administration. It would be the policy of the Reid Opposition if it were in power. But it is not the policy of the Labour Party, which aims at retaining the revenue derived from post and telegraph offices to eke out supplies for its old age pensions scheme in the future, and prefers to employ them in the meantime in multiplying postal, telephone, and telegraphic conveniences in the sparsely-populated regions of immense extent inland into which settlement is pressing on. Mr. **Watson** considers the reduction of postal charges a benefit only to the mercantile class, and though Mr. **Reid** claims to specially represent them, the temptation to defeat the Government is proving too much for his patriotic impulses. By making the issue partisan he can defeat the Ministry, though to do this he must enter into a temporary alliance with Mr. **Watson** and the Labour caucus, and just when he is occupying his whole time in denouncing them from the platform, and denouncing the Ministry for accepting their support. It requires hardihood to do this, but Mr. **Reid** has never lacked that quality. He will sacrifice the penny post or anything else, whether it prejudices the public or not, so long as it prejudices the party in power.

A MODEL BUDGET.

The financial position in Australia today warrants the glowing satisfaction with which Sir John Forrest portrayed its manifestations. Another splendid season is putting producers everywhere in great heart. In New South Wales our wool shows an advance in quantity of 48,000,000lb. and a rise in values which makes the receipts of our pastoralists higher than ever before. In dairying a similar progress is maintained, the purity of our butter being guaranteed and demonstrated, as Mr. **Coghlan** proved beyond all question by his evidence before the Butter Committee in London. Agriculturists record a gain of 20 per cent. upon last year's returns. Mining and manufacturing keep pace with the rest. Altogether our industries in this State gave us £31 11s. per head last year, the rural being estimated at £24 per head or £116 per square mile. We shall do better still this year. An extra £5,000,000 from wool and 10,000,000 more sheep constitute a twelvemonth's record hard to surpass even for

Australia. While Commonwealth exports have increased in five years by £10,800,000 imports have been stationary for the last three years. But while in 1895 Great Britain had 71 per cent. of our trade, in 1905 her trade with us had sunk to 60 per cent., yet that of the foreigner had become 9 per cent. larger during the same period. This was almost the only disquieting note Sir John Forrest had to strike during his exhaustive examination of the whole range of our public and private affairs mirrored in the statistics available. He sang a paeon of praise over the financial standing of Australia and its businesses, their large profits, quick returns, accompanied by thrift and general prosperity, rising to a poetic height in commendation of the climate, soil, sunshine, and opportunities of the country of his birth and career. Whether for breadth of view, magnitude of totals, well-justified confidence and significance of policy, his is the best Budget the Commonwealth has yet seen.

FEDERATED AUSTRALIA.

THE BUDGET AND ITS CRITICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 14 1906; Oct. 3 1906.

The Australian Press, though nothing near as extravagant as that of the United States, has an insatiable appetite for sensations. Where these do not exist, they seize the slightest excuse for creating them so as to keep up excitement by artificial means until some better pretext for stimulating the jaded appetites of their readers happens to occur. Everything is sacrificed to this appetite. One has only to turn these pages a few weeks after publication to be struck by the painful disproportion of the attention given to incidents of real importance by comparison with that devoted to the mere masquerading sensations of the moment which pass into oblivion a few days later when they have served their turn. Sir **John Forrest's** Budget was crammed full of contentious matter, yet very few even of its immediate proposals have been criticised as they deserved. Excluding those affecting the finances of Australia as a whole, neither in Parliament nor out of it are the many new departures shown in the Estimates for the year being properly scanned. This may be attributed to the fact that the session has reached its meridian, and that a rapid decline in the activity of the Chambers points to an early transfer of party energies to the country. The Ministry may count itself fortunate in being still allowed a free hand when that implies a free spending at its own choice, for which the present Treasurer has a special relish. Mr. **Reid's** attack on the Government policy was mild for him throughout, and in many respects perfunctory, as is the Press upon which he relies. He is hand in glove with Mr. **Watson** in opposition to the Ministerial proposals for a penny post either within the Empire or within Australia on the plea that we cannot afford it yet. If he had been in office, he would certainly have proposed this very reduction himself, but the temptation to balance his many failures to block Ministers have evidently made him greedier than usual for a party victory at any cost. Mr. **Dugald Thomson**, as a man of large commercial experience, and Mr. **Cook**, as deputy leader in Mr. Reid's absence, did well in the debate considering the depressed condition of the House they were speaking to last week. The Labour Party actually dislikes the financial proposals even more than the Opposition because they include the penny post which they grudge, and exclude any hint of a land tax for which they clamour. They have nothing conceded to them this year and no promise for the future. The Cabinet goes its own way serenely, and well its members may if they continue to get their policy adopted step by step in this fashion. If they lose the penny post this session, it will be their first rebuff, and then their project will only be postponed. At present they are scoring successes all along the line.

HIGH FINANCE POLITICIANS.

“High finance” represented by the conversion schemes of Sir John Forrest and Mr. Harper, M.P., because it cannot be twisted into a sensation or made use of for partisan attacks, is receiving no adequate attention. Sir George Turner’s final compromise offered at Hobart in 1905 appears to be generally put aside, and though the two plans now before us are likely to meet the same fate for the time being, they are bound to be resuscitated in some shape next year. Indirectly they will probably go before the electors this year, but as yet the ingenuity of the few commentators upon them has not been able to find any kind of party cry that can be attached to them. Plainly, the subject is too large and complicated for both Press and politicians. Mr. Reid and his followers handled it in the most gingerly way. The Budget debate will close without the merits or demerits of either being clearly exposed. The principal newspapers of the States that affect to guide the public in money matters are evidently astray. Even the *Bulletin*, which coins catchy phrases in order to tender them as solutions of all the problems of the day, holds off, and looks askance at the methods suggested for dealing with loans aggregating some £230,000,000 upon a definite plan. The State Treasurers without exception maintain the edifying silence of men who are not quite sure on which side and to what extent their bread will be buttered by the rival schemes. Some results from their meditations must come soon, but for the present no progress worthy of the name is made. Our *Daily Telegraph* expert, in a puzzled non-committal way, has gone round the question at a safe distance. The *Morning Herald* approaches it with special articles. For once the Federal policy is confessedly beyond their depth. They cannot even decide how to prove that it covers another raid on the States, for though it makes palpably for Federal aggrandisement, it seems to be designed for the benefit of our citizens generally. That Sir John Forrest, the Treasurer, and Mr. Harper, a Ministerialist, should have left to them the task of taking Sir George Turner’s scheme several steps farther reminds the public that all three are Protectionists and two of them Victorians. Opposition members from the State have done nothing to help the study of our monetary outlook. The Free Traders have yet to produce a financier or a financial policy, or even the fiscal part of it, that can obtain a hearing even in New South Wales.

DEPORTATION OF KANAKAS.

Another oversight of our publicists is of the courageous step taken by the Commonwealth in accepting the sole responsibility for handling the Kanakas, who are to be returned to their homes early next year. Mr. Kidston’s Ministry has received scant appreciation for the businesslike manner in which it took up its share of obligation. A Commission was appointed a few months since which took

evidence on the plantations and made a series of valuable recommendations. These convinced the Brisbane Cabinet that the deportation fixed for January 1st, 1907, by a Commonwealth Act, could only be carried out effectively by the Commonwealth. The duty of shipping them back to their islands when their engagements came to an end rested with the Government of Queensland, because it had introduced them and collected a fund from the white planters who imported them. They offered to transfer this fund to the Federal Government together with the gratuitous services of the whole of the staff of State officers who have been controlling the introduction, departure, and employment of the "boys" in Queensland. It stands to the credit of the Commonwealth Ministry that it did not shrink for an instant from shouldering the responsibility for the delicate task of repatriating some thousands of excitable uncivilised savages within a very short time. On the first of next month it will step into the shoes of the Government of Queensland as the sole executive authority over about 5,000 Kanakas. The Prime Minister has commenced by adopting in advance without hesitation, and almost without qualification, the exemptions recommended by the Queensland Commission. Those islanders who arrived before 1879, or who arriving since are old, infirm, married to women from other islands or aboriginal lubras, or whose children have attended State schools, who own land, or have been resident in Australia for twenty years are to remain here altogether unless they prefer to leave. These exemptions will probably reduce the number to be shipped to about one half of the total number in Queensland. Provision is being made for these to be taken to their own villages in the islands under the supervision of the resident deputy Commissioners appointed by the British Government in the Solomons and New Hebrides. Tenders are already invited for steamers capable of conveying three or four hundred at a time to their destination. As a scheme the arrangement made appears fair and feasible, but it is remarkable that the planters who desire to keep the Kanakas in Australia and their advocates who have been angrily clamouring for details of the deportation plan have now scarcely a word to say in criticism of this great, unprecedented undertaking. The "White Australia" policy is advancing another step, but that is being taken with every care for the black men whose term here is over.

"PAPUA", OR BRITISH NEW GUINEA.

Papua, as British New Guinea is henceforward named, is to be proclaimed a territory of the Commonwealth from September 1. For several years its development has been at a standstill. Peace has been maintained almost continuously with the native tribes, whose names and dialects are legion, but what is much more difficult peace has been enforced upon them in their relations with each other. This is an excellent record, but there is no other sign of progress. The mines yield good profits taking into account the rude methods adopted inland and the uncertainty of native labour, but apart from

them enterprise has been stagnant. Little is known of the Dutch half of the island, but it is believed to be in a similar condition. German New Guinea, on the other hand, much more liberally subsidised by Berlin, is being steadily cultivated, while one of its ports in an adjacent island is being handsomely improved so as to serve in time of need as a naval base and coaling station. In the British Solomons hard by, where the local resident can sell land in fee simple, Lever Brothers are undertaking the cultivation of copra upon a great scale, investing a large capital upon the best expert advice. Other planters are equally confident and energetic according to their means. Of course the long delay necessary to persuade the Federal Parliament to forego a well-meant attempt to absolutely prohibit the sale or use of alcoholic liquors by white men has told against our new possession. As it is the new Constitution now coming into force is coupled with a prohibition upon the sale of land, though owing to the long term of years for which leases can be granted this is only a minor obstacle to settlement. Complaints against the old administration have been continuous, none of them of a serious character, but most going to show an absence of activity and efficiency. There have been unseemly quarrels between the officials that point to an unsatisfactory morale. For these reasons the Prime Minister has been in communication with Sir **William MacGregor**, now Governor of Newfoundland, a veteran ruler in tropic climates and former Governor of British New Guinea, in whose capacity and experience everyone has confidence. Unfortunately for Papua after consideration he found himself unable to accept the post upon the conditions offered. Now, in consequence of the implied want of confidence in his administration indicated by this offer, the present Acting-Governor, **Captain Barton**, is understood to have applied for an inquiry into his government. This cannot be refused, but if it be conceded it is to be hoped that the results will enable us to put an end to the period of drift in the territory and make a fresh start upon wiser principles. Judging by the Press the only interest taken in Papua is by missionaries or by those who are seeking for party grounds of complaint against the Commonwealth. There is no proper understanding of the prospects of the possession which the Colonial Office insisted in thrusting upon us while we were engrossed in the struggles and labours of laying a foundation for the Federal Government of Australia. The transfer should not have been made until now, but it is something to know that at last Papua's probation is nearly over.

OPPOSITION BLINDNESS TO GREAT ISSUES.

That these great issues are being launched by the Federal Government without being brought home or properly interpreted to newspaper readers is partly due to the astonishing manner in which Mr. Reid and his followers persist in pressing on Parliament the fiscal issue that must inevitably undo them. Whatever attitude he may take when brought face to face with the actual proposals for increased Protection

about to be made his will be the direct responsibility for bringing them to the front just prior to a General Election. He and his party may vote against all increases, but without their connivance, and, indeed, but for their insistence upon the submission of fresh tariff proposals, these could never have been tabled this year. The Opposition is getting what it has prayed for, argued for, and fought for during the last six months in the vain and preposterous expectation that by this device the Tariff can be sunk at the coming General Election. How sane men could cherish such a delusion none can explain. Its papers offer no intelligible explanation. Mr. Reid has championed it on every platform, and blessed it in the House no later than last week. Yet what can he be looking for? If he votes for Protectionist duties he will get them, or, at all events, such of them as are brought down by the Commission. But in any case he cannot get more than a fraction of those about to be reported upon. How he will explain his votes, and what he will promise in regard to the further Protectionist duties soon due from the Commission, or at least half of it, his friends do not attempt to guess. So far as one can judge we are now at the crisis of the session and probably of the election, too, a crisis made by Mr. Reid for Mr. Reid, which he can only cope with effectively, either in fact or effect, by act or consent, forsaking all his fiscal principles.

FEDERATED AUSTRALIA.

NATIONAL DEFENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 20 1906; Oct. 6 1906.

“The General Scheme of Defence for Australia” supplied by the “Committee of Imperial Defence” at the request of Mr. Deakin is in its field as important as the huge schemes for dealing with our State loans of nearly £240,000,000 falling due within the next half century. The latter proposals, though they profoundly affect our future, are but imperfectly understood by the public, and are only beginning to be discussed by a few of our most thoughtful public men. So far the schemes of Sir John Forrest, Sir George Turner, Mr. Harper, and Mr. Dugald Thomson have had no party colouring imparted to them. They are attempted to be interpreted on their merits, but are still little appreciated except by the handful of men who have been, are, or may be responsible for dealing with them. Our newspaper editors remain very much at sea in respect to them, and will, it is to be feared, continue indifferent until they are able to turn some phase of it into a cry for electioneering purposes. On both questions the Prime Minister is a “whole hogger”. It was he who first brought the question of the transfer of State debts into the political arena and gave the defence problem its present turn. Until his appeal to the Committee of Imperial Defence last year we had received nothing comprehensive from home, only fragmentarily from time to time specialised memos from the Colonial Defence Committee, few of which have seen the light of day. Now the whole problem is posed by his series of interrogations put and the replies just published from the highest authorities within our reach. But in this case there is not a *tabula rasa* upon which they are free to write their views. An influential section of our people take a lively interest in our local forces, and have their own opinions upon their possibilities. There is also a deep Australian sentiment to be reckoned with, tenacious and sometimes extravagant, but already very real, operative, and quite ineradicable. If anyone is stirred by doubts of the methods suggested for taking over State debts it is his calculating faculty that responds to business considerations. But when the defence of the country is challenged it arouses heat of feeling and a combative patriotism.

THE LAND FORCES.

Of course our land forces being numbered by thousands, where our naval reserves are tens, command the attention of the public to a much greater degree. They absorb nearly £600,000 yearly, while our local seamen receive £50,000. It is to our land forces that the Committee of Imperial Defence attaches most importance and devotes most of its space. By implication the Committee considers them a "National Army", or, at all events, a substitute for it, and pleads for its thorough organisation. Accepting its existing division into "Garrison" and "Field" forces the Committee dwells upon the necessity for supporting these by extending "opportunities of elementary military instruction in various forms to as large a proportion as possible of the population with a view to rendering military training as universal as circumstances may for the time being permit". The present subdivision of the garrison forces is swept away, but otherwise few alterations are proposed there. The Field organisation is amended by abolishing three brigades, rather contemptuously described as "formations on paper" and as a "paper organisation". The proportions of the war and peace establishment are severely criticised, the organisation of field batteries changed, and the creation of an ammunition column strongly pressed. Altogether the ten recommendations made are practical and appear to have been well received at a first glance. The federalisation of the separate State organisations undertaken by General Sir **Edward Hutton** had been already much modified to meet local conditions in a number of particulars. When the policy of the Committee is put into shape there will be a complete Commonwealth military force organised upon a coherent plan. The Minister of Defence will control it with the assistance of a Board of Officers and an Inspector-General, who, while acting independently as a critic, will in future possess some executive authority as well. General **Finn**, a highly capable officer who is voluntarily retiring from the post, has complained, and with reason, that a large portion of his time has been frittered away upon detail work properly belonging to officers of lower rank and smaller responsibilities. The justice of his criticism is admitted and his successor, Colonel **Hoad**, will be relieved of this burden. The Administration of a Minister guided by a Board whose members are not necessarily seniors in the force, and by an Inspector-General whose training has been chiefly obtained in Australia is questioned in Sydney. The Commandants in each State enjoy a semi-independent position, and probably all of them feel dissatisfied with the system under which they are acting. The Hutton plan implied excessive centralisation and broke down in consequence. The new plan introduced by Mr. **Reid's** Government errs rather in an opposite direction. The Imperial Defence Committee not having been invited to express an opinion on this part of our system, has necessarily passed it by.

A MILITIA RESERVE.

The most popular advice in the report, though it occupies but a trifling part of the whole, is that which lays stress upon a Militia Reserve intended to embrace ultimately the whole of our manhood. We have an energetic League for the advocacy of universal service in Sydney, that unites some men of all parties, and Mr. *W. M. Hughes*, M.P., one of Mr. *Watson's* lieutenants in the Labour Party, proposed a motion in favour of its objects in the House within the last fortnight, quoting the Prime Minister and his colleague Mr. *Ewing* in support. One great practical difficulty is the expense of imparting or acquiring even rudimentary drill over by far the largest area of Australia simply because of its largeness and the sparseness of settlement. To afford pay for a Militia of 25,000 men with permanent officers and men and cadets costs £650,000 a year. If in addition we are to prepare five times as many more as marksmen with some experience in acting under command our Budget would be greatly increased. The Cadet movement recently federalised promises to be an invaluable supplement to adult discipline. We shall become by degrees "a nation in arms", or capable of bearing arms if our school corps maintain the favour with which they have been welcomed. But we are not likely to wait for them. Whether the Rifle Clubs now being fostered everywhere enlarge as anticipated or not, the tendencies in play today point towards a steady increase in our enlistments. Probably the most useful passages of the report are those which, impressing upon us the need of periodical rearmaments, discountenance the great expenditure we had proposed upon fixed defences. It appears that our forts are over-equipped and have too many guns, some of them needlessly powerful and expensive for the work they have to do. We can and will save money by the immense reductions this will enable us to make upon the estimates furnished by the local officers in charge of our fortifications. The economies thus rendered possible, despite the current clamour for heavier and heavier guns for the protection of Sydney and other seaboard towns, will be very welcome to our taxpayers. We are advised that we need provide only against rapid and transitory raids from stray ships or small fleets able to land inconsiderable complements of men. This being so the maintenance of a strong field force supported by large levies of partly-trained men recommended to us can only be justified by apprehensions of a hostile landing upon some of our remote coasts to which we might need to despatch an expeditionary force. Unless, indeed, the justification for the advice lies hidden in the very guarded reference made to "decisive land battles" on "foreign soil" to which presumably our soldiers may be summoned in emergency. In that event it can be confidently assumed that our quota would consist of contingents of Volunteers such as went to South Africa. The best of these who went first did well, though when men were merely attracted by pay as in the last detachments they proved decidedly inferior.

THE ADMIRALTY AND AN AUSTRALIAN NAVY.

The unpopular section of the report is the last. There, in spite of the warning conveyed to the Committee by the Prime Minister, they decided to condemn any and every form of distinctively Australian naval defence. Mr. Deakin had plainly told them that “the sentiment in favour of the development of the maritime resources of Australia is one which in the opinion of the Commonwealth Government deserves and will repay encouragement”. In response the Committee **unsparingly condemned** the particular proposals submitted by **Captain Creswell** to his Minister on the ground that they would cost far more than they were worth, and that if ever protection by ships of the kind he outlined became necessary “it would devolve upon the Admiralty to provide them as part of their general responsibility for the strategical distribution of the naval forces of the Empire”. The Committee then proceed to denounce the employment of “a purely defensive line” of coastal destroyers or harbour torpedo-boats. Existing floating defences have been tolerated, though “consisting entirely of obsolete vessels”, because “they afforded the only means of satisfying the inclination for Australians for service afloat and of giving some effect to the desire in Australia to make some contribution in men as well as in money to the naval strength of the Empire”. All that is possible for the Admiralty to approve is, as stated, the gradual enrolment of Australians in the Royal Navy now being carried on under the Agreement of 1903 sanctioned by an Act of the Federal Parliament. What their Lordships forget is that our electors, who have to decide what they will do with their revenue, have no representation either on the Admiralty or in the Imperial Government and Parliament above it. They have their own Parliament and Government, responsible to them for all expenditure upon defence and responsible for the protection of this country and its commerce. The Admiralty reasoning may be irrefutable. Its members must know better how to safeguard our shores than our people or their representatives can hope to do, but it is another thing to ask the citizens of Sydney to rely wholly upon a body of experts in London for the safety of our harbour and its commerce. The whole of the Empire is upon their hands, and partly for that very reason Sydney prefers to look after its own protection by forces under its own control. These may not afford the best outlay for our money open to us from an Empire point of view, but they are decidedly the most effective for us, while they must also have an Imperial value by relieving to some extent the small squadron stationed in our waters.

DESIRE FOR SEA POWER.

This is the argument openly maintained here, although arguments will not decide this issue—sentiment will decide it, and soon. Australian sentiment will not be appeased by contributions of men and money to a fleet which is presently to start for Singapore, may remain some time at Calcutta, and then sail towards South America, without any Australian representative having even a title to be heard by its commanders as to its route. The Naval **Commander-in-Chief** on this station owes no allegiance to any of our Governments, is not an Australian, has practically no Australian officers or men, and no Australian knowledge or sympathy. His duties keep him in Sydney occasionally, but in no way bring him in touch even with us. The Defence of the Empire, of course, includes that of Australia. We pay £200,000 annually towards it, while Canada pays nothing. Yet we get far less naval protection than the Dominion. We are told that we do not pay our share, and certainly we ought to pay it. But in what form we shall make contribution rests with us at present, and must rest with us until we are accorded a voice in some controlling Council of the Empire. Self-respect, self-esteem, self-assertion, whatever name is given to it, a sentiment of the duty of self-defence, strong already, is growing stronger the more we realise our strategically perilous position south of the awakening Asiatic peoples and as one of the two warders of the Pacific Ocean. This sentiment, which the report mentions only to ignore, will on this point ignore the report.

FEDERATED AUSTRALIA.

LABOUR AND THE MINISTRY.

FROM OUR OWN CORRESPONDENT.

[Aug. 27 1906]; Oct. 25 1906.

Australian politics exhibit rising temperatures; one general election is certain and another probable this year, three more are due in the early part of next year. Out of our seven Legislatures only those of Western Australia and Tasmania, lately elected, appear to conform to the normal standard. All the rest are perturbed by the imminence of changes which affect the conduct of current affairs by anticipation. Commonwealth politics are at an extremely critical stage, party complications coming to a head and a dissolution only a few weeks distant. South Australia may yet lead the way to the ballot-box, for its Legislative Council seems inclined to refuse the lowering of its £25 franchise insisted upon by the Labour–Liberal Ministry, led by Mr. Price. Whether an appeal to the country at this juncture will really strengthen him is at least doubtful. Of the three general elections to occur next year naturally our own interests us most. The thoughtful among us are dispirited and disillusioned by the behaviour of an Assembly which permits a few of its members to indulge in vulgar displays and utterances. They are disappointed with the Ministry despite the good work it has done, especially with Mr. Carruthers for his handling of the dispute between our Railway Commissioners, and other errors of judgment and of taste. Our newspapers “boomed” him to such a degree at the last election that they raised extravagant expectations, which they now use as ground for censure because of his inability to fulfil them. The Cabinet have been most unfortunate in dealing with the Lands Office scandals. The presence of Mr. Willis does not seem to have helped them to a decent burial. Mr. Crick for his part fights with gusto in the courts, displaying irrepressible energy and inexhaustible bravado, as he takes professional advantage of every opportunity to make the wheels of justice grind even more slowly than usual. Hence, despite the bountiful season, prosperous times, a plethora of money and a great growth of trade, we become discontented whenever reminded of the abnormal state of our public affairs. Politics seem out of joint no matter how we thrive. A similar sentiment can be detected in Queensland and in Victoria too, though in both the outlook so far as production and exchange are concerned was never brighter. The watchword of Sir Henry Parkes, “One people one destiny”, evidently also implies “one mood”.

ELECTION PREPARATIONS.

The public affairs of the Commonwealth are sympathetically affected by local discontents, but in addition appear abnormal for other reasons. With the approach of polling day each of the three parties now rivals for supremacy in Parliament is preoccupied in emphasising and reasserting its individuality. The Opposition, well supplied with funds, a throng of electioneering agents, and the paraphernalia of variously named organisations, is making the best of its opportunities far and near. Whatever general or personal differences exist in its ranks are at all events temporarily forgotten. Its machinery works, so to speak, by itself, and for itself, almost independently of its leaders. Mr. Reid, for his part, is planning fresh tours; but by way of respite is devoting some of his time to Parliament, without appreciably affecting its business. The Labour Leagues, against whom his artillery is chiefly directed, are actively drilling for the fray. Their Senate candidates have been some time in the field, their nominees for the House are being selected, and so far as the holding of meetings and making of speeches can go they are busily employed. Like their direct adversaries, they are sharpening their weapons for the impending strife. Between a well munitioned Opposition and a thoroughly disciplined Labour Party the Ministerial forces, inferior in numbers, are as ill-equipped and independent of control as irregular levies. Though lying open to assaults from either side they are not solidly united among themselves. Last Session they were sustained by Labour members, who consented to support them without accepting their policy. For an interval the caucus buried its hatchet in order to help the Ministry to beat off the common foe. This Session the co-operation is feebler, and fitful at that. Labour candidates are announced against the Prime Minister, his colleagues, and his supporters. A few Ministerialists are challenging the seats of Labour members, though this is the exception and not the rule. Still the extent to which the ties between them are relaxed is discovered by the spectacle of the Labour members of the Senate leaving its chamber in a body on Friday last, so as to close its proceedings for the day. The Opposition refusing to keep a House, the Minister for Defence found himself without a quorum. Oddly enough on the same day the Free Traders in the House accomplished the same feat a few minutes before luncheon, when some Government supporters had incautiously scattered. Two such misadventures occurring within an hour or two have advertised in an unmistakable fashion the abnormal position of the Federal Ministry.

LABOUR REVOLTS AGAINST THE MINISTRY.

Protectionists, together with Labour members, of whom two-thirds were or are of the same fiscal opinions, have formed the Ministerial following, and a very mixed company they have been from the first. Without the assistance of the Labour cohorts Mr. Deakin could not have held office for a week. This being so, the astonishing feature of the

situation has been not that he retained them, but that he has hitherto done so at their expense, or rather at the expense of their policy, and not by any sacrifice of his own. Last year the one boon they secured in return for consistently loyal support of all his Bills was the right to issue a Union Label so hedged about with safeguards that up to the present it has not been applied for anywhere. With their generous help his tally of legislation last year was remarkable, though none of it was to their taste. At the beginning of this Session a different temper was displayed. One Labour member, with the help of Mr. Reid and his followers, defeated the Protectionist **Chairman of Committees**, now most of them are joining forces with him to defeat penny postage and “effective voting” intended to ensure the return of candidates who receive a clear majority of votes polled. Finally, the Opposition and Labour members last Friday succeeded in closing both Chambers by counting them out in the midst of their sittings. This is a bad Ministerial record, which is likely to become worse, seeing what ample opportunities there are either for chance or intentional combinations against Mr. Deakin. Nor can he complain of his late allies if they forsake him. His programme today, long as it is, contains nothing for them that they prize and much that they either dislike or distrust. The Anti-Trust Bill now before the Senate is being blocked, perhaps because they have been frankly told by the Minister in charge that by the supervision of industrial “combines” provided in this measure their ambition for the State control of industries will be frustrated or avoided in Australia. Small wonder then that they exhibit no zeal in its behalf. But it is with the Prime Minister himself that their real quarrel lies. He being Minister for External Affairs our new territory of Papua, formerly known as British New Guinea, is governed subject to his direction by an official and nominee council. Labour members after striving in vain to introduce an elective council for the territory have recently made a determined attack upon the Acting Administrator, **Captain Barton**, whose dismissal they demanded in both Houses. That officer, probably because of the anxiety of the Government to restore Sir **William MacGregor** to the chief post, **applied for a Royal Commission of Inquiry**. This the Prime Minister promptly **appointed**, in the teeth of angry protests from the whole caucus. The desertion of the Labour Senators on Friday was expressly proclaimed to be a mark of their profound antagonism to his action.

THE PRIME MINISTER’S CHALLENGE.

On the next evening the Prime Minister, **speaking at Maryborough**, a large mining township in Victoria, replied in most uncompromising fashion to the recalcitrant Senators. The course pursued by the Government in Papua was taken after full consideration and upon his own recommendation. He was satisfied that it was just and wise and intended to persist in it. Not content with this emphatic refusal of their plea he flung down his own gauntlet, challenging them to act openly with the Opposition by tabling a motion of want of confidence in the Government. If they disagreed with

his administration that was the proper way to enforce their opinions, instead of wasting the time of Parliament by foolishly blocking its business. To Mr. **Joseph Cook** and Mr. Reid's immediate following from this State who were responsible for the count out in the House he was more contemptuous because they had no pretext for their trick. The measure under discussion was the Bounty Bill, and their alleged grievance the absence of Sir **William Lyne**, the Minister in whose department it will be dealt with under regulations not yet framed. Contrasting their professed zeal for the interests of the primary producer with their promptitude in setting aside the measure of most interest to them, specially designed for their benefit, simply to make mischief, he directed his challenge to them also. While there are three parties of almost equal strength, any two can defeat the third. It was in this way that three Ministries have already fallen during this Parliament. Mr. Deakin invited them to repeat the same tactics against him. He went on to lash Mr. Reid for his insincerity in now opposing the Effective Voting Bill, for which he has been clamouring, on the excuse that the elections are too close at hand. Turning his attention to the votes cast by his followers for protective duties to encourage local distilleries because they feared to oppose them lest they should drive Mr. **McLean** and his Protectionist comrades out of their party, Mr. Deakin coupled his welcome of their support with a warning to the country that neither Mr. Reid nor any of his friends would grant the slightest Protection after the election is over. Whatever could be wrung from them must be seized now while they are sacrificing their principles to their election needs. According to the reports a crowded meeting unanimously applauded to the echo this onslaught upon all Ministerial adversaries.

THE DILEMMA OF THE LABOUR PARTY.

The Prime Minister does not often speak in this vein, and therefore his provocative declaration of war attracted instant attention here. His fighting speech is interpreted either as desperate or diplomatic to force his Labour allies to an attack upon him, in which they must associate with their bitterest foes, or else to bring them back to heel by a reminder that they must choose between Mr. Reid and himself. At present they dislike the former most because of his persistent attacks upon them. But recognising that they are separated from Mr. Deakin by an equally impassable gulf, the fact that in his case this is neither so wide nor so deep would be a matter of indifference did they not dread a possible union against them of the forces under both leaders. The Prime Minister's point is that they must choose now. He is resolute not to yield to dictation or attempted coercion of any kind from them or his opponents. The Labour Party must accept his policy, or join with Mr. Reid to defeat it, taking the consequences upon their own heads. If not, they must agree for this Session to return to a normal political condition by supporting him as they did last Session. They must be content with him as the lesser of two evils. He will retain office on no other terms.

FEDERATED AUSTRALIA.

THE NEW ZEALAND TARIFF.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 3 1906; Oct. 30 1906.

Never did “a bolt from the blue” startle any one so much as the **Prime Minister’s** tariff preference to the Mother Country to our baffled Free Traders. Its campaign material, all to hand, collected with endless pains and at great cost, depended for its effect upon a continuance of the parliamentary regime of last year, when a great deal of most important legislation, passed in spite of them, happened to be general in its nature and without party colouring. That suits the Opposition, because their conjoint forces, blended in a tariff truce for the coming elections, wish to make it a reproach to Mr. Deakin that whatever he has accomplished has been by permission of the Labour Party and at the sacrifice of his own dearest convictions. He has done a great deal, but he has sunk the essential aims of his party in order to do it. They had already begun their taunts that he only lived Ministerially by giving up to mankind what was due to his party and his own policy. This session’s record was being cited to prove that the Cabinet and its minority had been incapable of fiscal advance, and had not dared to put its professions into practice because it had been from its inception the mere creature of the Labour Party. There were grounds for this attack. To that party it undoubtedly has owed its existence and its authority. No demonstration of this was needed. But the programme of the Labour Party is public property. It has been studied again and again in every article until its aims, both near and remote, and the measures necessary for their realisation are all thoroughly understood. Their official demands are too extreme to be mistaken or overlooked, standing out conspicuously amid the tamer proposals of both their rivals as goats would between two flocks of sheep. Now the curious thing is that not a single Act passed since the Deakin Ministry took office belongs to any part of the Labour platform. A limited right to use a union label was added to the Trades Marks Act last year, but in an innocuous form. This year there is not a Bill tabled which if passed into law can be fitted in to the caucus platform by any device. All that it has accomplished by putting Mr. **Reid** out of office has been to keep him out of office. If that is a recompense they have it; but they have nothing else. They could not have got less, and might have got a good deal more if he had been at the head of affairs. Both in this State and in Melbourne he always proved himself anxious to conciliate them, and did so without disguise during the two or three months he led Parliament in 1904. The chances are, therefore, that they have been distinctly the losers by their support of Mr. Deakin.

THE MINISTRY AND THE STATUTE-BOOK.

On the other hand the Ministry has a positive policy of its own perfectly distinct from those of its antagonists and quite unmistakable in character. Beginning with Protection, Preferential Trade, Immigration, and Defence Organisation upon a national scale, it embraces a series of subsidiary measures for fostering production and promoting settlement on the land. Its name and flag, however, are deprived from the industrial ends it seeks to achieve by Customs and Excise duties, reciprocal tariff concessions, bounties, and the encouragement in all local enterprises of labour and capital. It is known everywhere in Australia as the Protectionist Party. Last year the work done in Parliament was in its way a record. It included a dozen useful Federal Acts granting a Constitution to Papua, establishing Federal trademarks, copyrights, and designs, revising electoral procedure and settling the representation accorded to each State, forbidding secret commissions and fraudulent practices in commerce, amending the Immigration Acts so as to render them inoffensive to friendly Powers, favouring immigrants from home, establishing a central statistical office. There were other measures of an equally valuable and practical character from the Commonwealth point of view; but from a party point of view they were less advantageous. Labour extremists had been compelled to consent to the liberalising of our immigration laws and to other concessions to the Liberals with whom they were allied, but there was nothing specially Protectionist in the harvest, and a Bill offering a bounty upon the production of iron failed to pass. The Tariff Commission blocked that way. The Ministry was pledged to fiscal peace pending its reports. The legislation was good, but it was not stimulating to the Ministerialists. Since then the Government has been active in administration, dealing energetically with Papua, the New Hebrides, and the cable companies, securing a splendid new mail service, and facing our financial problems and Federal relations with the States. Ministers claim that their labours in recess have been as profitable as in the preceding session, but the same criticism applies to both. Domestic or foreign, their work has affected the whole country, but it has not appealed specially to the party they represent, which elected them and must be relied upon to elect them again. So far the present session has discovered a different tendency. The proposals have been Protectionist in colour and thus distinctive. But the object of the Opposition has been to ignore this, to get all fiscal controversy out of the way, and to depict the Ministry as hamstrung by its following. It has not passed Labour legislation, but the cry is that Labour members have prevented it from passing Protectionist legislation, and that nothing but colourless measures can be expected from them while they are in combination. All the outstanding non-party work having been done or nearly done nothing can be expected from the Ministry after the elections. It is described as a spent force with a programme in the air, great ideals, and no power to realise them; its day is over. The time has come to replace it by a new party without a fiscal faith, but resolute to destroy domination of the Labour Leagues with the Administration they have sustained.

“HARVESTERS” AND “STRIPPERS.”

This session, however, it has become plain, by degrees, that whether the Labour members approve or not, Ministers have decided to put themselves right with the public and in touch with their supporters in the country. The session was opened with the Anti-Trust Bill, promised long since, which, because of its provisions against “dumping”, when carried on with a deliberate intent to destroy Australian industries, was described in Sydney as “worse than a tariff”. This has now survived its final ordeal at the hands of the Labour Senators, who while voting for it have been careful to wash their hands of the measure and to depreciate its effectiveness. When the Tariff Commission presented its report advising an increase of duties upon agricultural implements the Government adopted their advice, but turned the *ad valorem* into fixed duties upon the “Harvesters” and “Strippers”, about which there has been an angry conflict for the last year or two. This demonstrated a determination to adopt a thoroughly Protectionist attitude towards any further recommendations made, even if these should emanate, as they did in the present instance, only from the half of the Commission which shares its views.

RECIPROCITY WITH NEW ZEALAND.

A Bounty Bill encouraging rural production has passed the House. Again, ever since entering into office the Prime Minister has been busy with negotiations for reciprocity with New Zealand, South Africa, and Canada, so far without success except in the first instance. The principal object of Mr. Seddon's visit was to endeavour to bring about an arrangement of this kind. It proved to be so difficult that even after a long series of conferences with Mr. Deakin he was obliged to postpone his departure, and then came to a conclusion, only under pressure, at the last moment. Their treaty would have been laid before both Parliaments a few days later but for his sudden decease. That postponed its publication until Sir Joseph Ward, having returned from London, had reconstructed his Cabinet. It seems to have been coldly introduced by him and to have occasioned a burst of hostile criticism. On one side its appearance was anticipated with little curiosity. The two countries are so much alike that there is little room for exchanges of mutual advantage. Now that the agreement has been disclosed the prevailing sentiment is one of pleasure that its scope should be so considerable. The general impression is that it is a good bargain for us and fair to New Zealand, so far as our knowledge goes. Mr. Seddon may be trusted to have seen to that. If it be accepted it will be the first and most important agreement of the kind in the Empire. Should South Africa come in soon, as Mr. Deakin hopes, he will have to his credit a substantial realisation of the Preferential Trade ideals which he has always upheld with enthusiasm, but to which, until now, he was never able to convert Parliament.

COMPENSATION TO THE MOTHER COUNTRY.

The lukewarm interest which has attended his negotiations with our sister States because of the doubts entertained as to their responses was due in part to an entire absence of any suspicion that he would be bold enough to link it with any other propositions. If a bombshell had burst on the floor of the House it would not have scattered much more dismay among the Opposition than did his quiet announcement that though the time for a similar treaty with Great Britain appeared to have been postponed by the late election he intended to ask that we should concede an advantage to her goods and her ships over those of all foreign countries. The agreement signed by Mr. Seddon and himself discriminates against every other part of the Empire in respect to the particular concessions made by us and to us, though most relate to our natural products. He therefore hastened to offer some compensation to the manufacturers and shipowners of the Mother Country, placing their competitors abroad under additional disabilities by the imposition of extra duties upon about a dozen classes of imports. Careful to explain that this was not the preferential trade he desired to establish, and of which he had so often spoken, he described it as an illustration of the good faith of our former offers of reciprocity. It was a token slight in itself, but more convincing than the invitations to fiscal union which we have often extended, because it embodied an earnest of our sincerity. He refused to exaggerate its value, dwelling only upon its significance. Mr. Reid in Sydney, Mr. Joseph Cook, his deputy, in Melbourne, and Mr. McLean, the leader of the Protectionists in alliance with them, have not been able to conceal their consternation at the startling development. Consistent as the step taken is with the Prime Minister's whole policy, it also supplies a final and incontestable evidence of his independence of the Labour Party and of his intention to face the country apart from them, if not in opposition to them. The Protectionist flag is hoisted side by side with that of Preferential Trade, under which title come tariff reciprocities with the Mother Country, with New Zealand, and possibly with South Africa. The Opposition resists and refuses all of these, the Labour Party cares for none of them, finds no place for them in its platform, and gives no encouragement to them in its caucus. But for Mr. Seddon's death the agreement would have been launched three months ago at the opening of the session. Coming now towards the close its election influence is doubled. The new agreement with Mr. Seddon, the preference to Great Britain and her shipping, the Protectionist increases in the Tariff Commission's recommendations, and the bounties for farmers and fishermen, taken together, summarise all that is most characteristic of the Protectionist programme, and place this in the forefront of the electoral battle. Fiscal Peace is dead. Fiscal War has begun. The Opposition is divided on a fiscal issue. The Ministerial Party is rallied to a standard which, reminding its followers of past successes and present dangers, recalls and reinforces the unity upon which their fortunes must depend.

LABOUR RESTIVENESS.

Notwithstanding this *tour de force*, the Ministerial position is far from safe. The more the Prime Minister emphasises his particular tenets the more he becomes exposed to attacks on both sides. The week before last there was an open breach between Ministers in the Senate and the Labour members, who there compose three-fourths of their majority. Last week the reason for that breach was stated by Senator **McGregor**, the leader of the Labour Party in that Chamber, without any hesitation. He said: "I defy any honourable Senator to show that the Government have done anything to carry out any portion of the policy of the Labour Party ... The Government have done everything they could to show that they have no desire to consult, satisfy, or in any way conciliate the Labour Party. The Labour Party were never consulted as to the policy of the Government; indeed, I might almost say that in regard to administration the Government have despised the Labour Party". This, of course, was a direct reference to Mr. Deakin's refusal to comply with their demand for the superseding of **Captain Barton**, the Administrator of Papua, who is obnoxious to some settlers in that territory. But be left no doubt as to the meaning of the "count out" which he had ordered on the previous Friday. "That action was due", said Senator McGregor, "to the way in which the Government have treated the Labour Party throughout the whole session, and are endeavouring to treat that party now." He was content with his protest, as he was pleased to style it, but Senator **Stewart**, one of the ultras among his followers, mocked him for his meekness. "As to a count out" affecting the Ministry, he said bitterly, "we might as well tickle the nose of a crocodile with a feather." On going to a division in order to refuse Supply this combative Senator was countenanced by three of his fellow-Labour members, by Mr. Reid's chief Senator from this State, and by his late Whip. This odd alliance was not numerous enough to effect its purpose. The Labour Party as a whole supported, and continues to support, the Government, because otherwise it must accept Mr. Reid, who by his own words and acts has made that impossible. Hence it happens that without consulting the Labour Party in any way the Prime Minister administers and legislates according to his own judgment. While this Parliament lasts they are bound to put up with this, though the less aggressive among them really prefer such a Ministerial lead to the headlong extravagances into which their rasher comrades wish to drive them. But at the elections the whole party will fight for its own hand against Mr. Deakin as fiercely as against Mr. Reid. The Prime Minister with this contingency in sight is rapidly consolidating his party, but there is hardly a possibility of his being returned with a majority of his own. Indeed, there seems no present possibility of any one of the three parties attaining that independent position. "Protection and Preferential Trade" may sweep the country, but a number of those who espouse that cause will be members of the caucus first and supporters of Mr. Deakin only while that body permits them.

FEDERATED AUSTRALIA.

AMENDMENTS OF THE CONSTITUTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 10 1906; Nov. 6 1906.

In Australia just now it is finance here, finance there, and finance everywhere, because all the States are publishing their annual balance-sheets. Happily these are of a highly satisfactory character. Tasmania, of course, is content to plough along without any great effort at expansion. Western Australia, too, has to make up for her losses in consequence of the reductions in her tariff due to Federation and to the marked increase in the proportion of her population of tender years. Formerly her citizenship was mainly composed of adult miners without their families, who spent their liberal wages freely upon highly dutiable liquors and tobacco. Their wives and children who are with them now add nothing to the Customs receipts from these sources and promote thrift. The State is flourishing, but its Treasury has to supplement its old income from fresh sources. The Legislature is now considering a Land Tax of a novel type upon unimproved land adopted in order to encourage the outlay of capital by the owners of large estates upon their properties. It is expected to yield only £60,000 a year as a tax, but to foster rural employment. Neither the relatively small island nor the immense western side of the Continent are in real straits, though their Treasurers, having to readjust the familiar imposts, are locally much criticised in the process. The fact is that their peoples are prospering and their whole outlook is flourishing. Golden expectations are being realised by their neighbours, whose Treasurers have few trials—in New South Wales and Victoria none beyond those of distributing great surpluses. The season continues most favourable. Last year established several splendid records of production. Accidents apart, this year should outstrip them all and disclose others. The local money market, glutted already, is feeling in anticipation another propitious influx of capital derived from the proceeds of huge clips and crops. Real estate has risen, and is rising fast. New investments are eagerly sought for. Now that we have good times, better times than ever we have had, these achievements are accepted as matters of course. No jubilation is expressed; yet in future days of stress our newspapers will then quote the present figures gloomily in order to deprecate the unwisdom of later Governments, who will be censured for failing to maintain the extraordinary financial felicities of 1905 and 1906. Existing Cabinets have no commendation from them when prosperity is at its height.

FEDERAL MANAGEMENT OF STATE DEBTS.

One aspect of finance, and that of Australian proportions, is now being forced into prominence by the Federal Government; apparently forced upon an unwilling Press, an indifferent Parliament, and an apathetic public. Before federation there was no declaration more frequently made or loudly applauded than the vague generalities of platform speakers revelling in calculations of the millions sterling to be saved by a consolidation of the debts of our several States and their prudent Federal management. Audiences of the usual character, containing very few persons capable of comprehending the conditions of the money markets or of the legislatures, cheered these forecasts to the echo then, and occasionally applaud them still. But those statesmen who have been and are endeavouring to contribute to the actual attainment of this great reform in our public finances can only count upon the attention of very small and select audiences. Politicians in general have used the subject to some extent to fill up their programmes, and continue to employ it on occasion in a theoretical way. Our State Treasurers now and then make complaint that Sir **George Turner** did nothing, and that Sir **John Forrest** is doing little, to assist them, while in the same breath Mr. **Carruthers** and Mr. **Bent** assert that they are better able to handle their own debts in London and see no need for Federal intervention. On the other hand, the present **Prime Minister**, who was the earliest and is the most frequent advocate of Commonwealth control of all the loans hitherto incurred by the States, has been most resolute in his claim that its acceptance of responsibility for them must be accompanied by self-denying ordinances passed by the States, excluding them from all future borrowing abroad. To this our local Treasurers seem to be bitterly opposed in fact, though they have given a surface assent to it officially at two or three conferences. Mr. **Kidston**, the Premier and Treasurer of Queensland, though a bookseller by trade and a member of the Labour Party in politics, has shown the shrewdest appreciation of his position and that of his fellow State Ministers. He makes, and has always made, the first condition of his assent to any scheme of loan transfer a permanent endowment of the State Treasuries with the proportion of the Customs and Excise revenues of Australia secured to them by the Constitution until 1911. When the Commonwealth does take over the State debts it will not relieve the States of their obligation to pay interest upon them. Mr. Kidston's plan is, and consistently has been, to get rid of that interest by putting its payment upon the Federal Customs revenue in perpetuity, thus keeping the Commonwealth for all time to one-fourth of its receipts from that source. In other words, he claims that the "**Braddon Clause**" be made unalterable. As the community pays the same taxes to the same amount in either case, the transfer or its terms are not matters of immediate concern to the electors, except so far as they permit savings to be made upon their current bill for interest on the loans payable every half year. But these are

matters of the utmost concern to the Commonwealth and State Administrations, because they decide who is to be driven to the imposition of direct taxation with all its complexities and bitternesses. The terms of the transfer will in effect decide which of the rivals is to be financial master of Australia. No wonder, therefore, that the struggle between the Federal and State Parliaments is certain to be more serious and far-reaching in its consequences than any that we can now foresee.

THE THREE AMENDING BILLS.

Whatever may be the outcome, Mr. Deakin is evidently determined to press the question on, either because he realises its significance or believes in its urgency, or possibly on both grounds. Two short Bills are now before the House of Representatives and a third before the Senate, all of them of much moment, if for no other reason than that they propose amendments of the Constitution. They are the only amendments yet proposed by any Government, and are launched before the great instrument of Federal Government has reached its seventh year. None of the three is in itself of constitutional value. The Senate Bill merely alters the date of the triennial elections for that body from the spring to the autumn of the year. The next, of which the Treasurer, Sir John Forrest, is in charge, opens a gateway into dangerous ground, though its object is one approved by all parties. As the Constitution stands the debts of the States incurred prior to 1901 can be taken over as a whole or pro rata. Since then nearly £35,000,000 has been borrowed by the States which cannot be taken over by the Federal Parliament, though everyone is agreed that if any of them are to be transferred it ought to be possible for all of them to be dealt with, if necessary, in the same way. There are in Sydney advocates of the transfer of a part only of the debts, of whom the chief is our Premier, Mr. Carruthers, but the indications are that from the Federal side the condition insisted upon will be "all or nothing". It is possible, but improbable, that a project favoured in the *Morning Herald* may come to the front limiting the taking over to those loans which the States now have upon the London Register. Despite these and other advices the general sentiment here cannot be described as adverse to a simple amendment of the Constitution permitting the whole problem of the transfer of debts to be handled without the existing restriction of its application to a portion only of our loans. But it is the third amendment, which Mr. Deakin has taken into his own hands, upon which a keener conflict is likely to arise. At first blush its defeat might appear certain, since it affects the provision of the famous Braddon section under which the States obtain three-fourths of all the Federal revenue from Customs annually until 1911. After that date the Commonwealth Parliament will dispose of the whole of it according to the instructions received from its constituents. To amend this temporary

provision at all three years before it expires seems unnecessary, but to amend it as he suggests by depriving the States of any share whatever of the revenue from duties hereafter to be imposed by a majority of Federal members if their receipts are specifically devoted to special purpose would seem to a stranger absolutely hopeless. Yet for all that there is a reasonable prospect of the Bill being carried.

OLD AGE PENSIONS.

The explanation of this marvel is to be found in two circumstances. The State Governments know that they have no chance of receiving during the next three years more revenue from the Commonwealth tariffs than they are now obtaining. They are therefore surrendering nothing of what they have or can obtain. In the next place the avowed object of anticipating today the freedom which will in any case be enjoyed by the Commonwealth Parliament absolutely in 1911, and of imposing fresh duties, is to enable pensions to be paid to the destitute aged throughout Australia. No more popular appropriation of funds can be mentioned to the masses or indeed to all but a small proportion of the rich. Old age pensions are paid already in an extravagant way in this State and economically in Victoria. Both of us have, therefore, the tempting prospect of relieving ourselves of the payments we are at present making on this score. This would give Mr. Carruthers every year over half a million more to spend. It would also assist the other States on the mainland by removing from their Governments the constant pressure brought to bear upon them by the advocates of this humanitarian legislation to follow the example of the largest States. The Prime Minister placed great emphasis upon the fact that at the Conference of the States early this year held in this city, which he attended, the Premiers unanimously carried a resolution consenting to the appropriation of special duties for this purpose. The *Premier of Tasmania*, the only objector, merely pleaded that it was an inopportune time to tax the Tasmanians. Thus buttressed by the assent of the State Governments Mr. Deakin's Bill has a fair prospect of becoming law, though it will imply a yearly payment of £1,500,000 out of the public coffers. The Labour Party, though it resisted and will always resist the most fruitful Customs imposts, such as those upon tea and kerosene, because they are paid mainly by the working classes, will abandon its attitude if these are appropriated to so favourite a project. Of course, if this Bill passes the electors have to pronounce upon it as an amendment, and also to return representatives authorised to legislate in accordance with their wishes under the new power conferred upon the Federal Parliament. If it is also empowered to deal with the whole of the State debts our financial situation is in a fair way to be transformed next year. We may have now duties imposed raising a million a year or more for old age pensions. We may see a transfer of debts that would extinguish the State's claims to the six

or seven millions which they have been obtaining as their share of the Australian Customs revenue. Other changes would follow of a vital character. The appointment of a High Commissioner in London would probably be the outward and visible sign of a financial revolution by which the Commonwealth Treasury would become Australia's sole representative to British creditors. It would be coupled in all likelihood with statutory restrictions upon the hitherto untrammelled borrowing powers of the States, or even if it were not so supported would be revolutionary, because it would bring about the control by a single authority of loans aggregating upwards of £236,000,000.

MR. CARRUTHERS'S BUDGET.

Though Australian prospects of this magnitude dwarf the totals that can be quoted for any part of it, the year's Budget in this State must not be forgotten. A surplus of nearly a million and a half, the largest since 1884, of which only £100,000 was due to land sales, is in itself a phenomenon. A cost of government reduced by 7s. per head, a net increase of indebtedness amounting only to £100,000, a loan expenditure lower than any year since 1895–6, a reduction in the number of public servants, and their gross salaries, are among the features of which Mr. Carruthers has good reason to be proud. There are to be reductions in taxation, railway rates, and an abolition of State school fees—liberalities which appear judicious since all our State business undertakings from the railways downwards through the Harbour Trust and Water and Sewerage Boards show handsome surpluses on the year's transactions. The Public Works Fund is replenished out of revenue with nearly £1,000,000. Of course, there were a few characteristic illustrations in his statement of the "slimness" with which the Premier is credited—in the omission of any adequate reference to the extent to which he was indebted to the Federal Tariff for his surplus, his inclusion of the Penny Post with his own remissions of taxation, and his proposal to extend old age pensions to those under sixty-five who are permanently crippled or invalided now that he can see the transfer of this expense to the Commonwealth fast approaching. But these little tricks apart, the figures, whether taken in detail or contrasted with those of previous years, or studied as a whole, supply by every kind of test applicable the most indisputable evidence of the universal, healthy, and solid prosperity of New South Wales. As the most populous and progressive State of the group, it also furnishes unquestionably the best index possible to the financial stability and prolific wealth of Australia.

FEDERATED AUSTRALIA.

PREFERENCE AND BRITISH SHIPS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 1 1906; Nov. 8 1906.

Last week was crammed with incidents and expositions of policy in the Federal Parliament sufficient to concentrate attention upon it, especially as the proceedings of our own Legislature in Sydney were only distinguished by a disorderly episode. In Melbourne the working of the three party system led to some curious and one most unfortunate occurrence. A new feature in the Bill granting a preference to British manufactures is a limitation of the concession to goods which are brought in British ships. They must follow the flag if they are to claim special treatment. Unhappily the imposition of this condition suggested others to the Labour members. An amendment was tabled further restricting the ships to be favoured to those "manned exclusively by white British seamen" on the ground that what with foreigners and Lascars half of the men engaged in our Mercantile Marine are not our compatriots. With the help of the Opposition this attack was beaten off by Ministers who were again successful in an appeal to their Labour allies not to press for the exclusion of any fixed proportion of foreigners on vessels which happened to carry goods entitled to preferential duties. On a third attempt to require the ships to be "manned exclusively by white seamen" the racial sentiment was roused to such an extent that what with the defection of two or three supporters and some abstention on the part of the Opposition, this amendment was carried against the Government by a majority of one. The **Prime Minister** condemned the addition as needless, fruitless, and in every sense undesirable, but in answer to Mr. **Reid** declined either to lay aside the Bill or to risk its recommittal on the plea that he attached to it "an importance far beyond the extent of its schedule" because of "the great principle of Imperial preference which it asserted". The intention is to challenge the amendment in the Senate in the last hours of the session when the Labour Party, though far stronger in that Chamber than they are in the House, will probably be reduced in numbers by departures for distant electorates. Still, as it stands this reverse upon a subject which Mr. Deakin has so much at heart, even allowing for the circumstance that it was obtained by a snatched vote, was a most vexatious reminder of the fact that he has no independent majority of his own. He suffered another defeat of a similar kind next day when his Bill for establishing penny postage throughout the whole of Australia and within the

Empire was defeated by two to one. In that instance the Opposition and the Labour Party made an alliance against the Government, leaving its third helpless against the two other thirds banded together. Looking at the figures in these division-lists the marvel is that Ministers have been able to lead the House for two sessions with a bold and practical programme only very rarely interrupted by catastrophes such as these.

MINISTERIAL SUCCESSES.

By way of compensation the rest of the week yielded Mr. Deakin a series of special successes. Mr. Reid, after some weeks' absence, returned to make an effective analysis of the preferential schedule of concessions, which he ridiculed with severity, but without being able either to win or to keep the ear of the House. Our *Daily Telegraph* unkindly branded this display of his powers of sarcasm as out of place and out of time, only serving to remind his hearers that no man can lead a Parliament who does not attend its sittings except at intervals dictated by his own convenience. A rebuke in this tone, peremptory and unanswerable, coming from the most ardent upholder of the Reid party, is an experience of a peculiarly unpleasant type just at the opening of his election campaign. The three active leaders—Mr Deakin, Mr. J. Cook, and Mr. Watson—having just been banqueted by their respective followers with much enthusiasm, the contrast between their reception and his own becomes all the more acute. No one but Mr. Reid would have ventured to treat his party so cavalierly, and though he remains unquestionably its chief his power is necessarily impaired. After two days in Melbourne he disappeared to fulfil a professional engagement, leaving Mr. Joseph Cook, his deputy, to challenge the Ministry upon the Estimates. This he did in such truculent fashion that the House remained continuously sitting for thirty-five hours till by help of the Labour Party the Government wore the “stonewallers” out and drove its business triumphantly through a series of angry divisions. Then all at once the weather changed when the Labour Party, led by Mr. Watson, made a fierce assault upon the annual vote for the military. The Government asked for an increase of £40,000, while the Caucus demanded a reduction of £50,000. Ministers refused to alter their scheme to please the allies without whose aid they could not have carried these estimates at all, and the Opposition promptly performed a right-about-face. Hence, as Mr. Watson became leader of the Opposition, the regular Opposition became allies of the Government, which, with their help, defeated the Labour assault. Angered at this the followers of Mr. Watson, in spite of his cautions and counsels, insisted upon a couple of hostile divisions, and were badly beaten in their turn. It needed no ordinary diplomacy for the Ministry to restore peace after having made use of each of their rivals in turn to overthrow the other, but somehow this was managed so completely that the Estimates were finished and the Appropriation Bill passed before the House rose on Friday. This remarkable feat

would be much more remarkable had it not lost its freshness by the frequency with which it has been resorted to during the last eighteen months. Whether by good luck or good management the Government has so ordered the business of the House that very rarely has it found itself placed in a minority. This could have been done daily if the Opposition had been better led or the Labour ranks less resentful of their attacks. When these parties did combine, as in antagonism to penny postage, union made their numbers overwhelming. That this should be the only important matter of policy upon which Ministers have been beaten during their two sessions is certainly an astonishing record in the circumstances.

THE DANGER IN THE SENATE.

At present their danger lies in the Senate. Only half of its members have to face the electors, the other half being quite indifferent how their proceedings are prolonged. The Opposition as a whole rely upon the anxiety of the House to hasten prorogation as a means of wrecking its measures in the Senate, where the Free Trade members have industriously blocked business for weeks past. With this prospect ahead the one serious peril of the situation lies in the inability of Ministers to retain both a quorum and a majority in the waiting House. Labour members even in that Chamber care little for the Government policy as a whole, and actually dislike several of the Bills they have been persuaded, under much pressure, to send to the Senate. The preference to Great Britain, though left fragmentary in order to secure their assistance, the financial amendments of the Constitution, and the increased protection for our makers of Harvesters now sent on to the Senate are none of them included in the Labour platform, and some of them run counter to its most cherished doctrines. How all of these Bills are to be saved in the last week of the session no one can guess. It appears impossible to hope that any of them will survive, but so many things that seemed beyond realisation have been done already that the sanguine attitude of the Prime Minister may possibly be justified once more. Still as his alliance with the Labour Party has reached the term fixed when Mr. Reid was ejected in July, 1905, he must be depending rather upon their goodwill than upon any obligation by which they have bound themselves. His personal influence, however, is exercised in the House where his trials are nearly over, and not in the Senate where the crisis now exists. There the Labour leader only two or three weeks since formally denounced the Ministry because it had done nothing for his party, while several of his followers directly attacked Mr. Deakin as their chief antagonist in the Cabinet. The Minister for Defence, Senator [Playford](#), does not command their confidence either in the Senate or in the State where he is being opposed by a Labour "ticket" for the ensuing elections. There are no links now between Ministers and their nominal supporters in

the Senate that can be expected to endure a real strain. It is a very real strain that has to be resisted this week. The feat of using the Opposition to defeat Labour Senators, at the same time as the latter are being used to defeat the Opposition, has to be undertaken under very unpromising conditions. If Government Bills are shipwrecked in the Senate just in sight of port it will surprise no onlooker near or far who has closely studied the situation.

PREFERENCE WITH NEW ZEALAND.

During the passage of the Estimates through the House the Prime Minister took the opportunity of explaining his policy in relation to defence, immigration, the repatriation of the Kanakas, assistance to British settlers in the New Hebrides, and the establishment of a small fund for the assistance of Australian litterateurs. All of these except the last are matters of great moment, whose present phases as now presented could only be appreciated by readers of the *Morning Post* after a full explanation of the preceding and surrounding circumstances. They can be better treated separately than in connection with the business of the Parliament about to close. At the last moment of the last day of sitting Mr. Deakin announced with much exultation that an agreement for reciprocal preferences had been at last completed with South Africa after negotiations extending over many months. As these are granted by mutual reductions of existing duties he hoped that they would be assented to without hesitation by both sides of the House. The same day, in reply to a question, he had regretfully admitted that the treaty made with the late Mr. Seddon appeared to have but a slight prospect of acceptance in the New Zealand Parliament. This is discouraging, because it was settled in all its details by the late Prime Minister, who bore the reputation of possessing a mastery of all the particulars relating to production and trade in his own State. Certainly no one would suspect Mr. Deakin of being able to get the better of him in a bargain. Still, it seems plain that Mr. Seddon was too much in advance of his people, who might have followed his advice had he lived to tender it in person, but have not the courageous confidence in themselves which he always expressed and exhibited. The British preference, such as it is, may not pass, but at worst it will remain as a landmark. Taken together the three commercial proposals are proofs of the sincerity of Ministers in their policy of Imperial preferences. Canada is understood to be negotiating again for similar reciprocal advantages. With her, as with South Africa, it will be a question of terms. Assuming that within the next few years we find Canada, South Africa, New Zealand, and Australia united by tariff discriminations in each other's favour and by concessions to the Mother Country, the stimulus to the employment of capital and labour within the Empire and to its Mercantile Marine, however great and valuable, its gains would be exceeded by the stimulus imparted to the feeling of unity and spirit of Imperial patriotism by these evidences of loyalty to each other and to the parent stock.

FEDERATED AUSTRALIA.

THE MINISTRY AND LABOUR.

FROM OUR SYDNEY CORRESPONDENT.

[Oct. 1? 1906]; Nov. 17 1906.

If the Federal Parliament and its proceedings are faithfully portrayed in our daily papers its present state is as confused and ebullient as that of a witch's cauldron. Large allowances must be made for the party spirit infused into these sketches. When carefully compared they prove full of self-contradictions, but after making due deductions on this score the evidence seems irresistible that the closing days of the session are even more chaotic than is customary in our Legislatures. There is always a rush, a crush, and a collapse, especially in the last session of a Parliament, but in this instance all these familiar features appear to be accompanied by complications far more deep-seated than usual. There are patent proofs, which cannot be disregarded, disclosing fundamental antagonisms. These have been superficially cloaked for the last fifteen months by the independent, but real, association between Ministers and the Labour members on the one side, and between Protectionists and Free Traders acting together in opposition to them. Neither union is natural or based upon any other foundation than the necessities of the situation in the House. They cease with the session, and with them cease all pretences of solidarity. We shall have four factions during the elections whose internecine strife would promise to be unappeasable were it not for the general conviction that some occasion for co-operation must again present itself when the polls are closed. Once more the Government and the Labour Party will require to reconsider their relations; once more the Free Trade remnant under Mr. Reid will look to the Protectionist exiles under Mr. McLean in the hope of obtaining a majority only possible by the re-establishment of a coalition Administration. There is no real conflict between the two Opposition sections. Their severance is forced upon them because the fiscal hostility in their several constituencies obliges them to maintain a show of separation. They are really one party for election purposes, supported by the same funds and organisations, and have therefore better prospects than their rivals for this and other substantial reasons. They cannot sink the fiscal issue long, but may smother it for another session.

MINISTRY TOLERATED RATHER THAN SUPPORTED.

The Ministry has been, and is being, retained in office by Labour votes cast not so much for it as against Mr. Reid and his anti-Socialistic following. They would be cast just as earnestly against Mr. Deakin, Sir John Forrest, Mr. Ewing, and Senator Playford because of their anti-Socialistic attitude, were not Sir William Lyne, Mr. Isaacs, and the Radical half of the Government in so much sympathy with parts of the Labour programme that they stood by Mr. Watson when he was in power against their present chief. The Ministry as a whole is tolerated rather than supported by most of the Labour members merely because otherwise worse would befall them. Several times of late all the influence of Mr. Watson himself and the Moderates most intimate with him has been required to prevent those extremists from putting out the Government in a fit of temper. The insistence with which the Prime Minister has pursued his own policy even when it was directly obnoxious to them and their aims has stung them deeply. As explained in previous letters, there has been nothing in his legislation for them either last session or this year. They are kept behind him only because Mr. Reid has now committed himself, and indeed confined himself, to an attack upon their platform as the principal if not the sole plank in his own platform of negations. Compelled to choose either a Ministry sympathetic in tone but for all that doing its own work in its own way and almost irrespective of their wishes, or an Opposition which openly justifies its existence by its efforts to deprive them of all authority in Parliament and discredit them outside of it, Labour members have continued to vote as a rule with the Administration, but now that a dissolution is close at hand they are no longer under any apprehension of being cut short of their allotted term or under any obligation to study the Government. They are absenting themselves from the House, and thus depriving it of a controlling majority, are canvassing their constituents against Government candidates, and generally putting themselves in battle array outside the Chamber against the Ministry whom they are ostensibly supporting within its walls. Mr. Deakin himself has a Labour candidate in the field against him in Ballarat, and his colleagues will receive no better treatment. His followers will have to fight both Socialists and Anti-Socialists at the same time, the first because of their Socialistic programme, the second because of their current relations with the Labour Party. Indeed, the political Labour Leagues probably dislike Mr. Deakin more than any man in politics, except perhaps Mr. Reid, their former ally in this State and in the first Federal Parliament. No one has more forcibly denounced their methods of selecting, nominating, and pledging their candidates or touched them more to the quick. Peace between him and them is impossible. Some of the Leagues are already expressing distrust of Mr. Watson because of his cooperation with a Prime Minister whom they detest.

FEDERAL OLD AGE PENSIONS.

The business of the House exposed to all these conflicting factors is suffering both in quality and quantity. There are but two or three weeks at most in which to clear a notice paper containing a dozen important items. The Opposition, taking advantage of this, are, of course, exercising their prerogative of unrestricted speech to the full at every opportunity and upon every topic presented or suggested. If the whole of the Ministerial side were united it could wear down such opponents as it did in the pitched battles of last year. It could also apply the closure, which the House now possesses as the prize of that victory. But it is not united. Mr. Deakin's Bill authorising the imposition of special duties of Customs next year in order to provide Federal old age pensions, providing the assent of the electors to it can be obtained by referendum at the forthcoming polls, is being stoutly resisted by the Labour members. Its passage was blocked last week by a direct amendment authorising the payment of the pensions out of the three-fourths of the Customs dedicated to the States till 1911 under the famous "Braddon Clause". This amendment the Prime Minister promptly resisted on the ground that the understanding when the Constitution was adopted was that the Federal Parliament should not interfere with this agreement for ten years, of which only six have expired. In 1904 he went out of office rather than be a consenting party to an encroachment upon State rights of which, staunch Federalist as he always has been, he is a vigilant guardian. The question he resigned upon has now at last come up for legal decision. Having listened to fourteen days of argument the High Court has reserved judgment. The issue before them is whether the Commonwealth can determine the wages and hours of the public servants employed by the States through its Federal Arbitration Court. Mr. Deakin protested in 1904 that it had no such constitutional power and resigned rather than bow to the will of a House which insisted upon including an amendment to that effect supported by all the Labour Party and the greater part of Mr. Reid's following. A similar combination in the present instance might lead to a similar defeat of the Government, though having regard to the imminence of a General Election that would only lead in this instance to the dropping of the Bill. But it does not assist the transaction of business when the Ministry and more than half its supporters are voting against each other on so many questions of magnitude. Whether old age pensions are postponed or not will depend upon the suppleness of the Labour phalanx, for on such a Constitutional question the Prime Minister's watchword is certain to be "No surrender".

RECIPROCITY TREATY WITH NEW ZEALAND.

The proposed Reciprocity Treaty with New Zealand and the granting of a preference to British goods carried in British ships by increases against all other competitors have destroyed party lines on both sides. Certain Labour members are opposed to both, while the Protectionist exiles under Mr. McLean are divided on both. Though they would gladly see them rejected together the appeal to their constituents is so near that most of them shrink from recording their votes with those of Mr. Reid's following. On the other hand, the Free Trade sentiment in New South Wales is so dominant in our majority that Mr. Joseph Cook has felt obliged to challenge both propositions. He asked the House to say in each case that it would accept no treaty and grant no preference except by means of reductions in duties. However divided parties were there could be but one response to his fiscal appeal, and that of a most emphatic nature. The country as a whole believes that our tariff is inadequate, falling far below the Canadian standard and affording in its present condition little room for reductions and none except in return for advantages of some kind. Mr. Cook's amendment of the New Zealand Treaty confining our preferences to reductions of duties was defeated by three to one. The amendment to the schedule of British preferences of a similar nature was defeated next day by two to one. The fiscal feeling of the Commonwealth may be somewhat uncertain in its character upon particular proposals, but there is no uncertainty whatever in its unconditional refusal to take any step towards Free Trade. In this negative fashion Ministers' proposals which go in exactly an opposite direction have been most unhesitatingly endorsed as a whole. Their entire acceptance is another matter. The reciprocity treaty has not been discussed in detail pending information as to the attitude of the New Zealand Legislature, when, according to the Press cables, the feelings expressed are those of open hostility. As Mr. Deakin remarked, if Mr. Seddon had lived his knowledge of the feeling in Australia and of the circumstances of his own country would have made him an irresistible upholder of his own work. His successors seem at best indifferent, and it is to be feared that the coldness with which his supporters have welcomed the treaty augurs ill for its adoption in that Colony. The preferences to the United Kingdom and its shipping are being censured because they increase protection against all other importers into Australia and because they only cover some £900,000 worth of goods from elsewhere. Here, too, the schedule is likely to be used as a means for tabling many amendments before it is permitted to go to the Senate, where an equally warm welcome may be anticipated from the Free Traders. Labour members in both Chambers are conspicuous among the dissentients to many items in both schemes, so that here again Ministerial energies are partly paralysed and their aims likely to be frustrated. No wonder the prospects of the session are stormily unsatisfactory.

DESIRE FOR RECIPROCAL BRITISH CONCESSIONS.

After all Ministers may console themselves with the recollection that the principles which they have brought to the front with such *éclat* are inherent in their policy. Protection, Preference, and Reciprocity are integral parts of their programme and represent their most effective ideas in practical politics. They could have been well content to have staked their future upon them, even if defeated, had the particular proposals which they submitted been adequate to the principles they embody. Unfortunately they fall distinctly short of what was apparently possible. On examination the Treaty proves meagre and the preferences to the Mother Country erratic and insufficient. For the first the Government is only half responsible. Reading between the lines it seems plain that both Mr. Seddon and Mr. Deakin were trying to drive a hard bargain, and that the upshot has consequently been partial and unsatisfactory. For the preferences our Ministers are solely responsible. These seem to suggest that the Cabinet is by no means unanimous in its views in respect to them. The Prime Minister cannot possibly consider that they match his large ideals. It is known that there are Protectionists of the old school in the Cabinet as well as in the party who dread the beginning of any distinctions between imports made without any return. Thorough loyalists in heart, they are as hard as the Free Traders themselves, fearing that business and sentiment cannot be run in double harness and that reciprocal British concessions should have been waited for. The debates so far seem to show that a bolder scheme would not have been more palatable to Government supporters than the curiously compounded schedule presented, nor could it have satisfied the Opposition no matter what it conceded. But a more generous gift would have appealed to the larger public out of doors, which indulges in no refinements, and indeed dislikes them when Empire interests are in any way affected. Ministers have done well to evoke that feeling, but if they had not been divided among themselves they could have done much better, and probably in the long run would have had just as much chance of passing a complete scheme. Their proposals are sound, but they are not wide enough. Marks of discrimination are visible, but their reason is far to seek. One surmise is that there are two wings in the Cabinet which have had to be satisfied, the first, led by the Prime Minister, keen for preference to a maximum, the other cautiously confining it to a minimum, with the customary result of a compromise a little more than half way towards the goal they might have attained. It is surprising that in these circumstances the schedule has been so well received generally. Australians realise that a stride forward has been taken which will never be taken back, and evidently believe that a full preference to the limits of our opportunities cannot be long postponed. For this great gain they forgive much.

FEDERATED AUSTRALIA.

A RECALCITRANT SENATE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 8 1906; Nov. 20 1906.

The Senate has been the surprise of our politics from the first days of the union. During the campaigns antecedent to the adoption of the Constitution it was the favourite bogey of the Anti-Federal Press. At that time the *Daily Telegraph*, running in double harness with the Labour caucus, described it by anticipation as a haughty, aristocratic body, under whose domination the democracy would be bound in chains. The vote against union in this State, because restricted by an artificial minimum condition, spoiled the unanimity of the verdict of Australia upon the Convention Bill at the first poll. This was due to an alliance between the narrow provincialists of Sydney and the broad Radicals of the Labour Party, who fiercely resisted the creation of a Senate, to which all the States were to send an equal number of representatives, because it interposed an obstacle to the absolute rule of the majority at which they aimed. No more ridiculous blunder in political prophecy than that of the Anti-Federals has ever been chronicled. The first election gave the Labour vote eight pledged and four unpledged Radicals, or exactly one-third of the Senate, most of them from the very States from which the return of the autocrats had been predicted. The second election in 1903 raised their strength to fourteen pledged and three unpledged Senators, so that since then they have needed but two more votes to make an absolute majority of the Second Chamber. There being two or three more Senators generally in sympathy with their ideas, the actual result has been that the Chamber which the Labour Party was taught to dread, on the plea that it would be inaccessible to them, has been almost under its control for the last three years. All the fears of our Provincialists have been absolutely falsified. Indeed the hope of the Extremists in the election campaign now proceeding is that they may capture the Senate and dictate from thence the policy of the Parliament about to be called into being.

SUBORDINATION OF THE SENATE.

A second surprise has been the subordinate position into which the Senate is drifting. Misled by the similarity between its name and that of the American Chamber and by an exaggerated estimate of the use it would be able to make of its constitutional powers the fixed idea of the Sydney Anti-Federalists was that it would become a

close corporation of frigid and unbending plutocrats who would reign supreme over the popular House. Chosen by the States as a whole its members would acquire a greater influence and higher standing than those elected singly from separate local constituencies. Here again every forecast has been disproved. There has been a larger proportion of old men in the Senate, but in no respect has there been any superiority. Its general decline has not been voluntary. On the contrary, from the first assembling of the first Parliament our Senators have seized every opportunity of asserting themselves. The President, Sir **Richard Baker**, a technical constitutional lawyer, has been sleepless in his vigilance in order to unveil and defeat any attempts at encroachment upon either real or assumed prerogatives. By his help they have scored several successes and at one critical moment in 1902 threatened the life of the tariff at its last stage, after it had been twelve months in preparation. But in spite of themselves the current of events has been too strongly against the ambitious Senators. The one assumption against which they have protested perpetually and with feverish anxiety has been that which classed them with the Legislative Councils of the States. The one thing that popular opinion tenaciously insists upon is in taking that assumption as beyond dispute. The man in the street cannot divest himself of the conviction that wherever there are two Chambers they are to be ranked in order of importance as first and second. Unconsciously he realises that when Ministers hold office upon the authority of one House that House is the true source of power, and its fellow merely a Chamber of review. At the beginning Senators were exasperated by this misconstruction of the Constitution, but every year find themselves sinking deeper into the well-worn ruts of constitutional practice. We are governed expressly by the precedents of the Mother Country, so far as they apply, and indirectly by their adaptations in our State Legislatures. In spite of Sir Richard Baker and his zealous henchmen, who have preserved and will continue to preserve their theoretical overlordship, one has only to look at the manner in which Parliamentary business is transacted to see how in fact the Senate is subsiding into the second place instead of occupying the position of equality which our written law in terms undoubtedly confers upon it.

HOLDING-UP OF MEASURES.

Of the seven Ministers of State who preside over Departments six have always been allotted to the House. The Senate has had to be content with one and with an honorary Minister to assist him. Every measure of any importance is launched in the House, where every Bill imposing taxation or appropriating money must originate. The Senate may not amend Bills providing for ordinary annual expenditure upon the Estimates, but may submit suggestions in respect to them. In all other matters their statutory powers are nominally co-equal. But the weight of influence, the

prestige, and pre-eminence in the public eye already belong to the popular Chamber, and are likely to appreciate with time. The smallness of the Senate tells against oratorical displays, because when addressed to a dozen members these appear out of place. There is less uncertainty, and therefore less interest in the votes recorded; the sittings are fewer, shorter, and less interesting; the members take their work more easily. For these and other reasons the Senate has rather diminished than enhanced its reputation during its six years' experience. Bitter complaints are being made just now because of the manner in which Bills are being heaped upon it in the closing days of the session. The reason for this is not far to seek. With the object of defeating Ministerial proposals the Opposition there took advantage of every controversial question to initiate time-wasting debates in order to be able later to make use of the excuse that time did not allow them to examine the Bills before them. In the House the talking against time of the Opposition led to the passage of the Estimates with next to no discussion. After this breakdown a sheaf of minor Bills were rushed through almost headlong, and the consequence is a congested notice paper in the Senate. As only one-half of the Senators have to face the electors, the other half have abundant leisure and no personal motives for expedition. Under these circumstances it would appear to be the simplest of tasks for them to hold up the whole of the Ministerial measures now crowded upon them. Several attempts have been made to accomplish this by wreckers, who under the standing orders now in force possess ample opportunities for procrastinating. For reasons not apparent at this distance these tactics have so far failed. In some form or other the Bills are being driven through. Wreckage there will be, unfortunately, including the Bounties Bill, which devoted £500,000 to the encouragement of new products, whether raw, such as cotton and fibres, or manufactured, such as tinned fish, preserved milk, and certain oils. State jealousies are responsible for this, reinforced by the unpatriotic animosities of some who rejoice in defeating any measure of value because it deprives Ministers of the credit which unquestionably would attach in this instance to a new and practical method of assisting the development of our rural resources. Beyond these destructive achievements the Senate has not been able to go, and assuredly has added nothing to its public standing by the course pursued.

OBSTRUCTION.

Conflicts between the two Houses have been avoided this session in spite of sundry palpable attempts to promote them made by Opposition Senators desirous of impeding the legislation brought forward by the Government. Differences there are which have already sealed the doom of some of what appear to be the most considerable measures if they are judged in advance by their probable effects. The loss of the amendment of the Constitution which would have authorised the

Commonwealth to anticipate the approaching close of the period for which three-fourths of all Customs duties are pledged to the States was due to a coalition. This included the opponents of Federal old-age pensions and the proponents of direct taxation as the best means of raising revenue for this or any other purpose. The Premiers of all the States had concurred in this scheme except the Tasmanian, because rigid economy is perforce the order of the day in that State. Yet only a single vote more was required to attain the absolute majority necessary to send this Constitutional amendment to the people. Old-age pensions cannot now be imposed until after 1910 in consequence of a missing Senator. A more serious loss still is threatening this week. Though none of the States are pinched for funds for ordinary purposes, there are several which would find their financing greatly simplified by some arrangement under which the Commonwealth would accept their loan obligations. It could then pay the interest upon them out of their share of the Customs revenue and issue Commonwealth debentures for them as they fell due. No project of this kind would be satisfactory unless it dealt with the whole of the debts due, but that cannot be done unless the Constitution is amended so as to include the debts incurred since federation. To enable the greatest advantage to be reaped by this transaction it is advisable that the several loans should be transferred or redeemed by instalments at times when the money market is favourable. Some representatives of the States fear to concede this power of discrimination in case it should be employed by a Federal Treasurer for the benefit of only some States. The Senate under their influence limited the power of taking over the debts to one operation, to be completed by one Act at one time. Twice the House has practically, without dissent on both occasions, insisted upon retaining the power of option. If the Senate persists in denying this the Bill will be rejected and the foundation of Australian public finance cannot be laid for another three years.

FEDERAL FINANCE DISCUSSED BY STATE MINISTERS.

Melbourne today contains a **unique gathering** of State Ministers and leaders of their Oppositions assembled to discuss Federal finance, all of them desperately alarmed lest the Commonwealth should obtain uncontrolled authority. They are conscious that nothing can be accomplished except through the Federal Parliament about to be elected or through one of its successors, and their evident purpose is to play off each of its three parties against the others. No doubt State Ministers would be a factor at the Federal polls if they were all to take the platform with an appeal to their electors to instruct their Federal representatives to grant the State Treasurers the most favourable terms. On the other hand, a large section of the public will be

suspicious of any interference by State politicians for local ends with undertakings to be conducted by the Commonwealth upon Commonwealth principles. Now that both constitutional amendments affecting finance seem to have been set aside, the hasty gathering in Melbourne, from which South Australia alone is absent, will have nothing before it except the general question of the distribution of the Customs revenue after 1910. That really ought to be faced before the debts are transferred. Sir **John Forrest** proposes to give the States a fixed sum until 1920, after which the whole problem would come up again for solution. With this some States are discontent. That fifteen political leaders should collect themselves at the seat of the Federal Government, adjourning five Legislatures for the purpose, not only proves this, but is in itself an extraordinary occurrence quite unparalleled in our previous history. That two Premiers deeply interested—Mr. **Carruthers** and Mr. **Newton Moore**—should be absent at this crisis is almost as remarkable as that the visitors seem to expect to arrive at an agreement of some kind with each other and with the Commonwealth Ministry in the space of three days. If they do they will satisfy one consistent sporting ambition of Australians. They will have established a record for speed. But it is very doubtful if they will establish anything else.

FEDERATED AUSTRALIA.

CONFERENCE OF THE STATES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 15 1906; Nov. 27 1906.

Last week's Conference of the States in Melbourne was the most suddenly summoned, comprehensively constituted, and expeditiously concluded meeting of that kind we have ever seen. At present our Constitution makes the Commonwealth and States partners until 1911 in the Customs and Excise revenues levied by the former, and the latter are naturally very anxious to know what is to happen after that date. The Commonwealth, on the other hand, though empowered to take over the State debts incurred up to 1901, is willing to accept the control of them and of the £35,000,000 they have borrowed since on condition that the States' borrowings for the future are limited to the Australian market and to some extent controlled there. The Deakin Government recently asked its Parliament to extend its power of taking over the £35,000,000, and also to allow it to use all the receipts from new duties for the purpose of paying old-age pensions. This indicated that its patience was exhausted and that the time for action had arrived. There was no trespass upon the States but an evident determination not to wait upon them any longer. Their respective Ministries having met thrice without arriving at a final decision Mr. Deakin and Sir John Forrest had come to the conclusion that they would cut the Gordian knot. At this Mr. Kidston took fright. He appealed in haste to them and to all the States for an instant meeting, at which the leaders of their Oppositions should be present. What he wanted was an understanding how far the Federal Government was going and what concessions it was prepared to make to the States if they became consenting parties to its policy. He asked the adjournment of all our Legislatures for a week in order that a complete arrangement might be entered into, and that of a permanent character, as to the income to be allotted to State Treasuries out of the Federal receipts from Customs and Excise. All the States consented to come except South Australia. Mr. Price has just obtained a dissolution upon his proposals for extending the franchise for the local Legislative Council. The views of his Cabinet communicated by letter differ in several respects from those which have been adopted by the Conference. This, however, is not material at the present stage. Its first object was to block the two amendments of the Constitution submitted by Federal Ministers. Before the Conference met that providing for special duties was tripped up in the Senate at the critical moment of the division by the absence of the one more Senator necessary to have made the "absolute majority" of that Chamber required by the

Constitution. The second failed in the same way, because of a difference of opinion between the Senate and the House of Representatives about the manner in which the State debts should be assumed. The Commonwealth's endeavours towards financial independence for itself and for the States were thus prevented for this Parliament. Whether the Conference or its influence was at all responsible for these mishaps is rather doubtful, though, as the numbers were so nearly even in the first instance, it is possible that the State Ministries were to blame there. No doubt with their active help both propositions could have been sent to the electors, and they are, therefore, the passive, if not active, causes of the block.

SIR JOHN FORREST'S SCHEME.

So far as Mr. Kidston is concerned, he was opposed to neither of Mr. Deakin's proposed amendments. He feared and resisted them because if these were sanctioned now he would have less to give in his next bargain. It was not that he objected to them, but that he objected to anything less than an entire settlement of the amount of the annual payment to be paid to the States. Some of his colleagues differed from him wholly in the conditions upon which he was prepared to agree, but all of them more or less clearly recognised that it was in their interest to yield nothing to the Federation until they knew what it would yield to them by way of return. Sir John Forrest wished to take larger powers for the Federal Treasurer without making any pledge to the States beyond a statement of his aims. Though they did not doubt either his good intentions or his good faith, the State Ministries, who properly regard him as their best ally in the Federal Parliament, were not willing to assume that he would always remain Treasurer or that his Parliament would consent to follow his lead in this matter. When they met they very much astonished and disappointed the Federal Opposition and its newspapers. These had hailed the Conference with delight, as portending a protest against the Deakin Administration and its policy. The cries of "State rights" and "State solvency" were repeated as if they were defiant challenges. There was rejoicing encouragement from all its party organs in the hope that a new and telling indictment of Ministerial aggressiveness was to be supplied by the States just in time for the Federal elections. This mood of hope has been replaced by ill-concealed dismay at the actual outcome of the proceedings in Melbourne. Though the Commonwealth Government declined to adjourn its Parliament or join the Conference as members Mr. Deakin and Sir John Forrest attended by invitation on several occasions. Sir John Forrest's scheme for distributing the Customs and Excise revenues until 1920 was adopted wholesale with a few minor amendments, while Mr. Deakin's sympathetic reception of their one important addendum led to their parting the best of friends. The Conference that came to curse remained to bless and that with quite amazing unanimity.

MR. KIDSTON'S PROVISIO.

All this complacency, though apparently genuine, is in truth superficial. Having formed a conference its members were under a responsibility to justify their assembling at this juncture. Realising their common danger that unless the Federal Parliament can be brought to book before 1911 they will then be absolutely dependent upon it for the revenue with which they are paying the interest upon their debts, they clutched eagerly at Sir John Forrest's liberal offer. Their one regret was that his scheme could not be endorsed before the Federal election next December. Mr. Kidston's ingenuity had, it is true, made the project infinitely more attractive to them by a simple device. In 1911 the Federal Parliament can by its own act temporarily or permanently divert into its own coffers either in whole or in part the three-fourths of the Customs revenue now distributed among the States. Sir John Forrest offered to extend this endowment till 1920 by the payment of a fixed sum based upon the average annual three-fourths returned to them prior to 1911. After 1920 the Parliament could pass another Act continuing or varying the proportion divided among them at its pleasure. To avoid this grave risk the Premier of Queensland introduced an entirely new proviso requiring Sir John Forrest's plan to be adopted at once as an amendment of the Constitution. If this were done it could only be altered by another amendment approved in a similar fashion by majorities of the electors in the Commonwealth and in a majority of the States. This, if so accepted, would be a security to the State Treasurers of incalculable value. In 1911 they will be helpless in the hands of the Federal Parliament, but if Mr. Kidston's proviso be adopted they will be safe till 1921, and thereafter protected against any change except at the hands of the Federal people. Simple as the addition is it accomplishes a transformation.

THE STATES' POWER OF BORROWING.

The joy of the State politicians in conference knew no bounds when Mr. Deakin met their suggestion with the simple comment that personally he believed Mr. Kidston's proposal need present no insuperable obstacle to an agreement between them. Fully recognising all that it implied he contented himself with a warning that such a sacrifice of power on the part of the Federal Parliament as this demanded could only be anticipated unless the States on their part were willing to sacrifice their present rights of independent borrowing abroad. The Commonwealth stood to gain nothing for itself by taking over the State debts in order to gradually redeem and consolidate them. All the savings thus effected would go through the State Treasuries to the taxpayers of Australia. Without this their assent at a referendum to Sir John Forrest's scheme could not be expected. Certainly the Federal Parliament would not concede a permanent subsidy to the States of three-fourths of its Customs revenue unless a

permanent settlement of all their mutual financial relations were attained at the same time. He was no less cautious than cordial. But by some strange hallucination the Ministers and Opposition Leaders at the Conference assumed without warrant first that because they had agreed among themselves their State Legislatures would follow suit, and that a similar unanimity might be relied upon when a limitation of State borrowing was put forward. There is no warrant at present for either of these hasty conclusions. It was comparatively though not actually easy for them to concur upon a division of the endowment to be derived from the Commonwealth, but it will be very much more difficult for their Legislatures to consent to part with the financial independence they have always enjoyed and are now enjoying upon terms acceptable to the Federal Parliament. The Conference, at which the State representatives cheered themselves to the echo, means nothing more than that they have educated each other a little upon the simplest of the problems to be solved before we can disentangle State from Federal finance. The Prime Minister's monitory stipulations to them passed unheeded. They had agreed with each other and conditionally with him upon the gains they might receive. In their eyes this sufficed to justify the extraordinary circumstances under which they had assembled, and the more extraordinary fact that they were departing with the real heart of the financial problem untouched.

THE FEDERAL PARLIAMENT 1903–6.

The Federal Parliament of 1903–6 closed under the customary pressure of work and with the usual massacre of measures in the haste of departure. Elected under the present Prime Minister as Leader of the Protectionist Party, it closes under him with a Cabinet of exactly the same complexion after two stormy interludes, during which Mr. *Watson* and Mr. *Reid* kept an uneasy hold upon the reins. Each of its three parties had striven to rule alone and failed before Mr. Deakin returned and remained by the help of the Labour Party. Since then enough legislation has been passed to make up for the paralysis of the first eighteen months. The session just closed has been signalised by the adoption of a further instalment of Protection to the industries reported upon by the Tariff Commission, by reciprocal tariff preferences granted to and received from South Africa, and by the passing of an Act for the preservation of Australian industries that may yet have some unexpected effects. To Mr. Deakin himself the opportunity of bringing up the strength of the High Court Bench to the number originally proposed by him in the Act of 1903 is probably the most gratifying achievement of this session. The appointment of Mr. *Isaacs*, K.C., and Mr. *Higgins*, K.C., the present Attorney-General of the Commonwealth and a predecessor in the same office, has provoked no complaint except that both are Victorians. Among the successes of the session may be reckoned the humanitarian conditions under which the repatriation of the Kanakas has been provided for, the acceptance of a

new and very advantageous mail contract, and arrangements for the encouragement of immigrants from the Mother Country. The increase and reorganisation of our defences and defence forces are probably deserving of an even higher place. What failures there have been are themselves notable indications of policy. The two Bills which would have affected the national finances have been alluded to above. The others include the preference to British imported goods of certain classes, reserved for his Majesty's assent. This was due to the discovery at the last moment that the preference sought to be secured to British ships carrying the preferred goods was in contravention of treaties entered into at home, a few of which were adopted severally by some of our States before they were federated. The Reciprocity Treaty with New Zealand was laid aside in that Colony, notwithstanding the fact that it was made and signed by the late Mr. Seddon. The Bounty Bill for the encouragement of new rural products and the proposed Imperial and Local Penny Post were sacrificed largely owing to jealousies between the States and their refusal to consent to any diminution of postal revenues. Friction due to provincial antagonisms is still prominent in the local Legislatures and even in the Commonwealth Chambers. The Labour Party itself is severed by this strife. The recent Conference in Melbourne included among the leaders of State Oppositions who were present three Labour leaders who acted or seemed to act in accord with the Ministries represented when their State incomes were in peril. Bearing this friction and the division of parties in mind the business done in the last two Federal sessions is in itself a tribute to the practical capacity of our public men, in spite of the party spirit which has led the Opposition to wreck almost every measure submitted so far as it had the power.

FEDERATED AUSTRALIA.

GREAT ISSUES AT STAKE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 12 1906; Dec. 22 1906.

An Imperialistic note struck by the *Governor-General* vibrated through all the speeches at the Melbourne *Lord Mayor's banquet* on the King's Birthday. Touching lightly upon the need for immigration, his Excellency dwelt with impressive sincerity upon the necessity for pressing on with our organisation for defence. Rapidly running over the long list of wars he recollected within his own lifetime, including several in which Great Britain had taken part, he uttered a very serious warning to those who believe that the dangers of international strife have diminished. Judging from the available reports of his remarks, he appeared to imply that, in his opinion, they have increased. Following this lead the Commander-in-Chief of the Australian Squadron, Admiral Sir *Wilmot Fawkes*, brought his hearers directly to the point—though not quite the same point—with a frank discussion of the present agreement under which we contribute a subsidy of £200,000 a year towards the upkeep of the ships in his control. He admitted that the agreement was not popular here, and that its present form was open to amendment, but insisted upon its value because it was based upon three sound principles—the importance of sea power especially to Australia, of a single control of all our naval forces, and of developing the sea power of the Commonwealth. At present he is training some four hundred of our seamen upon the vessels of his squadron, and is anxious that they should complete their training by a course at home in the Admiralty schools and upon battleships. He hoped also to see Australian officers rise in the Royal Navy, pointing to the fact that there are already two Canadian-born Admirals in high command. His chief apprehension is that when we take in hand our own floating harbour defences we shall absorb the men and perhaps the officers whom he is now rearing. Though it cannot be said that his line of argument differed from that of the Admiralty with which we are familiar, there was a frankness in its exposition and a sympathetic recognition of Australian aspirations which made his speech a fitting pendant to that of the Governor-General.

BRITISH POLICY IN THE PACIFIC.

The Prime Minister's reply can only be imperfectly gathered from the report of his speech, most of which appears to have been devoted to an explanation of the Australian attitude towards the Anglo-French Convention relating to the New Hebrides. The criticisms of the *Morning Post* and of the *Times* upon it had been cabled that morning, and apparently afforded him a welcome opportunity of bearing tribute to their Imperial influence and their fairness to us. Australasia is still, as he stated, profoundly dissatisfied with the past policy of the Mother Country in the Pacific, because it had allowed group after group of islands whose value to any maritime Power must be great when once the Isthmus of Panama is pierced to slip almost unresistingly out of British hands. He is equally dissatisfied with the Convention just concluded with France for the New Hebrides, on the grounds that it is inequitable as between the two nations and provides an inefficient means of administering their affairs. But as these failures were now matters of past history he declared that the general situation thus created and the terms of the particular Convention lately under review would be loyally accepted. We had protested because it was our duty to protest on behalf of the whole Empire as well as for Australasia against the making of unnecessary sacrifices of Imperial interests. He resented the contemptuous manner in which we had been ignored by the Colonial Office during the framing of the recent Convention in respect to the New Hebrides group, which but for our resistance would have been surrendered to France in 1887. But he assured the Lord Mayor's guests that, though our protests had proved unavailing in every instance, we certainly should not indulge in the "recriminations" or display the disregard of British international obligations anticipated by our friendly mentors of the English Press. His answer to the Admiral was that the unity of the Navy ought to accompany that of the Empire, and could only be completely achieved when we have established a unity of Imperial political control. The forthcoming Colonial Conference would present an opportunity for reconsidering the existing naval agreement, which has still some years to run, and, if necessary, of recasting the present terms so as to restore it to popular favour. The reports both in the Melbourne and Sydney papers are evidently mere condensations of Mr. Deakin's comments upon these great issues. Still, it is easy to perceive that the whole evening was occupied with a review of Imperial questions of policy which must come to the front very shortly both here and in London. It is satisfactory to note that they were treated throughout with a sense of their practical importance at the present time. Matters of this kind are and ought to be above party wrangles, but for this very reason they are now as a rule ignored even by our leading journals.

CAPITAL AND LABOUR.

Every State Legislature except that of South Australia is toiling feverishly through its programme now that Christmas is well in sight, and the usual prorogations are approaching. Our own session in Sydney is proving fruitful in social and practical measures of much local value but of little Australian importance. The labour troubles which appear perennial in some of our coal mines, a renewal of strife at Broken Hill, and a bricklayers' strike in Melbourne attract more notice at present. One feature common to all of these supplies fresh evidence of the excellence of the prospects of the country. All of our labour squabbles today are based upon fresh demands made by the men on the plea that business conditions are so flourishing that they are entitled to share in the extra profits of their employers by obtaining better wages, shorter hours, and other privileges. They are, in fact, "prosperity strikes". There are no reductions to be resisted; the demands made are for a share of the high profits now being earned. As the season continues to be most favourable for the farmers and graziers the expectation that our export trade will outstrip that of last year, which in its way established a record, is hardening into certainty. Money, plentiful already, bids fair to be more plentiful still. Mr. Bent is very proud because he is obtaining funds enough locally to finance his loans falling due very soon, and thus feels himself independent of the English market. He characteristically demonstrates his satisfaction with much foolish bravado. The sugar crop in the north is as favourably described as are the fruit and grain prospects in the south. The prices of all investment stocks have risen considerably and so have the values of real estate. It will take a great deal of injurious legislation to alter this condition of things or to hamper the rapid extension of enterprise visible on every hand. As a matter of fact there is no cloud upon the Parliamentary horizon of the States.

"PURIFICATION OF MORALS."

Queensland, prolific in useful Acts, is disturbed chiefly by outbreaks of personal animosities between the Premier (Mr. Kidston) and some of his former Labour supporters. In Victoria the Legislature is as preoccupied with enactments against gambling and intoxicants as we ourselves were up till a few weeks ago. That the tide is beginning to turn against the outbreak of Puritanical zeal that then forced the pace is clear from Mr. Carruthers's indifference towards a deputation which pressed upon him the urgency of further attempts by statute to hasten a general purification of morals. Mr. Price having won his "famous victory" at the polls is now asking himself what the better he is for another half-dozen followers in the House, while

the Legislative Council remains master of its own franchise and can be reformed only with its own consent. Whatever happens he is securely in office for a full term, and nothing will occur, whatever he may do, seriously to affect the general condition of South Australian politics. Western Australia is witnessing some all-night sittings in which the Labour Opposition is displaying its powers of obstruction under existing standing orders, but except for that there is nothing of interest outside the “secessionist” movement, temporarily suspended owing to Sir **John Forrest’s** return to his native State.

REMARKABLE GOVERNMENT LOSSES.

The Federal election campaign has been outwardly uneventful during the last week. Nothing can be pointed to as marking a change, and yet a decided alteration is visible in the relative authority of parties. One obvious discovery made is that Sir **George Turner’s retirement** is not the only loss sustained by the Protectionists in Victoria, where at least one of Mr. Deakin’s small band is leaving the field. In South Australia Sir **Langdon Bonython**, the proprietor of the *Adelaide Advertiser*, the most prominent Ministerialist in that State, and in both capacities a pillar of the Protectionist Party, will not present himself for re-election. These losses were considerable, but the most remarkable and inexplicable retreat from the Government ranks is that which has just been witnessed in this city under the orders of our New South Wales Protectionist Association. This body, owing to personal dissensions during the last few years, has become little more than a shadow, though for the sake of its imprimatur all candidates opposed to our ruling fiscal policy have continued to seek its doors because its name counted for something. Four candidates in the field with its approval, and reported to be making headway, have now been suddenly withdrawn. A public assurance is tendered by the official secretary of the Association that this action has not been dictated by any consideration for nor in the interests of any other party. This, however, is simply incredible in the face of his accompanying admission that the withdrawals are due in each case to the presence of Labour candidates, who are of course expected to benefit by them. The natural assumption is that this extraordinary proceeding has been adopted largely under the influence of the President, Sir **William Lyne**, and perhaps in part consideration for the support which he is receiving from the Labour organisations in his own constituency, the Hume, and for the abstinence of the Leagues in not challenging his colleagues Mr. **Chapman** and Mr. **Ewing**. Should this be the case the incident will furnish another flagrant illustration of provincial tactics and their pernicious influence upon Federal party politics.

MR. REID'S PROSPECTS.

In Victoria, South Australia, and Western Australia the Ministry and their supporters are fighting Labour candidates. The Prime Minister himself is fighting them, while in New South Wales his followers appear to be abandoning constituencies to them, and that without any compensating advantage. The siege of the Commonwealth divides our Federal election campaigns geographically into six separate battles in six different fields, with six distinct leaders, for local control appears to be absolute in both the Ministerial and Labour parties. Mr. Reid, on the other hand, retains the chief control of his organisations except in Western Australia and perhaps in Tasmania. By this means, among others, he has been spared the surrender of seats such as we have just witnessed on the part of our Protectionist leaders in Sydney. The seriousness of this blow to Ministerial prestige arises because the Ministers from this State are suspected of being accessories. Probably Mr. Ewing has not been consulted owing to his absence in the far north, and possibly Mr. Chapman may not have taken an active part in it, as he is fully occupied in the south, but Sir W. Lyne, as President, must have in some way approved of a capitulation upon which assuredly the Prime Minister and his colleagues outside this State can never have been consulted. It is therefore the more surprising to learn from Mr. Reid that he is dissatisfied with his prospects in the election, notwithstanding these blunders of his adversaries and the evident unity of his own forces. One would suppose that he had the game in his own hands, since, so far as we can judge, the seats of his supporters in this State are most of them quite safe. His own is not really challenged. Mr. Watson is facing a dangerous opponent in South Sydney, and several of his caucus associates are in peril. Besides, our newspapers are exhausting every resource in rallying the public under the banner of Anti-Socialism. Mr. Reid has larger funds, greater organisations, and more candidates than any Australian political leader has ever possessed. If he be dissatisfied what must be the sentiments of the Prime Minister, first deprived of half a dozen of his ablest friends, and now finding four able candidates withdrawn here in favour of a party that he is fighting in his own State and in his own constituency?

AUSTRALIA'S NEED OF IMMIGRANTS.

THE PREMIER'S PROJECT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 19 1906; Dec. 26 1906.

Immigration furnishes a text, for innumerable newspaper articles and public speeches. The **Governor-General** rarely addresses a country or town audience without dwelling upon the imperative need of increasing our population. At last the public mind has apparently become impregnated with the idea. Yet it plays a subsidiary part in the election campaign, for though it is mentioned in an off-hand fashion by many speakers there are few who keep it in the forefront of their programmes. The **Prime Minister** is one of these, and, as recent reports show, is once more pursuing a correspondence with the State Governments in order to persuade them to join him in an active campaign in London. Despite these several evidences of the general acceptance of the policy little or nothing is being done to give effect to it on this side. Mr. **Coghlan** has done all that was possible with the limited assistance accorded him to promote a steady though slender stream of agricultural immigrants to New South Wales. With one unfortunate exception all who have arrived appear well contented with their homes and prospects. Their reports to friends in the Mother Country ought to be valuable to us in a little while. Mr. **James** during his term of office put fresh vigour into similar exertions on behalf of Western Australia. Adding all together the arrivals in all the States during the past year, the record, though more favourable than for many previous years, is by no means adequate. There are more reasons than one for this, but two in particular may be mentioned whose influences, though admitted, are not clearly recognised. In the first place the weight of the Labour Party is more or less frankly cast into the scales against immigration. In the second place we continue to rely upon the separate and sometimes competitive activities of half our States. So far there has been no Federal scheme of any kind for winning a share of the outgoing army of the adventurous from the Mother Country, though none of the King's dominions can be in greater need than we are of just such an army of occupation.

TRADE UNION ATTITUDE.

Trade Unions have a tendency to exclusiveness which does not diminish as they increase their numbers. They carry their antagonism into the political sphere, where it operates as a constant factor in the discouragement of any State expenditure for bringing fresh workpeople to our shores. Some of the most backward Trades Unionists may be actuated by the unspoken assumption that by limiting the number of workmen they can keep on raising wages and decreasing hours in our local employments. The better informed are not subject to that fallacy, but are agreed that except in individual cases where special skill is required there should be no artisans introduced at the public expense. There is less open resistance to the encouragement of men and women prepared to enter the country and cultivate it. But the scarcity of accessible Crown lands in Tasmania and South Australia fit for farming and open to selection at prices little more than nominal make the local applicants for homesteads more numerous than can be supplied. On the whole, however, the authority of organised labour, potent in most parts of Australia, is unfavourable to immigration. Such short sightedness—shared to a large extent even by their leaders—is by no means confined to that special party. In Tasmania, where Labour is in a decided minority in the popular Chamber and with much less strength in the Legislative Council, the majorities in both continue deaf to the appeals which Dr. Arthur, M.L.A., the President of our Immigration League, is addressing to them. The same indifference is manifested by the Opposition as well as by the Labour Ministry in South Australia. Even in Victoria and in this State the tide of opinion runs sluggishly in its favour among the Ministerialists themselves. Without the deliberate discouragement of the Labour Party the apathy of these negligent classes could be overcome with ease, but while it lends a stubborn though passive resistance to all such projects the *vis inertia* of our small community remains serious. The astonishing circumstance in this connection is that, notwithstanding his friendly relations with Mr. Watson in the late Parliament, it was with little more than a formal record of objections from his phalanx that the Prime Minister succeeded in carrying the first vote ever proposed in the Commonwealth for advertising the resources of Australia in London in order to enable us to acquire a part of your annual emigration. Such a grant would have been impossible under ordinary circumstances, but the friendly personal relations existing between the two chiefs and the temporary union of their followers due to the blundering tactics of the Opposition brought about this happy result. It was a beginning, though in a modest way, and was important because it has to some extent committed the country to the policy that the head of the Federal Government never wearies of preaching.

THE GOVERNMENT'S SCHEME.

The former correspondence with the State Premiers shows that what the Deakin cabinet contemplates is a central office in London to which all inquirers will go whether tempted by advertisements or by agencies. There it is intended that every State shall be represented by at least one officer who will be able to exhibit to intending settlers plans of the lands available in each territory, with particulars of the soil, climate, and products. An emigrant, without leaving the building, could, if he so pleased, visit each officer in turn before deciding upon the State to which he would embark. Provision is also to be made for his reception upon arrival here, and for any assistance that can be given to him which would fit him for facing his first experiences in a new country without apprehension. That is the project more than once pressed upon our Premiers, though whether they will accept it, or, if they do, whether it can be successfully managed, will have to be proved. The Prime Minister has had to bide his time and possibly for that reason has not asked for a larger amount because he foresaw a repetition of the dilatory practices and evasions which have hitherto cramped the new departure and hampered its progress. Mr. Carruthers is known to be unfavourable to any federalisation that can be avoided. He is proud of the fact that we are gaining immigrants now at the rate of three hundred a month, although the whole of those we receive in a year could be easily absorbed by the smallest of the many shires into which New South Wales is now divided. If he does assent to the course suggested, which is doubtful, it will be through the dexterous playing off of one Premier against another which has often led to a solution of past difficulties of the same kind. The team to be driven includes more than one Premier who can be forced to pull with his fellows only under some extra stimulus of character. Quite lately, too, Mr. Kidston had an experience of the insufficiency of independent advertising in London. Though he had reserved some considerable areas of excellent land for English farmers and placed the plans in the hands of his Agent-General, there were no applicants. He has just passed a bold measure endowing his Minister for Lands with power to resume the large estates employed for grazing but suitable for cultivation anywhere he thinks fit, up to a value of £500,000 a year. Under this Act there should shortly be open for sale some very fine arable blocks near to a railway line and in an almost perfect climate, that is, if the purchases he is said to have in contemplation are completed. Western Australia is expected to follow suit. But what is first wanted in all these designs is that Australia should be treated as a whole, so that our figures can be matched year by year with those of Canada and the other Dominions with which Sir John Forrest contrasted them in his last Budget speech. Great as our three wealthiest States are, they cannot be compared singly with those great territories except at a disadvantage. But taking the Commonwealth as a whole, even if our average returns are adopted, including seasons of lowest prices or least rainfall, their testimony of the actual and indisputable facts of our development incites us to pit our country against any comparison. Our special prosperity today seems less marvellous here than elsewhere, simply because our ordinary production is so large and so valuable that measured per head we outstrip all rivals.

THE KANAKA QUESTION.

The repatriation of the Pacific Island labourers has commenced, and is now proceeding more smoothly than was anticipated. Of course, all of them originally agreed to come to Australia only for a fixed term. The engagements made stipulated for their return unless they chose to re-engage for a further period. This many of them have been accustomed to do. The one difference between the present procedure and that of the past arises because now all of those whose time has expired are going back at once. There are few exceptions in addition to those who are old settlers. Whatever fresh risks may await the departing labourers are due to a larger exodus and not to any other change in the conditions under which they sail. The rate at which they can be absorbed without friction will have to be found by experience. Their disappearance naturally revives the immigration problem so far as the northern sugar districts are concerned in a new form. Two or three thousand Kanakas experienced in cane "trashing" and cutting are leaving, and their places have to be filled by white men. Many of them are already replaced by farm labourers from the south, but this makes vacancies upon dairy farms and on selections where clearing has to be done. In some way these vacancies must be filled. The immigrants we are receiving are not nearly numerous enough to supply such a large deficiency, and there is no resource but to import them under contract. The Amending Act passed in 1905 permits this to be done providing the men introduced are paid current rates. Apparently British immigrants are not easily recruited for this work, or else it is thought that the Southern European natives are better fitted for the cultivation of sugar. In the case of foreigners the Minister for External Affairs must declare himself satisfied that no Australian labour is readily available before he sanctions a contract abroad. This Mr. Deakin has not hesitated to do immediately the first application of the kind came before him. Fifty Italians are authorised to be brought into Northern Queensland with his approbation and other contracts are understood to be pending. The Labour Party in the north has at once taken alarm, foreseeing that this influx, if continued, will place the planters in an independent position so far as the local cane-cutters are concerned. They know, too, that upon this point the Prime Minister is emphatically against them. He informed the contracting sugar-growers that he would have preferred to see them introduce British labourers, but, in face of our manifest need of population, gave the promptest possible assent to the proposal to obtain Italians. This may mean a wider breach between his Government and the Labour members from Queensland, whose support he obtained in the last Parliament. But that will not deter him. Immigration has always been one of his most persistent enthusiasms, and he is pledged to foster it whenever and wherever he can with or without contract. If he cannot get British he will welcome other Europeans.

FEDERATED AUSTRALIA.

THE ELECTIONS AND LABOUR ACTIVITY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 26 1906; Dec. 31 1906.

The Federal elections continue to monopolise all the political attention available to crowd the columns of the newspapers and to throw all other public affairs into the shade. Still it must always be remembered that the proportion of our attention given to politics is much more limited than is supposed. After all the beating of drums and waving of banners probably half our adult population will not take the trouble to vote. Our franchise is as wide as it is possible to make it, and the mode of enrolment so simple and effective that one would have more difficulty in keeping off the rolls than in getting on them. Meetings are held in every constituency nightly, committees abound on every side, eager canvassers pursue the wavering to their homes, and orators are to be heard declaiming on vacant allotments wherever the Labour Leagues are making a fight. The more lethargic our electors seem the more sensational are the appeals employed to awake them. The virulence and violence of language employed by embittered partisans disfigures for the moment the columns of our leading papers. No insinuation or perverted quotation is refused because it is unfair, and though the private lives of politicians are respected, their public reputations are riddled with impish malice day after day. Yet with all this seasoning intended to stimulate our jaded citizens into a frenzy of excitement, the pulse of the man in the street is not quickened sufficiently to keep his interest alive even for the few weeks devoted to our electoral campaign. At all events our usual result is that a third and often nearly half of those entitled to exercise the suffrage absent themselves. They care so little for their electoral privilege that they are content to leave the choice of their representatives and the determination of the policy of the country to others. This abstention is, on the whole, more marked among the commercial classes and their employees than with the artisans or day labourers. The farmers, of course, refrain if occupied. The distance to the polling booth is often pleaded in their case, but every reasonable provision is made for them, even in the most thinly settled districts. Our civil servants, and particularly the Post Office officials scattered all over the Continent are employed wherever possible, in addition to an army of special recruits distributed throughout every State. Considering the immense extent of Australia the facilities afforded to voters are excellent. The whole of our Press is political, generally fiercely political,

and since the advent of the Labour Party a discussion of current issues is carried on in their ranks all the year round. Today the Commonwealth is having its turn, next year the general elections for our State Legislatures fall due; there are bye-elections and municipal agitations in between. In one form or another we are always being confronted with demands for a vote. Remembering our State ownership of railways, of much still unalienated land, of schools, wharves, waterworks, and in New Zealand of coal mines, and of the extent to which we regulate through these and by statutes all industries and modes of production in the endeavour to promote and equalise the conditions of those engaged in them, it might reasonably be supposed in England that without any effort at all on the part of the candidates our whole population would march to the poll if only to advance their own interests. Since the contrary is the case so curiously unexpected a circumstance is worth more than a passing reference.

THE VOTING POPULATION.

There are certain block votes always cast, though in varying measure, which are chiefly affected by motives of another order. The Catholic and the Orange votes—the latter often associated with a general Church vote affected by moral aims as in the case of the recent Anti-Gambling Bill and by the temperance organisations in connection with our last Liquor Reform Bill—are among the most potent of these. To some extent they are neutralised by the groups they antagonise, though with us the publican's vote has little influence in most constituencies. If these block votes were deducted it is quite certain that our totals would be immensely reduced. Then again, owing to the number of our State enterprises the public service vote embracing the relations of those in Government employ is a powerful factor. The attempt made in Victoria to restrict them to special representation had only a very short trial, the Act having been recently repealed by the very Government that introduced and carried it three years before. On the other hand there is no public service influence at play of the same character as in the United States and Canada, since all appointments to and dismissals from either the Commonwealth or State services are made by independent non-political boards operating under Acts which prescribe a series of examinations and regulations of a severe type so as to exclude outside interferences. There is nothing to be gained or lost at any Australian election owing to any past or future exercise of Ministerial patronage. In fact there is no patronage vested in politicians. It must also be admitted that there is no electoral corruption. Our law is very stringent in its control of expenses and in its present form ties down Federal candidates who contest areas as large as France to an expenditure not exceeding £100. We have numerous leagues and associations engaged in securing support for nominees of their own way of thinking, but practically bribery in any form is unknown. The cynical

may suggest that partly on this account our polling is small, but the fact remains that those who do vote are not acting in pursuit of personal gain. Except as members of a class or to serve a common interest—such as unites licensed victuallers—they are disinterested. The Labour Party appeals of course to all wage earners by holding out hopes of bettering their condition, but promises of that nature were made in Greece and Rome under very different forms of Government many centuries before the existence of Australia was suspected in Europe. Whatever be the cause or causes the Prime Minister had ample warrant for his reference in Melbourne last week to “the largest of the parties of the Commonwealth without a policy, without a leader, and without a history”, that is to say, the party of those who do not vote. Perhaps he was embittered by the recollection that a number of Protectionists in New South Wales may join the absentees next month because of the local mismanagement of their cause in this State.

ENERGY OF THE LABOUR LEAGUES.

It would be profitless to dwell in detail upon the ever-varying story of the elections now proceeding here. Their results will have been cabled to London, putting any prophecy out of date, some weeks before this letter arrives. It is the universal uncertainty as to the number who will refrain from using the ballot-paper that disturbs our party leaders, causing even Mr. Reid's optimism to be overcast with doubt. Victory, if not within his grasp, is so close that probably an extra five or ten per cent. of voters might give him his majority over both his rivals. All he needs is to win seven seats. In Sydney and the large region which its papers reach he may snatch a real triumph. Ministerialists having deserted the field his gains must be at the expense of Mr. Watson. Not that the Labour leader himself is likely to be defeated, though Sir James Graham is a formidable competitor, but that several seats expected by his supporters may be taken from him. But then again an onlooker is left in the dark, since the strength of the Labour vote is not due to the platform successes of its candidates, most of whom are quite ordinary speakers, and only one or two of them, like Mr. Watson or Mr. Hughes, above the ruck. Their organising work, which never flags, is pursued without cessation quietly and methodically wherever there are any openings by men who steadily enlarge their acquaintance with their own neighbourhoods. They bring over recruits from among the indifferents month by month, utilising platform ability wherever they find it. The most zealous missionary among them stands the best chance of being nominated for the next vacancy, and is content in the meantime to practise addresses to the public wherever he can persuade a handful to hear him. By this means, too, he familiarises himself with the official platform he will have to propound and the arguments for or against it. During the existence of a Parliament both the other parties, whether active in the House or

enjoying their recess, are inactive in the constituencies. But then, and always, in the outlying settlements, in the back streets, and in the public parks or other places used for those open-air discussions which our climate encourages, the Labour agitators are busy at all seasons of the year. Comparing the amount of propaganda work conducted by the Labour Leagues and the real enthusiasm for their “objectives” which actuates their long roll of unpaid exhorters and organisers incessantly moving about to drill their forces and keep them ready for any emergency, the marvel is that they do not carry everything before them. But the immense *vis inertia* of our public resists even their untiring energy, though it is always a matter of doubt how far some incident of the hour may enable them to set fire to a countryside, and by enlisting sympathy outside their regular array help them to sweep the polls. This year they are confident of victory, but whether this be a sincere calculation or a mere incitement to their followers probably none of them can really say. This continent is so large and its people so scattered that the most capable strategist must be content to take on trust his opinions as to the currents of political sentiment outside his own district.

THE SENATE AND A LABOUR MAJORITY.

In the House of Representatives Mr. Deakin’s “party of the centre” will suffer on each wing, but whether that will place either of its rivals in a dominant position there is very doubtful. The prospect is that a coalition Ministry, or at all events a coalition of parties, will be required to make up a working majority. In the Senate that condition will be exaggerated. The Ministerialists there have been but half a dozen in number, and it was only by the assistance of the fourteen Labour Senators that the business of the last two sessions was transacted at all. Nineteen Senators are needed to make an absolute majority of the Second Chamber, since both its **President** and **Chairman of Committees** are qualified to take part in all divisions. Ten of the Labour Senators have still a three years’ tenure to run. The other four are now seeking re-election, together with seventeen fresh nominees of the Leagues, for the eighteen vacancies. For tactical reasons they have put forward only two candidates for the three Tasmanian seats. In every other State they are making a bid for all three. The general opinion now is that they will capture at least six Senatorships, which would give them next Parliament sixteen votes certain on all occasions. They have also two or three Senators outside the fold and unpledged who vote with them in nearly every instance. The chances are, therefore, they will control the Senate by one or two votes. Narrow as this margin is, it will transfer to them, assuming that they obtain it, a complete mastery of all Federal legislation no matter what Ministry may be in power. The prospect is serious indeed, for it is quite likely that instead of six they may capture nine or even more Senatorships, which would bring the Second Chamber absolutely under the control of their caucus without reckoning upon any allies. The only three Senators

outside the Labour Party who are sure to be chosen by overwhelming majorities are the three from this State, though there is hardly a doubt of the success of two Anti-Socialists from Victoria. Beyond these six seats anything is possible, though Sir Josiah Symon ought to survive in South Australia, and two of the Tasmanian Senators are reasonably secure. But after adding them altogether this makes only nine seats for the opponents of the Labour Party, and leaves them, if they get the other nine themselves or for their allies, supreme in the House intended to protect the rights and interests of the States as States. Of late the danger of rousing local antagonism among the electors to whom they have appealed has caused the Labour candidates for the Senate to modify their aggressive attitude towards the State Legislatures, but this is merely in the nature of a campaign concession, and cannot be relied upon in any real stress. The whole platform of the party is based upon an ambition for Federal uniformity of action, especially in relation to industrial affairs. They are also proposing Federal land taxation in addition to that of the States. Should they succeed in capturing the Senate we shall witness an extraordinary spectacle. The party which opposed federation in every State except Western Australia, because it dreaded the dominance of the States, will then employ all the powers vested in the Commonwealth and extend them where possible in order to enforce that dominance without delay.

THE SENATE ELECTIONS IN QUEENSLAND.

The Senate elections are complicated by two circumstances, first by the retirement of five present members, all of them outside the Labour Party, and next by the very unusual occurrence of a split in its vote in Queensland. There must be five new Senators next year even if all the old members retain their seats, and it is the chance that these five may be nominees of the Caucus that alarms their adversaries. With the four now seeking re-election the filling of the vacancies would give them the nine Senators necessary to rule the Chamber. The breach in Queensland is timely, for it is likely to cost the Labour Party at least one seat, and in addition there are local disturbances that give some chance of another. The position of Mr. Kidston as Premier of a Coalition Ministry, half of which consists of members outside the Caucus, has often been described in my letters. Of late the differences between the Moderates and the Extremists in the Labour Party have become deeper than ever. A General Election is due next year, and the question whether the present coalition should be prolonged is already seriously dividing Labour members. Mr. Kidston appears to have a majority in the Parliamentary Caucus, but on the other hand he is in a minority in the local leagues, who claim and will exercise the power of nominating candidates when the present House is dissolved. Their intention seems to be to nominate opponents of Mr. Kidston, while he and his supporters

are said to be determined to ignore these and any other dictation of the existing organisations. If this occurs the State in which Labour has been most powerful, and in which the movement has been most distinctively socialistic, will see its army divided, and therefore defeated. Mr. Philp's opportunity will have come at last. Besides this the Liberal Party united with Mr. Kidston is almost equally in danger. Quite recently every one of its members outside the Ministry voted against the Trade Disputes Bill, one of its most important measures, then at a critical stage. It is not known in Sydney whether this section will remain intact or if it does whether it will continue the coalition with Mr. Kidston, which has undoubtedly done a great deal of useful work. It would be unnecessary to consider such prospects were it not that these dissensions in the local Legislature may affect the solidity of the party for the Senate. Mr. Anderson Dawson, who was Minister of Defence in the Watson Administration, lately declined the nomination offered him, and then, after a successor had been chosen by the executive of the party, decided to insist upon his right to seek re-election notwithstanding his previous refusal. He is now in the field fighting vigorously upon the platform for his own hand, and apparently owing to his past popularity expects to obtain a large vote. Hitherto the trend of events in Queensland appeared to make the return of three Labour Senators inevitable. Today one, and perhaps two, seats are alleged to be in peril. Western Australia, where two Senators have retired, is too remote for us to be able to estimate the chances of Sir John Forrest's friends against the Caucus, but the opinion of politicians is that they have come on to the field too late. Speaking generally the contest for the Senate everywhere will be decided quite as much by those who abstain from voting as by those who go to the poll. The Labour Leagues will record a certain total in any event. The uncertainty is as to the effective activity in the opposite camps. If that meets with the usual indifferent response the Senate will become a Caucus instrument able to negative the measures of any majority in the House. If, on the other hand, there is an exceptional response from the public, assisted by the internecine strife in Queensland, the new Parliament will be, so far as Labour is concerned, a reflex of that just dissolved.

FEDERATED AUSTRALIA.

MR. CARRUTHERS'S POSITION UNCHALLENGED.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 3 1906; 11 Jan. 1907.

Mr. Carruthers ought to be a contented Premier now that a busy and fruitful session is drawing to a close. His Ministry has steadily gained strength. It no longer occupies the precarious relation to the House and the country existing when he assumed office. The Labour Opposition, though increasing its numbers, is declining in Parliamentary efficiency, while the late Ministry and its little group are being obliged on the whole to act with the Government. Another advantage to him is that while the tumult of the Federal elections lasts our local Legislature escapes much criticism. The removal of the fiscal issue from its control has left its dominant section of Free Traders at liberty to deal with the demands of the country unfettered by the embarrassing complication of parties witnessed in the Federal Houses. After the last General Election it was still questionable whether Mr. Carruthers had a majority, could keep one if he got it, or could sustain the test of a further appeal to the constituencies. Today his position in the House is unchallenged and the result of a dissolution would assuredly improve his position. The Labour Party has not been well led in our Assembly, where it has played an inconsiderable part, but for all that continues to manifest its vigour at bye elections. The astonishing feature of its organisation is that it seems to grow almost independently of the failures of its representatives in Parliament. No matter how little they achieve the Leagues continue to snatch successes at the polls when vacancies occur. This is largely because they represent all kinds of popular dissatisfaction, particular or general, whether momentary or continuously arising out of the strain of life. Whatever the limits of possible political improvements may be, and however close to them we may come, either in legislation or administration, not even the happy conditions of the working classes in this country can satisfy their desires. The individual regrets of the "might have been" and thirst for the unattainable are fostered by the Utopian pictures of universal wealth and ease that are painted before them by Socialistic stump orators, sincere or insincere. Fascinated by these the delays and trials inseparable from everyday existence are believed to be the result of neglectful or perverse conduct on the part of those in power. All hardships being described as avoidable, every grievance, local or personal, brings more recruits into the Labour

camp. While its representatives are free from the responsibilities of power their ranks increase with every discontent against every existing regime. They are the party of protests and promises. Though the protests be without reason and the promises without reality, the Leagues gain at the expense of more experienced and practical politicians, notwithstanding the foolish crudities of the Leagues' platform and the poor performance displayed by those who support it in the Legislature.

ISOLATION OF MR. DAGLISH.

One consequence of the occasional Labour triumphs we are witnessing is a solidifying of the other sections in the House. Already the **Waddell** remnant has become almost indistinguishable from the Ministerial following. There are, of course, no gains being made from the Labour Party in Parliament. Hitherto it has remained one and indivisible. The temporary schism threatened when Mr. **Daglish** separated in Western Australia has merely led to his own isolation. The threatened rupture in Queensland has yet to occur. In the interval, whatever seats are won by their nominees are compensated for by the coming together for mutual protection of those politicians who under one flag or another seek to retain their independence of the Labour Caucus. The most thorough remedy that can be applied by any of their opponents would fall short of the reaction certain to be produced in the Labour Party if its members could be given a lease of power. This is an improbable contingency in New South Wales, Victoria, or Tasmania, but might occur in either of the other States. In two of them Labour now shares Cabinet authority, and even this qualified acceptance of responsibility is tearing the Brisbane Caucus to pieces. The coalitions under Mr. **Kidston** and Mr. **Price** have survived because their Labour Premiers have dropped their own special party programmes. They have been content to legislate very much as the opponents they denounce would have been doing if now in office. The only two wholly Labour Administrations seen in Australia, under Mr. **Watson** and Mr. **Daglish**, though brief in their careers, exercised an ominously adverse influence upon the popularity of their policy. Both leaders found their wings clipped. They were compelled perforce to undertake the discharge of the daily functions of government in the same fashion as their predecessors and with similar results. If ever they grasp the reins again they must still find themselves obliged to keep the old road and the old pace of their predecessors, with little deviation or acceleration. Object lessons of that kind are not thrown away and exercise a double influence. It is because many are recognising that the Labour Party will henceforth accept its obligations in a Constitutional way that it receives today some countenance from professional and business men here and there who believe that they will be able to restrain the theoretical exuberances of their more credulous and sanguine associates.

This moderating tendency in the development of a party which set out to accomplish a social revolution out of hand becomes more conspicuous every year. The Radical plank in Mr. Watson's present programme is a progressive land tax, which would produce less revenue than several of our present State taxes and affect a much smaller number of landowners. It would bear heavily upon very large and valuable estates, but leave all farmers properly so called untouched. That, of course, is its intention, and the ground upon which it is denounced as unjust. But it is at least a very remarkable circumstance that the most prominent item of his policy differs only in form and in degree from what the policy of Mr. Reid was when he was in State politics, and is still the policy of a section of his supporters here and elsewhere. The Federal Labour Party being the most representative of all its organisations is thus coming most nearly into line with the ordinary policies which it was created to uproot and supplant.

THE PROBABLE SURPLUS.

Our Premier can therefore afford to look on unmoved at the loss of stray constituencies to the Labour Leagues while these reverses are bringing over to his side the old Protectionists who at first regarded him askance. He has still more cause for congratulation while as Treasurer the records of his office bear their present complexion. For safety's sake he had allowed himself so ample a margin in his last Budget that he foresaw a surplus of more than a million awaiting him at the end of the twelve months. Only five months have passed, and already he announces a probable surplus of twice that amount. The rapidity with which money is made in Australia is the measure of its accumulation during good seasons like the present. Just as our little glancing creeks which wind their way through breadths of sand after a day or two of rain spread right across their whole available beds, becoming "bankers" before many hours are over, the flow of prosperity in Australia soon rises into a flood. Your Chancellor of the Exchequer would probably be brought to book in the Commons if his estimates of receipts were outstripped at this lightning rate. Here it is recognised that the same prevision is not to be expected in fat years. In hilly country our floods fall almost as fast as they rose except where the residents have been wise enough to provide tanks and dams for storage. The profits acquired with such remarkable celerity are happily more thriftily controlled and employed as capital, so that it will be some time in any event before we can feel any lack of funds either for public or private enterprises. Ministers are entitled to take some credit for economies that are contributing to the splendid results now being achieved. It is true that they have done nothing drastic and have permitted some slipshod methods to remain, but they have begun the financial reforms they promised and are carrying them out upon sound lines. We shall gradually reap the benefit of their pruning.

With the bulk of our people to earn easily is to spend easily. Hence their outlay is always free. The United States wage-earner, who is noted for his lavish style of living, disburses £3 a year more than each Briton, who in his turn spends £6 a year more than the Canadian or the Frenchman. But the Australian spends £10 a head more than the lavish Yankee, and £6 out of the £13 he spends in excess of his English brother goes in more food and drink. Nevertheless, he saves in food, firing, and clothing, measured by their labour cost, and if he pays higher rent he enjoys better lodging and in better surroundings. His amusements are often extravagant, but naturally most of them are enjoyed in the open air. One of the consequences of his relatively expensive habits is the rocket-like rise in the public receipts over which Mr. Carruthers is rejoicing. Our revenue in New South Wales is actually larger than that of the Commonwealth, which, however, owes no borrowed money. Though we have to set aside nearly £3,000,000 annually to meet the interest upon our debt, two-thirds of this is returned to us from the surplus profits from our railways and from the water supply and sewerage of Sydney and suburbs. The remaining third of our debt is in part directly productive too, but in any case the whole of it amounts to less than two years' revenue. Where is the country, in or out of the Empire, that can surpass these figures?

THE SAVINGS BANKS BILL.

Probably very few English readers will have followed the fortunes of the Bill for the amalgamation of our two Savings Banks introduced by the Premier in the first session of this Parliament. It was received with an exulting flourish of trumpets from the Labour Party and a shriek of antagonism from the Sydney newspapers. Mr. Carruthers at once mounted the high horse, defied his Press critics, and announced with impressive dignity that the sole responsibility in matters of this kind rested with the Government. He would not accept any dictation, but would if resisted appeal to the people and insist upon passing the measure into law. From time to time since then he has betrayed a smouldering resentment whenever he has found it necessary to proclaim his fixity of purpose in regard to his scheme. This was believed to be popular because the new institution rising upon the ruins of its predecessors was to employ its funds in making advances upon land. Under the title of "The Land Bank" the long-promised child of the State has now received the hasty approval of the popular Chamber. But it is no longer the amalgamation promised, though it affects to afford an opportunity for one. The Post Office Savings Bank is taken over, reconstituted and re-christened, but the Barrack-street Savings Bank, the control of which is vested in Trustees, is not to be forcibly absorbed at the same time, as he originally proposed. On the contrary, an extraordinary device has been adopted to enable the depositors in the latter institution to decide for themselves whether they will consent

to transfer their cash to the new Bank. As its avowed purpose is to lend money cheaply to settlers for making improvements upon country holdings, it is scarcely to be expected that it will be able to offer as much interest as the Trustees earn, who are quite untrammelled in their investments. Oddly enough the Barrack-street depositors are to be entitled to one vote and no more upon the question of amalgamation, no matter what the amount they have at deposit. The common supposition is that in spite of this strange franchise they will reject the proposition, and that the provision for a referendum in the Bill is merely an attempt by the Premier to save his face. He had vowed so vehemently that the amalgamation must take place or the Government be ejected from office, that some performance of the kind was deemed essential. Probably we should not have seen the Bill at all this session had not the high tide of prosperity supplied the Post Office Savings Bank and the Treasurer with sufficient capital to enable them to inaugurate the new venture with confidence without the help of the Barrack-street depositors. The incident is noteworthy as an illustration of Mr. Carruthers's craft, and also because the new Bank, which appears to be well safeguarded, ought to prove a very valuable agency for assisting that settlement upon the land which is now everywhere admitted to be the mainstay of our progress.

NEW RAILWAY SCHEMES.

More important still are the new railway lines now authorised or proposed in every part of the mainland. Without them the closer settlement and agricultural development of the country must proceed at a slow rate. River carriage with us, even when, as in the case of our northern coastal area, it is excellent and cheap, is altogether insufficient to meet the ever growing production of our best lands. The great line soon to be commenced towards the border of Queensland, though it runs parallel with the sea and traverses ten rivers, several of them ranking among our finest navigable streams, will only tap *en route* a great extent of unused land. It will reach a number of valleys of splendid fertility and abundant rainfall, in which marvellous progress has been made in recent years, and serve a territory capable of maintaining twice or thrice the present population of the Commonwealth. In Queensland the much-discussed Cloncurry line is being pushed forward with every dispatch, and will soon be accompanied by other extensions of the existing system. In Victoria a similar activity prevails, while in Western Australia no less than thirteen lines are to be submitted, some in this session and others probably in a special summer session held in consequence of the loss of the Land Tax Bill in the Legislative Council. South Australia, though professedly occupied with a reconsideration of the Transcontinental line to Port Darwin, is not blind to the necessities of nearer districts. Land purchases upon a great scale are also in hand in the three Eastern States for the purpose of

sub-divisional sales to cultivators, with reservations of certain blocks for immigrants from the Mother Country. This healthy revival of railway construction and land settlement is, of course, greatly promoted by the abundance of local capital available both for public and private investment. We are now, in a sense, independent of the London market, where the present exceptional rates are higher than they are in our midst. Confidence is not shaken in the least by the political outlook, because the nearer the Labour Party comes to responsibility the more its abstract programme is whittled down to practical proportions. The stage thunder constantly reverberating through our newspapers will die out immediately it has fulfilled its electioneering purpose on polling day. Nine days more, and whatever the effect upon parties in the Federal Parliament may be the dire threats and woeful jeremiads now echoing far and near will be laid aside to rust until fresh campaign necessities oblige us to refurbish them for a new tournament. Prosperity is here and has come to stay apparently for some seasons. Mr. Carruthers's silence is his equivalent for the paeans of praise and thanksgiving heard here and elsewhere as all our State Legislatures joyously celebrate their annual "harvest home".

FEDERATED AUSTRALIA.

THE PRIVY COUNCIL AND THE HIGH COURT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 10 1906; Jan. 22 1907.

Upon the fortunes of the Federal political campaign it is needless to dwell, since in two days more the verdict of the electors will dispose of prophecy. At present, on the eve of our choice of representatives, the whole firmament, so far as our newspapers are concerned, is covered with a dense cloud of controversial polemics. In Sydney itself these seem all of one colour. Every paper published is briefed for the Opposition, except the redoubtable *Bulletin*, which occupies a place midway between the Labour Party and the Ministry owing to its devotion to Protection. In the Metropolis it has but little direct influence, partly because it is not identified with any actual organisation, but everywhere throughout the Commonwealth it is read and recognised in spite of its many eccentricities as a staunch upholder of Federal principles. Our public meetings have been more disorderly than usual owing to the direct attacks made upon the Socialistic wing of the Labour Party and the knowledge that the Roman Catholic Irish vote will be cast in Mr. *Watson's* favour. But these rowdy outbreaks are due to little knots of bigots, and appear less regrettable than the deliberate bias displayed by leading newspapers. Of course, allowance must be made for the effects of the electioneering virus with which they inoculate themselves in order to infect their readers. But after all deductions have been credited on this account a heavy balance remains against them of unjustifiable suggestion and suppression, a great deal of which seems to be intentional. The raw recruits from the working classes, who out of their ignorance and folly scream execrations at their antagonists when they become informed upon the topics of the day sufficiently to discuss them in the Labour papers, adopt even more reckless tactics. In this case imitation is not flattery; or at all events cannot be so regarded. Judged from this aspect the combatants might be considered fairly matched if only the obligations of superior knowledge and higher standards possessed by the conductors of our dailies are put out of sight. An intelligent Englishman who derived his knowledge of our public men and measures from them must look back to the wild canards and reckless charges made in the last General Election in Great Britain for a parallel to the orgie of censure now being poured out upon us day by day. Even then he would hardly be

prepared for some of the extravagances in which our sober and respectable journal are indulging on the eve of this election. In the interests of their readers, whom they affect to be guiding by reason to a just view of the situation, they sacrifice their own reputations for probity.

EXPLOITATION OF STATE JEALOUSY.

One feature of the elections which explains in part at least the vehemence of tone adopted by them is the unfortunate State jealousy imported into the contest. As the oldest, most populous, and wealthiest of the sisterhood of States, New South Wales has always been susceptible to resentment because the centre of Federal Government and legislation is in Melbourne, the one rival to Sydney in the one State that for a time outstripped our growth. Our newspapers never forget that owing to remoteness their influence upon Federal politics is rendered much less than that of the *Age* and *Argus*. The contrast between the dominant fiscal policies of the two leading States is another source of endless bitterness. That a Victorian **Prime Minister** should be in office carrying Protectionist proposals in spite of us fills the cup of our provincialists to overflowing. Nothing in such circumstances can be too bad for them to believe or repeat of such a Government of the Commonwealth, or, indeed, of this Commonwealth itself. Any and every missile that comes to hand is hurled at the usurpers, no matter what injury it may do to Australian interests at home or abroad. Another illustration of this uncompromising hostility is supplied by the appearance of our **State Premier** upon the public platform as chairman for one of Mr. **Reid's** candidates, delivering an address on his behalf in Mr. Reid's presence. Characteristically enough, he had next to nothing to say in commendation of his companions at the meeting, preferring to concentrate his remarks in an attack upon Mr. Deakin. His apology was that we have been badly treated in respect to the Federal capital and that the administration of the Immigration Act has brought us into bad odour abroad. He forgot that the blunders actually committed are now four years old, were very small, and speedily repaired. It was the manner in which these incidents were magnified for party purposes that caused them to be accepted elsewhere as indications of national policy. They were, in truth, mere official ineptitudes of the usual kind. But if there was little in what Mr. Carruthers said there was a great deal of meaning in what he did. This is the first occasion on which a State Premier has openly taken sides in Federal party warfare. It is likely to establish an extremely bad precedent. If Federal Ministers and members should intervene in our next local combat, Mr. Carruthers will have only himself to blame. Up till now only Labour members have come forward to help each other irrespective of the Legislatures to which they were returned. The candidate whom our Premier volunteered to assist does not appear to be in any danger,

nor has Mr. Carruthers gone to other places to recommend any of Mr. Reid's followers whose seats are in jeopardy. On the surface, everything goes well for the Opposition in this State. They are likely to win a sweeping victory. There was no call of danger. What Mr. Carruthers did last week was to break the rule of reciprocal abstention hitherto observed between Federal and State politicians. The fact that he is an elector of the district in which he spoke is really irrelevant. The important thing is that he has set an example, and a bad example, that will be widely acted upon.

INTERFERENCE OF STATE PREMIERS.

Mr. *Evans*, Premier of Tasmania, had previously meddled in the Federal fray without any notice having been taken of it. His appearance was ignored, because it was looked upon as the ill-considered act of an impetuous man, but chiefly because the small scale of political proceedings in the island causes them to be rarely noticed and never adopted on the mainland. It now turns out that his was not a casual escapade, since he has now gone so far as to issue a formal manifesto to the electors inviting them to return a united body of representatives, especially to the Senate, and protesting against a Federal Land tax. This is equivalent to a declaration against the Labour Party. He then proceeds to warn his flock that the Protectionist policy will mean a reduction of revenue through the Customs, and thus force the State Legislature to make up the deficiency by fresh levies upon them. This amounts to a declaration against Mr. Deakin and the Ministerial platform. Whether the decrease in Tasmania's revenue would occur may be questioned, but there can be no doubt as to the adverse attitude of its Administration towards Mr. Deakin. Two State Governments have thus in effect declared for Mr. Reid, and though they have been moved by opposite motives, the effect may be notable. Among the misfortunes that have crowded upon the Federal Government since the elections began, the gravest have been the craven desertion of its cause in New South Wales by our party managers, the triangular contests in Victoria, and now the open hostility of the New South Wales and Tasmanian Ministers. Mr. *Evans* puts his case plainly when he calls upon the voters to keep Tasmania first in their minds. Unfortunately, a similar Provincial attitude has been sanctioned by Sir John Forrest in the West. His object evidently is to unite all classes there against the Labour candidates by raising the banner of a West Australian Party pledged to study local interests before all others. In this instance the end cannot justify the means, even if they had been adopted by public men who like Mr. Carruthers and Mr. *Evans* are confined to State politics. That a Federal Minister should lend himself to the supersession of the national issues involved in his own programme by purely local issues is fatal. It will probably prove to be the unhappy prelude to a further disintegration of Federal Parties and confusion of policies. Whatever the result of Wednesday's polling may be, the intervention of State

Premiers and the appeal to State interests as paramount must produce an injurious effect upon the next Commonwealth Parliament. One unexpected consequence may be an intensification of the antagonism between the central and local Legislatures often apprehensively referred to in my letters.

FEDERAL OFFICERS AND STATE TAXES.

We have reached our first Constitutional *cause célèbre*, of which much will be heard by and by. The Privy Council has decided that all members of the Federal Parliament and its officers are liable to income taxes imposed by the State legislatures in whose domain they reside. As this ruling appears reasonable, no exception is likely to be taken to it except by the persons concerned. Many of them have always paid their dues, and it has been generally recognised that they have no claim to be exempted. The Prime Minister has stated from the first that if the decision of the Privy Council were against the State tax it would be the duty of the Federal Parliament to pass an Act of its own making its members and public servants amenable to the impost to the same extent as their fellow-citizens in the States. On the question of substance there is no conflict, and it might be concluded therefore that the whole matter has been finally disposed of with everyone's consent. Such an assumption would be wholly mistaken. The case involves much more than the money payment ordered. This was never really refused. What was denied was the right of State Legislatures to tax Federal servants. What was alleged was that only the Commonwealth Parliament could tax them. The cabled report of *Lord Halsbury's* judgment is said by our lawyers to negative that allegation. It is also suggested that its effect is to reverse the decisions of several of the highest Courts in Canada. At all events, they insist that it directly rejects the principle of the famous judgments of the Supreme Court of the United States in which *Chief Justice Marshall* defined the boundaries between State and national powers. They further add that another consequence will be that all State servants will be subject to any Federal income tax that may be levied by the Central Legislature. It is also insinuated that the particular Judicial Committee of the Privy Council which has just pronounced judgment was numerically weak, and that the ex-Lord Chancellor, who presided and delivered the judgment, was, when in office, a resolute opponent of the clause in our Constitution under which the exemption of the Federal Parliament and its servants is claimed. It is not easy to laymen to appreciate the fine distinctions that are attempted to be drawn upon this point. When once they understand that there is no dispute as to the liability of those taxed, but simply as to whose authority must be invoked in order to make the taxation legal, they at once dismiss the matter with a somewhat contemptuous reference to the hair-splitting proclivities of lawyers. It is not clear to them how the several cases heard here and recently on appeal in London can affect each other, but the result appearing natural and clear they are content to rest upon it. There is, however, another tribunal claiming to be consulted, and this is the High Court.

THE HIGH COURT'S CLAIM OF JURISDICTION.

So far as colonists are concerned the Privy Council is the highest tribunal to which we have access. Until the Imperial Parliament adopted our present Constitution its supremacy was unlimited, though its competency to interpret Colonial laws without knowledge of Colonial circumstances has been directly challenged by the Supreme Court of New Zealand on more than one occasion. In the present instance the law to be interpreted is that of the Imperial Parliament itself, for though the Commonwealth Constitution as a whole was drafted here the particular phrase to be interpreted in this connection was inserted by Mr. Chamberlain to embody a compromise agreed upon between the Law Officers of the Crown and the Australian delegates in charge of the Bill in London. This gave the High Court final jurisdiction upon all questions as to the constitutional powers of the Federal Parliament and the State Legislatures whenever they seemed to clash, unless special leave to appeal to the Privy Council was granted by the High Court. In this instance that tribunal refused to give leave. The case was only carried to the Privy Council by afterwards raising the same point in a State Court and appealing from it, in spite of the High Court decision. Of course if such a subterfuge is authorised the delegates' compromise is made meaningless, and by reference backward might be termed a trick. The Convention went much further in its demands, and the phrase in question was approved by the delegates as a half-way advance, instead of which it goes no way at all, if we correctly understand Lord Halsbury's judgment. If we now find that we have been overreached an unpleasant situation will be created. One possibility is that the High Court may not consent to be made the victim. We may arrive at a deadlock. The Victorian Attorney-General has already pointed out that if he attempts to collect income tax from a Federal officer the latter may appeal to the High Court. If its judges persist in their former view they may keep on setting aside every claim of the kind, no matter how often the Privy Council re-endorse it. Those who know Sir Samuel Griffith and his first two colleagues are quite prepared for a bold maintenance of the authority of the High Court, and unless the two recent appointees to the Bench oppose their seniors the Court will be unanimous. The late Attorney-General, Mr. Isaacs, is believed to be of the opinion of the Chief Justice in this matter. Another issue is said to be involved as to the legality of the Federal Judiciary Act or part of it, but this seems to turn upon the same point or very nearly so. Out of this case, in one way or another, may come for the first time a novel judicial difference in that apparently it may prove incapable of solution, while both tribunals claim the last word. Such, at all events, is the gossip of the legal profession, of which our politicians will not fail to make use for their own purposes when the time arrives.

FEDERATED AUSTRALIA.

HOPELESSNESS OF THE FREE TRADE CAUSE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 17 1906; Jan. 30 1907.

Last Wednesday the national electoral campaign after two months' fighting reached its final crisis. Three angry parties were locked in fierce combat against each other. Despite the fury of their onset and the miscellaneous character of the conflict each of the three survives. Neither possesses a majority in either Chamber. Neither has improved its position. The Ministry which was the weakest and met with most misfortune is for all that better off than its antagonists. It held, and still holds, the key of the position. The future lies in its hands. Its programme has been generally approved by the country. But for all that it is only temporarily master of the situation. Govern alone it cannot. With but one-seventh of the Senate and considerably less than half the House in its following its dependence is manifest. The **Prime Minister** could continue to carry on as he has done for the last eighteen months with a general support from the Labour caucus. He could maintain his position equally well and put his policy into force in the same way if the same kind of independent assistance were accorded to him by the Opposition. He has the choice—no one else enjoys it—an alliance of any kind between Mr. **Reid**, hot from his crusade against the Labour Party and the members he has been seeking to destroy is unthinkable at present. It is for this reason that the Cabinet remains arbiter of our political destinies. Three years ago Mr. Deakin declared a precisely similar situation "impossible", and certainly the first half of the Parliament which then assembled after the elections of 1903 amply justified his forecast. Three Ministries fell rapidly one after another, while public business was kept at a standstill. No one party was strong enough to stand alone. A formal coalition proposed between Mr. Deakin and Mr. Reid was refused by half the Protectionists, and when entered upon by the other half under Mr. Reid and Mr. **McLean** broke down badly. Progress seemed impossible.

THE CAUSE OF FREE TRADE HOPELESS.

A last experiment was based on a working arrangement between Protectionists in power and the Labour members in support. This, though it was tried in despair and as a last resort, proved remarkably fruitful. Its astonishing achievement however, was singular in every respect. The programme followed was that of the Government. All the Labour

Party gained in return for their acceptance of Ministerial measures, none of which they desired and some of which they detested, was time to organise against Mr. Reid's onset. Out of this concession, as the election has just shown, they have won next to nothing. If a similar arrangement were now proposed in which the Protectionists should be once more the predominant partners, though hardly to be anticipated, it would scarcely be asked by Mr. Deakin nor accepted by Mr. Watson. A new departure of some kind appears imminent. What this will be nobody ventures to guess. It rests with the Prime Minister to decide, for on such an issue his Cabinet cannot control his action. Great curiosity is already exhibited because he is likely to follow a course of his own. The question "What is going to happen" has therefore a peculiar interest for the prophets. The enigma arises out of an utterly unstable situation dominated for the time being by one party, which in its turn is dominated by one man. This outcome of the recent battle is either unrecognised or concealed in New South Wales, where the wreckage left by last week's electoral hurricane obscures the outlook. Still, everyone admits that our over-advertised rally in this State leaves us no further forward than we were in the late Parliament. The failure of Mr. Reid's attack is undeniable, and is frankly admitted now. The *Daily Telegraph*, our most dogmatic and dictatorial oracle of Free Trade, admits that this cause, to which its whole career has been devoted ever since its foundation, and for which it has been prepared to sacrifice anything and everything, including the Federal Union itself, is now manifestly hopeless. The majority in Australia is Protectionist, and that majority must have its way. Laying down its arms in formal surrender, it naturally desires to disguise the fact that its submission has to be made to a Victorian Prime Minister and a Victorian-made policy. This last drop of bitterness in the draught having been publicly swallowed, the way is open for a complete transformation. What precise shape or colour the reconstruction of parties will take is too hazardous a problem. The one thing certain is that while the overtures made may come either from the Opposition or the Labour Party, or both, they must be made, in every case, to the Ministry.

LOSSES OF THE FREE TRADERS.

Mr. Reid, and with very good reason, is deeply disappointed. His temperament is more sanguine and his aims were more ambitious than those of his rivals, and his awakening is therefore more painful. In 1901 he declared for Free Trade and was left in a minority. In 1903 his avowed object was to reopen the tariff passed in 1902, in order to root out all its Protectionist imposts. He had soon to publicly admit his defeat at the ballot-box and abandon his fiscal aggressiveness. This year his avowed object was to keep the tariff of 1902 as it is, resisting all attempts to repair the breaches which he made in it during its passage through Parliament. For the third time he has now to confess his defeat. Notwithstanding his platform tours for the last twelve months his fiscal gospel has steadily lost ground. The net result of his labours in New South

Wales, assisted by an enormous expenditure of party funds, is that, in spite of the craven collapse of our Protectionist Association at the outset, there are five instead of four Protectionists returned from this State. Adding the Labour members of the same fiscal opinion, we find a third of our representatives pledged to the heresy which he has grown hoarse in denouncing. They almost constitute a majority; and if an arrangement be made with our Labour caucus as a whole, the balance of whose numbers are indifferent to this issue, Protection reigns in this State. No less than four supporters of Mr. Reid have been unseated, while in two constituencies opponents of his have replaced retiring members. Six disasters in New South Wales, unrelieved by a single gain, is, as he confesses, a very disheartening record. In addition to this his majority in his own constituency was small, and he has thought it consistent with his dignity to publicly complain of the inconsiderate manner in which his own voters treated him. A month ago, in the course of an interview, he endeavoured to whip up his following by a solemn warning against two great dangers. The first was Mr. Deakin's inflammatory preaching of Protection, the second an obscure allusion to the Catholic vote, which he always challenges and then condemns for retaliating. Inasmuch as the Prime Minister himself and most of his party had the same vote cast against them, he cannot saddle them with any responsibility for these local reverses. The fiscal fight was forced to the front in Victoria in spite of all Mr. Reid's tactics. The one Free Trader formerly returned in Victoria has lost his seat, and every representative in that State is pledged to Protection. Mr. Deakin's attack, backed by the *Melbourne Age*, was irresistible in town and country. Mr. McLean and Mr. McCay, colleagues in Mr. Reid's late Government, were defeated. Sir George Turner and Senator Drake having declined to stand and Mr. Sydney Smith having lost his seat, only three of the eight members of the Reid Cabinet will enter this Parliament. Though the Minister of Defence has been unsuccessful in South Australia two out of the three Senators elected with Sir Josiah Symon are Protectionists. What with Mr. Reid's keen sense of personal neglect in Sydney, and the completeness of the overthrow of the Free Trade associates under his wing in his own State, Mr. Reid has plenty of grounds for his wail of disappointment.

LABOUR STRENGTHENED.

Mr. Watson tactfully expresses his satisfaction with the polling, and indeed in New South Wales five of Mr. Reid's losses out of the six are credited to his account. He is quite right in claiming that when it is remembered how the whole weight of the daily Press and of all our united organisations were directed against his followers and himself, the fact that he has increased his strength fifty per cent, is as much a ground for exultation on his part as it is for humiliation on Mr. Reid's. The Labour Party did not lose a single seat in this State, while its leader defeated Sir James Graham, an ex-Mayor of Sydney, for part of the metropolis by upwards of 2,000 votes. If our newspaper

readers were to refresh their memories by looking up the recent forecasts of Mr. Reid's journals in this city they would find a great deal of amusement in the contrast between their blatant threats and the actual results. Extraordinary threats were made to expel Sir William Lyne from the Hume, but with the aid of the Labour Party he topped the poll as did both his colleagues, Mr. Ewing and Mr. Chapman, each of them by more than two thousand votes. In other States Mr. Watson was less fortunate. Except in Victoria, where he gained another supporter, he did not increase his strength in the House. South Australia, Western Australia, and Tasmania made no change, and in Queensland he lost three seats to the Opposition. This marks the only solace Mr. Reid enjoyed during the campaign. But it was in the Senate, upon which his chief hopes were fixed, that Mr. Watson received a decided check. His ambition was to secure the nineteen votes necessary to make him master of that Chamber, through which he could exercise a veto over all Commonwealth legislation. Starting with ten Senators, who have still three years to run and therefore did not face the electors, he captured two new seats in Western Australia, one in Victoria, and one in South Australia. Senator Pearce having been returned again in the first State, this meant that Labour had secured an extra Senator over and above its total in the last Parliament. Then came a blow where it was least expected. Two Senatorships were lost in Queensland, until lately the head centre of Labour politics. This catastrophe was due in part, as Mr. Watson says, to internal dissensions in the State Labour Party, but was assisted by Mr. Reid's campaigns during the last two years. These were evidently more appreciated there than in his own home. In Tasmania another Labour member was defeated, so that with fifteen Senators the party falls four votes short of the absolute majority required and looked for. Nevertheless Mr. Watson comes back head of the numerically strongest party in the House and equal to the Opposition in the Senate. Allowing for the superior discipline maintained by the Caucus and the excellence of its organisation Labour has today the most compact, united, and efficient political force in the Commonwealth. There are, however, good reasons for believing that it has reached the zenith of its influence and authority. The reaction in Queensland is likely to be imitated elsewhere. Once the fiscal issue is settled a union of the other two parties will ensue, putting the Labour Party in a comparatively small minority. Mr. Watson, while rejoicing in public, probably realises better than any of his comrades that the failure of his bold attempt to capture the Senate means the failure of his last hope of a Labour majority in either Federal Chamber. Electoral figures show that with any real unity in Victoria and South Australia every attempt to put a Labour candidate into the Senate will prove as futile as it has been in New South Wales, Queensland, and Tasmania this year. Potent as he is in the new Chambers his party has reached the end of its tether. Under any other control than his it would never have attained to a sufficient height to make the daring spring for Senatorial supremacy which has just been decisively foiled.

COALITION GOVERNMENT PROBABLE.

Mr. Deakin expresses neither pleasure nor disappointment at the state of parties. On the whole he neither won nor lost in the House, while in the Senate, where his party could be counted upon one hand, he is deprived of the services of Senator Playford. His new candidates were unsuccessful with but one or two exceptions. Generally speaking the Ministry's hold upon the personnel of Parliament is weaker than last session. Its relations with the other two sections are naturally strained, because as the party of the centre it has been vigorously beating off the attacks made by both of them upon its following. The successes of the Labour Party in the House have been gained at the expense of Mr. Reid, while his victories in the Senate have been gained at the expense of the Labour organisations. Mr. Deakin has merely contrived to maintain his ground between them. His policy is much stronger than his party. Protectionists are in a majority in both Chambers. The real triumph of the elections is that, in spite of Labour indifference and Opposition hostility, the Prime Minister compelled both to recognise the priority of the fiscal issue. In Victoria those who accepted Mr. Reid's proposal to sink it are now sunk themselves. But still, the Government can hardly expect that its rivals will be content to allow it to give effect to its Tariff Reform proposals, because they are in a large majority upon them and upon them only. United as the Cabinet itself is upon most matters of practical importance, it consists of two distinct wings, as the late election showed. Mr. Deakin, Sir John Forrest, and Mr. Mauger were opposed by Labour candidates, Sir William Lyne, Mr. Chapman, and Mr. Groom by the Reid Opposition, and Senator Playford by both. Mr. Ewing's Opposition had no other significance than the intention to confine him to his own constituency. He was not opposed by the Labour Caucus because they have no foothold there. The numbers show that the only Government that can lead the next Parliament will be a coalition. To make room for allies some of the Cabinet must retire. There are but two possible unions. One with the Opposition against the Labour Party, in which case Sir William Lyne, Mr. Chapman, Mr. Groom, and Mr. Mauger would probably step out, or one with the Labour Party when Mr. Deakin, Sir John Forrest, and Mr. Ewing would choose to retire. An alternative is that Mr. Deakin may prefer to become a private member rather than join any Ministry, especially one including Mr. Reid. Roughly, however, the line of cleavage seems plain already. There are but two choices before the Prime Minister, but as there are two he ought to be able to impose conditions. He may be relied upon to impose them in respect to his policy and its early realisation.

FEDERATED AUSTRALIA.

THE “STATE RIGHTS” CAMPAIGN.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 22 1906; Feb. 6 1907.

The recent election has illustrated the development of new party relationships. Out of our six States Queensland and South Australia are under coalition Administrations with Premiers who are members of the Labour Party. At present, owing to the Federal successes achieved by the Caucus, especially in the Senate, and to the resistance it encounters from the Legislative Councils of the several States, the Labour policy is to enlarge the sphere of the Commonwealth in order to enlarge the area of influence of its Caucus. Nothing, therefore, was to be expected from Mr. *Kidston* or Mr. *Price* adverse to its recent campaign. Mr. *Reid* has naturally discovered an opposite inclination. Though he has never committed himself or his party, he has vaguely talked “State rights” in order to gain the support of those who dread Labour domination in the National Parliament. His supporters taking their cue have employed the same shibboleth, most of them for electioneering purposes only or to excuse their antagonism to Ministerial measures. A certain point was given to their speeches by the *Prime Minister’s* attitude. While so much an advocate of abstention from anything approaching an encroachment in the local Legislatures that he resigned office in 1904 rather than accept an amendment of the Arbitration Bill, which went in that direction, he is at the same time pledged to a reading of the Constitution which makes the Commonwealth paramount wherever local interests are found to clash with national interests. His view of “State rights” asserts but limits them. In the remaining four States Mr. *Reid’s* appeal to State ambitions brought over to his side the favour of the local administrations.

“BEGGAR-MY-NEIGHBOUR”.

On the same day that Mr. *Reid* fulminated for the last time against the “social revolution ... anarchy and spoliation ... the forces of chaos”, or, in other words, the Labour Party, Mr. *Carruthers* entered the lists under the wing of the Federal leader with his own little declamation. He demanded from the Commonwealth “a more sympathetic Ministry”, looked to Mr. *Reid* as “the most powerful friend that this State has in the Federal Parliament”, asking the electors to send that gentleman back

“with a larger majority of New South Wales followers than ever to strengthen his hands on our behalf”. The answer which both received at the ballot-box must be extremely disconcerting to them, read in the light of Mr. Reid’s loss of six seats in this State, but the effect of their joint appearance on a Commonwealth platform will not end there. In Tasmania Mr. Evans’s appeal was of the same provincial character. He wanted his Treasury receipts studied first and every national question measured by its effect upon his balance-sheet. Western Australia and Victoria, if their Ministers spoke for them, would put in the same selfish plea. Now what Tasmania most craves is a share of Western Australia’s exceptional revenue, and what the latter State most dreads is Tasmania’s commandeering designs. Hence the proposals made by them would lead to a sorry scramble for Federal receipts, not for the sake of the taxpayers of the country but for the sake of the local administrations, who naturally prefer capturing Federal subsidies to the unpleasant task of imposing fresh taxation themselves for local purposes. On the substantial issue of dividing any Federal surplus revenue among the States they are necessarily at loggerheads as on all other matters in which they have rival interests. There are plenty of illustrations. We want the Federal capital, while Victoria wishes its selection postponed, and none of the rest care anything about it. Western Australia wants a railway at Federal cost, but the less prosperous States strongly object to contribute even to its survey. Queensland wishes her sugar industry to enjoy a monopoly of the Commonwealth markets, except so far as our northern rivers in New South Wales supplement her supply. Tasmania and Western Australia would much prefer to import sugar from abroad and pocket the heavy duty levied upon it. On the other hand, Tasmania insists that we take her hops, potatoes, and fruit free of customs instead of buying these products elsewhere so that we could collect the impost. Federation among these scuffles would be reduced to a game of Beggar-my-neighbour; in fact, Federation would be negatived, its ties turned into bonds, and its centrifugal forces let loose for anti-Federal mischief of all kind.

THE COLONIAL CONFERENCE.

There are cases, however, in which the struggle, instead of pitting State against State, takes the shape of a tug-of-war, the Commonwealth pulling on the one side and the States in a row against her on the other. It is to these that public attention is being directed, and upon these that our Premier has been concentrating his efforts for some time past. He began at the Hobart Conference early in 1905, continued his overtures here at the 1906 Conference, and has been cementing his alliance with his fellow Premiers by correspondence ever since. Beyond the fact that they were all leagued together to limit Federal powers and baffle Federal administration wherever possible little or nothing was known authoritatively of their doings until one of Mr. Bent’s many indiscretions the other day disclosed a joint and several protests in preparation

against the omission of the State Premiers from the Colonial Conference due in April next. It appears that a first complaint from them was forwarded some months ago, to which Lord Elgin replied that his Majesty's Government were unable to give the invitations asked for and that the constitution of future conferences rested with the Conference itself. To this most reasonable response the South Australian Premier is now forwarding an elaborate rejoinder in the shape of a memorandum prepared for him, in which the sovereignty of the States is asserted in an uncompromising fashion, reinforced by a threat of antagonism from their Legislatures and peoples if State Ministers are denied extra-representation at the Conference. They will be represented first by the Prime Minister, who will speak for a Parliament chosen by the whole of Australia. What is asked is that each of the six sections of the same people should be represented a second time, their additional delegates being invested with some undefined and indefinable authority entitling them to contradict the Prime Minister and each other upon questions which none of them except the Prime Minister will be able to deal with afterwards. If there be a way of making the "Imperial Council" which is proposed to be gradually constituted from such Conferences a futile and impracticable gathering of irresponsible persons with overlapping representation, it would be that which Mr. Carruthers has projected and his fellow-Premiers have greedily endorsed. Our *Morning Herald* sums up the situation curtly, but fairly, when it says that our local Ministers "are seeking to make the Imperial Conference room a battle-ground for purely local quarrels. Let them settle their views on these questions in a Premiers' picnic at Hobart, or elsewhere, and then let them approach the Colonial Conference through their Federal representative with the results. That is the only way to capture the attention of the Colonial Office".

FEDERAL HIGH COURT V. PRIVY COUNCIL.

By a coincidence the very question upon which the Prime Minister resigned office in 1904 was judicially decided on the Monday following the election which found and leaves him again in occupation of that office. While Attorney-General of the first Federal Ministry, of which Sir Edmund Barton was head, Mr. Deakin considered the legal competency of the Commonwealth Parliament to include the servants of a State under its power to cope with industrial disputes extending beyond any one State. This was one of the matters upon which he came into conflict with Mr. Kingston, who retired from the Cabinet when the scope of the Bill of which he had charge was amended so as to exclude State servants and shipping disputes prior to the passage of a Navigation Law then in preparation. Mr. Deakin's contention was that the Federal and local Legislatures should not be permitted to interfere with each other's departments; that the Constitution conferred no authority of the kind upon the Commonwealth Parliament or that if it did it should not be exercised. When the Federal House, by the votes of Mr. Watson

and his Labour members, supported by more than half of Mr. Reid's party, insisted upon asserting its right to control State servants he at once resigned office. Last year our Railways Employees' Association having come before the Federal Arbitration Court, the same issue was formally raised, whereupon the Governments of this State and of Victoria obtained leave to be represented by counsel at the hearing in view of the importance of the decision to them. After a lengthy hearing the High Court, through its Chief Justice, Sir S. Griffith, speaking for himself, and Justices Barton and O'Connor, has now decreed that our State railway servants have no redress in a Commonwealth Court. The principle laid down is that the National and State Administrations have separate domains upon which neither can lawfully trespass. A further plea that the general Federal authority over trade and commerce might comprise within itself a right to deal with State servants employed in transportation on the railways was also dismissed. As the *Morning Herald* argues, if the Court "had been guided merely by the letter of an Imperial Act it might have made the position of the State Executives intolerable and have confirmed the Federal Parliament in a course clearly in violation of the understanding on which the Commonwealth was founded". The judgment is now being hailed as another evidence of the cardinal importance of the Court and of the courage and capacity displayed by its Bench. What is quite overlooked by the *Herald* and other papers is that it is by the very methods here commended, and, indeed, by precisely the same line of reasoning, that the High Court decided last year that no State Legislature could control the Federal service by levying income tax upon its members. The railway case now forbids the Commonwealth to control a State service by imposing its own rates of wages upon State railway departments. These two judgments are complementary. The two attempts are identical except that in one the Federal and in the other the State Legislature is the aggressor. Such a judgment as that just given, therefore, implies that the High Court intends to pick up the glove thrown down by Lord Halsbury and his colleagues on the Judicial Committee of the Privy Council. If the Commonwealth cannot control State railway servants the State cannot tax Commonwealth servants' incomes. Whether this contention is as sound as it seems lawyers must judge, but it is evident that this is the logic of the High Court. Apparently we have two final Courts of Appeal established for Australia accessible according to the road travelled and not according to subject matter. Begin a suit in a Federal Court and you get to the High Court and no farther, except by its leave. Begin in a State Court with the same suit and you get to the Privy Council. Such a condition of things is intolerable because it opens up interminable litigation without any finality being attainable. Whoever tries to enforce a High Court decision about income tax against a Federal officer will be taken to the Privy Council to upset it, while whatever State tries to enforce a Privy Council decision to collect the tax will be taken to the High Court and defeated. The struggle between the Commonwealth and the States is, therefore, fairly launched at last not only in their Legislatures but in the Law Courts and between their Ministerial Executives.

FEDERATED AUSTRALIA.

THE PARTY SYSTEM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 31 1906; Feb. 14 1907.

The Senate returns are not yet complete, except in the smaller States, and will continue to dribble in for some time longer. Tasmania though a separate State which could absorb the Netherlands and Belgium, bearing about the same relation to Australia as the Isle of Wight does to Great Britain, has, of course, made up her totals. Victoria has followed suit, but then she is much the smallest State on the mainland, and though as large as Great Britain, little more than a fourth the size of our own. But all the great nations of Central Europe together occupy a smaller territory than that of Western Australia. We have single constituencies for the House larger than the whole area of Germany or France. Not even the United States nor Canada can compare with us in the vastness of the segments of the earth's surface which have to be handled as electorates. Taking into account the distances in certain cases of thousands of miles and the difficulties of communication with some outlying settlements of tiny proportions, the results are collected and made known with remarkable and commendable promptitude. Two changes have occurred since the first totals were published, one Labour Senator having displaced another in Victoria, while in South Australia an Anti-Socialist has yielded the third place to a follower of Mr. *Watson's*. He now controls sixteen votes in the Second Chamber, a gain of two since last session, due to the division of his opponents' suffrages between the Government and Opposition. Had these have united there would have been no Labour Senator for Victoria and possibly one or two less if Western and South Australia had been better organised, though then possibilities in this direction are limited. One disadvantage of the two orthodox parties is that their electors decline even to go to the ballot-box unless the candidates of their own way of thinking are men of ability or standing whose personal qualifications are attractive. Such men are hard to find anywhere, especially for Federal seats. To hold one of these requires an absence from home and business for many months of the year, as well as an uncertain tenure due to unavoidable absences from their constituencies in the discharge of Parliamentary duties. In these particulars the Labour Party enjoys two special advantages. Its nominees always poll the whole strength of their party no matter how slight their personal qualifications may be. During the session the local Leagues keep alive a sufficient party interest in public affairs, while their representative having

no other employment is well content to give up the whole of the recess to a tour of his electorate, with which, therefore, he never loses touch. Until this condition of affairs is changed every election will be marked by some Labour successes due to these factors much more than to any change of views on the part of the people whose representation is captured.

THE MINISTRY'S BREATHING SPACE.

The continuance of the three-party situation in the Commonwealth Parliament affords plentiful scope for speculation. At least six weeks must intervene before the newly-elected find themselves face to face. The return of the writs can be little earlier than the middle of February. In addition to this, judging by the figures, an amendment of the Constitution has been assented to by referendum, which will have to be allowed for. Its effect is to move the date for the next and all future triennial elections for the Senate from the close of the calendar year to the months of April or May. Agricultural operations are suspended at that time, while in November and December they are always in full swing. Though the elections for the two Houses need not be synchronous, considerations of economy will always cause the Representatives to face their regular triennial dissolution at the same date. Until a special dissolution occurs prematurely the elections for both Chambers will be sure to be fixed for the same day, as they have been since 1901. This means that accidents apart the next General Election for the Federal Parliaments as a whole will take place about May, 1910, instead of in December, 1909. The Senators just chosen will enjoy three months in office over and above the usual three years. No such extension has been granted to the Representatives. Their term, however, may be lengthened in fact since their salaries date from the day of election, though their term commences to run from the day on which their legislative duties begin. The later this is postponed the nearer their official tenure will coincide with that just conceded to half the Senate which would have expired at the end of 1909. The shorter will be the interval without salary between the close of the present House and the commencement of the membership for the next House of those who are fortunate enough to obtain a renewal of confidence. As a date for the meeting of our new Parliament the middle of March would suit admirably if it were not that this would clash with the meeting of the Colonial Conference in London fixed for April 15. Some part of the postponement must be sacrificed and the question is how much is necessary. In any case there must be six weeks more, within which a great deal may happen. The Ministry has this breathing space to consider the position. The total of its direct supporters leaves it weakest of our three parties. With its allies under the flag of Protection it is the strongest of them, but even then remains in a minority unless the Protectionists in the Labour Party are numbered on its side. This reinforcement

can be relied upon only with the sanction of their Caucus, which implies an alliance of some kind between Mr. Deakin and Mr. Watson. The alternative is the alliance of Mr. Deakin with Mr. Reid. The former Premier of Victoria, Mr. W. H. Irvine, who now takes his seat for the first time in the Federal Parliament, is publicly advocating this step. What agreement is possible in respect to the Tariff and other economic issues of the same kind to which both could subscribe he has not explained. A recent convert to Protection and an ardent advocate of Preferential Trade with the Mother Country it would be easy for Mr. Irvine and all other Victorians to sit behind such a combination. But in spite of the public abandonment of the fiscal issue by our *Daily Telegraph*, it is hardly conceivable that Mr. Reid and his Free Trade supporters in this State can consent to abandon the policy upon which they have just been elected and to adopt that which they have just denounced and defeated in their several constituencies. It is difficult to conceive either of these transformations, and yet without one the prospects of stable government are very remote.

DIFFERENT PARTIES' IDENTICAL MEASURES.

In the State Legislatures we have examples of both alternatives. Queensland and South Australia are ruled by an alliance between the Liberals and the Labour Party. New South Wales, Victoria, and Western Australia exhibit alliances against that party. Judged by results it appears to be a case of six of the one and half a dozen of the other. Taking the legislation of last year as a test, and allowing for local colouring, there is little to distinguish any one State from the others. In point of fact, Mr. Carruthers's Acts levelled against the Liquor Trade and against Gambling are more radical in their handling of the rights of property and of individual liberty than any measures fathered by either Mr. Kidston or Mr. Price. Mr. Bent endeavoured to follow our lead in Victoria, but found himself obliged to accept much milder remedies than those which we are about to apply. So far as his Government were concerned "the trade" and the bookmakers would have had no mercy. The Labour Party were the real Opposition in Victoria, and all the fighting on behalf of vested interests appears to have been led by them. A study of the rest of the work of the sessions just closed tells the same tale. All the newspapers are fairly satisfied with the mass of the legislation passed in their States, and, deducting party bias, one might allege that they approve practically the whole of it. Nor is this experience singular or to be welcomed with a lifting up of hands in amazement. It is safe to say that if Mr. Reid had remained Prime Minister for the last two sessions he would have introduced the same Bills and they would have been passed in much the same shape as those now standing to the credit of the Prime Minister. Of course there would have been no preferential trade proposals with the Mother Country or with any part of the Empire. At all events Mr. Reid gave not the slightest hint of any such intention during his year of office. When

the Tariff Commission reports were presented he would have suggested a lower scale of duties than those the House would have ultimately adopted. Parliament would have raised some of his proposals just as it lowered some of Mr. Deakin's, but the net result would have been almost exactly the same.

UNIFORMITY OF LEGISLATION.

The consistent experience of all our Legislatures is the same, and, being the same year after year, it is more than a little surprising that Australian politics should be so much misconceived abroad. They are, of course, deliberately misinterpreted for party purposes here. The party in office, no matter what its colours may be, is always proclaiming that it is about to bring in the millennium by legislation or by refraining from legislation as the case may be. The party in Opposition, no matter what its colours are, always protests that the policy then proclaimed, whether of legislating or not legislating, as the case may be, is about to wreck our institutions, ruin our prosperity, and destroy all confidence in the country. It is these Opposition prophecies, rather than those of the Ministries, that are always credited elsewhere, despite the accumulated experiences of half a century in six separate States, increased for the last six years by the additional experience gained in the Commonwealth. All this when examined demonstrate the folly of such fears and the foolish prognostications with which they are scattered broadcast here and at home. The foundation of our justification is found in the facts. If it were necessary to press the point home, an analysis of the Acts now in the Statute Books of the States relating to the same subjects might be cited in instances too numerous to mention. Our land laws, passed by all kinds of Ministries, under all the party colours we possess, are practically similar in all the mainland States, notwithstanding real differences in the extent of the areas dealt with, their climates, and accessibility. The land question above all others has provoked heated controversies and has always been dealt with in a partisan spirit. This is true of every single State, and yet the upshot of all our many ventures is merely some trifling variations in our versions of what may be described as one and the same law for Australia. That law is relatively excellent. Again, all the States are now dealing with closer settlement upon lands repurchased for the purpose. The scheme of the Labour Premier, Mr. Kidston, differs in details only from that of the Anti-Labour Premier, Mr. Carruthers. Mr. Bent's aims in this connection are almost identical with those of Mr. Price, though the Labour Party, being in Opposition, adversely criticises the Victorian plan, just as the Anti-Labour Party in South Australia, being in Opposition, adversely criticises the Labour measure. All the proposals are valuable. The States imitate each other, it is true, but even when that is not the intention the outcome is a series of Bills that differ little and which, before they become Acts, differ much less. No matter what parties introduce them and no matter what election cries are employed to boom or to brand them, they emerge in the same shape.

STABLE LAWS: CHANGING PARTIES.

Australian parties, leaders, and programmes change repeatedly because of the slight but frequent alterations of public opinion. They are all of them temporary and transient, because their contrasts are inconsiderable. But they give a false impression of instability to legislation and administration, though these are consistently of the same pattern in all the States if taken over a term of years. In New South Wales we have passed some fifty Acts yearly of late and not one of any moment has been or is likely to be repealed. In Australia probably two or three hundred Acts have become law during 1906 for which the same acceptance can safely be predicted. The activity of our two State Labour Premiers is not visible except under a political microscope. With either Mr. Reid or Mr. Watson in command the Commonwealth will steer the same course in the long run, that is to say during a given period of, say, from three to five years. The Australian people are absolute masters of their Legislatures, and one reason why so many of them abstain from voting is because they find that after all things go much as they wish, though not, of course, in the exact order of precedence or manner of enactment which many would have preferred. Australian politics under the froth of fictitious party excitement and the coloured lights flashed upon every movement by the party Press are neither evanescent nor effervescent. They are sober, stable, and practical. The immense prosperity we are now enjoying has not been impeded by political action. A great deal of it is either due to or assisted by a judicious policy on the part of our public men. Australia is not simply solvent, but wealthy, and that not in spite of but with the aid of public men who more or less consciously and under a real though not obtrusive control of their expedients by the good sense of our electorates are wisely controlling the development of our unexampled resources. The misfortune is that we have nothing like an adequate population to develop them as they deserve. The calumnies credited by the uninformed are partly answerable for this since they have given currency to opinions about our management of our public affairs that will not bear the least examination. Our half-century of self-government in Australia is justified by its fruits over and over again, for it has been and will be sound, sensible, and progressive. We can safely challenge comparison with any other part of his Majesty's dominions or similar communities outside of them.

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