

From Our Special Correspondent:

Alfred Deakin's letters to the
London Morning Post



Volume 7: 1907

Australian Parliamentary Library
Department of Parliamentary Services

From Our Special Correspondent:

Alfred Deakin's letters to the
London Morning Post

— Volume 7 —

1907



© Commonwealth of Australia 2021

Published by:
Australian Parliamentary Library
Department of Parliamentary Services
Parliament House
Canberra

First published in 2021

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

Series editor:
Dianne Heriot

Layout and design:
Matthew Harris

Printed and bound by:
Bytes N Colours
Braddon
Australian Capital Territory

From Our Special Correspondent: Alfred Deakin's letters to the London *Morning Post*; Volume 7: 1907
ISBN: 978-0-9875764-8-4

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



Australian
National
University





A photograph of Alfred and Pattie Deakin in London for the Imperial Conference, 1907, from a family photograph album belonging to Ivy Deakin

(National Library of Australia, nla.obj-140824658)

Acknowledgements

This collection of Deakin's letters to the *Morning Post* has been in progress for a number of years, and continues so to be. The Parliamentary Library would like to acknowledge the assistance of the following organisations and individuals who have contributed expertise, permission to use images or archival records, or access to their collections, as follows: the National Library of Australia; Julia Adam; Joseph Ayoub; Rowena Billing; Nathan Church; Barbara Coe; Carlene Dunshea; Matthew Harris; Joanne James; Maryanne Lawless; Matthew Smith and Ellen Weaver.

Contents

Acknowledgements	iv
Illustrations	vi
Introduction	vii
Notes on the text	x
Endnotes	xi
1907	1
Index to the letters	215

Illustrations

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

A photograph of Alfred and Pattie Deakin in London for the Imperial Conference, 1907, from a family photograph album belonging to Ivy Deakin, National Library of Australia, nla.obj-140824658

Composite image of the Deakin Ministry, 1907. Portrait of Sir Littleton Groom, The Swiss Studios, 190-?, National Library of Australia, nla.obj-136704491; all other images, Parliamentary Library, Department of Parliamentary Services

Conference of Colonial Prime Ministers, April 1907, photograph, 1907, State Library of New South Wales, LPG/42

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

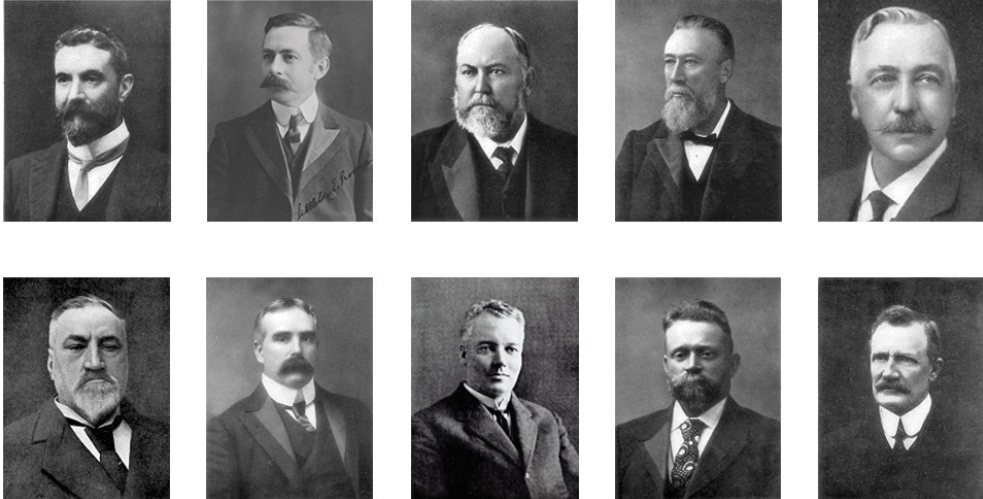
In March 1907, Deakin travelled to London to participate in the Imperial Conference, held at the Colonial Office from 15 April to 14 May. He returned to Australia in June 1907. La Nauze states that letters written

from March to 8 June (Australian dates) ... may be assumed to have been written by T. R. Bavin, except that dated 28 May, which was probably posted by Deakin from Colombo. The articles dated 1, 3 and 8 July were probably partly Bavin’s. Thereafter until early August 1911 Bavin wrote fairly regularly on topics such as the politics and legislation of Queensland and New South Wales; industrial legislation and disputes; constitutional questions; the River Murray waters agreement. It is impossible to identify all his paragraphs or sections of articles, since Deakin himself sometimes wrote on such themes, or adapted Bavin’s drafts. In general it may be assumed that all the material on federal issues was written by Deakin or had his sanction.³²

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 Menzell 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 Menzell 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. 304.

— 1907 —



The Deakin Ministry, 1907

Top (L–R): **Alfred Deakin** (Vic), Prime Minister and Minister for External Affairs; **Littleton Groom** (Qld), Attorney-General; **Sir John Forrest** (WA), Treasurer (to 30 July 1907); **Sir William Lyne** (NSW), Minister for Trade and Customs (to 30 July 1907), Treasurer (from 30 July 1907); **Austin Chapman** (NSW), Postmaster-General (to 30 July 1907), Minister for Trade and Customs (from 30 July 1907)

Bottom (L–R): Senator **Thomas Playford** (SA), Minister for Defence (to 23 January 1907); **Thomas Ewing** (NSW), Minister for Home Affairs (to 24 January 1907), Minister for Defence (from 24 January 1907); Senator **John Keating** (Tas), Vice-President of the Executive Council (to 20 February 1907), Minister for Home Affairs (from 24 January 1907); **Samuel Mauger** (Vic), Minister without Portfolio (to 30 July 1907), Postmaster-General (from 30 July 1907); Senator **Robert Best** (Vic), Vice-President of the Executive Council (from 20 February 1907)

(Portrait of Sir Littleton Groom image, The Swiss Studios, 190–?, National Library of Australia, nla.obj-136704491; all other images, Parliamentary Library, Department of Parliamentary Services)



Conference of Colonial Prime Ministers, April 1907

Colonial, later Imperial, Conferences were meetings of the British government and representatives of the self-governing colonies (later Dominions) of the Empire to discuss issues of defence and foreign policy and trade. The first such conference took place in 1887, coinciding with celebrations for the Queen's Golden Jubilee. The final conference was held in 1937.

Seated (L–R): **Herbert Asquith**, Chancellor of the Exchequer, UK; **Sir Joseph Ward**, Prime Minister, New Zealand; **Sir Wilfrid Laurier**, Prime Minister, Canada; the **Earl of Elgin**, Secretary of State for the Colonies, UK; **Alfred Deakin**, Prime Minister, Australia; **Frederick Moor**, Prime Minister, Natal; **David Lloyd George**, President of the Board of Trade, UK

Standing, front row (L–R): **Winston Churchill**, Parliamentary Under-Secretary of State for the Colonies, UK; **Sir Francis Hopwood**, Permanent Under-Secretary of State for the Colonies and Secretary to the Conference, UK; General **Louis Botha**, Prime Minister, Transvaal; **HW Just**, Colonial Office, UK; **Sir James Mackay**, India Office, UK, Secretary to the Conference; **Louis-Philippe Brodeur**, Minister, Marine and Fisheries, Canada; **Sir Robert Bond**, Prime Minister, Newfoundland

Standing, second row (L–R): **WA Robinson**, Colonial Office, UK; **TW Holderness**, Home Office, UK; **GW Johnston**, Colonial Office, UK; **Sir William Lyne**, Minister for Trade and Customs, Australia; **Sir William Baillie-Hamilton**, Colonial Office, UK

Standing, back row (L–R): **Thomas Smartt**, Commissioner of Public Works, Cape Colony; **Leander Jameson**, Prime Minister, Cape Colony; **Sir Frederick Borden**, Minister of Militia and Defence, Canada

(State Library of New South Wales, LPG/42)

FEDERATED AUSTRALIA.

MINISTERIAL PROSPECTS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 7 1907; Feb. 28 1907.

A feu de joie of figures salutes the close of the year 1906. The amazing growth of production and trade to which Australia is accustomed is being once more demonstrated by returns from every class of business in every corner of the continent. Splendid as all the records are, they are simply normal. The season is so extremely late that, contrary to almost all previous experiences, the wool and wheat receipts will be very largely credited to 1907. In consequence the very sensible suggestion is made that the commercial and financial reckonings should be made up to June 30 instead of December 31, that being the natural end of our cycle of seasons in this part of the world, and also the date chosen for the closing of our public accounts. For this reason among others the statistics now being published for the twelve months may be used for comparison since they are not inflated by any special circumstances. We have not yet made up the leeway of our recent bad seasons. That we have more and better wool and fatter cattle is chiefly due to better breeding and handling of stock. Growers are gradually taking advantage of our extraordinary grazing facilities in a more systematic way. Then holdings in the interior are more improved. Even the drought is not without its unsuspected compensations. The land after lying fallow for a season or two is more luxuriantly grassed and yields heavier crops because of its rest. Apart from certain minor advantages of this kind prices are good and money plentiful. But the harvest is not exceptional, and like the clip is late. The yields, mineral or agricultural, though very satisfactory are not remarkable in any one product or at any one place. We are enjoying a good all-round average. Having been below par for several years we have simply regained our old position without adventitious aid. Great activity no doubt obtains in copper and tin investments, but these at present are responsible only for fresh projects and new expenditure rather than for increased yields in consequence of them. Taking these circumstances into account, we may fairly ask in what part of the world can there be found 4,000,000 of people, six of whose seven Governments have a fine surplus, who buy £45,000,000 of goods from abroad and produce values to sell abroad of £68,000,000 in what may reasonably be described as a typical year, though it shows an increase of £18,000,000 last year, and doubles the returns

of 25 years ago? There are no such records anywhere else under similar conditions. There are no such opportunities elsewhere for wealth production or for providing a fair share of the general prosperity to all individual immigrants who do not fall distinctively below our present population in energy and thrift.

WESTERN AUSTRALIA AND THE FEDERAL TARIFF.

In respect to public finance taken by itself, there are differences between the States. New South Wales is the most prosperous of all, and our Premier flaunts a surplus of £1,000,000 for the calendar year, a sum which, it must be admitted, offers fair ground for jubilation. Western Australia, on the other hand, seems to fail to hold her own revenue, in spite of the satisfactory progress she is making in her private enterprises. To our critics abroad these differing results appear inexplicable. They probably remain misunderstood, even after they have been explained, because one of the chief contrasts between the two States since federation is overlooked. Previously New South Wales had the lowest scale of duties in Australia and Western Australia one of the most productive. The Federal tariff, with its moderate protective rates, has poured a golden tide into the Sydney Treasury, though Mr. Carruthers has not gratitude enough to acknowledge it when chanting his paeans of praise. Western Australia always protected her agricultural and manufacturing industries, and in the former case her local tariff was particularly effective against her neighbours. They now enjoy free access to her markets, for she has parted with the protection to her own citizens and the large revenue she used to derive from her own duties. The Federal tariff protects her still against the foreigner, but not against her nearest and most dangerous rivals in Australia. The extra rates of duty, temporarily preserved to her in a diminishing ratio for the first five years after union, have now disappeared, and necessarily her treasury suffers. That is the secret of her accounts. Western Australia is thoroughly prosperous and progressive, though to the cursory observer she seems to have met with a check. The slight drop in her receipts is really due to fiscal alterations. She keeps her place with her sister States, as each of them must to acquire the superb totals just recorded for their joint twelve months' expansion. Not another British possession can equal us in external trade, except the densely populated peninsula of India. With less than 2 per cent. of her population we have more than 60 per cent. of her trade. We also show a greater excess of exports over imports than her balance of imports over exports. If we had suitable white immigrants enough to give us 5 per cent. of her numbers we should in all probability surpass her in production and in seaborne commerce too.

MR. REID'S PRECIPITOUS FALL.

How far this very comfortable condition of affairs has contributed to the apathy of the electors and may be expected to prolong it is, after all, a question of speculative interest only. It is not an argument upon which our Sydney newspapers care to dwell just now. Their cue for some time past has been to prepare for the elections by painting none but the blackest pictures of our present situation and future prospects. When these silly indictments are forgotten, as they very soon will be here, the same prophets will explain the failure of their frantic efforts to frighten the public to the ballot box by the fact that the voters were so well off that they treated the mock heroics of party speakers and writers as they deserved. Their mortification becomes aggravated whenever they recall the recent poll. There is really no excuse for Mr. Reid's failure to carry his own State. He spared no pains himself to reach all the centres in doubtful constituencies by personal visits, and had his every utterance reported at length during several months' campaigning. Out of a host of aspirants he selected the most promising as his candidates, and had them assisted by the most lavish electioneering outlay that we have ever witnessed either upon agents, advertisements, or publications. Our own daily Press, with its great weekly issues, was absolutely at his command from first to last. Not a word of criticism of his policy or any of its authorised upholders was permitted to appear. Every allusion to him was a panegyric, every promise was of victory. The "Whig dogs" in the Ministry received the traditional Johnsonian handling. Every time they were reported or referred to they were treated as shocking examples. The whole weight of the established authorities in this State, including that of our Ministry and its following, was ostentatiously cast into the scale at the Federal elections for the Opposition. The Government was doubly detested because it was Protectionist, and led by a Victorian. That with all these auxiliaries, a host of camp followers, and many really capable platform allies to aid him Mr. Reid should have missed the capture of New South Wales was, and is, inexplicable to Sydney. It is likely to remain a mystery. But that he should have been absolutely dethroned is beyond all amazing. He has been shaken in his own seat, has seen Sir James Graham defeated by Mr. Watson for another large part of the metropolis by over two thousand votes, and Mr. Hughes, the Labour member, retaining the next door constituency. Out of the four Sydney districts he has held but two, while for the whole of our State his supporters are cut down to the same number as Mr. Watson's. Adding the five Ministerialists Mr. Reid has but eleven out of twenty-seven representatives from the community whose Premier he was, and whose Federal leader he has remained without challenge for the last six years. His fall here has been precipitous and seems final.

MR. CARRUTHERS'S COMING ORDEAL.

The most galling comment on the reality of the overthrow is supplied with more candour than judgment by Mr. Carruthers himself when, quite without warrant, he rushed into print to explain his own most injudicious intervention in the Federal fray. The tale he has to tell is of sorry confession. His own organisation, the Liberal and Reform Association, responded, according to him, to every invitation from Mr. Reid's friends, but would not canvass for subscriptions in order that all the resources of its members might be secured by them. He himself not only spoke for Mr. Reid, but assisted him with "counsel and advice". Nearly thirty members among his following had taken the field in the same cause, speaking at about eighty meetings, without including the official services of both ladies and gentlemen who belong to its council. No such fusion of party forces took place in any other State. Even the Labour Party fell short of this effective combination. It was not only Mr. Reid and his Free Trade bodyguard, but Mr. Carruthers and all his State supporters, too, whose joint efforts have to be accounted for. Though they were met with the loss of six seats the help so generously if unwisely given must have saved several others. Never again are we likely to witness so strong an alliance. The polling for the Senate in this State proves that the electors as a body are so opposed to the Labour Party that even when the latter obtained a considerable vote outside their own ranks, cast for their nominees as Protectionists in the absence of Ministerialist candidates, they were 40,000 behind the lowest Opposition Senator. The defeat of Mr. Reid is therefore clearly due to a wholesale defection of his own party. His defeat also foreshadows the probable defeat of Mr. Carruthers by a similar revolt of the same classes. An examination of the results has led a leading State Labour member to predict the capture of ten more State constituencies at the election due this year. Mr. Carruthers cannot complain of the application of the test since he and his party made the recent battle their own. Much may happen before he has to face the next ordeal. Our papers may again come to his rescue, but at present he is under their ban. The *Morning Herald* describes him as "skulking from publicity" and requiring to be "dragged into the open" in connection with the land scandals and those affecting the appointment of the new Railway Commissioners. Without the Press he has not the slightest hope of a majority, and even with its aid, which he had in the Federal election, he may be routed. It is understood that Mr. Ashton, his ablest and most popular colleague, will not offer himself to his constituency again, and it is suspected that the Attorney-General, Mr. Wade, will receive a public appointment at the same time. With these serious losses it is not impossible that Mr. Carruthers himself will find it expedient to retire. Ministers have done much useful work in the present Parliament, but are not retaining public confidence and are not likely to regain it under the present Premier.

LABOUR DEPENDENT ON MR. DEAKIN.

In the meantime the Federal situation is without precedent outside Australia. Mr. Reid has failed, but so have his rivals. Mr. Watson emerges a trifle stronger in both Chambers, but his gains are only three altogether. He has not a majority in the Senate where he hoped to win one, and he has still only a third of the House under his banner. The peculiar character of his party appears to exclude all prospect of a coalition. He cannot combine with Mr. Reid, and he must not join forces with Mr. Deakin. The best policy he can pursue is to keep the Prime Minister in office, taking whatever he can obtain in return for the solid vote which his Caucus commands. The history of our last Parliament taught him that without a majority of his own he could not attempt to keep the reins, and that his followers could not allow him to adopt a policy that would give his Ministry a majority. He got nothing from the present Government for his pains during 1905–6 except the exclusion of Mr. Reid and the time necessary to prepare his Leagues for the recent contest. None of the legislation lately passed bears his hand. All that he achieved was an avoidance of worse things by means of the general and generous support he gave to Protectionists. As he comes back a little more able to hold his own he has some ground for gratulation. On the other hand he is now dependent upon Mr. Deakin as much as the latter will be dependent upon him if they agree to work together again. As it happens the Prime Minister, though he and Mr. Reid are victims of a vendetta since the latter's attempt to dissolve the House in 1905, always was and now is in touch with a large section of the opponents of the Labour Leagues, whom he delighted with his attacks upon those bodies and their methods in 1904. Upon that subject he has not varied his opinion, and when challenged during the recent election was equally emphatic in repudiating all sympathy with their "machine politics". The door is therefore open to him to accept the votes of the Reid Party if he chooses. As this would mean the isolation of the Labour members in Opposition, where even with the assistance of the Protectionist Radicals they must remain in a minority in this Parliament, Mr. Watson has grave cause for anxiety until such a union becomes out of the question. Crippling the Caucus now it might seriously imperil its prospects of maintaining its numbers at the next General Election.

WHAT WILL THE MINISTRY DO?

The Cabinet holds its first meeting in Melbourne this week. The Ministry has not failed as badly as Mr. Reid, but has suffered more than the Labour organisation. Its policy, as explained in my letter of three weeks since, has triumphed. That is well rooted now, and likely to grow in popularity. Australia is definitely Protectionist

and decidedly bent upon practical legislation. Whatever Government we may see this year the policy to which it must give effect is found for it in advance. The question is, Will Mr. Deakin decide to carry this policy out himself with the majority provided for him by Mr. Watson, remaining on that account under the whips and scorns of some of his own friends and of the whole Opposition? If not, he must either take Mr. Watson into partnership, if the latter can persuade his party to permit the junction, or take some nominees of Mr. Reid's, if the Leader of the Opposition is otherwise provided for. A partnership with Mr. Watson, even if possible, will leave Mr. Deakin without an organisation of his own or the means of making one which can face the Labour Party and the Opposition as well when the country is appealed to next time. On the other hand, if he can arrange for the acceptance of Protection by a sufficient section of the Reid Opposition, he can not only control public affairs for the next three years but establish an organisation which will force the Labour Leagues to fight for their very lives in most constituencies. Of these three choices, which he will prefer neither friend nor foe has so far been able to gain the slightest inkling.

FEDERATED AUSTRALIA.

THE KANAKA PROBLEM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 14 1907; Mar. 5 1907.

The Blayney election is the important incident of the week for New South Wales, because it repeats most emphatically the warning of the recent Federal election. Just as Mr. Reid has been defeated here Mr. Carruthers will be a few months hence, unless the omens change. Mr. Crick's seat was vacated because of his connection with the Land Lease scandals. So far as the Legislature can go he has been placed under a perpetual political ban. But being still personally popular in his old district, his denunciation of the Labour Party for intervening in the contest and thus compelling him to retire told against its nominee, a reputable solicitor of this city. The Ministry had an excellent candidate, supported him with their best speakers, and made the election a test of the feeling of the country. In a typical electorate they won by 23 votes only, though all the circumstances were in their favour, and nearly 1,500 people went to the poll. No wonder Mr. Carruthers is credited with a wish to retire and Sir William McMillan with an intention to return to public life in order to replace him. Since Mr. Ashton remains firm in his resolve to confine himself to his profession, we have no other local Premier in sight. The tide is running strongly against our present "Reform" Government in spite of its several useful achievements.

THE PACIFIC ISLANDERS.

Outside New South Wales, or rather including our State with its fellows, we are witnessing as Australians an extraordinary national extrusion of some three or four thousand Pacific Islanders. Brought to our shores by our Northern State as part of its policy of establishing sugar plantations, these labourers remain after their terms of service half savage and wholly emotional—mere children of a larger growth. By bringing them Queensland incurred responsibilities which the Commonwealth now has to discharge in pursuance of its policy of peopling our Continent with a white race only. The first article in the first Ministerial programme for our first Federal Parliament submitted by Sir Edmund Barton in 1901, and at once endorsed by all parties, declared for a "White Australia". To give effect to it we have practically prohibited the introduction of all coloured peoples except in the case of merchants,

students, tourists, and other persons whose visits are authorised by permits. This prohibition applies to the Kanakas, as natives of the South Pacific are popularly designated, in addition to the Asiatics, greatly their superiors in ability, character, and training, who came of their own accord to seek their fortunes while our doors stood wide open to all comers. Of these more than 30,000 have acquired residential rights of a kind in our midst. The Federal Parliament has not attempted to interfere with them, but has prevented their increase by immigration. This was no Federal novelty. Ever since the earliest years of the gold diggings there had been restrictions upon Chinese miners in some States and upon their capacity to own land in others. From the Eighties onward the entrance of their countrymen had been more or less forbidden by every State. Sir [Henry Parkes](#) laid great stress upon his measures of defence against the threatened Asiatic invasion, and with little delay or difference except upon the part of Tasmania his example was followed and exclusion Acts were placed upon all our Statute-books. The Commonwealth merely reduced these varying enactments to one introducing no fresh features, and nominally applying the education test to all immigrants alike. There are Kanakas in New South Wales who came directly to us from their homes years ago. There was nothing to prevent them. They were a mere handful. Others drifted across our borders to assist our sugar farmers on the northern rivers. There was no objection. The latter, and practically the whole of the islanders now in Australia, perhaps 8,000 altogether, were brought here with the sanction of the Queensland Parliament to work upon sugar plantations. These were recruited under the inspection of Government agents and employed under conditions determined by its Legislature. They were engaged by private persons, but remained under official supervision from first to last, being, in fact, wards of the State. Every one of them was more or less intelligently and voluntarily partner to an agreement which provided for his return to his native village or to his "passage" as his place of shipment in the vicinity is usually styled. The Commonwealth has therefore taken no new departure in repatriating them. Queensland was pledged to that in the most express terms by its own law and by contract. The Federal Government is simply giving effect to them. Though it was always open for a Kanaka to re-engage for a second or third term, and many have done so, the promises made by State Ministers and their supporters when authorising their introduction were most explicit. The labourers were to be birds of passage only. They were not to become residents or citizens or to engage in any skilled employments. They were only to be used even rurally until other labour could be secured. Neither the law nor the policy of the Northern State have been abrogated since federation. Both are being carried out to-day with absolute fidelity.

DEPORTATION OF KANAKAS.

The only direction in which the action of the Commonwealth has been, so to speak, independent, has been in fixing two dates: one at which the importation of Kanakas must cease, the other when deportation must begin. No islanders have arrived in Australia since April, 1904. Their deportation became legal on the first of this month. Federal Ministers are now fiercely censured for their haste. The advocates of black labour have from the first assured the country that the sugar industry could not be carried on as yet without coloured plantation hands, but that a time would arrive when with the aid of improved implements and machinery white men could replace them. The Brisbane papers, always swayed by the planting interest, have consistently echoed this and all other cries of their clients, protesting bitterly against the Act of 1901 as premature, and repeatedly attacking those who uphold the doctrine of a White Australia as applicable now. It is still impossible, they say, to dispense with some kind of coloured labour. The Kanakas are the best because they do not bring their women and rarely desire to remain. Recruiting should be permitted still, or failing that all who can be retained should be allowed to continue under new engagements. To these pleas the majority of the electors in Queensland and enormous majorities in every other State have turned a deaf ear. All parties are agreed. No proposition for a repeal of the repatriation law would be listened to by Mr. Reid. His first lieutenant, Mr. *Joseph Cook*, wished the islanders deported at once in 1901. Left to themselves the black labour advocates have had to confine their utterances to remonstrances and threats. Mr. *Deakin's* Act, passed last year, allowing six months for the deportation of the Kanakas who had no claim to remain, though it appeared to postpone their departure, really enabled it to be made practicable. Operations under it commenced in the middle of last year, when Queensland transferred to the Commonwealth the officers who had administered the State laws relating to the Kanakas. A contract was entered into with *Burns, Philp and Co.*, the well-known shipping firm trading throughout the Western Pacific, under which more than a thousand Kanakas have already been returned to their homes. Thousands had preceded them. Of course many have died in Queensland, especially in the early years, owing chiefly to their special susceptibility to lung complaints. They appear to possess little stamina to resist minor maladies. Unaccustomed to regular work or to the housing and diet properly provided for them, their rate of mortality was at first inordinate. It was always considerable seeing that the "boys" were, as far as possible, picked of good physique and in the prime of life. However well cared for in Queensland, they remained of necessity a caste

utterly apart with very few women of their own and consequently few families. Some of them were converted, but their religious ideas and practices continue primitive, and any civilisation acquired is but a veneer. Whether they have or have not become better fitted for their old tribal existence they have in no sense qualified themselves to take part in Australian life or affairs.

DANGERS OF REPATRIATION.

The liberal exemptions made by the Federal Parliament following the recommendations made by a State Royal Commission will probably enable about half of the four or five thousand Kanakas now in Queensland and the North of this State to remain here if they so desire. Long residence, marriage, or education have given them a title to this consideration. The problems to be confronted at present relate solely to the return of the other half. When Kanakas recruited at irregular intervals here and there along the beaches of groups of Islands stretching hundreds of miles are returned almost simultaneously to their native places, always unstable and without government except of the most rudimentary type, some confusion, much mistrust, and general disturbance are inevitable. The newcomers are property-owners. They bring back "boxes" containing the fruits of their years of toil, the finery, and, when they can smuggle them, the firearms they have learned to use. These will be attempted to be shared in communal fashion. More dangerous still are the habits the "boys" have acquired. They often display a vain-glorious belief in their superiority over their untravelled fellows, which is certain to breed bad blood. These defects were always inseparable from the traffic. Those who tempted the Kanakas or too often tricked them into emigrating knew these risks would arise, but the Government which returns them under the agreement made by the men who lured them away is really responsible. The danger of partly civilising and then repatriating savages always existed and must exist. The one difference is that while the gradual repatriations of the past led to isolated robberies and occasional murders, a return now which by comparison is wholesale, necessarily intensifies these unavoidable dangers. Hence opportunities are afforded which Opposition papers are showing themselves eager to seize for attacks upon the present venture as if risks were now being created for the first time. No broils have been reported as yet, but it may be taken for granted from past experience that some will occur. A great deal is being made of the fact that many of those returned last year were Christians who are now being condemned to live in heathen surroundings. That is no new discovery and is not affected by Federal legislation. That very consequence was foreseen by those who now protest against repatriation and often employed as an argument for the traffic on the ground that it would lead to the Christianisation of the groups in a most effective manner. Since so far no Kanakas have been forcibly deported or even persuaded

to leave Australia; what has happened has been to those who wished to return and were returned in the usual way. The same answer applies to the complaint that some of the few Kanaka children whose parents prefer to go back have been educated in our schools and are being consigned to barbarism. Their parents, of course, prefer to retain them. Who, under these circumstances, is entitled to intervene? So far as religious interests are concerned, the most experienced missionaries in the New Hebrides have always protested against the traffic and deplored the injurious influence exercised by the returned natives upon mission pupils. Like most peoples at their stage of development the Kanakas find it much easier to adopt the vices than the virtues of their masters. Up till now the onerous task of shipping the Kanakas to their homes has proceeded without any complaint of moment or any minor cause of complaint not promptly remedied. No deportations have been made under the law. The hostile Brisbane papers have had their special correspondents on board the boats that have been employed in the exodus diligently endeavouring to pick holes in the arrangements. The fact that their grumbles are so few and of such a trifling character is encouraging. They dwell upon evils which are inseparable from the taking of undeveloped tribesmen from their own country to serve in a strange land, where they lose their old standards often without finding new sanctions, as if these had not always existed but had just sprung into being. But some consideration may have to be given hereafter to the manner in which the Black Labour Party has implanted in the susceptible minds of the islanders an impression that, being harshly treated, they are expected to avenge themselves when they are able.

ATTITUDE OF THE BRITISH RESIDENTS.

Quite a new feature of the repatriation has been disclosed by the apparently similar attitude adopted by the two British Residents who, under Sir **Everard im Thurn**, are responsible to the Colonial Office for the Solomon Islands and the New Hebrides respectively. For many years recruiting has proceeded in these groups, and in natural course "boys" have been returned with no other supervision than that of the Queensland Government agents. Now that these are acting for the Commonwealth under precisely the same circumstances except as to the number arriving, both Residents have informed them that they will not be recognised. In the Solomons Mr. **Woodford** has stepped in, taking control of the Kanakas as soon as they come, and distributing them to their respective "passages" by means of his own officers. Consequently the responsibility which belonged to Australia has been peremptorily cancelled and assumed instead by an officer of the Home Government. Should Captain **Rason** pursue the same course in the New Hebrides, whatever complications arise will be debited to him. None of the islands are under any jurisdiction of the

Commonwealth. They are to some extent under that of the Governor of Fiji as High Commissioner of the Western Pacific. Mr. Woodford and Captain Rason are legitimately in control and in any event have a definite authority and liability for its exercise. They alone can apply force. A man-of-war is now cruising in each group ready for emergencies. Where the missionaries are planted there is little mischief to be apprehended, but their spheres of influence are restricted. Beyond them the ordinary condition of native affairs discloses an indolent anarchy modified by traditions and the rule of petty chiefs sprinkled liberally among tiny settlements. Between these squabbles arise sporadically, varied by vendettas between village and village, and involving at irregular intervals individual murders more or less cowardly and premeditated. A decisive intervention of the British and French naval forces in the New Hebrides last year has for the time being restored order in its most lawless island, but there and in the Solomons tepidly conducted tribal fighting is normal. Deaths by violence occur at a certain average rate as necessary concomitants of savagedom. There may be more murders when the "boys" of a belligerent disposition take their part in pre-existing feuds or possibly begin others. Native life in the islands, to which any number of the Kanakas who have been labourers under white men come back with their experiences, cannot continue as it was or proceed at the old pace. They will bring stimulated energies, more methods, some self-confidence, and, where they can smuggle them, better weapons, which they will use at the first provocation. When the sugar-planters recruited they took little account of any of these future consequences. Tribal "wars" drove more recruits to the boats of the labour vessels, and were therefore not regretted. Today the "wars" still flare up between hamlet and hamlet in foolish, inconsistent ways, flagging and blazing out again into homicide as they have always done. It will tax the courage and ability of the British Residents and the men-of-war to stamp these skirmishings out now that hundreds of "boys" who know something of Caucasian efficiency will be tempted to take a hand in any irregular guerrilla raids.

FEDERATED AUSTRALIA.

EXCLUSION OF COLOUR.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 21 1907; Mar. 6 1907.

The "White Australia" policy means to British critics little or nothing more than the exclusion of Chinamen from the Commonwealth. Obviously this is but part, and the smaller part, of the problem of our unoccupied continent. His Excellency the *Governor-General*, who has a happy knack of identifying himself with popular sentiment here, while at the same time unostentatiously directing it into healthy activities, has insistently kept the necessity for immigration before the people. Assiduously visiting the different States and penetrating apparently upon a consistent plan into their remote and least known districts, he has employed his many opportunities of public speaking to bring home to them the weakness of their hold upon the gigantic territory over which they exercise authority. At the opening of the *A.N.A.* Exhibition in Melbourne last week in the course of an address which seems to have captured a representative audience of young Australians, he made this point once more with such felicity as to attract public attention and unite our opposing political factions for once upon a truly national issue. The major influence of the "White Australia" policy is now making for immigration. We have an effective exclusion of coloured aliens and a diminishing coloured population. We are repatriating, as my last letter explained, three or four thousand Kanakas who were imported under engagement for a fixed term to work upon our sugar plantations. So far these have been leaving without objecting or needing compulsion. A test case decided some three months ago by a magistrate was carried up to the High Court, which unhesitatingly held that the Federal Act authorising their deportation if necessary by force was constitutional. Go the Kanaka must, *volens volens*. Instantly the question arises how their places are to be supplied. The answer of the Government has been prompt, notwithstanding the manifest dangers from a party point of view of the course they are following.

WHITE MEN INSTEAD OF KANAKAS.

The Labour Leagues, though among the loudest supporters of a "White Australia" place their own interpretation upon that cry. It is subordinated in their minds to the maintenance of Trades Unions, and their assistance in improving the conditions of workmen's employment. In Queensland one of the chief motives of their hostility to the Kanakas was their desire to replace them with white labourers belonging to local unions of cane cutters. During the recent season the supply of white labour was larger than ever before, but its quality was not equal to its quantity. A number of those who offered themselves did so because they were failures at other employment either from physical incapacity or want of steadiness. In most districts, therefore, whatever pinch was felt by employers was not serious. With the rapid departure of the islanders a new situation is being created which naturally causes them much anxiety. When the next cutting season commences there may be a shortage which will place them at the mercy of unsuitable whites or of the suitable who will insist upon shorter hours and perhaps higher pay. At present ten hours of actual work are required daily, but already an agitation is on foot to reduce them by way of beginning to eight so far as mill employees are concerned. When it is contended that though this is the standard "day" in civic trades throughout the Commonwealth its extension to rural occupations is not feasible the reply is that this industry is specially fostered by bounties taken from the public Treasury. The employees, as well as the farmers by whom they are engaged, are held to be entitled to their share of the gift. Of course the bounty paid, or rather repaid, to white growers is only a portion of the excise levied upon them, and is intended to disappear by degrees. But for the time being that argument is put forward persistently. To protect themselves the planters are combining to procure labourers from Great Britain or Southern Europe who will face the humid, suffocating heat of the cane brakes when the harvest comes to be cut at the end of the year. Although such immigrants as they desire could enter freely and in any numbers if they came of their own accord, they are unlikely to do so. The Argentine obtains them annually from Italy by the thousand when its crops are being reaped, but they then return home to their families for the rest of the year. Australia is too remote to permit of this yearly migration. We want their families, too, if they are industrious and sober. The men will require to have employment assured to them for a certain period. This means a contract, and all contracts of this kind must be sanctioned by the *Minister of External Affairs* when they are made with manual work people abroad. He must be satisfied that the terms of the engagement are similar to those existing in this country. In the case of foreigners he must also have proof that there is not a sufficiency of the same kind of labour unemployed in Australia. Our sugar farmers, like everyone else, are subject to the control of the Government whenever they seek to add contract labourers to our population from anywhere but the Mother Country.

ITALIANS FOR NORTH QUEENSLAND.

In the present Administration the Department of External Affairs is under the Prime Minister, who, though personally responsible for the Immigration Act in its existing form, is at the same time an ardent immigrationist. Directly application was made to him last year while the elections were pending for permission to bring in a detachment of Italians for Northern Queensland he sanctioned the proposal. He and his supporters were angrily assailed by Labour members, candidates, speakers, and all their papers for what was described as a sacrifice of the interests of unionists to foreign hirelings and grasping sugar planters. None of the Opposition had a word to say in their defence. Even its Queensland candidates ignored the awkward act of the Minister because it was part of their platform patter to declare that the Government were absolutely under Labour control. Since the elections, though just as dependent upon one of the other parties as before, Mr. Deakin has continued to approve contracts under which the entrance of some hundreds of contract immigrants is authorised. Protests from Labour members and their leagues have been received and replied to with polite firmness. Their temperature is consequently rising. It is quite possible that this line of conduct may bring about a breach with the Federal Labour Party which will be fatal to the Ministry. Anything may suffice to overthrow them while the numbers are as at present. A cough may dislodge an avalanche. A mere trifle has often overthrown a Colonial Administration. And this is no trifle. Labour is wounded in its tenderest susceptibility. Its most potent organisations are being defied and weakened. The vision of an eight-hour day in the cane fields will disappear if Italian non-unionists are allowed to flow in as competitors. Wages cannot be forced up while they are available. Two or three gentlemen holding a commission from the Italian Government have recently visited Western Australia to investigate the attractions it offers for their countrymen, whose entrance has been angrily resisted for some years by miners and woodcutters. That agitation is still active, and will be little less severe when they commence to come in as agriculturists. The acquisition of the Northern Territory by the Commonwealth is still the subject of protracted negotiations with Mr. Price, the Premier of South Australia. Should it be transferred to Federal authority the Prime Minister has already stated, both in Parliament and outside of it, that its climatic conditions will probably require to be met in the low-lying coastal area, at all events, by the employment of Europeans accustomed to a high, moist heat for months such as obtains in the United Kingdom only at rare intervals and for short periods. The uplands are already tenanted for pastoral purposes by white men, who claim, as they do on the similar tracts of Northern Queensland close by, that they enjoy the finest and most regular climate in the world. Miners thrive in it at Charters Towers and Mount Morgan just as well as at Broken Hill or Kalgoorlie. But the growth of subtropical products, especially

when, like sugarcane, the cutting is laborious and continuous, though some Britons thrive at the task, involves a strain upon most of them and climatic conditions for their families which are uncongenial. These might be discounted by shorter hours, higher wages, and altered habits of living, but in respect to the last our Australian Britons are absolutely conservative. They will rather change their climate than permit climate to change their customs, diet, employment, or dress.

ANGLO-SAXONS IN THE TROPICS.

The question of the fitness of our race for active outdoor work in the tropics has lately been revived by a confident declaration from Dr. **Ramsay Smith**, the medical head of the Health Department of South Australia, who has recently visited the Northern Territory and has also made himself acquainted with other countries near the Equator. After studying the facts for himself on the spot he arrives at the reassuring conclusion that we can not only live and flourish in the hottest parts of Australia, but can beat the coloured man there in any calling if our men and women will only condescend to adapt themselves intelligently to their new surroundings. To him the only doubt is whether employers can afford to pay wages that will tempt the artisan or agricultural labourer to make the necessary changes in his mode of living. There is nothing else to consider. The Northern Territory is healthy, except where ignorance and carelessness in the settlers produce an unhealthy environment of their own creation. But pay is high all over the Commonwealth when wages or salaries are compared with those in Europe or even in the Mother Country. Apparently they will have to be higher still to induce our kindred to undertake to live at Port Darwin instead of in Sydney, or rather in Lithgow, where the attractions of a metropolis are absent. But, after all, the main difficulty lies deeper yet. We have not enough Australians to keep our so-called "settled" districts going. Where great estates of arable land are locked up for pasture farmers' sons in the neighbourhood have to move farther afield and bear higher freight rates. Speaking generally we are anxious to people both our hotter and cooler regions alike from the old home or kindred countries. The classes that have the best prospects with us are agriculturists with sufficient quickness to revise their familiar methods. Miners and artisans are next in demand, particularly if they are not afraid to move on until they find opportunities of a permanent character, which are still plentiful enough on every hand for those capable of discerning them. The able **Agent-General for Western Australia**, who lately resigned his office and returned to his own country, admits that the Canadians by dint of advertising effort are depleting the Mother Country of the very emigrants we most desire to win. He quotes Mr. **Preston**, their chief agent, who admits that the Continental farmer is more industrious than those of British breeding, who are now willing to leave. He might have been informed that the

average native-born Australian takes life much easier than any of them. Canadian conditions, as described by the few of our cultivators who have ventured to the North, are far too severe for them. Life in the Commonwealth is much easier and is also better paid. The nominee system commends itself to Mr. James, as does that of assisting emigrants to obtain passages at Canadian rates. He thinks that £50 capital is ample proof of *bona fides*. The testimony he bears to the friendliness of feeling in England towards the Commonwealth is gratifying when we recall the utter want of knowledge of our resources obtaining among the mass of the people who, having their bread to win, have little leisure to inquire into Antipodean prospects.

SLOW INCREASE OF IMMIGRATION.

Of immigration in general the utmost that can be said at present is that it is commencing to grow. If slow, and it is slow, it is sure. In New South Wales our record is the best, principally because of Mr. Coghlan's acumen and unremitting energy in London. The retirement of Mr. Ashton from our State Ministry is greatly regretted because his administration of the difficult Lands Department has been vigorous as well as pure. During 1906 an average of 40 new homes a week have been established, with 500 acres for each family, making nearly 1,200,000 acres altogether. Other settlers already on the soil took up 900,000 acres more of Crown lands among them. Most of the Dorrigo farms have been sold, and the rest of it will be soon disposed of to our own cultivators. It is expected that the prolonged negotiations for the great and rich Peel River Estate will result in its resumption by the Government at an early date. Some 700 British immigrants of a superior type have lately come to this State, and but one or two of these have left it to try the quality of other Australasian openings. Absurdly inadequate as these figures are taken in conjunction with the immense extent of New South Wales still uncultivated they encourage the hope of better things. The newcomers being all British their letters home should be our finest advertisement. In immigration Queensland is now at about the same stage as we are. All three of the active States are building railways. Western Australia will obtain a dozen railways of a light character for less than half the sum we are going to spend upon our great trunk line to the northern rivers about to be commenced. Mr. Newton Moore sagely remarks that with even a small addition to the population of the Western State the two and a half millions which he is to obtain for railways and public works will not increase the debt per head of its taxpayers. In fact, no State is borrowing to such a degree as to place any burden upon its future finances. The Advances Department of our Government Savings Bank under the new Act will make cheap money available in sums of from £50 to £2,000 for all our selectors, conditional purchasers, or lessees who are improving their properties. On the other hand, a sufficient number of our farmers anywhere

can unite for the purchase of any large private estate in the market. They can subdivide it into holdings convenient for themselves and obtain no less than 80 per cent. of the Savings Banks Commissioners' total valuation of the property in order to pay off the former proprietor. It may well be asked where any Government can be found more generously paternal than ours, particularly in respect to *bona fide* settlers upon the land. The risk run is merely nominal. In no new country is the yield per acre, either of pastoral or agricultural land, greater than with us; in none are the average profits larger. We need nothing but the millions of industrious immigrants for whom our indefatigable Dr. Arthur, M.P., and his Immigration League are incessantly calling to people our northern coasts, and bring great tracts of idle agricultural and horticultural land elsewhere under the plough or the scarifier. In many portions of our State, though the height of summer is here, we have so far had nothing but spring weather. Though the country is densely covered with luxuriant grasses bush fires have been few, and, generally speaking, pests of all kinds have been absent.

Thus 1906 has proved for us and for Australia as a whole a truly golden year. Now 1907 promises to give us another.

FEDERATED AUSTRALIA.

MINISTERIAL CHANGES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 28 1907; Mar. 11 1907.

Ministerial changes are the order of the day. In Australia they rarely mean much except to the few persons immediately concerned. Those at present announced imply no alterations of political complexion. In the Commonwealth our own Mr. **Ewing** replaces Senator **Playford** as Minister of Defence, having for the past eighteen months represented the Department in the House. His portfolio of Home Affairs goes to Senator **Keating**, who up till now has filled an honorary position latterly as Vice-President of the Executive Council. He is at present the only member of the Government in the Senate. A second appointment seems to be postponed. The alterations so far as Parliament is concerned being within the Cabinet have no party significance. The changes foreshadowed in my previous letters in our State Ministry are now openly admitted. Mr. **Ashton** will be a distinct loss. He will be accompanied in his retreat by Mr. **O'Connor** and possibly by another colleague. Their successors are not yet chosen. Mr. **Carruthers** himself repudiates the idea of a voluntary retirement. Unless his health breaks down or he is defeated he will continue at his post. His health is notoriously bad, though it is suspected that he makes a convenience of his ailment in emergencies. He may be ejected at the next election, but as there is no appearance of an effective Opposition Leader he is likely to continue to be Premier. Our newspapers who support his party rather than himself discussed his withdrawal with a cold-blooded indifference to his feelings and an insensibility to his claims that must have been painful to him. This improved neither his temper nor his prospects, but cannot be taken to indicate any new departure in policy. Before the approaching General Election he will no doubt define and to some extent revise his programme. This would have happened in any event. A precisely similar reconstruction of the Victorian Cabinet is now in process, with the avowed object of rallying all the members outside the Labour Party, to one standard so as to avoid the triangular duels which vitiated the recent Federal elections in that State. Mr. **Bent**, always accommodating, would no doubt modify his electoral bill of fare to any extent necessary for this purpose. As he is subject to the control of his caucus there is not likely to be any novelty introduced except where requisite to meet the demands of

public opinion. In South Australia Mr. Price desires legislative authority to appoint another Minister, but will hardly obtain it from the Legislative Council until his prolonged battle for an extension of its franchise has been concluded. Even then any new nomination to the Cabinet would not affect its present character.

QUEENSLAND AND MR. KIDSTON.

In Queensland a much more serious crisis confronts Mr. Kidston. His Government was formed upon the basis of a coalition between the Labour caucus and the Independents who revolted against the financial management of Mr. Philp and the cliquism alleged to obtain in his Administration. The course pursued since this union has been strictly in consonance with the undertakings given upon its formation. There has been a prudent economy and cautious method of development which, favoured by the splendid seasons, has lifted the local Treasury out of its difficulties. Land settlement is being pressed on in connection with agricultural immigration, while the opening up of the extensive mineral fields of the interior promises well for the railways, the wage-earners employed there as miners, and the artisans who supply their wants. A general and stable prosperity, restored confidence, and a clean administrative record are to be credited to Mr. Kidston. But in order to be faithful to his pledges he has had to break with the Labour extremists, whose electoral standing depends upon their association with aggressive measures of a partisan nature. The local Leagues, led by men who see their opportunity if they can supplant the Moderates while they keep step with the Government, have thrown their weight against the Ministry, and are now upon the point of declaring open war against the Premier at the polls. They have frightened the timid and encouraged the bellicose among their members to make a decided split. In point of fact it appears to exist already. An official declaration of the policy for the elections will give the signal for the onset. If that be based upon the give-and-take principle and its application to practical questions only, the Labour ultras will turn upon every one of their party who dares to uphold Mr. Kidston. The coalition then, if continued, would be between the Independents and a part, apparently the larger part, of the Labour caucus. This of course is the opportunity for the Opposition, which is prepared to go the length of putting Mr. Philp aside if it can win back the Independents.

MR. KIDSTON'S PROSPECTS.

Three parties would then appeal to the ballot-box: the Labour phalanx divided, against itself, and an united party headed by some of Mr. Kidston's present colleagues, which would be certain of victory in that event if the voting at last month's Federal elections can be taken as a guide. Mr. Kidston and his Moderates would be caught

between two fires and probably suffer most heavily because they must remain Labour members, even while they are fighting their own local organisations. They could hardly expect even Mr. Deakin's successful resistance, based as that was upon an entire independence of both labour and Free Trade. The sacrifices made and sincerity exhibited by Mr. Kidston at one in a great measure with the public for the extreme length to which those who remain with his party were formerly prepared to go. Like Mr. Watson he realises the sterility of his old policy built out of sentiment and depending on catchwords. The bent of the Premier's mind is that of a business man who, as he has become experienced in public affairs, has seen the wisdom of subordinating abstract considerations and a destructive propaganda to measures making for the economic welfare of the country. It will be a pity if he and those Labour members who have been associated with him are isolated by the action of their colleagues, the Independents, whose influence has led him to break with his own leagues in order to do his duty without departing from his honest convictions.

THE FRANCHISE IN SOUTH AUSTRALIA.

The one constitutional question at issue in the Commonwealth is that of the franchise of the Legislative Council of South Australia. The present property qualification requires an annual value of £25. Its reduction to £15 having been several times refused Mr. Price lately dissolved his Assembly upon it. The response was unmistakable. Ministerialists gained six seats from the Opposition. The House now consists of forty-two members, of whom thirty sit behind the Government, confronting a dozen adversaries, few of them willing to resist his proposal at any time, and none of them willing now. As things stand a minority of the electors of about the same proportions, as the Assembly shows today, controls through the Second Chamber the whole legislation of the State. When the franchise has been lowered a majority of the electors will exercise that authority. Those who do not appear upon the Council rolls then will be the unmarried, the itinerant, or the partially employed whose absence will be a benefit. Of course, the twenty Labour members of the Assembly would include even these, but their ten Liberal allies, by whose help alone they obtain a working majority, have brought them to a more prudent procedure. Now the Coalition has won over even the Assembly Opposition, naturally resentful of the manner in which their seats have been wantonly sacrificed by their allies in the Council. One Chamber is therefore unanimously and directly pitted against the other. The tactics of the Council during the recent crisis have been either unwisely aggressive or uncompromising. Every important measure has been amended in vital particulars. The Tramways Bill, Factories Bill, and Constitution Bill (providing, *inter alia*, for a new Minister) were all dealt with unmercifully. The verdict of the electors as a whole upon its franchise was brushed aside with defiance. It may probably be

contended now that the majority of the Council is setting itself above a majority of its own electorate and in antagonism to an overwhelming majority of the community as a whole. The State Constitution provides two remedies for a deadlock such as now exists, a dissolution of both Houses which would test these assertions or the appointment of eight additional members to the Council. This would raise its numbers from eighteen to twenty-six, but would hardly secure a certain majority in the Chamber even then. A double dissolution is therefore expected in March. Possibly the elections for the Assembly may be rendered merely formal by a general agreement among all its members not to countenance any contests against each other. If this could be accomplished it would be a quite unprecedented political achievement. It would place the whole burden upon the recalcitrant Councillors, while emphasising the absolute character of the divergence of views of the two sets of elected representatives of South Australia.

THE NORTH COAST RAILWAY.

Some adverse criticism upon our North Coast Railway has appeared in Great Britain, written from Australia, which had no visible effect, and ought to have none. It would not be worth noticing if it did not afford an excellent illustration of the extent to which many of our educated people ignore the lessons of our own experience and persist in judging our undertakings by old-world standards that do not apply. The bitter comment upon the lie that is half a truth is only partially applicable. It may be the worst of lies, but in this instance, as in others, the critic intended to be truthful altogether, and was fair as far as he went. This railway will be, as he says, a great and costly undertaking, with cheap sea carriage always competing against its freights and involving a considerable expenditure which our Legislature has not yet provided for. That is enough in his eyes, as it would be in the eyes of all who do not know the Commonwealth, to condemn the undertaking and all connected with it, and to justify his attack upon the State Legislature for permitting it. Yet, admitting that there is enough truth to warrant an honest man in making this assertion, it is apparent to everyone acquainted with Australia that we have already carried out precisely the same kind of lines under all these disadvantages from Sydney itself and in most parts of Australia, and yet show splendid general results. Our South Coast line is an instance directly in point, and it must be frankly admitted that its returns are unsatisfactory if nothing but these are taken into account. Our very expensive main section from here to Newcastle has not a tithe of the prospects on our Northern Rivers, and taken by itself is also probably unremunerative now. Victoria has at least two of its important railways constructed under the same circumstances which pay well, and Queensland two more, that from Brisbane to Maryborough

not long completed. Western Australia and South Australia and even Tasmania have illustrations of profitable coast lines. Most of these are justified, as private enterprises are, by their railway receipts alone, but the point is that every one of them pays the State well when its other interests are taken into account. Such lines we must have. That from Port Augusta to Kalgoorlie has been fiercely assailed, but will be constructed no doubt within the next few years. It, too, can be made profitable in time, though the country it traverses cannot be compared with that served by the North Coast line. What is overlooked in this connection is that the general circumstances of Australia justify railway construction both when and where other countries might reasonably refrain from facing it. It is worse than idle to ignore these facts. Incontestable figures prove the case up to the hilt in the case of lines built under widely differing conditions. Hence this particular comment appearing on the face of it to be just is really misleading. It seems to afford complete evidence which is really so incomplete as to be readily refuted by a reference to the complete evidence of practical experience.

PROSPERITY OF AUSTRALIAN RAILWAYS.

The secret of the success of our railways as railways is not due to State ownership. Under private control they would have profitably paid better because their employees and customers would have received much less consideration than our Legislatures give. But it must not be forgotten that in spite of this as a whole Australia's railways as railways do pay. The receipts of the last twelve months available show an increase of almost a million sterling in their earnings, though the working expenses only advanced by about twelve per cent. of that gain. They paid the whole of the interest upon the money invested in them and left a profit of over half a million. Our New South Wales lines, with lower working expenses, earned £400,000 more than the year before. This is the best record for many years. It incidentally indicates why it is the best. We have railways built and equipped sufficiently to earn much more than they now earn. With more settlement and more people they would pay splendidly. This year the profits will be larger because we have again had an excellent season. But even in the bad seasons we saved our farmers and graziers hundreds of thousands of pounds by reduced freights for stock carried from the withered to the fruitful portions of our State. No private railways would have done that. The increasing settlement now proceeding is due to our railways and would not extend but for them. Financially they are much handicapped. Our remotest lines hardly ever pay as "feeders", and rarely meet their working cost for their first years. We are always providing for these "suckers" by keeping in advance of settlement. The North Coast Railway may be a burden for a few years, though that

may be lifted at once, given settlement in anticipation such as is now taking place. It will not be pushed for some years, and such lines occasionally pay as they go. But it will foster cultivation and multiply our population always and will pay as all our lines are paying when they have had time. One would think that every citizen of ours knew this. It is an old story, but apparently it requires to be repeated even in our own country where we have the facts put before our eyes, Budget after Budget. There is an equally unwarranted outcry about the electric trams in this metropolis, though as they pay 5 per cent. net profit one would hardly expect them to become a cause of complaint. The challenge in their case generally comes from country representatives or residents who wish our capital put into country railways like that to the North Coast instead of laid out, according to their phrases, for the benefit of "a pampered city populace". The censure of country railways, on the other hand, comes from the city dweller, who wants more trams for his own convenience and cares little or nothing for the trials of the farmers of the outlying districts. Neither needs any justification. Our lines to the interior are profitable in themselves for the first four hundred to five hundred miles, but they are one and all profitable when it is remembered that the State is the great landlord as well as the railway proprietor, that every taxpayer adds to its wealth, and that without railways Australia could not produce the wool, wheat, meat, and minerals that lift her prosperity to the highest scale today.

FEDERATED AUSTRALIA.

POSITION OF THE MINISTRY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 4 1907; Mar. 30 1907.

Sir **John Madden**, Lieutenant-Governor and Chief Justice of Victoria, known to us as an able and very popular Melbourne dignitary, evidently expresses himself in a frank and breezy fashion very uncommon in men of his official position. Returning last week from a twelve months' stay, spent chiefly in Great Britain, he unfolded his views to the Brisbane *Courier* directly he landed upon a long list of matters of moment under debate at home, in Canada, or in the United States. Out of his two columns of *obiter dicta* the one which went home at once to our public struck at your Australian Correspondent's impaling us all in such peremptory and indiscriminating fashion. Evidently he has been reading his *Morning Post* with perfunctory haste, or he must have qualified the chief article of his wholesale indictment in its favour. Correspondents from here tell you nothing, so he says, except about "droughts and labour dominance" or similar "misfortunes", because we are under the belief that "writing in a doleful strain is most acceptable". As a consequence, in spite of a British "sympathetic attitude" towards us there is an "appalling ignorance of high and low about Australia and Australian affairs". Thus he begins his charge to the jury of his countrymen. "I could not conceive how ignorance could be so absolute or profound" are the words in which he puts a fitting climax to a sweeping condemnation that is particularly obnoxious to the group of our journalists who contribute to London papers. Before appealing against this judgment it must be confessed, and has often been noted in these columns, that there is a curiously pessimistic note in our Sydney journals which is echoed elsewhere throughout the Commonwealth and then over sea without any sufficient justification. But that note has never been struck by the *Morning Post*. This is so well recognised that it has led to several public recognitions locally of the generous tone adopted in your leading articles when dealing with our interests and aspirations. Protected to some extent from misapprehension by this voluntary testimony, which has come often and more than once even from our intransigent *Bulletin*, it is possible for you to remind this exigent Chief Justice that after all our affairs do receive relatively a fair share of attention in London. The United States is a world-Power. Canada is so much nearer and so liberal in advertisement that quite naturally a country far younger and more remote than either

is not honoured with the same attention. After all we are probably as much discussed and better understood at home than the splendid, fascinating, and densely-peopled dependency of India, a fortnight nearer you and more directly under the control of the Imperial Government. Its famines and Swadeshi agitations play no doubt an unduly large part in the popular impressions conveyed to casual readers of the daily news. That does not prevent a reasonably fair appreciation of the value of Hindustan to the British Empire prevailing among your public men. Nor can the occasionally annoying fluctuations of rainfall in some parts of our vast territory or of party politics in some States, though they undoubtedly are disproportionately magnified for party reasons, conceal from even a careless English inquirer the marvellous wealth and prosperity of Australia.

MR. DEAKIN AND THE COLONIAL CONFERENCE.

Sir John Madden's interview became the more controverted because it provoked from the Prime Minister by way of rejoinder to the calumnies quoted an impassioned summary of the latest returns of last year's production. These figures, admirable in themselves, were welcomed with patriotic enthusiasm by his fellow members of the Australian Natives' Association, to whom he addressed them. But party feeling was not wholly excluded even there. As it happened, a few days before Mr. *W. H. Irvine*, a former Premier of Victoria, recently returned to the Federal House and likely to occupy a position in the new Chamber similar to that lately held by Mr. *McLean* as leader of the dissentient Victorians, had joined in the complaint, often made by the Opposition, of disappointment with Federation. Upon this confession Mr. *Deakin* turned almost angrily as both unjustified by facts and premature in any case, since it was criticism of a union only six years old and charged with new responsibilities over the whole continent. What it meant, in his opinion, was merely the dissatisfaction of partisans with the policy of the majority in power. This, perfectly proper in itself if clearly expressed, was most pernicious in its influence when distorted into an attack on the Federation itself instead of being levelled at the Ministers to whom it was really due. This retort, delivered with much vivacity and heartily cheered by his audience, provoked Mr. Irvine to return to the charge on another count. He had nothing more to say against Federation, but responded to the challenge by directing his next shafts against the challenger. Mr. Deakin had dwelt upon the possibly immense importance of the coming Conference in London to all the self-governing Colonies, and in particular to Australia. It was called together, as he admitted, at a time very inopportune indeed for us, but having been already postponed for a year he could not ask that it should be again delayed. Under the circumstances of the situation he was not anxious to be present himself, and would have preferred not to undertake the visit, but if he were Prime Minister in March next it would be his

duty to go. He intended to call Parliament together on February 20 simply to afford the House an opportunity of accepting or rejecting the Government, and then to prorogue to a date a little later than usual to permit of his return. The remaining reports of the Tariff Commission would then be dealt with as a whole in the regular way. With the new schedule of Customs duties he would submit Bills providing bounties for the establishment of the iron industry and for the culture of new rural products. If the State Premiers arrived at an equitable decision he would also propose that their debts should be taken over, while defence and immigration proposals of an extensive character would be submitted in the Budget. The three parties, he hoped and believed, would be reduced to two during the currency of the present House by some alliance made openly in the public eye and upon terms that would involve no sacrifice of principle. In the meantime he had come from the country pledged to a policy of Protection and Preferential Trade, which he intended to pursue, and upon which he was content to stake the fortunes of his Ministry and his party, whether in office or in Opposition.

POLITICAL PRESTIDIGITATION AND THE MINISTRY.

Mr. W. H. Irvine on the next occasion did not speak alone. He was supported by Senator **McCull**, who in the last Parliament followed Mr. McLean's lead while he was a member of the House of Representatives, and also by a namesake, Mr. **Hans Irvine**, a late member of the Legislative Council of Victoria, who replaces Mr. **Skene** in the same Chamber. The Senator criticised the proposal to postpone the ordinary session on the ground that the Government had declared that the Tariff must be dealt with as a matter of extreme urgency. The Prime Minister had contended that there would be no real delay, and it was implied that in this forecast he must be at least misled. Sir **John Quick**, as Chairman of the Tariff Commission, has since emphasised this objection. But Mr. Irvine went much further. The Prime Minister was, he admitted, governing without having any understanding or alliance with either Mr. **Reid** or Mr. **Watson**. Yet his party was in a minority, and he had therefore no title to attend the Conference in London until he had made arrangements with one or the other of his rivals. Mr. Deakin replied without hesitation through the Press that he had put forward a policy and intended to carry it into effect. If a majority of the House disagreed with that or with any of his actions, or objected to his representation of the Commonwealth, they would have their remedy in less than three weeks, when Parliament met. He could not leave for the Conference without their consent. He knew nothing of Mr. W. H. Irvine's alliances, nor even his policy, but considered that the questions really at issue in Parliament, so far as the electors were concerned, related to the business to be done rather than to the complexions of those who transacted it. To this there has been no response so far. But the inner meaning of this exchange of shots does not appear upon

the surface. It distinctly intimates to the new Opposition corner the Independence of the Government. If members sitting there choose to act next session as they did in the last Parliament in support of Mr. Reid, though nominally dissociated with him, the Prime Minister is not prepared to treat with them nor to accept their instructions. Judging by the comments of the *Age* he is equally averse to any combination with the Labour Party. Yet the path between his rivals is perilous, because it cannot suit either of them to allow him to tread it. Mr. Reid's object will be to force the Cabinet to accept his sponsorship or that of Mr. Watson. The Labour caucus will, in any event, demand guarantees of some kind in return for its temporary allegiance. Of course if the House is prorogued until June next there will be time for reconsideration and a possible rearrangement of parties. Assuming nothing of the kind occurs, it will require a series of feats of political prestidigitation to enable a Ministry with less than a third of the House upon its benches to conduct its business independently of two aggressive adversaries, however hostile they may be to each other. Union between them may not be possible, but neither can the most skilful of leaders indefinitely succeed in keeping them at arm's length while inducing one or other of them to grant him its continuous and consistent aid. Without this he cannot carry his measures or conduct administration. He cannot afford to handle Mr. Watson and Mr. Reid as he handled Mr. Irvine last week.

GOVERNMENT APPOINTMENTS.

Apart from the general situation the first appointments of any note made by the Government since the elections tell their own tale. They, at least, indicate without disguise the personal leanings of the Cabinet at this stage. The first Federal Parliament witnessed an essay by Mr. *Kingston* to bring in a Commonwealth Navigation Bill. This appeared too late to be dealt with, but it was largely in consequence of the exclusion of shipping and seamen from the scope of the Arbitration Bill that he left the Cabinet. His measure was put aside by the Government in that session, and when Mr. Watson was in power a Commission was appointed to inquire into all the interests affected by it. Mr. *Hughes*, a Labour member, was its chairman, and Mr. *Dugald Thomson*, at that time first lieutenant to Mr. Reid, headed the minority who dissented on certain particulars from the Chairman's report. In the meantime the Imperial Government having invited a Conference at which Australia and New Zealand were to be represented, it is perhaps not surprising that the two men most prominent upon the Commission which has recently investigated the whole subject should have been selected as delegates. In Mr. Hughes and Mr. Thomson official claims have been met. Sir *William Lyne* had a certain political title to join them, because the revision and introduction of a new Navigation Bill will fall to him. His recent relations with the Labour Party having been closer than those of any of his colleagues, or, indeed, than of any other member, his nomination was certainly more

acceptable to its Leagues than that of any other Minister. No one has any doubt of the side to which he will lean when any difference of opinion arises between Mr. Hughes and Mr. Thomson. Taken together the three made a competent delegation, but distinctly favourable to the Caucus. When to these was added Mr. Watson himself, its Federal leader, there was a natural and instantaneous protest from all sides. It is possible that he may have been chosen for personal reasons, for his health is believed to have been unsatisfactory for some time past, or because of the friendly relations between the Prime Minister and most of his colleagues and their late ally. His enemies, of whom there are few, have not questioned his entire competency for that or any other post of the kind. Few men are more generally liked or trusted. But the addition of his name undoubtedly destroyed any appearance of party balance. There were then two Labour members and a sympathiser to a single representative of the Opposition. The special interests affected, those of the shipowners, of the seamen, or of the engineers or officers associated with them, or of the shippers associated with our local Chambers of Commerce, were all put aside. The contention of the Government is that to satisfy them all would have required a dozen delegates instead of four, that the two members who acted in the Commission are now well acquainted with the full views of every one of the classes affected, given through their own spokesmen, while the limitation of the choice to members of the House is but reasonable, seeing that the whole purpose of the Conference is to consider existing legislation and, if possible, agree upon amendments to be laid before Parliament this year. Such considerations have not commended themselves to any of those excluded. The seamen have been louder than any in their complaints, though the shippers and shipowners have not failed to make themselves heard in protest. Mr. Watson resigned almost as soon as nominated, disclaiming any sympathy with the objectors and alleging private reasons for his withdrawal. This leaves the delegation less unbalanced, but the mere fact that he was selected by the Cabinet is significant, for if that action were dictated solely by personal regard the fact that the Leader of the Labour Party stands in that relation to the Government distinguishes his position from that of Mr. Reid. Between the Prime Minister and him there is a great gulf fixed.

LABOUR DOMINANCE.

Even while Sir John Madden's protests against references to Labour dominance are fresh one cannot ignore current facts. A Labour Conference is held annually in each State. That for New South Wales has just concluded. Its sittings, long and at times exciting, do not call for detailed review. The upshot is that a Fabian policy has been once more endorsed and an attempt to censure Mr. Watson for opposing the motion in the late Parliament in favour of the building and running of mail steamers of its own by the Commonwealth failed of success, though there were

not wanting signs of the animosity actuating the extremists against the moderate Federalist and his followers on this and other grounds. These became undisguised as proposal after proposal of a forward character was negated. The ultras were strong enough to preserve the State pledge instead of the milder obligation imposed upon Federal candidates, but in this as in almost every instance there was a determination in the majority to keep where they are. The party managers realise the folly of proposing fresh experiments in the face of the general elections about to be held in the three Eastern States. Those in Victoria and Queensland threaten to be adverse. In Melbourne pourparlers are proceeding which bid fair to isolate the Caucus and combine all those outside the fold under Mr. **Bent** against its nominees. In Brisbane Mr. **Denham's** resignation has been handed to Mr. **Kidston**, and though the explanation of his departure will not be made public until tomorrow the anticipation is that it implies a probable dissolution of the existing Coalition forecasted in my last letter, although he seems to have taken this step alone. In our State Mr. **Carruthers's** chances are not improving. He and Mr. Reid have been bickering in public about their several responsibilities for their late defeat at the Federal elections. To all appearances his Cabinet will be seriously weakened by the retirement of his ablest colleague, Mr. **Ashton**, the most popular and trusted of Ministers. Though the Labour victory in New South Wales, foretold by its local leader, Mr. **McGowen**, is scarcely to be thought of, it will need all our Premier's tactical skill and adroit contrivances to remodel his Government and attract candidates of standing in sufficient numbers to give him a substantial majority. The coalition he desired before accepting office is now possible, but the task of rallying all the various elements outside the Labour Caucus against that astute and ever active body is today far less promising than it is to the States in the north and south of us. This is the only certain method of ensuring success for the opponents of the Labour platform.

FEDERATED AUSTRALIA.

CONSOLIDATION OF PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 11 1907; Apr. 2 1907.

A far-off correspondent may speculate in safety upon the developments around him, for if his forecast fails no one on the other side of the world is likely to remember it. Besides, Australia being palpably at the beginning of everything and particularly of Federal politics, current events are bound to be prognostic and to tempt interpretation. In our transitional period we naturally look for helpful precedents in the other federations achieved by our race. Our trials proceeding in large measure from the existence of three or four political parties often acquiring mastery in accordance with their alliances, and this both in Commonwealth and States, we are comforted to find that the situation in the United States and in Canada has become less complex owing to the merging of Federal and State parties throughout the Republic and the Dominion. A similar integration can be accomplished soon and without sacrifice of essential tenets in Australia. It has been accomplished here already by the Labour Party. From the first it has organised upon a national as well as State basis, all its members in each being available for service in the other. It has profited exceedingly by the neglect or inability of its rivals to do likewise. The opinion always maintained in these columns has been that this example would be followed, and, indeed, must be followed, by its competitors. Each General Election has disclosed an advance towards a union with local political organisations. The Opposition took advantage of its greater freedom in this direction during its campaign last year. Everywhere excepting in Western Australia, where Sir *John Forrest's* personal influence diverted the movement from its hostility to the Ministry of which he is a leading member, all our local parties outside the Labour organisations ranked themselves against the Caucus and its candidates. They did this in the Western State independently of Mr. *Reid*, but everywhere independently of Mr. *Deakin*. They marched in all the other States except Victoria openly under Mr. Reid unless they were strong Protectionists in doctrine, and even in Victoria recognised some informal alliance with his followers if not with himself. His successes in Queensland, without which he could not have repaired his defeat in his own State, were due to the Philp support and to the divisions between the Labour Leagues and their present representatives. It must also be remembered that but for the peculiar position of the

tariff Mr. Deakin could not have rallied his party independently both of Mr. Reid and Mr. Watson, and in all probability cannot do it again. When the present crisis is over, and a fiscal policy for the Commonwealth has been adopted, there may be nothing before us to prolong the separation of the adversaries of the Labour Leagues. Following the path trodden at Washington and at Ottawa, the parties in Melbourne, operating all over the territory they represent, will face each other in State as well as Federal politics with alternative policies. State platforms will be important still, but they will be overshadowed to some extent at once, and tend to be gradually subordinated to national aims and measures. Ultimately here, as in the United States, one of the most distinctive lines of demarcation between parties may be drawn about the doctrines of State rights and Commonwealth supremacy, but failing this nothing can keep existing parties as they are.

COLONIAL CONFERENCE AND THE PRIME MINISTER.

During the recent Federal elections our Premier took the platform with Mr. Reid and publicly proclaimed their co-operation. When a result so disastrous to their hopes in this State was disclosed by the polling they were foolish enough to reproach each other in public for their common failure. But notwithstanding this undignified commencement of their partnership the pressure of necessity is coercing them into a fresh treaty for conjoint action after the impending dissolution of our Assembly. There will be no supporters of Protection to account with in that case. The Labour vote is in a decided minority in New South Wales, though it is identified more openly than elsewhere with the Roman Catholic Church. Despite the fact that the Caucus programme just revised is admitted to be practical and unaggressive, it is too pronounced to command a majority of the electorates, while the rigid discipline enforced upon each Labour candidate by his pledge of obedience makes against them in many quarters. If Mr. Carruthers and his colleagues backed up by Mr. Reid and his Federal companions, cannot carry the country this year with a progressive policy by an overwhelming majority it can only be because they are personally distrusted by the public. But there is no reason to apprehend that the disfavour into which undoubtedly they have lately fallen goes anywhere deep enough to induce our voters to throw themselves into the arms of Mr. McGowen and his phalanx of pledged men. The one danger is that they might not vote at all. A Ministerial victory that ought to be sweeping seems fairly assured in this State. With such a baptism a closer union precluding the absorption of our Federal and State parties may be predicted in New South Wales. When once the tariff is out of the way combination spells victory for the opponents of the Labour Leagues in other States as well. Mr. Reid has long perceived this, but he failed at three General Elections consecutively because he thought the fiscal issue could be dodged or at least temporarily ignored during a term

of office which would have permitted him to retire upon his laurels as a conqueror. Even now there are many rumours of his intention to retire without them at an early date. These, however, seem to be traceable rather to the disaffected in his own army and to adversaries who dread his skill and platform power than to his immediate staff. He is hardly likely to allow the laurels to adorn the brows of Mr. Deakin without one more desperate struggle in the House and at the polls. Protection has to be conceded, and it is in his interest that it should be granted without a moment's avoidable delay. With this object an agitation is being promoted to prevent the adjournment of the House necessary to permit the Prime Minister's attendance at the Conference in London in April next. Of course, a few weeks' interval would be agreed to providing the Tariff Commission's Reports were then taken in hand in Mr. Deakin's absence and while Sir **William Lyne** is engaged at the Navigation Conference in England summoned for March. There is little justification for these demands for a continuous sitting except the desire of the Opposition to discredit the Prime Minister and his colleague before their departure or to take advantage of it to defeat the Ministry. In the present state of parties anything is possible. The opening of Parliament ten days' hence promises much excitement and plentiful opportunities for surprises.

FEDERAL AND STATE PARTIES.

So far have we advanced towards a blending of Federal and State parties that there are but three States in which the local organisations have not yet been brought into line with the national. In Victoria the negotiations to bring Mr. **Bent** hand in hand with Sir **Alexander Peacock** and Mr. **Mackinnon** are understood to be well advanced. There will be but two parties at their coming election. No Federal members outside the Labour Party are expected to intervene unless Mr. **Irvine**, who retired in Mr. Bent's favour because of ill-health, and some of those who were recently State members are attracted to their old associates. Until Protection is assured there can be no conjunction between Mr. Deakin and Mr. Bent or Mr. Irvine. In South Australia, for kindred reasons, a general anti-Labour alliance seems remote. It is rendered more remote by the conflict between the two Chambers upon the extension of the franchise for the Legislative Council. With those two obstacles removed the fusion will come there too. The Opposition in Adelaide is already very friendly to Mr. Reid. In Queensland Mr. **Denham's** resignation has been followed at once by meetings between his followers and those of Mr. **Philp** that seem to have been prepared for in advance. Whether Mr. **Blair**, the Attorney-General, and Mr. **Bell**, the Minister of Lands, who remain with Mr. **Kidston**, are influential enough to sway any considerable section in the House or the country may be doubted. Mr. Blair has not fulfilled the high hopes entertained for him before he took office, while his colleague, though energetic and able, is not specially popular in the House. Mr.

Kidston's situation is embarrassing in the extreme, divided from the Labour Leagues by whose aid he attained power and deserted by Mr. Denham and others who have assisted him during his term of office. The Leader of the Opposition, Mr. Philp, recognising his opportunity, has hastened to put his election platform before the country without waiting for that of the Government. One object has manifestly been to anticipate some of the proposals which the Administration are bound to submit. A second object was to suggest that owing to the mutiny in its camp the Ministry has become a negligible quantity, and a third to provide Mr. Denham with an excuse for coming over, while at the same time preventing him from acquiring anything like leadership. It is no reflection upon the Philp platform to say that it does not contain a novelty, because it meets needs of the country which are plainly recognisable on all hands. Land settlement, assisted immigration, water and forest conservation, financial reforms, and railway extension are the permanent dishes provided at every election. They are all here, and ought to be here, because they are the essentials of any practical policy. Mr. Kidston's Administration has dealt with them more boldly than that of his predecessor, but this has been partly on account of the good times and extra revenue he has enjoyed. His real superiority to Mr. Philp's final control of the State has been due to his careful economies and thrifty management. If in the opinion of the Moderates this lesson has been sufficiently mastered by the present Leader of the Opposition he will have an excellent chance of succeeding when he presently goes before the electors.

SIMPLIFICATION OF PARTY ISSUES.

Look where one will the tendency to concentrate parties or factions, as they may be more correctly described, in most States is becoming manifest to thoughtful observers. The chief motive power in this connection has been and is being supplied by the successes of the Labour Party, due to its admirable organisation and the divisions among its antagonists. But the general disposition to federalise parties which would have asserted itself in any event is a powerful agent forcing on the same concentration quite independently. Every election illustrates afresh the limited amount of interest and energy available in Australia for political purposes at any one time. Our people are too prosperous in business and too enamoured of sport to take more than a passing interest in public affairs. To tempt them to the poll we must simplify platforms, solidify organisations, and minimise the number of appeals made to the ballot-box. So far as the Press are concerned in New South Wales the electors have got completely out of hand. Whether the extravagance of the partisanship displayed or the indolence begotten of our sunny climate, or both, are responsible, it is plain that we must have a change of tactics. The attempts to keep our Federal and State interests in separate compartments have failed. Henceforward with us they

are to be compactly allied. One is safe on the grounds given above in generalising that a similar process will be exhibited among our neighbours. As we have seen, this is already as plainly visible in Victoria, Western Australia, and Tasmania as it is among us, while Queensland is not far behind. But just at this point there emerges another and altogether different set of issues that unless very carefully handled may postpone this long-looked-for development of our machinery of party government. Some fundamental issues as to the distribution of powers under our Commonwealth Constitution have now been raised. The decision of **Lord Halsbury** in the Income Tax case is being interpreted in its various implications as undermining the whole constitutional edifice reared with so much confidence and high expectation by our National Conventions. Legal criticisms to this effect passing into the political sphere will first affect practical doctrines and then modify party programmes. Federal rights are said to be cut down. State rights enlarged, and the constitutional authority of the High Court impaired to such an extent by the decision that according to undercurrents of opinion the readjustments necessary if the judgment be upheld will occupy a most conspicuous place in public consideration. When the tariff is out of the way, instead of the duel of Labour and Anti-Labour anticipated, we are threatened with a cross-division of even deeper significance separating Provincialists from Nationalists, the States from the Commonwealth.

MR. CARRUTHERS INDICTS THE COMMONWEALTH.

It is not in consequence of the Privy Council judgment, though that comes very opportunely to hand, but, as the outcome of a steady policy of resistance which becomes aggressive at the least opportunity, that our Premier is formally indicting the Commonwealth before the public. Under Sir **John See** and Mr. **Waddell** our State Legislature contented itself with growls against Federal activities that were not to its liking. Mr. Carruthers from the moment he took office has sought to aggrandise New South Wales and himself by reducing the Commonwealth to smaller proportions. This course helps to divert public attention from his own mistakes and to secure support not otherwise accorded to him. It risks nothing, gratifies his temper, and pleases the Anti-Federalists of Sydney, who have not yet forgotten or forgiven their defeats. The delay in selecting a Federal capital site has been a constant grievance which Mr. Reid was not allowed to heal unless he was prepared to obey Mr. Carruthers's bidding. His aim at each Conference has been to array the State Governments in a body against the exercise of Federal powers, and endeavouring to subject its administration to the State authorities. To curtail the operations of every Federal department and retain them in a condition of dependence upon State departments has been his unremitting care. But his pretensions did not really flower in public until he attempted first to persuade and then to coerce the

Imperial Government into inviting himself and other State Premiers to take part in the forthcoming Conference in London. The Navigation Conference, too, was not beyond his flight. Checked in these ambitions by a reminder of the special character of these Conferences, and the fact that they are called to consider questions with which the Federal Parliament alone can deal, he retaliates by striking another blow nearer home. A Conference of State Ministers held last October to discuss the financial relations to be established after 1910 between the Commonwealth and themselves, after being visited by the Prime Minister and Treasurer, was adjourned until this month. Its date of meeting is still undetermined, but our Premier proposes that when it meets, and if possible before the London Conference, it shall debate the grievances of the States against the Federation and insist upon their independent right to recognition by the Imperial Government and by its Conference. A financial settlement is of vital importance to the States, and it will be a cardinal mistake in tactics if they confuse the transfer of the State debts and control of State borrowings with questions of precedence or constitutional privilege which Mr. Carruthers is sure to handle sourly. Of course, the battle royal between our two Governments is bound to come. It has been referred to in the *Morning Post* when each of its preliminary skirmishes has occurred. The two forces are now approaching within striking distance over questions of finance. Lord Halsbury's judgment, among its many unforeseen results, by providing a constitutional *casus belli*, may precipitate the actual event. If the battle can be postponed the Labour Party will be speedily relegated to the Opposition benches, both in the Federal and State Parliaments, in the latter no doubt at different dates, but without any exception, and relatively in the near future. But if an Anti-Federal cry is raised now on the plea that the Constitution is being scuttled a rally of Federalists is inevitable. This would probably include in his ranks the major part of the Labour members, who at present find their interests in that direction. The conflict and its new groupings would obscure, if they did not suspend, the collision of the Caucus and the rest of the party organisations. By keeping four parties in the field it would postpone that simplification and solidification of politics to which we have been eagerly looking forward for the last five or six years.

FEDERATED AUSTRALIA.

COMMONWEALTH'S NEW TERRITORY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 18 1907; Apr. 5 1907.

The transfer of the Northern Territory to the Commonwealth when it occurs will be the greatest event since federation. The mere fact that an agreement for the transfer has been made between the Governments concerned is the event of the year. Nothing that can happen before next January within our borders is likely to compare with its consequences, much less eclipse its significance. Whatever may happen to the proposal in either Parliament, the conditions, whatever they may prove to be, have now been officially defined on both sides, and are not likely to be altered in essentials. Politically, too, the agreement is a distinct coup. The Prime Minister has been fortunate again in the moment chosen and the matter selected for handling one of his biggest problems. Mr. Price, for his part, is relieved from a very difficult position at an opportune season. For a long time past the Prime Minister has been persistently pressing him to name his terms for the territory. This did not suit the Premier, who has continued on one pretext or another to shelter himself behind an exorbitant resolution, carried without proper discussion in his legislature, embodying its extreme demands. That was a first request on the seller's side taking no note of the buyers' interests. He has now named his own figure, and either obtained that or something sufficiently near it to satisfy him. From this he cannot withdraw—nor can the Federal Government recede. Thus much has been achieved. The question is either settled or about to be settled. No other question of the kind is comparable to it in territorial importance. For these reasons it is properly felt to be both an event and a coup.

THE TRANSCONTINENTAL RAILWAY.

Of course, an agreement between the Commonwealth and South Australian Governments binds none but themselves, yet it is safe to say that it cannot be abortive and will probably be accepted. It has yet to be ratified by both Legislatures and endorsed by public opinion, so far as the terms are concerned, since these have not been disclosed. A formal agreement between the Governments is being settled, but unless information leaks through to the Press, as it generally does with us, there will be no precise knowledge of the bargain made until it is laid before Parliament.

The Prime Minister has referred all inquirers to the published correspondence concluded last year. This left Mr. Price and himself divided upon three points: the sum to be paid to the State, the time fixed for the making of a transcontinental railway north to Port Darwin, and an authorisation from the State of the transverse railway westward through South Australia to Kalgoorlie, connecting the eastern States directly with Perth and Fremantle. It is believed that the purchase money formerly proposed has been increased and a consent to the laying down of Sir John Forrest's line secured. But it is not known what has been agreed in respect to the time named for an extension of the railway from Adelaide through Port Augusta now stopping in the wilds at Oodnadatta. It has to run across the 1,100 miles separating that spot from the terminus of the Port Darwin Railway, where it has penetrated south-eastward to Pine Creek. The local Opposition and some Adelaide merchants clamour for the immediate construction of this missing link, or series of links. They want the whole line at once by the shortest route, and particularly before the Western Australian Railway is undertaken. Both of these will start from Port Augusta and traverse South Australia. Adelaide must be the capital in which the former will terminate, unless and until some day our line to Bourke and the Queensland railways go far enough to the west to tap the central line bisecting the continent from the Indian Ocean or Arafura Sea to the South Pacific: but Adelaide would be only one station in the road from Brisbane viâ Sydney and Melbourne to Perth. The difference between the two so far as South Australian business is concerned would be all in favour of the Perth Railway, but sentiment, chiefly a sentiment of exclusiveness, makes the line through country that is all under South Australian control at present, far more acceptable to some of the Adelaide business men. This is partly because of the support they are inclined to give to a land grant railway under their Act of 1902, for which an informal tender is now in their Premier's hands. Then again, Mr. Price will not find it easy to persuade his Legislative Council to part with their present geographical control of the situation. South Australia, as the central State, today holds the keys of both transcontinental lines in her hands. Though this is a costly privilege in the one case and a barren privilege in the other, her citizens are inclined to bill the Commonwealth for extravagant terms. We have, however, to remember that a fierce battle is being waged locally between the Council and the Assembly upon the franchise for the former Chamber. Both are keenly sensitive to popular feeling, and must be until the dispute between them has been decided. If popular sentiment in the State inclines, as it is expected to do, towards a transfer that would relieve of a large annual outlay the Council stalwarts will not venture to weaken its cause by setting the transaction aside.

HALF A MILLION SQUARE MILES TRANSFERRED.

Though the agreement must necessarily be of greater moment from every aspect to South Australia, its effect in the field of politics will be more felt in the Federal Parliament. Whatever happens in Adelaide, Mr. Price with his large majority in the Assembly is not to be affected by the fate of the agreement, nor is it likely to deflect either his policy or that of his adversaries upon other matters. To the Commonwealth Ministry and its minority, on the other hand, even the agreement means much. All parties have talked about taking over the territory as they talked about giving New Guinea a Constitution, about making a reciprocity Treaty with South Africa, and an offer of some kind of Preference to the Mother Country; but it was left to the present Government to do all of them. Its policy consistently made more of these national issues than Mr. Reid ever could or attempted, or than the Labour party ventured to propose while pursuing its other and nearer ends with absorbing zeal. The Protectionists, under Mr. Deakin, being fervent Nationalists and Imperialists as well, have preserved their own identity in the public eye and enforced their distinctive differences with their opponents by devoting themselves specially to these large federal obligations neglected by their rivals. Just on the eve of the meeting of Parliament, when ministers are sure to be subject to endless taunts because of the smallness of their direct following and consequent dependence upon other parties, they have again asserted their independence by boldly taking the lead of the House and the country. Even Mr. Reid himself will be unable to ignore the acceptance of an area of more than half a million of square miles with known mineral, pastoral, and agricultural riches of undefined extent and all the obligations attendant upon their development. This will provide the best means of completing a scheme of national defence for the most vulnerable quarter of Australia. It also admits of an extension of the immigration policy of the Commonwealth to a region where it cannot be balked by the jealousy and narrowness of the States. The correspondence published in respect to the federalisation of State immigration agencies in London has been lengthened by the telegrams recently exchanged in connection with the proposal to repatriate Australians in South Africa who are unemployed or discontented with their prospects. In the first all the States and in the second Mr. Carruthers and Mr. Kidston, for ourselves and Queensland, repudiated the overtures for joint action made by the Prime Minister. With the Northern Territory as its own, the Commonwealth becomes free from this impedimenta. It will then possess a heritage exceeding in bulk New South Wales, Victoria, and Tasmania together. Surpassed by either Queensland or Western Australia in size, it also possesses a less attractive climate than any of its neighbours. Still, its fertile districts are far larger than those of Tasmania or South Australia proper or even of Victoria. Doubtless they would not carry the same close population. Then appropriate cultivation would call for areas big enough for

mixed farming, and then markets must be reached oversea. But if the exceptional circumstances of our Southern dairy farmers and growers of cereals are not to be repeated on the Victoria or Roper Rivers there are many sub-tropical products now much in vogue for which a constant demand exists at prices that pay handsomely. So much for the settlement prospects, irrespective of the outlook for mining, which is even more encouraging, and of a pastoral output that is growing by leaps and bounds. What these may mean together who can calculate? Or who, indeed, can attempt to estimate the resources of a domain as large as the united territories of France, Germany, and Italy? Indeed, where outside Australia is there a transfer of Caucasian territory possible on such a gigantic scale?

LABOUR DISUNION IN VICTORIA.

Both to North and South of us State Premiers are expounding the policies upon which they invite a renewal of confidence. Mr. Bent's speech tonight is expected to furnish more amusement than novelty. For him to amuse his audiences is no novelty, even when, as in the present instance, he has a long and satisfactory story to tell. Except that he has repealed the Separate Representation Act which his Government passed while Mr. Irvine was its head he has no feast of party politics to recall, and that he is certain to pass over gingerly. He has a solid record of practical and reform legislation, an overflowing revenue, and promises of a number of tempting measures to help him through his task. But the most signal success achieved is that which will inaugurate a Coalition between Ministerialists and the followers of Sir Alexander Peacock, the Premier whom Mr. Bent helped to displace in 1902. The Labour Caucus in Victoria must, therefore, face the effectors alone and is certain, according to all reports, to return from the ordeal with diminished numbers. Whatever happens in Queensland the outcome must be similar. The history of that party in this State a few years ago supplied the chief stimulus to its general growth throughout Australia. The bitterness evoked after the shearers' strike in the Nineties, the extravagance of the conduct of the men in their armed camps and the violence of the reaction that followed the stern repressive measures of the Government of the day were reflected in its sudden emergences, fierce discipline, and extreme aims. It set the pace for all the Labour Leagues elsewhere. Then in the natural course of things those whom the Queensland Leagues returned for constituencies drifted farther and farther away from their violences the more experience they acquired. At last the strain upon them became intolerable. They joined Mr. Morgan to oust Mr. Philp, putting aside with that object their visionary platform and addressing themselves to practical work. When the Premier retired Mr. Kidston, one of their number, took the lead in the Coalition, successfully piloting his party in a moderate way. He had the help of Mr. Denham, who has just deserted him and his colleagues without any clear explanation

of his conduct except that he preferred to join Mr. Philp whom he formerly assisted to eject. Nothing daunted the Premier has announced a policy which, according to the Labour paper in Brisbane, creates a gulf between the Government and the Leagues throughout the State. Their spokesmen, too, already announce that Labour candidates will oppose the Premier and all his supporters. More than half of those are or were Labour members, yet they appear resolute to resist the domination of the political machine that made them. The party which was the pride of the Labour electors of the Commonwealth is therefore about to be engaged in fratricidal war which ought to afford every advantage to its adversaries under Mr. Philp and Mr. Denham. Labour unity, Labour discipline, and Labour loyalty have broken asunder in their State cradle in Australia.

MR. KIDSTON ON DIVIDED ALLEGIANCE.

Mr. Kidston may see his ship sink, but means to keep his flag flying. Asseverating that he has in no way altered his principles, he has denounced the idea of a divided allegiance, and declared that at the coming election he will know no candidate who is not for the Government policy drafted for the forthcoming Parliament. Any of them might hold in addition any other principles or maintain any projects he pleases. He may come from any organisation, but if they are not openly behind the Government they will be treated as opponents. He intends to lead a united party or none. This, of course, is a direct challenge to the Leagues which claim the right to select and exclude candidates and to their platform, except as surplusage in all particulars in which it departs from his own. That one of the two Labour Premiers now in office, the most experienced and ablest of their leaders in State politics, should be courageous enough to take this stand is the most notable sign of a new development in politics since Federation. Taken together with evidences of the same tendency in Victoria and Western Australia it conveys a warning that will soften the rigours of control heretofore exercised by irresponsible Leagues over their representatives. Beside such a national departure as Mr. Kidston has initiated his programme diminishes in immediate importance. He goes beyond Mr. Philp even in his anti-federalism, but is also more liberal in his proposals for railways, land settlement, and the encouragement of immigration. The Leader of the Opposition did not gain much by attempting to forestall the Premier, nor does his handling of the situation since exhibit an equally practical grip of present necessities. As a financier he is still distrusted. Doubtless he has been taught by experience in this and other matters, but he has a great deal to do at this election before he can count upon winning a good working majority. All the opportunities are in his hands, and if he can use them he has a splendid chance of defeating both Ministry and Labour Caucus.

FEDERATED AUSTRALIA.

IMPERIAL CONFERENCE PROPOSALS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 25 1907; Apr. 20 1907.

The **Governor-General** opened the Federal Parliament in state on Wednesday last, both Houses after listening to his Speech adjourning before the dinner hour. On Thursday evening early the Address in reply was carried in both on the voices. The first real sitting and the session closed together. On Friday his Excellency prorogued Parliament by proclamation. Not unnaturally our public gasped in bewilderment. Popular sentiment of a kind was satisfied because another record had been established, but what other sentiments are entertained here at this dénouement there is no print to say. Our own Legislature and its probable proceedings we do understand. Great ingenuity and much smartness are displayed by our newspapers in analyses of local parties and their tendencies. On the other hand, the opinion of the people in New South Wales is never described in them impartially. It is always alleged to be with the particular paper which professes to assess its strength. Election after election sees the forecasts published discredited, but the tradition remains. The Metropolis itself, as in the recent Federal contest, often exhibits surprising failures on the part of our great dailies to appreciate the real trend of thought among our own citizens. But our local politicians once elected are carefully classified and studied, influenced and tested, so that one may confidently rely upon any anticipations published in the great majority of cases. With the Federal Parliament it is quite another matter. Some of our best journalists are attached to it, and their descriptions of its vagaries from every other point of view than that of trustworthiness are admirable. Evidently they never have understood the actual inner relations or activities which operate upon representatives of the Commonwealth from time to time. As for Australian public opinion as a whole, the Sydney Press never essays to portray it except upon a very few broad questions and with obvious misunderstanding. It does affect to interpret its Legislature and fails conspicuously. Remembering the great and varied ability retained for them and the high standing of our principal journals, generally described as more closely resembling the English than do any other newspapers, even in our own tongue, it is amazing that they should be satisfied to see all the elaborate columns of explanation they have published absurdly falsified by events, and that sometimes insistently. The explanations why their former explanations are never fulfilled are brilliant feats of casuistry, but the continuous blunders of their sentinels have become monotonous.

LORD NORTHCOTE'S SPEECH.

Lord Northcote's Speech to Parliament, though it said more than was expected, was as much marked by its omissions as by its contents. Not one word did it contain referring to the late elections, to Federal relations with the States, to the repatriation of the Kanakas now proceeding, or to the Privy Council judgment that has vitally affected the constitutional powers believed to have been vested in the Commonwealth. What is more remarkable still, no one seems to have noted or mentioned these omissions. In spite of this the Speech was far from being the blank sheet of paper predicted. If many subjects were excluded from it for tactical reasons those inserted were several of them direct challenges to the Opposition. The Imperial Conference due in April and that preceding it at which your Merchant Shipping Act is to be reconsidered, together with the New Zealand statute on the same subject, were both dealt with imperatively. The great financial problem involved in the transfer of State debts, the grave administrative scandals in Papua, and the proposed acquisition of the Northern Territory were brought forward, beside an intimation that the tariff could not be considered until later in the year. There was a general outline, too, of an ambitious programme for the session to be held four months hence, promising Protection, Preferential Trade, Rural Bounties, Immigration, Defence, and in a vague fashion pointing to a federalisation of Old-age Pensions. The Constitution required the Houses to be called together, but it was plainly intimated in the Governor-General's Speech that Ministers desired to challenge a trial of strength not merely upon the proposals indicated but upon their retention of office and the title of the **Prime Minister** to represent Australia in the Mother Country. According to our Sydney papers a week or so before the Government was to be either ejected from office with contumely or at all events so humiliated as to make its existence intolerable. Assailed by the direct Opposition with a direct impeachment, taken on the flank by the new Opposition corner party, and riddled from the rear by Labour members eager for revenge upon Sir **John Forrest** and Mr. Deakin in particular, the Government was to drift helplessly and hopelessly to defeat or ignominious flight. Chaos and conflict were to reign in the Chambers for two or three weeks at least in order that the precarious tenure of a Ministry of Caretakers which was in a minority among parties might be emphasised before Australia. The effect of such a demonstration at home was even more desired. The Prime Minister was not to be permitted to go to London at all, or if it proved impracticable to prevent him he was to be stripped in advance of every title to speak for the Commonwealth. He was to be without any authority save that which was party or personal. These vaticinations disclosed the Opposition plan of campaign, but were put forward as inevitable consequences of existing facts.

PRIME MINISTER'S RESOLUTIONS FOR CONFERENCE.

What actually occurred in Parliament stands for all men to see. There was no hostile motion tabled or threatened. The Leader of the Opposition in the House and one of his principal followers from South Australia were mild and brief in their comments upon Ministers and complimentary to the Prime Minister. The Opposition corner after consultation sat solid and silent without even appointing a leader or adopting a watchword. The one certainty was that they rigidly refused to accept Mr. Reid for their leader or to attack Mr. Deakin while he remains independent of the Labour members. These found but one voice, and that irresponsible, content to chide the Government, and particularly its head, for the manner in which he had handled them during the elections. In the Senate the Leader of the Reid Opposition said no word. Of the half-dozen speakers not one seriously assailed the Government. Labour Senators fell foul of Sir John Forrest, and others complained of individual Ministers or measures in the usual tone. Nothing but blank cartridge was employed by anyone. Both Chambers were listless and thinly attended during the few hours spent in discussion. The Prime Minister directly invited criticism of his attendance at the Conference. He even went so far as to expound in detail the very resolutions he intended to submit on behalf of the Commonwealth. In answer to an interjection he announced that he should put them forward authoritatively as the views of the great majority of the people of Australia as well as the settled policy of his own Ministry and party. Even this defiant declaration led to no repudiation of a claim too explicit to be misunderstood and too responsible to be set aside in silence. It was put forward officially by the Leader of the House in the presence of both Mr. Reid and Mr. Watson with their respective supporters. Putting aside the friendly references made to Mr. Deakin personally during the debate, there was also an open acceptance by both Houses of the Ministry itself and of the full right of its Leader to represent them and their electors at the forthcoming Conference. Indeed, so far as silence gives consent, they sanctioned his whole policy in advance. Beyond a protest from our Press against his Protectionist-cum-Preferential Trade proposals formulated in plain terms and circulated in print and a growl or two from our *Daily Telegraph* and the *Melbourne Age* at the too pronounced Imperialism of the resolution approving of an Imperial Council there was no dissent. The whole of his programme for the Conference has been publicly endorsed. Mr. Reid was generous in stating his rival's qualifications for the task. Whether deliberately or not all parties appear to approve generally of the Government's Imperial manifesto and its chief's visit to London. What foundation there ever was for the dismal auguries appearing in our papers since the election or what unsuspected Parliamentary currents of conviction have rendered them so ridiculously mistaken one cannot say. The latest mot respecting the two days' meeting of Parliament is that "it did not open a session, but a mission". The Opposition Press campaign against the Federal Government and the Prime Minister's representation of the Commonwealth at home did not open a campaign, but a fiasco.

RESOLUTIONS GO AS FAR AS POSSIBLE.

The resolutions relating to the business before the Conference sent to the Colonial Office last year containing the ideas of the Commonwealth Government upon the matters to be discussed will have been made public in London long before this letter can reach you. It would therefore be unprofitable to repeat them. They speak for themselves, and it would be equally unprofitable to discuss them. The Cabinet has adopted a progressive but practicable attitude as a Cabinet. Mr. Deakin, who is either present or past President of an Imperial Federation League, may possibly be inclined to go farther and faster himself, but the advances foreshadowed are quite as great as Parliament and the general community are prepared to make in cold blood. Were times of emergency to arise much more would be possible, and that instantly, but in ordinary seasons the interests of the masses are absorbed by schemes much nearer, narrower, and of more immediate personal appeal than those to be dealt with in Lord Elgin's company. We have a British Empire League in this State that does good service in directing local thought to larger issues of this nature, but its membership is not extensive, and intermittent addresses are its one means of propaganda work. Very much more requires to be done before opinion can become evenly educated throughout our immense territory. Not simply each State—several of our States being each big enough to contain kingdoms—but every active centre of population ought to be reached in an effective way. The attitude of our people is most faithfully reflected by that of the Federal Parliament last week. None of its four sections would say No to the Ministerial programme of Imperial proposals. The feeling is too sympathetic and hopeful to allow a negative to be registered at present upon any of them. But judgment is in suspense. It would be almost as difficult to obtain an affirmative response upon the two or three critical propositions included if it committed us to any prolonged course of action. Every plan that is put forward in respect to such Imperial issues will stand or fall upon its own merits. Beginning with a warm sentiment in its favour, it will also have to sustain close intellectual criticism of a rather sceptical character and quite practical in method. In a word, the Ministerial resolutions were treated as if they had been embodied in the Ministerial pronouncement conveyed by the Governor-General's Speech. They were cheerfully accepted because they either lay down or indicate principles that are generally approved. This will not lift any Bills hereafter introduced in accordance with them above a cautious and searching analysis, which will be applied afresh before they become law. Broadly speaking, the resolutions, except the fiscal, are unanimously endorsed. The fiscal have a large majority in their favour in every State, subject, of course, to the complex task of adjusting the items and duties to local and Imperial conditions. As a whole the resolutions express the views held at present by the thoughtful, which would be adopted by almost all our citizens in a concrete shape at once after but brief debate unless some special and unforeseen local question, extraneous and urgent, intervened at the particular time when the country was being consulted upon Imperial politics.

PROTECTIONIST PARTY STILL IN POWER.

The first session of the third Parliament of the Commonwealth discovers the national Protectionist Party still in power, as it has been after each of the three appeals to the people. For all that it is more divided, and therefore weaker, than in either of the preceding Parliaments. On the other hand, its policy is for the first time absolutely victorious. Of this there is no dispute. Mr. Reid admitted it last Thursday in the most unequivocal words. Mr. Deakin repeated it across the table, adding that three-fourths of the House was pledged to it, while only a quarter of its members, whom, because of their miscellaneous fiscal views, he styled "what-nots", had ventured to qualify their adhesion to its principles. His declaration met with no contradiction. There was a time when it would have set the House in a blaze; in fact, there never has been a time when it would not have done so until now. The national policy of Protection has triumphed, and will be put into practical effect before the year closes. Until that is done the Cabinet appears quite safe. Directly it is done they will be compelled to re-state their programme. This means that they must reform their party. There are no indications that any understanding with Mr. Watson exists or can exist in this Parliament. Senator **Playford's** place as Leader of the Senate is taken by Senator **Best**, a former Victorian Minister and colleague of Sir **George Turner's**, who has always been opposed by the local Labour Leagues. He aspired to the Presidency, but was set aside by Labour Senators in favour of our Senator **Gould**, an excellent successor of Sir **R. Baker**, who has retired from politics. The Labour members preferred Mr. Reid's **lieutenant** to Mr. Deakin's, though the former is a resolute anti-Socialist and an antagonist of their organisation. This choice tells its own tale. The caucus, independent of both Ministry and Opposition, suits itself without regard to either. When the tariff is disposed of such conduct may promote an early alliance between the two parties at present kept apart by fiscal differences. Ministers are not loved, and will not be cherished by Labour Senators, though for the time these undertake no overt hostilities. For the present the Government are tacitly upheld by both their rivals.

FEDERATED AUSTRALIA.

THE STATE ELECTIONS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 5 1907; Apr. 16 1907 [sic].

With the sudden closing of the Commonwealth Parliament Federal politics have with equal promptitude drifted into a calm. The vacant field of political interest is well filled by State elections with us as with our neighbours both to north and south. In Victoria the contest will be over in about a fortnight, if indeed it can be termed a contest. Mr. Bent has enjoyed good luck and good management. Sir Alexander Peacock, a former Premier and an extremely popular Australian, together with Mr. Mackinnon, the Leader of the Independents, in the corner with whom Sir Alexander sat, having both joined the Cabinet, there are but two parties in the field. The Labour cohort has been isolated and will certainly come back no stronger. One-third of the constituencies are likely to retain their present representatives without putting them to the trouble of going to the poll. Not more than one or two members of the Caucus will be thus privileged. Under no circumstances can they obtain a majority. All the chances are that they will remain a small minority. Yet the new Assembly will not be subject to Mr. Bent. He will be its subject. As he has always been an opportunist this will not impose any novel obligation upon him. Nor will his junction with Sir Alexander Peacock affect a vagrant tendency of his that has become a habit. The Premier will propose many things. His opponents say that he will propose anything, and his friends admit that he will suggest or father anything, but both agree that in the end he will do exactly what his majority require of him. Under such conditions no real discord is possible between them. He proposes, the majority disposes, and only the Opposition grieves at the transaction. Apparently it must be content to remain an Opposition to the end of the chapter. This would be a probable outcome of the position, no matter who composed it, under existing conditions. When, as in this instance, the minority consists of Labour members the situation may be prolonged in perpetuity. Despite an impracticable programme and a strong sprinkling of impracticable followers Mr. Watson has been able to make and keep them a power, and often a dominant power, in the Federal Parliament. With an easier task, though with less experienced, leaders and lieutenants, the same party in the States generally has been and is becoming feebler. The futility of its efforts there gives the true measure of the value of Mr. Watson's leadership.

MR. CARRUTHERS'S PROSPECTS.

Our own State elections are still distant. A short session is to intervene before we come to grips with our section of the Labour Party, but already we are following precisely the same course that has been adopted in Victoria. Mr. Carruthers would scorn the imputation that he either could, would, or should copy Mr. Bent and have some justification for his denial. Similar circumstances in both States are leading up to a similar combination, and would have done so no matter what was happening across the Murray. Mr. Waddell was the predecessor of our Premier just as Sir Alexander Peacock was Premier before Mr. Bent, and like the latter is prepared to unite with Mr. Carruthers to resist the Caucus. Some associate of his in this resembling Mr. Mackinnon will also be found a place in our Cabinet when it is reconstructed. We shall go to the country later with a leadership of an opportunist type and a fair record of practical work. Perhaps the best business item in it has been the revolution accomplished in our local government statutes during the present Parliament. Indeed, this is so important as to merit special comment in a later letter. In these respects and in several others, such as our Liquor and Gambling Acts, a complete parallel can be established between our recent politics and those of Victoria. So much is this the case that if we had been one State instead of two our legislation and administration could have been blended without difficulty, and involve no change of policy in either Legislature. Mr. Carruthers's prospects are not as roseate as Mr. Bent's, because he himself is less adaptable, less popular, and less audacious. He lacks the saving grace of humour which enables Mr. Bent to make himself ridiculous in public time after time and yet redeem his failures in this and sundry other directions with jocose assurance. Our Premier, more dignified in manner and taking himself very seriously, though he makes fewer blunders, rarely extricates himself from those he does commit without adding to the already considerable numbers of his adversaries. He has no personal hold upon his following except that arising from his superior tactical ability and our dearth of men of mark in the local Legislature. Both Premiers are adept in managing their colleagues, their parties, and through them their public, yet Mr. Carruthers is more distrusted and more harassed than his equally elusive compeer.

MR. KIDSTON IN QUEENSLAND.

Queensland, the third State now in commotion, will hold her elections later than Victoria but before ours. Her circumstances, which continue to differ from those of both her southern neighbours, are most interesting, because they illustrate the only alternative course to that which both of our Governments are following. Mr. Kidston is making a gallant fight not to create but to maintain a coalition, not against the Labour Party but between its moderate members and those most sympathetic with

them. He is assailed by the local Leagues, to whom he owed his position as a renegade to the Caucus, and so far their charge is well founded. At the same time he is being fiercely attacked by Mr. Philp and the Opposition on the ground that he intends to carry out as much of the Labour programme as is possible today. This count is true also. His position is most critical; the path he is following extremely hazardous; the odds against him are heavy, and it will be a marvel if he survives. Whatever happens to him, he has supplied the most striking illustration of the swing of the political pendulum discoverable in Australian public affairs. This was the State that cradled the most extreme and doctrinaire form of the Labour platform when its original watchword was "Socialism in our time" and whose martial discipline dealt with deserters with remorseless rigour. Here, for the first time in our history, the hitherto unbroken phalanx of Leagues and their chosen representatives is now being sundered, and this not by assault from without but by mutiny within its own ranks. Apparently the Premier will take with him into voluntary exile from the Caucus the greater part of its pledged members, who will fight the Leagues that returned them under his banner and for a programme of their own. Individual dashes for freedom have been made before, notably that of Mr. DGLISH, lately Premier of Western Australia, where his former colleague, Mr. Johnson, is also preaching the need for reforms within their ranks. But no general secession has ever been attempted up till now there or elsewhere. That it should occur at all in Queensland is amazing, and that it should have any prospects of success is still more amazing. What it portends to the Labour Party generally one cannot predict. At all events, the brains of the party are withdrawn in Queensland, and when the brains are out the party is dead. The force of his example cannot be estimated until we see how this great mutiny fares.

MR. DEAKIN'S ENCOURAGEMENT OF IMMIGRATION.

The Prime Minister prior to his departure has engaged in a controversy with Mr. Bent. When a formal complaint was made by Mr. Deakin of the neglect of the States to assist his immigration projects or even to enable him to help theirs the Victorian Premier admitted that at present he was unable to supply the demands of landless Victorians, and could point to nothing but the estates resumed by his Government now being made available for closer settlement as an earnest of his intentions. Men able and willing to purchase these were readily being found. He tacitly acknowledged that nothing was being done for those without the means to buy valuable holdings. We are in a much better position in this State because our area is more than three times as large, and Mr. Coghlan, our Agent-General, has proved himself to be a most competent and energetic organiser in London. Some hundreds of families are on their way to us, most of them buyers of the same class that Victoria has been obtaining within herself. But last week a striking evidence of the insufficiency of even our own

land policy was supplied when 14 farms of about 500 acres each were thrown open for selection. These were priced at £2 to £2 5s. per acre, payable by instalments over long terms of years, though the freehold could be secured at one time at the buyer's option. The lots were worth more than the sum named, being in proximity to a railway, but as they were situated in Riverina were far from any seaport. Yet so great was the temptation they offered that over 1,100 applicants have come forward, and probably 1,400 could have been found if the 14 lots had been well advertised. With such a proof of the local land hunger still unsatisfied it is no wonder that the Prime Minister protested against the apathy with which all the States have received his several overtures. He has been particularly impressed by an official statement made by Sir C. Kinloch-Cooke, as chairman of your Central Immigration Board. He has several times repeated the polite but very telling manner in which that high authority has contrasted the supineness of the Australian States, acting, when they do act, independently of each other with the object of attracting immigrants in a trifling and inconsecutive fashion, with the unity of Canada and the magnificent energy displayed by her officials. By way of demonstrating his own eagerness to remove the reproach from his own State the Prime Minister has accepted the post of President of the Victorian branch of the Immigration League established by our Mr. R. Arthur, M.L.A., in this State, whose operations are being attended with marked success. But in spite of these remonstrances from the Commonwealth all the Governments appear to close their ears against Sir C. Kinloch-Cooke's note of grave but friendly warning. It is true that Queensland and Western Australia are promising vigorous efforts to attract suitable settlers, but looking at the inconsiderable results achieved his rebukes are timely and well warranted.

THE MAIL CONTRACT.

If the Prime Minister's governing anxieties for Australia relate to the encouragement of British immigrants and a settlement of the finances of the States upon a sounder basis his anxieties as an administrator must have chiefly centred of late in the mail contract entered into last year with Sir James Laing and Co. on behalf of a group of shipbuilders. Though the plans for the steamers have been approved and are in every respect satisfactory the company formed to build them is merely of a preliminary character, and while the whole of the share capital is alleged to have been found a further sum of £1,750,000 has been sought upon Debentures, and so far sought in vain. Representatives of the contractors have arrived in Melbourne and are expected in Sydney. According to their own statement they are mainly authorised to survey the field of their future operations and to make arrangements for the local working of the line. According to some papers, whose sympathies remain with the companies at present carrying our mails, they have come to invite the Federal Cabinet to

guarantee the Debentures on the security of the share capital already subscribed or of the steamers that will represent that capital when they are completed. The **Postmaster-General** denies the truth of this statement, which is but one of a number casting doubts upon the *bona fides* of the contractors, and upon their capacity to fulfil their engagements to the Commonwealth. One consequence of the confused and confusing series of statements, counter-statements, and contradictions has been to thoroughly puzzle our public. They doubt whether the contractors either intend to carry out or can, if they wish to do so, finance the undertaking so as to complete the contract from which so much has been hoped. Mr. Bent came forward with characteristic haste to offer to assist in backing the contractors' bills if the other States would unite with him for the purpose. His idea was that they could secure themselves by a lien upon the freights to be earned for carrying our perishable products to the Mother Country. Not one of his brother Premiers responded to the appeal. At the Sydney Conference last year the Prime Minister attempted to induce them to agree to take the whole of the cold storage space to be provided by the new line between them and also to arrange for the passage of their immigrants by the new line. He failed to persuade any of them to join in such a method of acquiring cheap and speedy transits for their goods to London or for British settlers to this country. Mr. Bent's suggestion was a mere revival of this rejected scheme.

Mr. Deakin complains that the States will neither work with each other nor with him for any of the common objects which it is their interest to attain. They will neither co-operate to people Australia nor to make the conditions of its cultivators more prosperous, and therefore more attractive. Each State insists upon standing alone. There is no Federal action outside of the actual Federation we now have, and there does not seem to be any prospect of any resolute Federal action upon a sufficient scale with or without the help of the Central Government so long as the State Administrations can avoid it. They are permitted to avoid it because their Legislatures like themselves recognise that their wings have been clipped by the Commonwealth Constitution so as to minimise their importance in many ways. Latterly, however, they have begun to hope that the Privy Council may ignore the High Court by interpretations of the Constitution which will give them back again the powers which the people and the politicians alike believed they had parted with in order to create a truly national Commonwealth. Pending that or some other retrogression from Federation the only occasions in which they seem able and willing to unite together are those on which they can oppose the Federal Parliament. To restrict its sphere, refuse its lead, and impede its efforts on behalf of the whole of our people is, of course, only possible while our electors consent to allow their local Ministries to pursue a suicidal policy.

FEDERATED AUSTRALIA.

LOCAL GOVERNMENT IN NEW SOUTH WALES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 12 1907; Apr. 30 1907.

Although our Legislative Assembly is fast approaching the term of its natural life the elections are still some months ahead, and speculation upon their outcome is languid. That Mr. Carruthers will head a Coalition and be returned with a majority seems assured, though our Labour Party is active and confident. What appears to be overlooked altogether is that the coming conflict, especially in the country districts, will be conducted under new conditions. These may affect many constituencies in unsuspected ways, because during the term of the present Parliament one of the dominant factors in all past elections has been suddenly and irrevocably removed. Candidates may be pardoned if, finding their former platforms devoid of their chief buttress, they are of necessity compelled to launch out into new fields of promise. But for the particular type of man most concerned this is practically impossible. Othello's occupation's gone, and with what he will replace it no man can yet conjecture. Moreover, every party in the past having among its numbers a substantial following which has now been cut adrift from its moorings, the outcome of legislation ostensibly designed for quite another purpose may prove unexpectedly bewildering to party managers, as well as to the members whose fate will be decided by their powers of adapting themselves to a novel situation which has arisen in a perfectly natural way.

RECORD OF THE CARRUTHERS GOVERNMENT.

The Carruthers Government has a record of sharp contrasts. It has been weak where it might have been expected to be strong; it has been strong where every Government which has preceded it for the last twelve or fifteen years has been weak. The erratic nature of its course may possibly be due in part to the tactics of the Labour Opposition, which has been as consistent in opposing where the Ministry was right as it has been in not opposing where the Ministry was wrong. However that may be, the fact is that the Government, which has to be credited with a large measure of excellent legislative achievement, has also to be debited with some of the most inexcusable blunders and failures into which a Cabinet of sensible men could plunge.

Its childish anti-federalism has often been mentioned in this column. Its monotonous record of failure in connection with the "Land Scandals" is a sorry story. However, the history of its sins has already been sufficiently outlined as they have been committed. The moment is propitious for dwelling upon whatever virtues it possesses and especially upon the shining virtue which has obtained for this State a complete and so far as one can say at this stage, an efficient system of local government.

ANTIQUATED MUNICIPAL SYSTEM OF SYDNEY.

The merit of this achievement will not be fully appreciated except by those who know something of the evils which the over-centralisation of the functions of Government has produced in this State. Australia elsewhere knows little of them, but New South Wales has been, and is, notoriously indifferent to the possibilities of local governing institutions. This indifference is especially noticeable in Sydney itself. Sydney proper is still more or less content—since the recrudescence of the plague, a little less content—with an antiquated and cumbrous municipal system which, although lately amended in important details, is still essentially what it was when it was devised and enacted in 1879. Suburban Sydney has groaned for years under the weight of forty-one more or less inefficient and often costly councils, whose governing functions have been carried on generally under an Act of 1867 which imposes such restriction on their rating and governing powers that efficient government is impossible. Strange to say, even the Labour Party, generally very much alive to any opportunity of extending its influence in public affairs, has shared the prevailing indifference to the opportunities they afforded for quiet, useful citizenship. Its members have preferred to concentrate their attention on the political machine perhaps because it is more conspicuous and perhaps because it paid. The misfortune is that it is this attitude towards local governing institutions which we have to thank for some of the worst elements in our political life.

THE "ROADS AND BRIDGES" MEMBER.

Until Mr. Carruthers passed the first of his Local Government measures—the Shires Act of 1905—only about 2,800 out of the 300,000 square miles of territory in this State were included within the area controlled by local governing bodies. Practically the whole of the State outside the more considerable towns was unincorporated, and was wholly dependent upon the Central Government for the satisfaction of its local needs. The intermediary between the local residents and the Central Government was, of course, the member for the district. The results of these conditions are not hard to imagine. Where the making of a road or the mending of a bridge is the

function of the Central Government the man who is best qualified to persuade the powers that be to make roads or to mend bridges in a particular constituency is naturally the man whom that constituency wants for its Parliamentary representative. But the qualities that go to make a successful "roads and bridges member" are not often the qualities which are associated with an elevated conception of public duty or with intelligent statesmanship. The "privilege and pleasure" of running on little errands for his constituents is not one that is "treasured beyond measure" by a man who has any object in politics beyond the retention of his seat and his allowance. Hence the Parliament of this State has for a long time included a coterie of elected persons who gave up to their constituency the activities that were meant for the State or probably, at the best, had not very much to give the State or sense of obligation to give it. In this direct way the absence of local governing institutions has contributed in a very large degree to the weakness of our Legislative Assembly. Men of wide political outlook have always found it hard to get, and still harder to keep, a seat for a country constituency. Indirectly, too, this centralisation of governmental functions has assisted to the lowering of Parliamentary standards, for it has robbed potential legislators of the invaluable training for service in Parliament which is afforded by experience in local government.

THE EVILS OF CENTRALISATION.

A system under which the Central Government provides for the petty local needs of country districts out of the general funds of the State is, of course, open to other obvious, and possibly graver, objections. Where a member depends for his seat mainly on his ability to obtain the largest possible expenditure of public funds in his own constituency, and the extent of that expenditure rests wholly with the Ministry, the way is obviously open to the exercise of a most undesirable form of influence by the Cabinet of the day over supporters and opponents alike. Unfortunately our political history is not entirely free from instances of this evil. But it must be said that such instances are exceptional, and that, generally speaking, our Governments have been very slow to indulge in, and our Parliaments very quick to condemn, any obvious methods of this kind. Apart from these evils, the system of centralisation which has been so long tolerated by us is, of course, open to very strong practical objections. It produces an unfair and ill-balanced distribution of the public funds. There is no settled relation between the amount of taxation raised by any particular district and the amount of public money spent there. The administration of local affairs by officers of the Central Government is sometimes expensive, often tedious, and occasionally inefficient. In short, this system has been a poison in our politics.

DELAY IN LOCAL GOVERNMENT REFORM.

Mr. Carruthers was not the first Premier to make this discovery or to utilise the means of influence it presented. Local Government has been part of the stock-in-trade of every party which has occupied the Treasury Benches for the last twenty years. But every Government has found it best to keep this stock mainly for purposes of advertisement. Any attempt to transfer it from the realm of promise to that of performance involved a most dangerous interference with what the roads and bridges member had tacitly come to regard as his vested rights. It was also manifestly dangerous to the Ministerial majority. Not that any of the members ventured openly to oppose the principle. But there was always some insuperable objection to any and every specific proposal for realising it. Was it not Lord Melbourne who after hearing a sermon which emphasised the necessity for the practice of religion in daily life explained that while no one had a greater respect for the Gospel than he had, to carry it into practical life was "to go a d—d sight too far". The average country member had a sincere belief in Local Government—no one more so; but to pass a Local Government Act was to go—well, further than he was prepared to go while he remained a member. Our Premier, of course, has had to contend with this deposition, but he has contended with it successfully. The time had come for reform, and the country was behind him. He has placed upon the Statute Book a comprehensive and useful measure, which will do much to remove the evils that were described in the earlier part of this letter.

The new Act has not only given us a good system of Local Government. It has given us the promise of a more dignified, a more efficient, and a less expensive Central Government. The men whose only reason for their presence in Parliament was their interest in getting public money for local needs, sometimes for private needs, or Government billets for sons of constituents, will now find (if they must take part in public life) a field where the exercise of their special talents will not involve quite the same danger to the general community. Their places in the Central Legislature will be opened to men who have neither the time nor the inclination for the politics of the parish pump.

THE NEW ACT.

Under the Local Government Act of 1906 the whole of New South Wales, with the exception of the far western portion (where the sparse population and the magnificent distances make Local Government a practical impossibility), is divided into Local Government areas. The existing municipal districts are retained, under the name of municipalities. Those municipalities which have reached a population

of twenty thousand persons and a revenue of £20,000 are dignified with the name of cities. The rest of the State, with the exception above mentioned, is divided into shires. Provision is made for the election of local governing bodies for these areas on the most liberal franchise, and the widest possible powers in local matters are conferred upon them. It is not necessary to enumerate their varieties. It is enough to say that they are all powers of which the Central Government ought long ago to have been relieved. The rating powers of the local authorities are carefully, possibly too carefully, guarded. They are allowed to impose general, special, local, and loan rates. The general rate is limited to 2d. in the pound on the unimproved capital value. Special rates for any special purpose within the powers of the Council, and local rates which apply only to a specific portion of a local governing area, are subject to a poll of ratepayers in the area affected, and can only be imposed with their consent. In municipalities the total amount raised under all forms of rating must not exceed 2d. in the pound on the unimproved capital value, or 2s. in the pound on the annual value. The land tax of 1d. in the pound, which was imposed by Mr. Reid in 1895, is suspended as soon as the local authority in a shire or municipality imposes a general rate on the unimproved capital value. It is not anticipated that these rating powers will render the local authorities quite self-supporting. Provision is therefore made for the payment of an endowment out of the consolidated revenue, varying according to the amount raised by the local authority under its general rate.

EFFECT ON THE COMING ELECTIONS.

These are the very general outlines of a measure which promises more direct and indirect benefit to the public life of this State than any Act which has been placed on the Statute Book for many years. The Carruthers Government has much to answer for, but this at least must be counted to it for righteousness. The hazards accepted were not great. Objections were limited to details. The Labour Party aimed only at increasing the powers of the new elective bodies into which they will doubtless transfer some of their surplus energy and superabundant candidates. The coming elections, though affected by the coming transformation, are not expected to be materially influenced by it. The shires have been proclaimed and the first local representatives chosen, but so far they have done nothing and have had no time to do anything. Their rate payers have not yet felt the pinch of their new responsibilities. The halo of hope and promise heretofore surrounding the head of the candidate is still visible to the average voter, who has not realised the great change that has been accomplished. This fact may mitigate his fall this year, but cannot prevent the disappearance of his prestige and "influence" when he is obliged to seek the suffrages of men who have nothing to expect from him as a client of the Ministers who have been public bestowers of patronage for so long. The little system that has worked so much mischief has had its day, has ceased to be, and will soon be relegated to our museum of extinct political monstrosities.

FEDERATED AUSTRALIA.

WHITE AUSTRALIA AND THE SUGAR INDUSTRY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 19 1907; May 7 1907.

The pinch of the White Australia policy begins to be felt in Queensland. Two thousand seven hundred Kanakas have already left for their native islands, under the provisions of the Pacific Island Labourers Act of 1901, and about 1,300 more are about to leave. Their places have to be filled, unless an industry which during 1906 produced over £3,000,000 of wealth for Australia is to be brought into grave danger. The difficulty is increased by the fact that the other States of Australia, as well as the State immediately concerned, are enjoying quite extraordinary prosperity. Work in other places and other industries is, as a rule, plentiful and well paid, and the number of unemployed or dissatisfied men in Australia who can be drawn upon to fill the places of the Pacific Islanders is smaller than it has been for many years. However, nothing that has happened up to the present indicates that the hopes of those who looked for the substitution of white for coloured labour in the cane fields are doomed to disappointment. Ever since the introduction of the "White Australia" legislation, with its fiscal concomitant in the shape of a £6 per ton duty on imported sugar and a liberal bonus on sugar grown by white labour, the area under cane, and the total amount of sugar produced, has steadily increased, while the number of Kanakas employed has steadily decreased. In 1906, although the work of repatriating the islanders was in progress during the whole year, the total production exceeded that of 1905 by over 30,000 tons, and, for the first time in the history of the industry, outran the requirements of the Australian market by some 15,000 tons. But however justly encouraging these figures may be to the advocates of the White Australia policy, they do not alter the fact that white men must very shortly be found to take the places of the 4,000 Kanakas who have gone or are about to go, and of the others whose repatriation must very shortly take place. Then the policy will be put to the severest test.

REMISSNESS OF THE SUGAR GROWERS.

In the meantime, curiously enough, the only people who can be accused of any remissness in the matter are the sugar growers themselves. Mr. *Deakin*, before his departure for England, exercised the power which is vested in him under the Contract Immigrants Act of 1905, and consented to the introduction of 1,050 contract labourers from Europe. He further afforded the active co-operation of his Government in the

sugar-growers' endeavour to secure labour by distributing to all the Customs houses and post-offices copies of the contracts of employment offered, and inviting applications from men who were willing to accept them. Sir **John Forrest** has been actively pursuing the policy initiated by his absent chief, though under somewhat discouraging circumstances, while the people directly concerned make no move whatever. Mr. **Kidston**, the Premier of Queensland, besides placing the resources of the Government Labour Bureau at the disposal of the planters, has propounded a scheme of immigration under which he offers to obtain immigrant labourers for them at a cost, to the grower, of £5 per man, provided the wages offered are satisfactory. The growers, who met in conference at Townsville, although they have passed resolutions affirming the immediate necessity of obtaining labour, do not even appear to share the very natural desire of Mr. Deakin and Mr. Kidston that such labour should be obtained, as far as possible, in Australia. All the harvesting work of the fields, the critical work of the year which cannot be postponed, is over in a few months, and, like harvesting elsewhere, is largely undertaken by migratory labourers who come for the purpose. There ought to be no difficulty in obtaining these, or a large portion of them, from our southern States, and it is hard to understand why the planters do not welcome this additional stand-by for their time of need. Their one desire at present seems to be to procure labour from abroad. They are not over-anxious to take effective action for that purpose, but, still, there is a decided access of coolness in their reception of all efforts to obtain labourers in Australia. It would appear almost incredible were it not an indisputable fact that Mr. Kidston telegraphed a few days ago to Sir John Forrest that "although we advertised three months ago in the sugar districts inviting planters to advise the Labour Bureau as to the men they required, we have no applications for labourers which cannot be locally supplied. I am told we shall have such applications, but as yet only generalities are indulged in". As a rule generalities are the refuge of the politician putting off the men of affairs, but in this curious instance it is the men of business, the employers whose crops and fortunes are at stake, who use them to put off the practical politician who wishes to act for them and assist them at State expense. Could any situation be conceived more truly antipodean in every aspect?

INDUSTRIAL ARBITRATION.

There are many in Australia who think that any continued belief in the principle of industrial arbitration is merely a triumph of hope over experience. They have sundry unfortunate experiences of our own and the recent breakdown in New Zealand to support them. But the **President of our New South Wales Industrial Arbitration Court** is not one of these. A case which has occupied the attention of the Court for the last few days, between the Great Cobar Copper Mining Company and its employees, afforded him an opportunity of explaining his view of the working of the Act in this State, which

he seized upon most courageously. That opinion will not, of course, affect the attitude of its critics, some of them affected by last year's disturbances in the coal mines, but most of them for theoretical reasons. They have consistently denounced the Act and its operation from the first. They have invariably attributed difficulties which arose out of defects in the machinery of the law to an inherent vice in the principle of settling or even seeking to settle industrial disputes in this fashion. But the opinion of Judge Heydon, the President, is the opinion of a man of standing and ability, an ex-barrister of very large practice, who has frequently acted as a Judge of the Supreme Court and whose political opinions before his appointment were those of the average reasonable Conservative. It will not secure general concurrence, but it compels attention. Of course, Judge Heydon speaks as a lawyer, or, rather, as a Judge, when he dissents from the view that the principle of industrial arbitration has been tried by experience and found wanting. A forcible sentence taken from his judgment in the case referred to makes his attitude clear. "The principle of settling industrial disputes by a tribunal may be very mischievous and quite impracticable—as to that I say nothing whatever—but if it is necessary to try it before condemning it, then I think it is not condemned by anything that has happened since I have been here, for it has not been tried." No man is better qualified to speak upon this point than the Judge, and his dictum naturally is attracting a great deal of attention.

DEFECTS OF THE ARBITRATION ACT.

At first sight it may seem rather remarkable to assert that the principle of industrial arbitration has not been tried in this State, in view of the fact that we have had an Act which purported to embody the principle in operation since 1901. But the explanation is, after all, quite simple. The jurisdiction of the Court and the industrial area over which the Act operates, has been so whittled away by successive judgments of the State Supreme Court and the High Court that the system to-day is something very different from the intentions of its authors. Referring to these various judgments the President says in the utterance already quoted (not, perhaps, without a touch of irony) that "in consequence of recent discoveries of the true meaning of the Act access to the Court is blocked, the area of its operations narrowed almost to vanishing point, its freedom of movement placed within bonds, and all its actions paralysed. When this is the condition of a tribunal which was to end strikes can anyone wonder that strikes are not ended?" The natural inference from this dismal summary is that those who framed our Acts have blundered very badly. But this would hardly be just considering the complexity of the industrial forces to be dealt with and the utter absence of anything like adequate experience to guide those who sought to control them. The authors of Australian Arbitration Acts—Mr. Kingston, of South Australia, Mr. Reeves, of New Zealand, and our own Mr. Wise—were lawyers and politicians without practical experience

as employers of labour. Their legislation was necessarily very defective, because it was drafted without knowledge of the working of the institution, or rather Court, they were then creating without precedents. We have now reached a stage when we are compelled to consider alternatives. One is the plan—proposed, but not carried out, by the Carruthers Government last session—of adopting the Victorian system of Wages Boards. The other is the plan of amending the Act so as to make the powers of the Court correspond more nearly with the purposes for which it was brought into existence. Which of these plans would most conduce to industrial peace—which will ultimately be adopted—it is hard to say.

THE IDEAL OF INDUSTRIAL PEACE.

The outstanding fact is that a reversion to the old system, under which employers and employed were left to settle their disputes or not to settle them in their own fashion, without any regard the interests of the general community, seems scarcely possible in a country like ours, where sentiment is strong and Legislatures are sympathetic. Our people are captivated, and no wonder, by an ideal of “industrial peace” and of wages regulated by reason and justice. They are certain to pursue these until it be demonstrated to them that they cannot cope with the methods of the market and the vast operations of competitive commerce. We cannot blink the fact that our present Industrial Arbitration Act has not wholly prevented strikes and lock-outs in this State. It was, and is still, a daring experiment. But it has accustomed us to the idea that the disputes of employers and employees are not their own affair, to be settled in their own way, whatever may be the cost to the community. The Act may go, Wages Boards or other devices may be tried, but the idea will stay. Nothing quite so grave as the New Zealand breakdown has occurred in New South Wales. Possibly both its extent and seriousness have been exaggerated here, but it looks like a real breach, though perhaps a small one, in the protection promised to honest employers. While our party politics continue uneventful, trade and production expand and prosper, and eventful incidents are rare, we are enjoying some leisure for reflection. This is well employed upon the sugar question and upon Judge Heydon’s dicta, because the two chief ideals of Australia are still those expressed in our most popular battle cries, “A White Australia” and “Industrial Peace”.

FEDERATED AUSTRALIA.

THE NORTHERN TERRITORY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 26 1907; May 25 1907.

Some time has passed since the great territorial transfer to the Federal Government was summarised in the *Morning Post*, and it seems desirable with a view to its better understanding to return to it again. What may fairly be described as a truly Imperial “deal” was made when, after a long series of communications in which the **Prime Minister** appeared resolute to drive the hardest of bargains with South Australia, for the acquisition of the Northern Territory by the Commonwealth, he suddenly changed his tactics and settled the whole transaction in a few hours on a most liberal basis. This agreement, if ratified, as it probably will be, by the Federal and the State Parliaments, will transfer to the exclusive control of the Commonwealth a territory of more than half a million square miles rich in pastoral and mineral resources, watered by more than one magnificent river, and capable of providing a prosperous living for an almost unlimited number of white settlers. The transaction is, from more than one point of view, the most important step that has been taken by the Federal Government since its establishment. The motives which induced Mr. Deakin to make the offer, and those which induced Mr. **Price** to accept it are equally practical. For more than forty years the affairs of the Territory have been administered by the Parliament of South Australia. The task of effectively administering them has proved to be beyond the capacity or the resources of that State and its rulers. A debt of over £3,000,000 has already been accumulated, and the accounts of the Territory, which South Australian Treasurers, with a wise regard for the appearance of their budgets, have always kept separate from those of South Australia proper, shows an apparently irreducible deficit of over £100,000 per annum. This unpleasant aspect of the Territory’s finances would not have been serious if it had represented the monetary loss which must necessarily attend pioneering and developmental work in new and remote areas. But the Northern Territory remains undeveloped. Its white population amounts only to some 1,300 people; it has one railway of about 145 miles in length, running south from Port Darwin; the exploitation of its mineral and agricultural resources has hardly begun. It has long been apparent that its effective administration and development by South Australia was impossible, except at the cost of a heavy increase in taxation in that State. To get rid of this incubus has been the aim of every

Treasurer for many years, but until the Commonwealth was established there was no buyer. South Australian Treasurers since then have been eagerly waiting for something to turn up to bring about a bargain, and in the meantime have prudently boomed their property not only for all but for a good deal more than it was worth. Nothing has "turned up" which makes the prospect of successful administration by South Australia any brighter, and it has become increasingly difficult for its administrators to conceal their anxieties from the public gaze. Mr. Price has faced the problem first, partly because it was already over-ripe, and for the rest because he is not so much under the thumb of the local sentiment which forced the more far-seeing public of the State into capturing this white elephant many years ago. It was always much too big for South Australia to handle, especially by politicians whose fine phrases about its future buttered none of its sub-tropical parsnips. For the problem of the Northern Territory is really a national, and not a State, problem. Not only is its economic development intimately bound up with questions, such as coloured labour, that belong to the legislative policy of the Commonwealth, but its geographical position makes it a strategic point of the highest importance in Australian defence. Empty of white population, rich in mineral wealth, absolutely unfortified, cut off by hundreds of miles of arid country from Australian centres of population, and only a few days' sail from China and Japan, it is today a source of grave and increasing danger. Populated with white settlers, efficiently fortified, connected by rail with the Southern capitals, as it ought to be, it would be a bulwark against the by no means chimerical dangers that threaten Australia from the teeming East. Every thoughtful man has admitted the peril. The Prime Minister is entitled to the credit of providing against it.

PAYING THE PRICE.

If this agreement is ratified by the Parliaments concerned, one of the first, most notable, and least considered results will be the laying of the foundations of a Commonwealth national debt. Hitherto, as your readers well know, the Commonwealth Parliament, thanks largely to the influence of Mr. *Watson* and his immediate followers in the Labour Party, has refused to sanction borrowing, although it has had to maintain a number of services whose capital outlay under the State régime was provided for out of loans. Under the agreement accepted by the Governments concerned the Federal Government is to take over the Territory debt of over three millions and to build a railway which will connect the existing Northern Territory line with the railway systems of the Southern States. One of the circumstances that make the bargain sound is the rather curious absence of a fixed date for the fulfilment of this undertaking or a fixed route for the railway. The presumption is that, owing to the necessities of the case, the construction of this line

cannot be long delayed. The popular supposition that this means that it will be let in one contract is of course absurd. Whatever the route adopted—whether it be a direct north and south line, connecting the southern terminus of the Northern Territory Railway with the northern terminus of the present South Australian line, or a line bending to the eastward, to be linked with the Western lines of New South Wales and Queensland, and whatever the length of the sections in which it will be constructed, its total cost will be measured in millions. A thousand miles of railway through an unpeopled interior, much of it kept barren by the absence of sufficient rain, and parts where rain is either unknown or very light and rare, is not to be paid for, even its first sections, out of current revenue. If the east and west trans-continental railway, which is foreshadowed by a term in the Agreement which binds South Australia to allow the construction of a line towards the eastern boundary of Western Australia, be also constructed—and Sir **John Forrest** may be relied upon not to allow its claims to be overlooked—millions more will be added to the debt which the complete execution of this agreement will impose upon Australia. The probable breaking of the Commonwealth's record of freedom from debt, however, need excite no apprehension, whether the Territory be taken over or not, if, as is possible, the next Federal session sees the adoption of the long-awaited scheme for the assumption by the Commonwealth of all the States debts. But for the bad temper of Mr. **Carruthers** and the jealous ambitions of our State Ministries generally this most necessary concentration of our external obligations would have been authorised before now. The building of the trans-continental railways contemplated by the Agreement will, of course, involve a substantial addition to the £200,000,000 odd which the Commonwealth will take over from the States. But though the effective development of the resources of the Northern Territory, even if it does not pay its way for years to come, and calls for fostering care of a paternal kind and the cost of its efficient defence taken together, will impose annual obligations upon the Treasury, the mere occupation of its waste lands and the opening up of its agricultural plateau will add an element of incalculable value to the security of the peopled areas to the south and upon each side of this vast area.

The terms of the agreement have been received on the whole with marked favour in South Australia. Not that the voice of criticism has been wholly silent, nor is it likely to be, so long as party government lasts. Sir **Josiah Symon**, who leads the Opposition in the Senate, is the most dangerous opponent yet in the field. But putting aside the outcries of those speculators who see in the transfer to the Commonwealth the extinction of their hopes of profit from a land grant railway, of the smaller number who honestly believe that coloured labour alone can cope with such a hot climate, and of the noisy numbers who think that their State patriotism should exhibit itself by “giving too little and asking too much”, the reasonable public opinion in

South Australia appears to be warmly in favour of transferring its load to the broad shoulders of the Commonwealth. There are some who will fight fiercely for better terms and believe themselves patriotic in doing so. There are others who resent the enterprise because it must make for the aggrandisement of the Commonwealth. It is more than likely that Mr. Price's candid announcement that the only alternative to a transfer to the Commonwealth is the imposition of another £200,000 a year of local taxation has had something to do with the temperate attitude generally adopted. Whether Mr. Deakin will be able to persuade his Parliament that from a national standpoint the generous offer he made can be financially justified has yet to be proved. In this as in other important matters he seems prepared to stake his fortunes boldly in this case upon an enterprise which must be costly and involve prolonged labour and losses for its earliest years, although it must ultimately enrich Australia.

THE VICTORIAN ELECTIONS.

The elections for the Victorian State Parliament took place a week ago, and left things very much as they were. Seen from Sydney side the only danger to which they leave the erratic Mr. Bent exposed is the danger of disruption in his own party, which now numbers fifty-one members out of a House of sixty-five. It is many years since a General Election in Victoria excited so little interest. No less than twenty out of the sixty-five electorates were uncontested—a remarkable circumstance in a State which not so many years ago was the battle ground of some of the fiercest electoral fights ever known on this side of the line. The more particular and local reason for this lack of interest is to be found in the fact that, with the exception of a rather nebulous proposal for a referendum to authorise the introduction of the Bible into State schools, the only question the electors had to decide was whether they should vote for the Labour Party or against it. Now the Victorian branch of this party has lately been the noisiest, most short-sighted, and most poorly led faction in the Commonwealth. As the electors were disgusted with them long before the dissolution nothing much was to be gained by strenuous electioneering. Mr. Bent's strategy counted for something, for he sent the House suddenly to the country, while his Coalition with the Independents, led by Sir A. L. Peacock, restored public confidence in his Cabinet. Another cause of the apathy of the electors is to be found in the unparalleled prosperity which Victoria is sharing with the rest of Australia. While every rural interest and town industry is flourishing it is hard to keep pace with the too frequent demands of public affairs for the attention, devoted so far as the citizen is concerned more profitably to his private affairs. We are having too many elections. Man may be properly catalogued as a political animal: the Australian man is often a strenuous and sometimes a savage political animal, though his interest is always intermittent and usually spasmodic; but there is a definite limit to his political interests and energies.

That limit threatens to be reached now that triennial elections for two Federal Houses have been added to Municipal and State elections. There is only a certain amount of political force available at any one time, varying it is true, but on the average remaining about the same. It may be employed in several directions, or in any one or two of them, and then the other or others go short. The “tired feeling” asserts itself, and the innovators find their drafts unpaid. There are indications that in the competition between our institutions the intermediate are most likely to be depleted of their share of public attention. Municipal bodies are assuming a new place in Australian public life, and most markedly in New South Wales. The establishment of the Commonwealth has diminished the importance of the States Governments on one side, and now the increasing scope and activity of our borough, shire, and city corporations threatens to diminish it on the other. The comparative quiescence in Victoria is therefore easily accounted for. Its results are decisive. In the last Parliament the Labour Party numbered 18. Three of these were representatives of the public servants who, under Mr. *Irvine’s* short-lived and unsuccessful scheme, were deprived of a vote for their ordinary constituency and were accorded separate representation. Mr. Bent put an end to this unique arrangement. By doing so he has deprived the Labour Party of three members, and the party in the new House numbers but 15, of whom one is classed as an Independent. So the direct Labour Opposition in this Parliament can only count upon 14 votes out of 65. If Mr. Bent can hold his following together—not a very easy task where a party has not been welded together by a strenuous electoral fight on even one issue—the Labour Party will be to a large extent a negligible factor in Victorian politics for the next three years. They have deserved their defeat, and Mr. Bent on the other hand can fairly claim to have deserved a victory the completeness of which is due in no small measure to his supple astuteness.

FEDERATED AUSTRALIA.

IMMIGRATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 3 1907; May 28 1907.

Time was not very long ago when the State Premiers were complaining that the policy of the Commonwealth prevented the free flow of immigration into Australia. More than a few of them and of their Press supporters helped to swell the chorus of unintelligent misrepresentation of the rather foolish action of the first Federal Government. Today the positions are exactly reversed. It is the Commonwealth that is chasing the State Premiers, who are more or less apologetically explaining away their own neglect. Mr. Deakin in his last public utterance before leaving Melbourne had to complain, with what appears to be ample justification, that the States' Governments would afford him no assistance in his endeavours to turn some part of the current of emigration from the Old World towards the shores of Australia. In April, 1906, at the Premiers' Conference in Sydney the Prime Minister outlined a scheme for the encouragement of immigration which, while it would have left to each State the responsibility for receiving its own immigrants and for settling them on the land, would have imposed upon the Commonwealth the duty of advertising the resources of Australia at its own expense and of arranging with the shipping companies for carrying immigrants at reduced rates. These proposals being devised and stated with a tender regard for the easily wounded feelings of the States were received by the assembled Premiers with every appearance of favour. All that was asked of them, so far as the Commonwealth's part in the arrangement was concerned, was that they should furnish the Commonwealth with information as to the lands available for settlement and the conditions on which it could be obtained in their respective States, so that the Commonwealth agent in London would be able to supply this information to intending immigrants. To look this gift-horse in the mouth seemed at the time indefensible. The offer was almost too generous. Unfortunately public opinion, as usual, slumbered while personal and local antagonisms were very much awake. Australia must gain but the State Ministries might lose some prestige or importance if the Federal scheme succeeded in giving them the settlers they have always cried out for, though never doing anything to obtain them. Consequently the national impulse was checked, diverted, and finally smothered in silence. Very soon after the Conference closed the Prime Minister, acting in accordance with the arrangement which he had every reason to believe had been accepted, wrote to the States' Premiers asking for the information

required to enable him to begin operations in England. His request was more than once repeated, but with such a poor result that shortly before his departure Mr. Deakin had to complain that "although he had communicated with the States asking for figures, plans, and particulars of land in each available for settlement, with one exception after twelve months' correspondence he was yet without the plans and almost without data". The moral of all this is, of course, that if ever the Commonwealth was fairly open to the reproach that immigrants were not wanted it is certainly open to it no longer. And if the efforts of Australia to attract immigrants are entirely lacking in the breadth, persistence, and unity of the Canadian policy it is not because of any lack of sincerity on the part of the Commonwealth but because of the inability of some of the State Premiers to divest themselves of their foolish jealousies and anti-Federal prejudices. Queensland, New South Wales, and Western Australia are each actively pursuing some kind of immigration policy on their own account. There is no reason why their efforts should not meet with some degree of success, for there can be no doubt of the sincerity of their desire to attract immigration or of their readiness and ability to make adequate provision for those who are attracted. Mr. Coghlan, our own Agent-General, in particular, has been most energetic and resourceful. But the sum of these isolated, and sometimes competing, efforts is not a satisfactory substitute for the results that certainly would be achieved by an arrangement between the Commonwealth and the States such as was proposed by the Prime Minister at the Sydney Conference. He offered money, advertisement, unity of action, and co-operation in getting them the men and women who will become producers and ratepayers in the States. They have refused rather than take what they want from any Federal Minister. Some such arrangement will in time be found to be inevitable if Australia is to compete with the United States and Canada as a field for immigration. The sooner it is undertaken the better. We have already lost much time and many golden opportunities. The marvel is that our people put up with it so long.

THE TROUBLES OF MR. KIDSTON.

The Queensland General Elections have been fixed for May 18, and if political power were always apportioned according to the general usefulness of a man's past services Mr. Kidston would probably return to office with an increased majority. There is much in the details of his past policy as Premier that is open to criticism, and the worst part of it that in which he has helped our Premier to block the path of Federal usefulness. But there are two outstanding features in his record which entitle him to a gratitude that ought not to be limited by the geographical boundaries of his own State. In the first place, he has proved that the vague pronunciamento known as the Labour Platform is not incompatible with a practical and businesslike pursuit of attainable administrative reforms. Indeed, his chief danger is that he will be defeated because of his substitution of practical for theoretical proposals. In the second place, he has presented Australia

with the invaluable spectacle of an absolutely non-borrowing and yet financially successful Administration. The last three years of Mr. Philp's well-meant kite-flying during unfavourable seasons saddled Queensland with an accumulated deficit of £1,150,000, although in his efforts to make ends meet he had added to the ordinary sources of revenue a special impost of some £95,000 a year on the public servants and an exceedingly unpopular poll tax. During Mr. Kidston's term of office as Treasurer (for the earlier part of the time under Mr. Morgan's Premiership) much better seasons have prevailed, and are prevailing, but have not led to any extravagances. The special imposts have been abolished; regular increments to the public servants, which had been suspended under Mr. Philp, have been restored; the area of incidence of the income tax has been reduced, and a total net surplus for the term of £129,000 has been not only obtained but retained. This result has been achieved without the addition of a single penny to the public debt. Moreover, the vicious and indefensible practice—which is not, unfortunately, confined to Queensland—of using the proceeds of the sales of Crown lands as revenue has been brought to an end, and the receipts from this source are now being devoted exclusively to the construction of public works. Of course, there have been sundry legislative mishaps due to an endeavour to conciliate his motley following, but none of them seemed really mischievous, and all of them were associated with prudent compromises.

This is a record which fairly entitles Mr. Kidston to generous treatment at the hands of the electors. Recent events, however, have made his chances of success somewhat doubtful. The present Administration, led first by Mr. Morgan and lately by Mr. Kidston, has been kept in power by a coalition between the Labour Party and a group of Liberals who, though they had no very close affinity with the Labour Party, had become hopeless of obtaining satisfactory administration from Mr. Philp. The alliance was one of expediency rather than of principle, as apparently all alliances with the Labour Party must be. For some time past individual members of both parties have been chafing under the bonds which this coalition imposed on them. The non-Labour supporters of the Government have never been happy under the leadership of a Labour Premier; the more extreme Labour men have never taken kindly to the compromises which the maintenance of the coalition demanded from them. The crisis came a month or two ago with the resignation of Mr. Denham, the most prominent of the non-Labour members of the Government. He has now openly enlisted under the leadership of Mr. Philp, and will contest the forthcoming election under his banner. If the account given by Mr. Denham of the feelings of the non-Labour Liberals in a recent speech explaining his resignation be accepted as accurate he will take not a few of these with him into Mr. Philp's camp. Mr. Kidston's record of useful achievement might have enabled him to withstand this defection if the Labour Party had stood to him. But they have shown all the intolerance and ingratitude of which Mr. Deakin and other Australian statesmen have had such bitter experience. At a recent Conference

at Rockhampton they definitely withdrew their support from their old associate and real chief. He will in all probability face the elections deserted by the greater part of both wings of his party. The certain result of this split must be the return of Mr. Philp to power and the restoration in Queensland State politics of the three-party system, with all its lamentable accompaniments of entanglements, cross-divisions, and general confusion. Mr. Kidston is neither a genius, orator, nor even a great party leader. He has been vain and egotistic in personal relations, but otherwise upright, industrious, persevering, moderate, and extremely efficient in his management of the finances. It will be difficult to find his equal in this State.

THE THREE-PARTY SYSTEM IN STATE POLITICS.

While the intolerance of the Queensland Labour Party threatens to revive the three-party system in that State the system has, in one aspect, disappeared from the politics of New South Wales and Victoria. Present indications suggest that in them, at any rate, there is no prospect of its early reappearance. In this State the parties led by Mr. Carruthers and Mr. Waddell respectively have long been in practical, though not formal, alliance against the Labour Party. Negotiations are now in progress for a formal coalition, to be cemented by the admission of at least two members of Mr. Waddell's following to the Government. A convenient opportunity for the carrying out of this arrangement will be provided by the voluntary retirement of Mr. Ashton, the Minister for Lands, and Mr. O'Connor, the Minister for Education. Each of these gentlemen had announced his intention of withdrawing some time before a formal coalition was suggested, and they are both understood to be willing to translate that intention into fact whenever it suits the Premier that they should do so. If the existing tacit agreement between these two parties develops, as it must, into a formal alliance, the Labour Opposition, already weakened by inept leadership, will be reduced to a condition of powerlessness to which it has been a stranger for many years in this State. The issue at the elections, which must take place not later than August, will be reduced to the simple question whether the Labour Platform is to be adopted or not. In Victoria, it was pointed out last week, there has been a similar simplification of the electors' choice. The fusion of the followers of Mr. Mackinnon with those of Mr. Bent and their representation in the Government has made the revival of the three-party system there a very remote contingency. In South Australia, although there are still three parties, the present fusion between the direct Labour Party and the non-Labour Liberals, who are both represented in Mr. Price's Government, saves the politics of that State from the confusion and incoherence which the presence and activity of three clearly defined parties has tended to produce in Commonwealth politics. But even there one finds signs of fusion. The ultras are obviously dissatisfied, and though in the meantime there is no open revolt Mr. Price has Mr. Kidston's trial before him—a trial in which he must fail unless he consents to relapse into his former post as leader of a militant Labour Party.

WHITE LABOUR IN THE CANE FIELDS.

The rather extraordinary inactivity of the Queensland sugar-growers in the matter of obtaining white labour to take the place of the deported Kanakas was commented on in these columns a few weeks ago. Since then both Mr. Kidston and Sir John Forrest have repeated their offers of co-operation in obtaining the labour that will certainly be required when the planting season begins in July. The only condition imposed by Sir John Forrest was that the labour market of Australia should be exploited before large importations of contract labour were made from abroad. This was not an unreasonable stipulation in view of the strong representation made to him by several members of the Federal Parliament, that there were unemployed in the cities who were willing and competent to do the work. As might have been expected, a careful investigation of this assertion by Federal officials has revealed the fact that only 89 out of 517 whose names were furnished were both willing and competent. The way therefore seems to be open for carrying into effect the arrangements made by Mr. Kidston, and approved by Mr. Deakin and Sir John Forrest, for securing contract labour from abroad. Up to the present, however, the growers have made no move here towards taking advantage of these arrangements, unless indeed the thousand whose introduction has been sanctioned are found to suffice. One section of the growers—not apparently a very large or important section—have actually approached Dr. Maxwell, the sugar expert of the Queensland Government, with a request for information as to the conditions of sugar-growing in other countries, on the ostensible ground that the present difficulty of obtaining reliable labour in Australia will make their continuance in the industry in Queensland impossible. In view of their persistent passivity for many months past, though the situation was clear to them, and of their ostentatious neglect of the offers of the State and Federal Governments to relieve them of all trouble and to secure whatever assistance they require, such a request may be fairly regarded as a political performance designed to assist Mr. Philp and to embarrass Mr. Kidston. If reliable white labour is not available on the Queensland fields when it is wanted the fault will certainly not lie at the door of either the State Premier or the Acting Federal Prime Minister, Sir John Forrest. It cannot be supposed that the planters wish to injure themselves in order to punish Mr. Kidston, and it can only be assumed from their extraordinary conduct that in some way or other they think they see how to cut and crush their crops when the time comes without further aid. A large Javanese importation is threatening their market, so that their inaction, their silence as to their wants, and apparent indifference to their own advantage make a very puzzling situation quite unintelligible from here.

FEDERATED AUSTRALIA.

THE NAVAL AGREEMENT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 10 1907; Jun. 4 1907.

We have just seen the departure for England of some forty Australian and New Zealand bluejackets who have served their term in the locally manned ships of the Australian Squadron, and are now, under recently devised regulations, going to England to complete their naval training. It is understood that they will qualify themselves by service on board ship or in naval schools to fill the higher ratings in the Service, and will then return to Australia to act as instructors or petty or warrant officers in the ships which, under the Naval Agreement of 1902, are to be manned by Australians and New Zealanders. Shortly before their departure these men were paraded before the *Governor-General* and the *Admiral*, and were hailed as pioneers of a new development in the naval defence of Australia.

The event was quite significant enough to deserve something in the nature of a ceremony. The new policy, of which it was the outward and visible sign, will go far to remove one at least of the most serious defects in the system which has been established under the Naval Agreement. That Agreement, as your readers well know, has never been popular in Australia. Loyal Imperialists have lauded it as a piece of magnificent generosity on the part of the Mother Country, while some naval experts of the "blue-water school" have proved by irreproachable syllogisms that it defies the only sound principles of naval strategy. The Imperial Defence Committee do not even attempt to conceal their contempt for Captain *Creswell's* suggestions for a local flotilla, but all the arguments of all the experts have not persuaded the average Australian that his whole duty with regard to naval defence is to pay an inadequate contribution to the Admiralty. He may have no special knowledge of naval strategy. He may be unable to answer the arguments of the experts. The logic of the "blue-water school" may depress him. But all this makes no difference. He still does not like the Naval Agreement.

THE AUSTRALIAN CASE AGAINST THE AGREEMENT.

By the time this reaches you the Prime Minister will probably have explained to the Imperial Conference the Australian case against the Agreement in its present form. One of its foundations seems to be that the existing scheme does not afford sufficient opportunity for Australians to take a real and permanent part in the maritime defence of their own country. It was no doubt intended to afford such an opportunity. Indeed, one of the reasons for its acceptance urged by Sir Edmund Barton in the first Federal Parliament was the fact that it would secure for Australia a class of trained sailors who when the time came might man the vessels of the Australian Coast Defence Fleet which he foreshadowed in the same speech. But the system which came into being under the Naval Agreement, and which has been in operation for the last three years, has not answered, and could not answer, this legitimate aspiration. Under it Australians enlist for a limited period, serve their term, and then return to civilian life, retaining no connection with the Navy save their membership of the Australian branch of the Royal Naval Reserve. This is good as far as it goes, but it does not go far enough. The men receive an excellent training in the lower ratings of the Service, and they are not lost to Australia. But they do not become professional sailors, nor can they qualify for the higher ratings. Their time of service is too short and their opportunities too restricted for this. Consequently the scheme is incapable of producing Australian instructors or petty or warrant officers. But a still more serious drawback—which, by the way, is not removed by the new regulations with a reference to which this letter began—was, and is, the fact that the Agreement in its present form makes no provision for the training of Australian officers which is at all adequate to meet the Australian demand for a completely equipped force of maritime defenders. Article VI. of the Agreement, indeed, provides for the annual grant of eight cadetships to Australia. But the men who pass into the Navy under this arrangement simply become officers of the Imperial Navy. They may of course voluntarily forfeit the opportunities of promotion which belong to that position and return to Australia with a view of using their knowledge and experience in the naval forces of the Commonwealth. But apart from this somewhat remote possibility the Agreement does not make provision for the training of a single commissioned officer whose services will be available in Australia. In short, the best Australia could hope for under the Agreement was the obtaining of a limited number of partially trained seamen—a very inadequate substitute for the thing that Australia really wanted. Of course this is but one defect, and not perhaps a great one, since it can scarcely be remedied by any scheme for a local Navy that we are likely to finance. Until a local flotilla exists we shall not be brought face to face with its deficiencies, as we are now with those of the existing Agreement which for the present attracts all the fire of our critics.

AMENDMENTS—OBTAINED OR DESIRED.

The plan of sending Australian recruits to England to be trained on shipboard or in the naval schools has apparently been evolved with the idea that the men so trained shall return to Australia to serve permanently in the higher ratings on the Imperial ships belonging to the Australian Squadron, the ultimate object being that in time some of the ships which are sent here under the Agreement shall be manned almost entirely by Australian crews. This is an entirely desirable object. But it is not the only object that may be served by the new system. From the point of view of the Commonwealth, it is not perhaps the most important object. The Government intends, notwithstanding the almost contemptuous fashion in which the Imperial Defence Committee disposed of the idea, to create within the next three years a coast and harbour defence squadron presumably of four torpedo-boats and eight coastal destroyers, at an estimated cost of about three-quarters of a million. There is no reason why the men who are to be trained under the system which has been inaugurated this week should not furnish the backbone of the crews of these vessels. On the other hand, there is every reason why they should, both from an Imperial and an Australian point of view. If Australia intends to have her local fleet—in addition to and not in substitution for the Imperial squadron—local considerations demand that the crews should be men who have received the best possible training; Imperial considerations demand that that training should follow the methods and the discipline of the British Navy. By this means co-operation between the local and Imperial forces in time of war will be rendered easier, and the unity of control which will be demanded by the exigencies of war will present less difficulties. It should be observed that as only a limited number of men will be required for the Australian Fleet this scheme is not in any way incompatible with the intention of the Admiralty to man some of the Imperial ships on the Australian Station with permanently employed Australians. No arrangements, however, can be completely satisfactory which do not provide for the training of a class of Australian officers, to be permanently employed either in the local or Imperial squadrons in the maritime defence of their own country. The ambition of Australians to take an immediate part in the defence of their own shores, both as officers and men, is one which every thorough-going Imperialist will heartily welcome.

THE IMPERIAL CONFERENCE AND THE STATE PREMIERS.

After Lord Elgin's uncompromising refusal to entertain the suggestion one might have expected that the last had been heard for the present of the claim of the State Premiers to take part in the Imperial Conference. But their demand has been revived this week by the publication in the Hobart *Mercury* of an article by Mr. Carruthers, the Premier of this State, complaining bitterly of the exclusion of the official representatives of the States. Mr. Carruthers is a hopeless irreconcilable as far as the Commonwealth is concerned. His attitude towards Federal Ministers is invariably one of petulant suspicion. He sees a Commonwealth assassin behind every political bush. He is the most aggressive apostle of State rights now left in Australia. Ever since Lord Elgin's very proper refusal to accede to the demand made by the State Premiers Mr. Carruthers has been nursing his wrath. His main ground of complaint is the old one, that the matters to be dealt with by the Conference are to a large extent matters which are left by the Constitution solely within the control of the States, and that on these matters Mr. Deakin can neither represent the views of the States nor bind them by his conclusions. He goes beyond this ground of practical expediency, however, and sets up a constitutional right to representation on the part of the States. The revival of this undignified and foolish claim at a time when no possible purpose can be served by it savours very much of mere petulance. There is not the slightest ground, either in practical necessity or in constitutional theory—as Mr. Jebb conclusively showed in these columns some time ago—why the States should be separately represented. It is true that in one or two matters that will come before the Conference—such as immigration—the determination arrived at must remain wholly or partially ineffectual without the co-operation of the States Governments. But this affords the poorest possible reason why the States' Premiers should take part in the deliberations of the Conference. Every end that could be secured by their presence there can be equally well secured by negotiation between the Commonwealth and States after the Conference is over. Such negotiation will, of course, if it is to be successful demand some degree of reasonableness on the part of the States. If they enter upon it in a quarrelsome frame of mind there is no reason to suppose that they would have been any less unreasonable at the Conference itself. In that case their presence would not have added either to the harmony or the usefulness of its deliberations. The one satisfactory feature about this matter is the frigid indifference with which Mr. Carruthers's complaints have been received, even in the very strongholds of anti-Federalism. Even the Sydney *Daily Telegraph* and the Melbourne *Argus*, two newspapers which can certainly not be accused of any exaggerated partiality for Federation, have poured ridicule upon them. The "man in the street" ignores them. It is safe to say that outside the little knot of State Ministers who were misguided enough to identify themselves with the South Australian Premier's lame protest there are not half a dozen persons of any importance in Australia who care one jot about it.

FEDERATED AUSTRALIA.

THE LAND SCANDALS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 16 1907; Jun. 25 1907.

Of late, as is usual when there is no other question engaging public attention, a violent controversy has been proceeding in the columns of the Daily Press about the alleged wrongs that New South Wales is suffering at the hands of the Commonwealth. There is nothing fresh in the correspondence. The statement of the grievances of New South Wales is just as vague and shadowy as it has always been on similar occasions. The only complaint of which details are given concerns the failure of the Federal Parliament to establish the capital in this State, and in that case the details given are mostly misleading. All this, however, is of no real importance. The only fact that makes the controversy worth mentioning at all is that Mr. Carruthers has recently added fuel to the flames by an interview in which he spoke, with a vagueness surpassing that of the haziest newspaper correspondent, of the woes of the "Mother State", and revived, with a lamentable indifference to the responsibilities of his position, his old threats of secession. Mr. Carruthers is so well known now for his almost insane hostility to the Commonwealth, because it comes between the wind and his provincial nobility, that even the importance of his position as Premier of this State cannot invest his utterances on the subject with more than a passing interest. Reference was made in this column a short time ago to an article in which he denounced the Imperial Government for refusing to invite the State Premiers to the Imperial Conference. In that article he used expressions which, if they had any meaning at all, were intended to hint at secession from the Empire if the Home Government persisted in ignoring what Mr. Carruthers considers to be the rights of the States. Secession from both the Commonwealth and the Empire would, it may be remarked, leave New South Wales in a position of rather uncomfortable isolation, for which, perhaps, not even the unhampered activities of Mr. Carruthers would be a complete compensation. However that may be, the fact that two such threats have been made within a week of one another shows that Mr. Carruthers's public denunciations of the Commonwealth are not always to be taken at their face value. None the less, they are in every way regrettable, if only for the reason that they cannot fail to create an exceedingly bad impression upon those whose ignorance of Mr. Carruthers's irresponsible habit of speech renders them unable to appreciate the true value of these unwise utterances.

THE LAND SCANDALS.

Mr. Carruthers has not only been unfortunate in his attitude towards the Commonwealth. His term of office has been marked by a series of revelations about the former working of the New South Wales Lands Department, which were such as to call for prompt and determined action on the part of the Government. The Carruthers Ministry has acted, it is true, but its action has been neither prompt nor determined, nor, it may be added, very intelligent. At every fresh development the Government has waited until the Daily Press thrashed it into activity. When at last it was driven into some new step it generally managed to fall into some unfortunate avoidable blunder which robbed its action of effectiveness. For all its record of useful legislation the Carruthers Government will carry with it when it faces the electors next August a record of continuous failure and incapacity in dealing with the most unpleasant matter which has had to be dealt with during its term of office—the Land Scandal.

Your readers have been made familiar with the general outlines of the series of transactions covered by that comprehensive expression. A detailed history of them would fill a volume. Briefly, it is alleged that persons desiring concessions from the Land Department during the term of office of Mr. **W. P. Crick** approached one of two or three land agents, some of whom were members of Parliament, and all of whom were personally intimate with Crick, paid these agents a commission out of all proportion to the amount of work done by them, and then obtained the desired concessions. In many cases it is alleged that application for the very concessions which these agents had no difficulty in obtaining had been refused, or ignored, when sought through other channels. The alleged explanation of this is, of course, that the agents in question divided the enormous commissions they received with the Minister. The spark which began all this conflagration was a remark made by a witness in a Supreme Court action in which an unsuccessful applicant for some concession connected with the public lands sued one of these agents to recover the commission paid on the ground that the conditions on which it had been paid had not been fulfilled. The case was settled, but enough had been said to arouse a vigorous public demand for an inquiry. The Government was very slow to respond, and it was not until the newspapers had forced them to it that they appointed a **Supreme Court Judge** as a Royal Commission to investigate the whole working of the Lands Department. The Commission, after a long and tedious investigation, reported that Crick had in several cases received money from a certain **agent** in consideration of the favourable exercise of his official power. This finding was based mainly on the evidence of the agent himself, who, under an indemnity secured for him by a special Act of Parliament, gave evidence that in a large number of cases

in which he had acted for different applicants he had divided his commission with Crick. Crick was forthwith put on his trial. In the first case the agent who before Mr. Justice Owen had admitted making an agreement with Crick to pay him half the commission received suffered badly from loss of memory and the Crown was unable to prove its case. Crick was thereupon charged with another offence, but the jury disagreed. The Government had publicly announced its determination not to proceed further with the matter, when certain rumours as to improprieties in the jury-room during the course of the trial gained such currency that the Government appointed another Royal Commission to inquire into the circumstances of the trial. Very little real impropriety was proved, but it was enough to arouse the newspapers to insist that Crick should again be put on his trial. The Government, after another long delay, acceded to the demand, and the third trial is now proceeding.

INEFFECTIVE ACTION OF THE MINISTRY.

This is the barest outline of the history of these proceedings. It makes no mention of the extraordinary ramifications of litigation which would have to be described in a complete account of the subject. The point here is that at no stage throughout these legal proceedings has the action of the Ministry commanded public confidence or satisfaction, having regard to the proper jealousy entertained when the personal reputations of public men are at stake. Even less satisfactory was their action in connection with the proceedings in Parliament. Crick, though he had ceased to be a Minister, was still a member of the House. When the report of the Commissioner was published Parliament was not in session. Before it met criminal proceedings had been instituted. On the meeting of the House Mr. Carruthers gave notice of a motion which meant, in effect, the expulsion of Mr. Crick. When this motion came on for discussion a point of order was taken that on account of the criminal proceedings which had been instituted any discussion of that part of the Commissioner's report which dealt with the action of Crick was out of order. The *Attorney-General*, who had himself instituted the proceedings, supported the point, and the *Speaker* upheld it. Parliament was therefore muzzled until the conclusion of the criminal prosecutions. These concluded with a disagreement of the jury and the entering of a *nolle prosequi* by the *Attorney-General*, shortly before the House rose. The motion for Crick's expulsion was revived, but just before it was reached he took the game into his own hands by resigning. The House had to content itself by passing, on the motion of the Premier, an altogether futile and meaningless resolution to the effect that Crick ought to be ineligible for membership of the House. The veriest tyro in Constitutional matters knows that no individual can be rendered ineligible for election to Parliament without an amendment of the Constitution.

THE POWERS OF COLONIAL LEGISLATURES.

These proceedings have naturally raised a vast number of intricate points of law. One of these is of sufficient general interest to demand mention. This is the important question as to the disciplinary powers of Colonial Legislatures. It arose in this way. When the Speaker ruled that Crick's conduct could not be discussed in the House, owing to the criminal proceedings that were then pending, Mr. Carruthers, yielding to the vigorous public demand that some action should be taken against Crick, moved the adoption of a Standing Order giving the House power to suspend a member against whom a criminal charge had been brought until the charge had been disposed of. This Standing Order was adopted, and was immediately applied to Crick. Crick denied its validity, and refused to leave the House when called on to do so by the Speaker. He was then removed with formal violence by the *Serjeant-at-Arms*. He immediately issued a writ against both Speaker and Serjeant-at-Arms, claiming damages for the technical assault. The Government pleaded the Standing Order. Crick demurred to the plea on the ground that the Assembly had no power to adopt such a Standing Order. In the argument before the full Court counsel for the Speaker did not contend that the House had the inherent power to suspend a member for conduct which did not interfere with the orderly conduct of public business within the House. Such a claim could not have been sustained in view of the decision in the case of "*Taylor v. Barton*"—a case in which Sir Edmund Barton, then Speaker of the New South Wales Legislative Assembly, was sued by a member who had been removed by his order. That case clearly laid down the principle that the powers of a Colonial Parliament were defensive and not punitive—in other words, that a Colonial Parliament possessed inherently only those powers which were necessary for the proper performance of its functions. Obviously, a power to exclude a member for corrupt conduct outside Parliament could not be included among these. The Speaker's case was based upon the Standing Order which had been passed expressly to meet this case. But the power of the New South Wales Parliament to pass Standing Orders is a very limited one—much more limited, it may be observed, than that possessed by the Parliaments of the Commonwealth and of Victoria. It extends only to the regulation of the orderly conduct of the Assembly. The Court held that a Standing Order which purported to give the House the power to suspend for an indefinite period a member against whom a criminal charge had been brought could not be considered as a Standing Order which dealt with the orderly conduct of the business of the House. Crick's point was, therefore, upheld. This decision, if it stands, discloses a serious limitation on the power of the New South Wales Assembly and all other Colonial Assemblies whose powers are conferred

by the use of similar words. It seems to follow from it that the House has no power whatever over a member who is guilty of the gravest misconduct outside the House, unless, of course, he is actually convicted by the verdict of a jury. The Parliament of Victoria, and also of the Commonwealth, has the powers, privileges, and immunities of the House of Commons. These observations do not, therefore, apply to them.

PUBLIC DEMAND FOR PURE GOVERNMENT.

The one bright spot in this squalid record of dishonesty is the uncompromising determination not to tolerate corruption of any kind in public life that has been manifested by the people of this State. There is one thing worse than the existence of corruption. This is public acquiescence or indifference. There has been no acquiescence or indifference here. The British traditions of pure government will not be sullied in Australia so long as its people maintain the spirit which has been exhibited in connection with the land scandals of New South Wales. Mr. Carruthers, as head of the Ministry, is responsible for a long tangle of blunders, for weakness, and for paltering with a nasty situation. It is, therefore, very convenient for him to be able to abuse the Commonwealth and its Ministers in the hope of distracting public attention from his own record of foolish and fruitless proceedings in connection with our "Land Scandals".

FEDERATED AUSTRALIA.

THE COMMONWEALTH CAPITAL.

FROM OUR OWN CORRESPONDENT.
SYDNEY, [May 12? 1907]; Jul. 5 1907.

Sir *John Forrest*, the Acting Prime Minister, has been visiting Sydney, and his visit has revived the controversy over the Federal Capital site. All Sir John's long experience in politics has not taught him the art of concealing thoughts that are likely to be unpalatable to his audience. In an interview on the first day after he arrived he announced that in his opinion the delay in fixing the Capital site was due to the action of the New South Wales Parliament. This is an opinion which is fully justified by the facts, but it is not one which the people of this State enjoy hearing. Sir John's remarks have merely resulted in filling the columns of the daily Press with correspondence that breathes anything but a Federal spirit. The only feature about the correspondence which is worth adverting to is the remarkable ignorance of, or indifference to, the history of the matter which has been manifested, and the persistence of the idea that the majority in the Federal Parliament have been engaged in a deliberate conspiracy to rob New South Wales of the rights which the Constitution is supposed to secure to her. This outburst of parochialism has not unnaturally provoked a counterblast in Victoria, where the *Melbourne Age*, never particularly amiable in its attitude towards New South Wales, openly advocates the indefinite postponement of the settlement of this question, and the retention of the seat of government in Melbourne. There is no doubt that the Capital question is one that ought to be finally settled as soon as possible. But its urgency does not arise from the practical necessities of administration. The existing conditions could be perfectly well maintained for the next twenty years with no more, perhaps even less, practical inconvenience than will be involved in administering the Government from the new Federal centre. The real urgency of the matter arises out of the fact that its non-settlement is a perennial cause of discontent and annoyance in the most powerful State of the Commonwealth.

SIR EDMUND BARTON'S FRUITLESS NEGOTIATIONS.

The average elector does not bother to inquire very carefully into the causes of the delay; he knows merely that the Constitution says that the Capital shall be in New South Wales and that after six years of federation the legislative and administrative

activities of the Commonwealth are still centred in Melbourne. The Sydney daily papers and politicians attribute this to the malicious design of a Victoria-dominated majority in the Federal Parliament. The elector, swayed by the anti-Federal spirit, which has always been vastly stronger in New South Wales than in any other State, does the same. Notwithstanding the politicians and the Press the historical fact is that every step that has yet been taken towards the selection of a Capital site has been taken by the Commonwealth. Every obstacle that has been interposed in the way of a settlement has been interposed by the State. Sir **Edmund Barton** during nearly the whole of 1901, the first year of the Commonwealth's existence, made repeated but vain attempts to get Sir **John See**, then Premier of New South Wales, to offer a site of which the New South Wales Parliament approved. Undeterred by his failure next year he introduced resolutions into the Federal Parliament intended to determine the site, but this effort proved fruitless owing to the inability of the two Houses to agree on the subject. In the following year, however, they agreed on Dalgety, and a Bill was passed about the legal effect of which there has been some doubt, but which certainly was intended by the Federal Parliament as a discharge of its constitutional duty to select a site.

MR. CARRUTHERS'S OFFERS OF FOUR SITES.

Some months after Mr. Carruthers introduced resolutions offering to the Commonwealth four sites, including Dalgety and Tumut. Dalgety is some 300 miles from Sydney; Tumut is slightly more distant. Dalgety was unfortunately struck out of the resolutions by the Legislative Council, but so far as Mr. Carruthers had power to offer he certainly offered it. The offer of Tumut still stands. Notwithstanding all this Mr. Carruthers during 1905 suddenly discovered that the Constitutional provision which enacts that the Capital shall not be within 100 miles of Sydney means that it shall be somewhere near the 100 miles radius. He had no apparent information then which had not been available to him when he asked the State Parliament to offer Dalgety in December of 1904. However, fortified by this discovery, he announced that by reason of its distance from Sydney the selection of Dalgety was a gross breach of a somewhat indefinite compact which goes by the name of the spirit of the Constitution; that he would not grant the necessary territory, and that he defied the Commonwealth to take it. Mr. **Deakin** then endeavoured to arrange for the submission of a test case to the High Court in order to determine the respective rights of the Commonwealth and State with regard to the selection of the territory. Mr. Carruthers, however, could not manage to agree with the Commonwealth Prime Minister as to the method. His attitude really appeared to be that of a man who was not very sure what he did want, but was very sure, indeed, that he did not want anything that was suggested by Mr. Deakin. There the matter stands, and until a

more conciliatory spirit is shown by the Premier of this State there does not seem to be any very great hope of a settlement. The delay is in every way regrettable, for there can be no doubt that it is a source of bitterness and irritation in this State. The irritation is directed at the wrong object, but it is none the less a factor in retarding the growth of an Australian spirit. The sooner it is removed the better for Australia.

THE SELECTION OF DALGETY.

If Mr. Carruthers had adopted a more amiable and consistent attitude in stating his protest against the selection of Dalgety there seems to be no doubt that the Federal Parliament could have been induced to alter its choice more readily than is now likely. At present it cannot be said that the selection of Dalgety is a final one. It does not appear to have been established beyond a reasonable doubt that it is the best of the available sites. It has a somewhat inhospitable though bracing climate, and it is not easily accessible from the Australian centres of population. As against these defects it has an unfailing water supply, and it can be connected, at no excessive expense, with the neighbouring seaport of Twofold Bay. But there seems no reason to believe that the new Parliament is so wedded to the choice of the last one that it will refuse even to consider new sites that have been or may be offered, although the defiant attitude of our State Premier does not improve the chances of reconsideration.

COMMONWEALTH AND INDUSTRIAL CONDITIONS.

The Parliament of the Commonwealth, as is well known, has no direct power to legislate with regard to the conditions of industrial employment. This is a matter which under the Constitution remains with the State Legislatures. The Federal Labour Party has on more than one occasion found itself checked by these Constitutional restrictions. Early in the history of the Commonwealth a resolution was passed, on the motion of Mr. Higgins, now a Justice of the High Court, calling upon the Government to try and obtain from the States a transfer of the power of industrial legislation. Needless to say, the States, jealous of the powers already compulsorily taken away by the Constitution, were not ready to accede to a request for a further voluntary diminution of their own sphere of authority. The Commonwealth Parliament has therefore had to bear these restrictions with the best grace possible. They have proved especially irksome to the Labour Party, which, holding the balance, has frequently found itself in possession of the political strength to achieve its industrial purposes, only to find that the Constitution gave it no legal power. The Labour Party has never been distinguished by any excessive reverence for the Constitution. In them it has never inspired much of the feeling to which the

present Prime Minister gave utterance when he described it in a famous phrase as being “strong as a fortress, sacred as a shrine”. When its provisions have obstructed the fulfilment of their purposes they have regarded it as merely a troublesome obstacle. One result of this combination of political power with legal impotence has been the invention of ingenious devices to do indirectly what there was no power to do directly. One of these has been in evidence this week, in an application made to Mr. Justice O’Connor, President of the Federal Arbitration Court, under the Act which was passed last year to impose an excise duty on agricultural machinery. The Tariff Commission, appointed by the Reid–McLean Government to consider desirable amendments in the tariff, was much impressed by the necessity of giving increased protection to the local manufacturers of agricultural machinery against the somewhat unscrupulous competition of their American rivals. It therefore recommended a large increase in the import duties.

EXCISE DUTY AND FAIR WAGES.

The Tariff Commission is not dominated by the Labour Party, but it had sufficient sympathy with Labour ideals to impel it to suggest that Parliament should secure that at least some portion of the benefit to be derived by the local manufacturers from the increased duties should fall to the employees in the industry. The method they suggested was to provide that if the manufacturers did not pay their men a fair and reasonable rate of wages the duties should be suspended by proclamation. This method was open to the obvious objection that it punished the innocent with the guilty. The Government as a way out of the difficulty adopted the device of imposing, along with the increased import duty, an excise duty of a smaller, but substantial, amount, providing at the same time that this excise duty should not be imposed if the goods in question were manufactured under conditions which secured the payment of fair wages. Fair wages are such as are declared to be fair by the Parliament, or are in accordance with an Industrial Agreement or Award under the Arbitration Act, or are declared by the Judge of the Arbitration Court to be fair. The application referred to above was the first of its kind. It was of no intrinsic importance, but it affords a very interesting illustration of the determination of the Federal Parliament not to allow the Constitutional limitations on its powers to prevent it from taking a hand in the control of industrial conditions. They have no power to do this directly. But they have exclusive power to legislate with regard to customs and excise duties, and they can, by virtue of this power, exercise a very extensive influence on the conditions under which protected industries are carried on.

FEDERATED AUSTRALIA.

THE TEMPER OF THE PRESS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 21 1907; Jul. 13 1907.

What the average elector really thinks on any given subject is at least as great a puzzle in Australia as anywhere else. Indeed, it is greater than in England, because our States are still separate geographically with but a vague consensus of opinion, even on most Federal questions. Our newspapers are all of them limited to relatively small areas in circulation and cater for merely local views. They show nothing more than what in the judgment of some State coterie the elector ought to think or to be made to think in the interest of its party. In State affairs they are, of course, compelled to follow as well as lead opinion, but in Federal affairs always remain much more at large. There is not one really federal journal in the Commonwealth; nor even one that counts for anything beyond its own State. The chorus of our Press is always dissonant as a whole, and each of its voices so localised that general Australian opinion upon broad Australian issues can only be distilled from them with difficulty. But if unreliable except with qualifications upon Federal issues, they are less trustworthy upon national or Imperial issues, except, of course, that they are always consistent in giving them whatever interpretation best suits the circumstances of their Provincial politics first and their Federal partisanship second. This much explanation is necessary to show why one gets little or no help from their criticisms of the recent Conference when one seeks to determine what our public have gathered from it. They do supply a fairly clear indication of what political capital they desire to make out of it. Their serviceableness ends at that point. Just now all of them are rather more bitter, because they are suffering from sore heads due to recent local reverses. One may excuse their temper when recollecting that nowhere in the Eastern States has the lead of the Press been followed this year, or, indeed, last year either, even in their local politics.

PUBLIC DISAPPOINTMENT.

In New South Wales the moribund *Carruthers* Administration has become more distrusted since Mr. *Ashton* left it, and a game of reconstruction by barter has been played between the remnant of the Independents and the party in power. Unreasonable as usual, nothing would satisfy our Sydney Press except the substitution of an entirely new Cabinet for the old, which they have been supporting, while its present members

were equally determined not to retire of their own free will. The coquetting, the setting to partners or would be partners leading up to the final addition of Mr. Waddell to the existing Ministry, will be dealt with elsewhere. The result is a public disappointment not as keen or loud as that of the newspapers whose behests have been disobeyed, but sufficient to make the electorates lax at the poll. Indirectly this is likely to promote a public willingness to further curtail the ambit of our State Legislatures and reduce the cost of their Administrations. Attractive as this prospect would usually be nothing could be more unwelcome to our Free Trade teachers than this tendency, now that they realise their final defeat in the Federal arena. To extend the functions of the national Parliament, that is becoming more Protectionist at each election, which is presided over by Mr. Deakin, and about to recast its tariff under the auspices of Sir William Lyne, is gall and bitterness to the dominant party in this city, the home and centre of the propaganda of Free Imports ever since our fiscal campaigns began. By a natural transition therefore they are striving to avenge themselves upon the Prime Minister and to salve their wounded feelings by undertaking the congenial task of whittling away the work of the Conference and minimising his part in it in spite of what their own cables and correspondents have disclosed in their own columns.

In Queensland their journalistic allies pursue similar tactics with equal reason. The severe fall they have sustained at the State elections held a few days ago has once more discovered the distance which divides them even from the classes in that State for whom they are supposed to speak. Out of touch with them upon the local questions they have most laboured and are most familiar with, as the popular verdict proves them to be, it seems probable that they cannot be accepted as trustworthy guides upon the larger issues that have not been so lately discussed or submitted at the polls. Victoria enjoys a Ministry free from the special reproaches attaching to our own, because Mr. Bent's opportunism, while quite as absolute as that of Mr. Carruthers, is sobered by better sense, less irritability, and more capable colleagues. The Melbourne Press as a whole, though critical, is behind them, and will remain so while its only choice lies between the Bent Cabinet and a Labour Party much less practical and less discerning even than our own. The Conference proceedings are viewed askance even there, and as usual for party reasons. The Free Trade papers fear to be considered Imperialistic, and therefore coldly endorse in a timid fashion any advance in that direction. The Protectionist *Age* has an animus against the Bannerman Cabinet kindled because of its refusal to accept Preferential Trade. This wrath against our Prime Minister is also envenomed because of the indifference with which he has always ignored the anti-Imperial tendencies into which they relapsed during their reaction from the high tide of enthusiasm they maintained during the Boer War. On this subject he remains firm, ignoring their defection. South Australia and Western Australia appear to be honourably distinguished by the thoughtful manner in which they have handled the matters under discussion at the recent Conference. In them local antagonisms are less emphasised. So, taking

our newspapers as a whole, they have certainly failed to rise to the occasion. London is far away, the questions debated there are much wider than those they are accustomed to consider in a practical fashion, and the calls of party interests are paramount. Their whole attitude has been perverted to a noticeable degree by a determination not to judge Imperial politics on Imperial grounds but to make them subservient, at all events at this stage, to the personal or sectional prejudices that play so large a part even in the biggest cities of relatively small communities such as our States are still.

THE SPEECHES OF PUBLIC MEN.

Putting aside the obvious deflections of the party organs of the Commonwealth one must for similar reasons discount most of the speeches of our public men. Mr. Deakin's colleagues have a direct interest in magnifying his achievements and in a lesser degree so have his friends and supporters. Mr. Reid, on the other hand, has a bias of the opposite kind, personal as well as official. The Leader of the Opposition commenced by inventing a Conference policy for the Prime Minister, in order that he might condemn it with regretful gravity. Mr. Deakin is an Imperialist; he is even President of an Imperial Federation League in Victoria, and a persistent advocate of studies of the Imperial outlook. Nothing more natural for Mr. Reid than to fast upon these conspicuous tendencies and to translate them into designs upon the freedom for self-government that Australia enjoys. His first effort was to show the Conference in process of transformation into a permanently dominant body, endowed with powers curtailing Colonial liberties and interfering with our local legislation. When that interpretation became impossible his next endeavour was to indicate that we had been preserved from these risks only because our representative was defeated in his insidious designs to barter away our privileges. The Opposition newspapers and even the *Age* obediently followed the false scent, though their hue and cry was feeble because of the feebleness of the case. The strenuousness with which the Prime Minister advocated preferential trade relations with the Mother Country was met by the customary mockeries familiar here and in Great Britain. If Preference is profitable why not aim at complete Preference, with Imperial Free Trade as the culmination of the doctrine? As this implies the imposition of Protectionist duties in Great Britain in the first place and the destruction of the Customs revenues both of the Mother Country and her Dependencies in the second place, the jeer was singularly ineffective. Yet this and sneers at the confessedly partial Preference passed last year and still suspended pending a declaration of his Majesty's pleasure made up the sum total of the objections urged on this head. The manner in which Mr. Deakin spoke his mind to the Colonial Office was widely approved, because on this head the experiences of all the States are of the same kind. No one denies that the Department means well, but everyone is familiar with the frequent illustrations supplied to us of its lack of knowledge and of touch with Australian sentiment. Of course the Opposition

journals are properly aggravated at the fearlessness with which the Prime Minister has spoken his mind and the prominence given to his actions in the British Press. This is a legitimate grievance from their point of view, and one which he himself would undoubtedly prefer to leave them rather than the criticisms he would have had to face if he had been content to take his cue from Canada.

NAVAL SQUADRON AGREEMENT.

The one outcome of the Conference that has embarrassed some of the Prime Minister's friends is the new arrangement intended to be entered into with the Admiralty in respect to the Naval Squadron agreement. That now existing is to be cancelled, and apparently the Squadron is to be withdrawn from our seas. Nothing is to take its place until the proposed harbour boats or seagoing destroyers are constructed. For how long our ports are to remain practically undefended beyond the range of the guns of our forts is not plain; nor, indeed, is anything very clear except that some complete change of front is intended. What makes the position more curious is that Mr. Deakin entertains what is termed an exaggerated view of the value of the Imperial Navy and of the necessity for maintaining its size and efficiency at the highest standard. He has frequently referred to it here as the bond of Empire and the one guarantee of Australian territory and self-government. Whatever he intends to propose must accord with this view, which he seems to have reiterated in the Mother Country. But on this and other matters, and, indeed, on the Conference as a whole, we must await his own statements before judging. The correspondents of our papers in London have kindled a very lively interest in his return by their accounts of the effects of his speeches at home. He will have an excellent hearing. Possibly he will, as he often does, appeal direct to the people over the heads of the newspapers and to Parliament through the electorates as well as directly. Whatever hold he has upon both of them has been derived in this manner for the last two or three years in a most marked way. Members are summoned for July 3, so that we may expect to have the Conference and the Prime Minister's policy there discussed at full length in full-dress debates in a very short time. Sir William Lyne's attitude at the Navigation Conference has been applauded by Ministerialists and by the Labour Caucus, but his leader will require to address himself to a wider body of the electors upon more controversial topics and with greater personal independence of his own local party and Press. These do not appear able to quarrel with him seriously even if they so desired. Though he will no longer be indispensable in the new Parliament as he was in the last, and has roused fresh resentment in the Labour ranks by his recent criticism of their prospects, the present Cabinet continues to depend for its unity and for its existence upon his continuance as Prime Minister. Until the tariff is disposed of his party cannot afford to consider any change. Parliament itself will probably be anxious to justify its existence by doing some work before resorting to new combinations.

THE COMMONWEALTH OF AUSTRALIA.

THE IMPERIAL CONFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, May 28 1907; Jul. 17 1907.

It is still too soon to sum up the full results of the recent Imperial Conference, but apart from the attitude of our local Press alluded to in my last letter it would be idle to pretend that the *non possumus* attitude of the Imperial Government towards almost every suggestion that has been made by the Australian Prime Minister for strengthening Imperial relationships has not already caused a good deal of genuine disappointment in Australia. The cablegrams furnish a daily record of active attempts at progress on the part of the Colonial Premiers defeated by the obstinate adherence to the *status quo* on the part of the representatives of Great Britain. Of course, we do not yet know all the circumstances. Moreover, it was hardly to be expected, even by the most enthusiastic optimist, that all the Colonial proposals would meet with even a qualified acceptance. But the attitude that has been adopted is, so far as one can judge from the cables, anything but encouraging to oversea Britons who are concerned about Imperial unity. To put the case in the mildest possible form, if the Imperial Government is right in its attitude the Colonial Premiers have been peculiarly unfortunate in their selection of proposals. Our Prime Minister's plan for a permanent Secretariat, removed from the soporific atmosphere of the Colonial Office and attached to the office of the Prime Minister, was met, according to the cables, by the vigorous opposition of Lord Elgin on the ground that it would diminish the scope and authority of his Department. The arrangement ultimately adopted, though it may represent an advance on previously existing conditions, is an essentially different thing from that which Mr. Deakin asked for. His motion for an Imperial Court of Appeal was "not adopted", Lord Loreburn arguing that there would be no real advantage in displacing the Judicial Committee of the Privy Council. The proposals for trade preference met with a blank refusal. This is not mentioned by way of complaint, for it is quite a mistake to suppose that the Australian proposals for Preference arise out of any desire to interfere with the exclusive right of the Mother Country to settle its own fiscal policy. The point is that it is unfortunate that it should be one more of a long series of refusals. The adequacy of the grounds for refusal are, of course, another matter, which need not be discussed here. Passing to another subject, the Treasury experts "said it was impossible to take action regarding

the double income tax or the adoption of decimal currency and the metric system". Mr. Deakin's resolution with regard to coasting trade was "considered unnecessary" by Mr. Lloyd George. His proposal for an Imperial fund, to be raised by a duty of 1 per cent. on all imports from foreign countries, excited the same Minister's warmest hostility. He even opposed its mere submission to the Conference. Sir Joseph Ward's proposal for improved mail services was received with expressions of academic goodwill, but nothing was done to give it effect. This is a summary of the cabled accounts of the Conference proceedings up to the time of writing.

To Australians who looked for some practical results of the Conference such a forlorn record of negatives is anything but inspiring. It was hardly worth while making these Conferences permanent if they are merely to provide an opportunity for British statesmen to throw cold water upon the efforts of the Colonial representatives towards Imperial unity. Even if all the specific proposals of the Colonies on this occasion were properly open to objection—a view which would indicate a wholly improbable degree of foolishness on the part of their authors—the Imperial representatives do not appear to have associated their opposition to these proposals with any alternative suggestions for the attainment of the same result. It cannot be expected that the Colonies will continue, as a matter of course, to make all the advances in order to receive constant warnings to mind their own business. The real feeling of Australia will not be expressed until the Federal Parliament meets in July. The fuller reports of the Conference proceedings will then be available. If they confirm the impression that is left by reading the cables it is safe to predict that the prevalent feeling of disappointment will receive an expression which lacks nothing in candour. The fate of the individual proposals is not the really important matter. The unfortunate thing is that the Press reports of the Conference proceedings lead to the disquieting conclusion that if anything is to be done to promote Imperial unity, not only must the motive power come from the Colonies, but that when it does come it will not induce British Governments like the present to do anything except turn it to waste. Commercial Prosperity.

The trade and commerce statistics for 1906, which are just beginning to appear in a completed form, are not without relevance to more than one of the questions that have been discussed at the Conference. They afford abundant evidence of the truth of the glowing reports of Australian prosperity which have been the text of so many recent speeches and articles about Australia. Everything has been in our favour. The season has been on the whole extremely serviceable both to the pastoral and agricultural industries: a period of abundant supplies has coincided with a period of high prices. Our total external trade for 1906 amounted to £114,000,000, an increase of £19,000,000 over the year before. These figures leave out of account the amount

of trade between the States, which has been advancing by leaps and bounds since the removal of interstate barriers. We exported last year over two million bales of wool, valued at well over £22,000,000. The number of sheep in Australia, however—some 80,000,000—though still below our highest record, shows an increase of nearly six million over the numbers for 1905. The figures relating to wheat production ought to be much higher. During 1906 Australia produced 68,000,000 bushels, as against nearly 65,000,000 in 1905. These figures only indicate our possibilities in this direction. In this State alone there are, according to a moderate estimate, some 20,000,000 acres which can safely be cultivated for grain. The area under cultivation last year was hardly two million acres. The whole area cultivated in all the States was only about six million. The real explanation of this seems to be that Australia has not yet adjusted itself to the requirements of wheat-growing on a large scale. The arrangements for handling and shipping wheat are still of a rather primitive nature. We have few facilities for handling the grain in bulk. The costs of placing our grain on the market are consequently heavy, and leave a small margin of profit to the farmer. It is hardly surprising that he prefers the smaller but more certain returns which can be obtained from wool-growing. However, recent seasons have so clearly revealed our grain-producing powers in Australia that the provision of the necessary appliances for cheap and expeditious handling is only a matter of time. It is here that the stimulus of a preference in British markets, even if it were slight, would be of immense assistance. Sir **William Lyne** was overstating the case when he told the Premier's Conference that if a 2s. per quarter duty were put on wheat we could supply the whole 93,000,000 bushels of wheat annually imported by Great Britain. But there is nothing absurd in the idea that Australia could and should supply a vastly greater proportion of this than the 8,000,000 bushels she supplied last year. From the six million odd acres under cultivation for wheat the six States produced sixty-eight and a half millions of bushels. Given the men, money, and machinery there is no reason why this total should not be increased five or six fold, for New South Wales alone, as has been already mentioned, has twenty million of acres in her wheat-growing belt.

PRIVY COUNCIL AND HIGH COURT.

The High Court, in its full strength of five Justices, has been occupied for the last week in hearing an appeal by a Federal **officer** against a decision of a New South Wales Court which, following the decision of the Privy Council, adjudged him liable to pay State income tax on his Federal salary. The case raised the direct issue whether the High Court was bound by a Privy Council decision on a Constitutional question, as to which there is no appeal direct from the High Court itself. The High Court decision has not yet been delivered, but whatever it may be it must form

the groundwork of legislation in the next Session of Parliament. There can be no reasonable doubt—although the lawyers have managed to suggest doubts which look as if they were almost reasonable—that the Constitution intended that matters of constitutional interpretation which concerned exclusively the internal affairs of Australia should be finally settled by the High Court. This matter of the imposition of State income tax on Federal salaries is one of purely Australian concern. It is very hard to see what harm would have been done if the Lords of the Privy Council, who only had the question before them because of an omission in the drafting of the Constitution, had seen fit to adopt the law as laid down by the High Court. Had they done so they would have avoided raising a very difficult and even potentially dangerous constitutional position: they would have prevented a great deal of costly and confusing litigation, and they would also—though this is a matter for the lawyers—have saved themselves from the suspicion of having decided an extremely important question on a somewhat slender acquaintance with the real nature of the issues involved. This comment, it must be admitted, is based upon local legal authority. It would be hard to find a constitutional lawyer of eminence throughout Australia who approves of the reasoning by which the Privy Council's decision was reached. The current opinion among those who know most about the subject is that if adopted it will make the Constitution almost unworkable. Hence this decision given in order to uphold the jurisdiction claimed for the Privy Council may result in an effort to still further curtail the right of appeal to that body from our High Court, at any rate in cases which involve the interpretation of the Constitution. The existence of two co-ordinate final Courts of Appeal in certain classes of constitutional matters—for such the High Court and the Privy Council undoubtedly are, whether the Australian tribunal decides to follow the Privy Council in this particular case or not—gives rise to a condition of things that no exercise of discretion or forbearance on the part of these tribunals can render permanently tolerable.

COMMONWEALTH OF AUSTRALIA.

LIQUOR AND GAMBLING.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 4 1907; Jul. 20 1907.

The shadow of the coming election begins to fall across the field of our State politics. A vigorous attempt is being made to gather into a single organisation all the anti-Labour elements in the community. It is not at all likely, however, that any party which is formed on the basis of mere antagonism to a rival will ever attain that degree of cohesion and unity which has enabled the Labour Party, in spite of being in a minority, to win so many political successes. It will have to include too many diverse elements. The bond of union will be negative rather than positive. The sanguine may hope that all the classes who do not vote Labour will permanently unite on a programme of positive legislation. Thus the Labour Party has, and will have, so far as one can see, always a certain vantage. It is a trained force, with a powerful organisation, and complete external unity of purpose. This has given it a power in Australian politics out of all proportion to its numerical strength and the public opinion behind it. From time to time when a rally can be effectively accomplished the caucus will be reduced to its normal influence, as lately happened in Victoria. But any attempt even after such a victory to construct and carry out a positive programme of legislation will, almost certainly, produce divisions that will restore the Labour Party to the position of arbiter under a three-party system. This is the real weakness of our anti-Labour organisations. If they include all who will not vote Labour they may be strong in numbers, but they must be weak in purpose. If they do not include substantially all the voters outside the Labour Party they leave room for the existence of three parties, with Labour holding the balance of power.

THE COALITION IN NEW SOUTH WALES.

These observations find illustration in the difficulties which are arising in this State in the way of the coalition between the Government Party and the followers of Mr. Waddell. The path at first appeared smooth, but though negotiations have been going on for some considerable time a coalition is even yet only nominally achieved.

Mr. O'Sullivan, who despite all his absurd extravagances as Works Minister in the last Government still remains a force in our State politics, has definitely refused his support. Other prominent members of Mr. Waddell's Party have taken up a similar attitude. If the present coalition really holds together it is not at all impossible that the Labour Party may gain as much by it at the forthcoming elections as the Carruthers Party. In any case it seems probable that there will be members returned who, even if they are not numerous enough to form a third party, will be able, in connection with the Labour Opposition, to make Mr. Carruthers mind his p's and q's. He needs a brake upon his mischievous egotism. His merits, no less than his mistakes, are making one for him. The new Liquor Act, which, to the disinterested observer, would appear to be a wholly useful measure, has earned for him the bitter enmity of "the Trade", which here, as in England, is a formidable force at election times. The Gaming Act, which has cleared the Sydney streets of the offensive presence of the "tote shop" and the gambling club, so unpleasantly noticeable before, has arrayed an interest which is by no means negligible in opposition to the Government. These measures will, on the other hand, attract considerable support from the disinterested classes of respectable voters, and would probably have turned the scale in favour of the Government if it had not been for the wholly unsatisfactory fashion in which the difficulties arising out of the Land Scandals have been met. This has already been described in these columns. The one thing that will prevent his folly in this direction from working the ruin of his Government at the elections is the ineffectiveness of the State Labour Opposition. If they had been led with even ordinary skill and intelligence, the Government would already have paid the extreme penalty for its blunders. As it is the attitude of the Labour Party over this miserable business has not been such as to suggest that its methods of dealing with it would have been more effective than those of the present Government.

LIQUOR AND GAMBLING LEGISLATION.

The two Acts which were referred to above—the Liquor Act and the Gaming Act—although when passing they were described in some detail, certainly merit another reference. They embody the effects of a somewhat sudden and violent outbreak of public morality, which was not confined to this State. It made itself felt equally in Victoria, where it produced very similar legislative results. In both States, however, this legislation, in spite of minor defects and absurdities, has on the whole produced solid benefits. The Liquor Act in this State makes no very startling changes, but it provided more effective machinery for enforcing the existing statute with respect to the sale of liquor during prohibited hours. That law was formerly, to a very large

extent, a dead letter, because it was so framed that it was practically impossible to secure convictions. Sunday trading was carried on almost openly, and the prohibition of the sale of liquor after eleven o'clock at night was little more than a pious aspiration. We have changed all that, however, by throwing upon the publican upon whose premises any person is found during prohibited hours the onus of proving that he is there for a lawful purpose. This simple device has produced a far more general observance of the restriction. Its effect is reinforced by the Local Option provisions of the Act. These enact that if the local vote is in favour of a reduction of the number of hotels in the district, those which have had convictions recorded against them shall be the first to be closed. Three convictions absolutely disqualify a house for a future licence. There is also a useful provision which prohibits the sale of liquor to any person under the age of eighteen years—a thoroughly beneficial enactment. The new part of the law is that which provides for the supervision of clubs. It is copied in its essentials from the English legislation of 1902.

THE LICENSING ACT IN VICTORIA.

The Act lately passed in Victoria was intended, generally, to be similar to that in this State. The Bill was, however, so hurriedly passed through Parliament that the intentions of its framers received anything but adequate expression. In some cases the Courts have evolved an intention that was certainly foreign to anything in the minds of the Legislature. The provisions which were intended to put a further check on Sunday trading have been shattered by a Supreme Court decision, and it now appears that Sunday selling is no offence. But the most remarkable part of the Victorian Act is that which is intended to provide compensation for publicans whose houses may be closed as a result of the provisions for reducing the number of licensed houses. Such a reduction was one of the main objects of the Act. At first the Government proposed a system of Local Option with a generous time allowance to those publicans who might lose their licences under its operation. But “the Trade” was strong enough to force the insertion of provisions for money compensation. The Local Option provisions were therefore struck out, and in their place was inserted a scheme by which the number of licences was to be annually reduced by some 60 to 80. This was to be done by a Licences Reduction Board to be appointed by the Government. This Board was also entrusted with the duty of compensating dispossessed publicans out of a fund provided by owners and occupiers of hotel property. It was to remain in existence for ten years, and was to reduce the number of licences in the State by 600 or 800 during that time. Then the Local Option

provisions were to revive, and the provisions for compensation by the Board were to come to an end. This arrangement provided all that reasonable reformers could want in the way of reduction, but this part of the measure is so drawn that it may never come into operation. For instance, one action appears to require that before a single house can be closed the Board shall make a valuation of every licensed house in the State. There are over 3,000 licensed houses in Victoria, and as every publican is entitled to be represented by counsel on the valuation proceedings it is fairly obvious that if this view of the Act is as correct as it is generally accepted the greater part of the ten years of the Board's life will be absorbed in this preliminary proceeding. The whole Act seems to be a monument of defeated intentions and it may be added of Ministerial mishandling. If licensing reform in Victoria is to be secured at all it will apparently be necessary for the new Parliament to pass an Act embodying the intentions which the last Parliament failed to express.

THE ANTI-GAMBLING LEGISLATION.

The gambling evil in Sydney and Melbourne had reached a stage which demanded drastic measures. The main streets of Sydney were thickly dotted with betting clubs and shops, which the law was formerly unable to control. Almost in the heart of Melbourne the famous "Collingwood Tote" carried on a flourishing unlawful business, and that, too, under the very eyes of the police. The most skilled detectives found it next to impossible to gain access to the premises, which were fortified against surprise and provided with numerous means of escape. It became manifestly impossible to secure the conviction of the conductors. Places of this kind have been absolutely suppressed, both in Melbourne and Sydney, by enactments which empower the Supreme Court, on the affidavit of a police official showing reasonable grounds, to declare such premises common gaming houses. After such a declaration any person found in the "quarantined" premises, or entering or leaving them, or even any building which is used as a means of access to them, may be immediately arrested, and unless he can prove that he was there for a lawful purpose he becomes liable to six months' imprisonment. An owner who knowingly allows his premises to be used for gaming, or as a means of access to a gaming house, is subjected to a very heavy penalty. If he discovers that they are being used for such a purpose he is not only entitled but is bound to determine the lease. These enactments have produced their object far more quickly and effectively than is generally the case with measures of social reform. They were not intended to eradicate the gambling instinct. Some agency other than legislation must do that. But they were intended to

restrict the temptations of the young and to limit the opportunities of the hardened gambler. This they have done to a very large extent. So far as one can discover every betting place of any size in Sydney and Melbourne has been closed. The considerable numbers of people who made a living out of them have had to seek either new occupations or new fields for their old occupation.

BETTING ON RACECOURSES.

Both Parliaments stopped far short of the logical outcome of this energetic crusade—the total prohibition of betting. With a frank disregard for logic betting is still allowed upon licensed racecourses while race meetings are in progress. No race meetings are allowed except upon licensed courses, and upon these they can only be held upon a limited number of days—varying from 15 to 24—in the year. Moreover, no race meeting is allowed except upon a course of a certain size. These provisions were intended to put some check upon the passion for horse racing which had brought into existence a vast number of racing clubs of varying degrees of respectability, which between them held meetings on nearly every day in the year and provided a more or less anti-social occupation for a growing number of persons. All the more reputable sporting men welcomed these restrictions as beneficial and necessary measures.

THE COMMONWEALTH OF AUSTRALIA.

NEW SOUTH WALES AND THE FEDERATION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jun. 8 1907; Jul. 23 1907.

The agenda paper for the forthcoming Premiers' Conference in Brisbane has just been published. Outside the question of the financial relations of the Commonwealth and States—which will be taken up where it was left by the last Conference of Treasurers in Melbourne—there is no matter of the first importance to be discussed. According to the usual practice, each of the State Governments has furnished a list of the topics which it desires to submit to the Conference. *Our State Premier's* contribution affords an amusing example of his anti-Federal obsession, which is beginning to make him the laughingstock of Australia. All the other State Premiers have submitted a list of matters of a practical and definite nature on which it is possible for the Conference to come to some useful conclusion. Mr. Carruthers, whose attitude really reminds one sometimes of the forlorn and deeply wronged Mrs. Gummidge, asks the Conference to consider, among other things, the question of appointing an expert to examine all Commonwealth measures introduced into the Federal Legislature, to ascertain whether they infringe State rights. He also wishes the Premiers to discuss the advisability of "obtaining an expression of opinion from the electors of each or individual States [sic] in regard to the Federal Constitution, after experience, with a view to further action". It is very difficult to know exactly what this means. It appears to be merely another symptom of the violent attack of anti-Federalism from which its author is just now suffering. Every speech, every newspaper interview, to which he gives expression contains some more or less mysterious reference to the wrongs of the "Mother State" and the urgent necessity for putting an end to them. In the Prime Minister's proposals for an Australian coast defence Fleet he sees a deep and wicked design to rob Sydney of the advantage that it derives from the fact that it is the headquarters of the British Squadron on the Australia Station. In his policy speech at Kogarah he discovered another grievance in the fact that the *Braddon Clause* of the Constitution, which secures to the States three-fourths of all the Customs and Excise revenue raised by the Commonwealth, is to come to an end in 1910, although he bitterly opposed its introduction into the Constitution at all, and strongly supported Mr. *Reid*, after the adoption of the Constitution, in limiting its operation to a period of ten years. These grievances

are, of course, in addition to his standing trouble over the Federal capital. As to this he now proposes to take a referendum of the electors of this State, to determine whether they are agreeable to the selection of Dalgety—which has already been selected by the Federal Parliament. This, of course, is all in sublime indifference to the express statement of the Constitution, that the site of the capital in New South Wales is a matter for the determination of the Federal Parliament. One would be utterly at a loss to account for all this outcry were it not for the fact that the State elections are approaching, and the State-rights cry may very conveniently divert attention from matters about which the Government does not appear to be very comfortable. Besides that, the forces of anti-Federalism are still strong in this State, and there is much to be gained by exploiting them for electioneering purposes. There is reason to think, however, that our astute Premier has overdone it a little. His vague hints of secession have excited the derision, not only of all the other States, but of many of the more reasonable of his own supporters in this State. Sir **John Forrest** aptly expressed the general feeling of Australia when he described them as “too silly for words”.

WHAT FEDERATION HAS DONE FOR NEW SOUTH WALES.

In the face of statistical facts it is almost incredible that any responsible person, much less the Premier and Treasurer of the State, should persevere in these complaints about the sufferings of New South Wales under Federation. Her trade has not been impaired, for her exports, interstate and foreign, have increased since 1901 from £35,750,000 to £48,500,000 in 1906. Her public finances are in a vastly better condition than they were before Federation, thanks mainly to the operation of the Federal tariff. Last year she received £2,300,000 more revenue than in 1900, the last year before Federation. She has also been relieved, by the transfer of large spending departments, of about £1,000,000 of necessary expenditure, so that last year the State was better off by about £3,300,000 than in the year before Federation. During the six years ending June, 1906, the Commonwealth Treasurer has paid to the New South Wales Treasury some two millions more than he was legally bound to pay under the Braddon Clause. Every industry in the State is more flourishing than it was in the pre-Federation days. Except in the case of the delay in settling the capital site (for which the State Government is mainly responsible) there does not appear to be to an unprejudiced observer with no political purposes to serve even the shadow of a ground for the monotonous complaints of Mr. Carruthers.

THE STATE GOVERNMENT'S POLICY.

There does not appear to be any real necessity for Mr. Carruthers to make this provincialism any part of his policy. His policy speech, delivered about a week ago at Kogarah, discloses plenty of material for an attractive programme, without any appeal to the anti-Federal forces in New South Wales, which six years of Federation has not destroyed. Bountiful seasons, a very large return of Customs revenue from the Federal Treasurer, and rich profits from the railways have given him a surplus which, on June 30, the end of the financial year, will amount to £1,350,000. Out of this he proposes to remit no less than £720,000 of taxation. The income tax on incomes derived from personal exertion is to be abolished; railway fares and freights are to be reduced; stamp duties to be cut down; there are to be no more school fees; and certain smaller taxes are to be handed over to the newly-created local authorities. This is a programme which is eminently suitable to secure votes, but it is questionable whether the surplus might not have been used in a more statesmanlike if less popular way. New South Wales in June, 1906, had an unfunded debt of more than nine and a half millions in Treasury bills for public works and deficiencies in revenue. A million and three-quarters of this consists of debt which was incurred to cover revenue deficiencies. This amount, one would think, ought to be a first charge on any surplus revenue. In anticipation, apparently, of a demand that must be made when the Commonwealth takes over the State debts, the Premier announced his intention of limiting future loans to the local market, and of redeeming as much of our English debt as he can with local money. In all these good intentions he will have hearty and general support. The other parts of the speech are, if anything, more satisfactory. New closer settlement legislation is foreshadowed, to embody the results of the experience gained from the working of the former Acts. If the whole of the land resumption policy announced in this speech is carried out a considerable part of the reasons for Mr. Watson's Federal graduated land tax will disappear, so far as this State is concerned. Definite proposals are made for the resumption, for closer settlement purposes, of the whole of the Peel River Estate of 220,000 acres, and of some other large estates in the southern portion of the State of an equal area. These two proposals alone, if carried out, will make nearly half-a-million acres available for farmers. Besides this a Board is to be constituted to make a systematic investigation of every large estate within the rainfall belt and within twenty miles of a railway line, with a view to the resumption of those that are suitable for closer settlement.

WAGES BOARDS.

Another reform which, in view of the revelations at the recent Lands Commission, comes none too soon is the proposal to place the Department of Public Lands under an independent Commission, free to the same extent as the Railway Commissioners from political interference. The much battered and abused Industrial Arbitration Act is to be repealed, and a system of wages boards, modelled on the lines of those which have worked excellently in Victoria, is to be substituted. The greater part of this programme must appeal as much to the adherents of the Labour Party as to Government supporters. In fact, it is quite probable that some of it will appeal less to the more conservative elements in Mr. Carruthers's own party than to straight-out Labourites. Under the circumstances it looks as if the Leader of the Government had stolen the Opposition thunder. It will certainly be very difficult for Mr. McGowen as Labour leader to devise a policy more likely to attract the mass of voters in this State, even if Mr. McGowen were a capable and resourceful leader, which he is not. The weak point in the programme is its financial proposals. Unfortunately these are not likely to be its least popular part. They are certainly the part that Mr. McGowen will be least likely to attack. The record of the Labour Party in this State in connection with finance is not such as to encourage the hope that their administration of the public funds would be much more successful than that of their opponents.

THE COMMONWEALTH OF AUSTRALIA.

MR. DEAKIN ON THE IMPERIAL CONFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jun. 24 1907; Jul. 31 1907.

The **Governor-General**, having concluded his visit to the Northern Territory, is now on his way to Sydney. His **Prime Minister**, after spending a few hours in Perth, has passed on to Melbourne, having travelled some 2,000 miles since he first touched Australian soil. Lord Northcote will have journeyed just as far by the time he meets his Ministers in Melbourne, though the two between them will have only circumnavigated two-thirds of the continent in their passages. So far as the Commonwealth is concerned the Governor-General and our two Ministers who have just returned from the Conference need not have hurried back if it had not been for the meeting of Parliament. Since they left Federal politics have flowed in a very placid stream, Sir **John Forrest** proving himself a tactful chief and most indefatigable traveller among the Eastern States. His attitude towards the waspish Premiers' Conference, while perfectly courteous, was admirably firm. The mail contract is undoubtedly in an intolerable tangle, but it is the only pressing piece of business left on hand. On this subject the Prime Minister should be something of an authority, since, as he says, he has spent more than two months of his less than four months absence on board mail steamers going to and returning from London. A great deal has happened in the interval, but not on this side of the world. Owing to the tardiness with which letters reach us the descriptions of the Conference and of the successes of our delegates, which were only received after it had closed, have rekindled and enhanced the enthusiasm of our newspaper readers, or, in other words, of our public as a whole.

THE PREMIER'S RETURN.

Mr. Deakin's return from England has quickened our interest in the Imperial questions that were discussed at the recent Conference, and for the next few weeks attention will be centred on the results of those discussions and our own Prime Minister's part in them. Mr. Deakin has many vigorous opponents among Parliamentarians and the Press, but political hostility does not in this country interfere with the ordinary amenities of life, and most of these opponents are just

as ready as his friends to recognise and take pride in his courageous, dignified, and brilliant representation of Australia in the Mother Country. Much of his action at the Conference will be vigorously attacked by the desolate remnants of the Free Trade Party; all of it will be diligently canvassed. He will be assailed with the ineffective and ancient cry that, as the direct leader of the smaller party in the House, he was not really entitled to represent Australia; but his critics will recognise that his eloquence, his courtesy, and his courage have done no mean service to the country to whose interests he has given so much of his life. His arrival at Fremantle and Adelaide were made the occasions of most enthusiastic demonstrations, in which all political parties joined. Mr. Deakin naturally did not enter in his address into any very detailed discussion of the work of the Conference. He did, however, after a most ungrudging recognition of the hospitality and kindness the Premiers met with on every hand, repeat his complaint about the irritating and futile barriers with which the discussions were surrounded—a complaint which is endorsed by every representative of public opinion in Australia. He claimed for the Conference that it had been a triple success. It had aroused extraordinary interest in Imperial questions before it began. Its actual results, though not of course what he had aimed at, represented real and substantial gains; and its efforts after a higher Imperial citizenship had elicited the enthusiasm of all classes of British subjects in England. For the rest, he was explanatory and perfervid, but not in the slightest degree aggressive. On this account his first speeches on Australian soil were bound to disappoint all the controversialists. Commencing with a long roll-call of the hosts of our delegates in London, headed with the name of his Majesty, passing on to the noblemen and others who have been Governors-General or State Governors, he concluded his opening with friendly references to the State Agents-General and Sir [John Cockburn](#) for their aid. The luncheons in Westminster Hall, the Guildhall, and elsewhere headed a further list of functions for which he returned thanks. Certainly by these and other means he contrived to convey to his hearers a very clear conviction of the overwhelming warmth of the reception of our representatives in the Mother Country and of the deep impression made upon him by the cordial feeling actuating all your parties and classes. His comprehensive gratitude embraced both the Government and the Opposition, and apparently extended also to his critics and opponents. This, as the reporters remarked, is all very well in its way. They are already acquainted with the Prime Minister's periodical and punctilious records of his obligations. But even admitting the force of his contention at Adelaide that the chief factors to be relied upon in all our Imperial relations as Britons are the ties of blood, of goodwill, and of mutual confidence, there is nothing "newsy" in mere items of acknowledgment, even when they point a moral with a national scope.

“THE BANGED DOOR”.

His scrupulous account rendered in this fashion between the people of Great Britain and ourselves has certainly modified the sense of disappointment acutely felt by our belligerent Preferentialists. When the **Campbell-Bannerman** Ministry point blank refused even to consider proposals for closer commercial relations, no matter how framed, they provoked an angry resentment among our militant publicists. We are apparently, from Mr. Deakin's remarks, to infer either that they do not now or will not long retain a majority in favour of this stubborn resistance to any and every kind of advance. Whatever may be in his mind the intention is plain. We are invited to look at what has been done and will be done, or at all events at what may be done, instead of dwelling upon what the party at present in office have refused either to do or to discuss with an open mind. By implication a distinction is drawn between the British Cabinet and the British people, whose generous spirit is described with deep appreciation. Laying this foundation may prove hereafter to have been a useful piece of political work, but at present, because it feeds no flames, it pleases no party men, and surprises those of his own followers who anticipated a repetition of the outspoken utterances daily reported from London a few weeks ago. Even the Colonial Office was expressly exempt from present challenge on the ground that, having put his case against its methods mildly but clearly in Downing Street, he would prefer to quote its defence here. It certainly needs apologists, though probably in their most daring flights its officials have never pictured themselves as indebted to Mr. Deakin for protection.

Puzzling, too, were the justifications offered by the Prime Minister for his reiterated demands for publicity of the proceedings of the Conference. There have never been two opinions on the subject in Australia. His new edition of Mr. **Winston Churchill's** figure of speech, by which it was made to apply to his own concurrence in the banging of the Conference door upon its members, the bolting out of the public, and the barring out of the Press, was much more to the taste of his supporters and of many others, for the Under Secretary for the Colonies has few admirers here. On the other hand, he took a good point against those who accused him of intervening in British party politics. Indeed, Mr. Churchill did so in effect in his “banging” speech. In reply the Prime Minister referred to the experiences of the Australian delegates who waited upon Mr. **Chamberlain** in 1900 in order to secure the passing of our Federal Constitution without amendment. On that occasion several members of the present Cabinet, who were then in Opposition, publicly assisted our delegates in their struggle with the **Balfour** Government to obtain the full powers approved by our electors in the draft Bill. No one accused your members of being partisans because they endorsed the Colonial plea. Whatever assistance was obtained from some of Mr. Balfour's following when our recent representatives put the case for Preference was given in the same manner and

with much the same result. But this gentle *tu quoque* formed almost the only combative portion of the Perth address. Evidently by arrangement Sir William Lyne, who is famous for his brusqueness and contentious temper, was equally guarded in speech. Beyond congratulating his hearers on the approval given by the Navigation Commission under Mr. Lloyd George to his own proposals for legislation he, too, was dumb.

THE CONFERENCES OF THE FUTURE.

In Adelaide the temper of the Prime Minister's speech was the same. There, however, he developed his idea of the great gain accomplished, since in future our representatives will meet the Ministers of the Mother Country on an equal footing in Imperial Conferences, though we are still immature and incapable of comparison with her in population or in wealth. Some form of consultation was indispensable in an Empire including self-governing communities, though the generous treatment accorded to us was because we are members of the same nation, blood relations, and not merely fellow-subjects of the Crown. Beneficial as these Conferences were to the United Kingdom, they were more beneficial still to the oversea Dominions, and of greatest advantage to Australia, the most distant, least visited, and least understood or appreciated of all the British family. The appointment of a High Commissioner in London was imperative as a means of removing our disability, but there must be unity between his office and those of the State Agents-General before a durable success could be expected. He pleaded earnestly for the placing of our national questions above local party strife and misrepresentation, deploring the fact that Australia's worst enemies were still those of her own household. Once more he contended that future Conferences should be held in recess, meet four days a week, severely restricting all social engagements during that period, and devoting the balance of their time to departmental negotiations and the study of the materials provided for them. They should not be official guests of any Government. His strongest plea was for the continuous study of all Imperial issues quite independently of British or Australian party platforms. These before being submitted to any Conferences should have been as far as possible studied beforehand through the new Secretariat by all the Dominions concerned. They would then be ripe for examination and specific recommendations made by the representatives of the Empire sitting together. In this way we should obtain business sessions of the Conferences doing national work in a workmanlike manner, which would carry great weight with the several Legislatures of the Mother Country and her self-governing Dominions. The whole of this speech was a plea for a persistent and progressive study of Imperial relations in an open-minded way by responsible Ministers periodically gathered together for that serious purpose. Upon such a body it would be impossible to bang official doors or to bar them out from the confidence and affection of their fellow-Britons at home or abroad.

COMMONWEALTH OF AUSTRALIA.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 1 1907; Aug. 10 1907.

Our Prime Minister has already received five welcomes, while a sixth is still in prospect providing he can find time to visit this city. Probably his hold is weaker here than in any other capital. Assuredly he has less Press and fewer direct supporters in Parliament from New South Wales than either of the other parties, and yet with the *Bulletin* transformed into an appreciative critic, one evening paper in the city and a number of friendly country newspapers at his back, his party is making much headway, even in this State. His old antagonists, the Anti-Federalists, are evidently embittered by the conviction that their cause is hopeless, and even with the help of Mr. Carruthers is suffering defections. Mr. Reid seeks shelter behind Sir Joseph Ward, whose politics are so far removed from his own as those of Mr. Deakin, while generally speaking his associates think it wisest to wait until the national welcome to the head of the Government has spent its present remarkable energy. From Brisbane to Perth the States have come more into line in his reception than upon any incident of moment during the life of the Commonwealth. His crowded meetings have discovered no visible distinctions of party, and practically no antagonisms to his expositions of the work and meaning of the Conference he has just attended. Even Sydney may not prove an exception if put to the test, though our Premier and the *Daily Telegraph* sulk demonstratively on the public gauge.

Mr. Deakin's speeches, though most of them have been much abbreviated in our papers, would probably have occupied more than twenty columns if reported in full. It would be tedious to deal with them in detail. Yet apart from illustrations, comparisons, precedents, and prophecies his immediate contentions can be compressed into a comparatively small space. According to him all Conferences of the character of those held in London must be beneficial in their influence, though they cannot be more or seek to be more than public discussions of the possibilities of inter-Imperial co-operation. Both the Mother Country and her Daughter Dominions gain by the better understanding of each other, and of their joint problems which they bring about. It may suit politicians here or with you to use them or ignore them according to party interests, but providing all their proceedings take place in the light of day, the appeal they make will go direct to the peoples of

the Empire. When once these are brought into an unison of sentiment they will be far on the road towards unity of policy, not necessarily in regard to their respective domestic programmes and methods, but in recognising the need and finding the means for mutual aid both in peace and war. The Conferences, having now attained a proper status, ought to possess and use the most direct and ample means of reaching their public all over the Empire which is possible under the circumstances of each problem submitted to them. Though the delegates would do no more than debate the practicable and practical methods of co-operation open to their constituents at the time, the fact that the debaters were the heads of Governments responsible to almost all the electors of our race who are the King's subjects would necessarily impart great reality, pertinence, and force to their resolutions. Properly equipped for their task by means of the preliminary labours of a small, highly qualified, and extra-departmental Secretariat, the representatives attending could do good work in a workmanlike manner and in short sessions. The questions for them to examine and decide upon would be just those large issues national in scope and constitutional in character which could appropriately be dealt with in a department presided over by the Prime Minister of the United Kingdom. An unbounded faith in the latent Imperialism of all the peoples of all our Dominions, and particularly of those in which the British element predominates, has breathed through every one of the Prime Minister's impassioned speeches. Whatever distrust he implies is reserved for sectionalists, for officialdom with its *vis inertia*, and to the suspiciousness of public men due to want of knowledge of each other and of the special circumstances of all other Dominions except their own. Conferences are to supply the fulcrum from which our World-Empire may be moved to realisation of the vast powers it possesses within itself that can and ought to be diligently and deliberately employed for its own development. Controversial questions there are and must be at such Conferences and after them upon which we can all afford to give a free rein to our individual desires, providing that Imperial interests are safeguarded beforehand and national aims lifted above the strifes and rancours of local or party feuds. This dictum, at all events, summarises the key of his position.

HIGH COURT V. PRIVY COUNCIL.

The High Court has just given its decision in the now famous income tax case. In this, it will be remembered, it was asked to reverse its own previous decision, that Federal officials were not liable to State income tax, out of deference to a contrary decision of the Privy Council. This reversal it has by a majority declined to undertake. It has also refused leave to appeal to the Privy Council from its decision. Since there is

no appeal without this leave under the terms of the Federal Constitution, the position now is that two directly contrary decisions on the same point of law have been given by two Courts, each of them apparently possessing co-ordinate and final appellate jurisdiction. As a consequence no Federal official knows whether he is really liable to pay State income tax or not. If he is sued, and his case can be dragged by the State Government to the Privy Council, he will have to pay. If he himself can manage to get it heard by the High Court he will not have to pay. This description makes the facts seem worse than they really are, for the average Federal official prefers paying his tax to the expensive and empty honour of providing a leading case for lawyers. In any case, the Federal Government has promised that one of the early measures of next session will be an Act to compel every Federal officer to pay his State income tax. The immediate question, therefore, as to this liability has become comparatively unimportant. But the bewildering conflict between the two Courts remains and with it the possibility of another conflict of a similar kind over some much more important question. This position is unprecedented in the history of the Empire and probably in the history of the civilised world. In justice to the perspicuity of the lawyers it should be stated that the precise difficulty that has arisen was prophesied in the clearest possible terms in 1900 by leading members of the House of Commons and by high judicial authorities in the House of Lords while the Commonwealth Bill was under discussion there. Obviously the conflict cannot be allowed to continue. There is some difference of opinion among lawyers as to the proper remedy, but there seems to be no valid reason why the difficulty should not be met by Federal legislation so as to avoid our being obliged to have recourse to the Imperial Parliament or to the rather cumbrous process of amending the Constitution. The Attorney-General has promised a measure for the purpose. Its details will probably be highly technical, but it must raise again the much-discussed question as to the value of the right of appeal to the Privy Council in all classes of cases.

It is something of a satire on our law-making capacity that we have not yet been able to settle the particular problem involved in the relations between these two great Courts to the satisfaction of anyone. It was discussed at vast length in the Federal Convention, and settled there by a compromise that was not specially approved by anyone, and which proved wholly unacceptable to the Imperial Government. Lord Halsbury, then Lord Chancellor, advised a substitute which proved equally unacceptable to the House of Commons and to Australia. Finally the problem, instead of being solved, was knowingly shelved in the 74th Section of the Constitution, whose inherent defects, visible from the first, have now been gibbeted by our High Court. Two of the members of the Court dissented as to the liability of

the officers, but only one of them, and that the junior, doubted the final authority of his Court. One way of reconciling these differences exists. Probably it was with some prevision of the coming conflict that our Prime Minister, according to the précis cabled at the time, duly raised the question at the Conference in the presence of Lord Loreburn and Sir William Robson. The suggestion then made was that if one final Court of Appeal were constituted out of the Judicial Committee of the Privy Council, at present our only recourse, and the judicial members of the House of Lords, who deal only with cases from the United Kingdom, the difficulty might disappear. Presumably the supposition was that the High Court would then bow to such a tribunal, though it now resists what it considers an unwarranted encroachment upon its statutory powers attempted by the Privy Council Committee headed by Lord Halsbury. But this assumption is not authorised, or at all events might not be accepted without possibility of further discord unless either the Commonwealth Constitution be altered or the Commonwealth Parliament consents to see its Court subordinated. Neither of these contingencies seems very likely to happen.

COMMONWEALTH OF AUSTRALIA.

A COMING CRISIS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 3 1907; Aug. 15 1907.

The Conference of State Premiers held in Brisbane some weeks ago, though held then is only about to become effective now. Its decisions, though largely negative in form, were positive, aggressive, and defiant. Its deliberations from beginning to end, no matter what their subject might be, were permeated with a strong anti-federal spirit. The dominant note in every debate was jealousy and dislike of the Commonwealth and all its works. Of course the most fervid champion of State rights was our own State Premier, Mr. Carruthers. Having some time ago constituted himself the leader of the anti-federal forces, he devotes himself to his self-appointed task with tenacity and vigour worthy of a better cause, and with personal pettiness worthy of the worst. Mr. Kidston, the Queensland Premier, was a little more moderate in the expression of his hostility, but he appeared to share all Mr. Carruthers's bitterness of feeling based upon dread of its expansion. Mr. Evans, the Premier of Tasmania, sounds in a feeble way, but with dreary pertinacity, the same note. The attitude of the representatives of Victoria and Western Australia, grudging and cold-blooded rather than aggressive, suggests at most a reluctant consent to make the best of a bad job. Their chickens are just now coming home to roost. The only Premier who seemed to regard the Federation in a light other than that of a dangerous enemy was Mr. Price, of South Australia, whose adherence does not count for much possibly because, first he is in open partnership with them in the agreement for taking over the Northern Territory, and next because he has the best grounds for expecting that the three Premiers who rushed in with a resolution adverse to his bargain will use all their influence against it.

THE STATE DEBTS.

The one subject of importance which the conference had to consider—the one subject, indeed, which supplies any real reason for its assembling—was the financial relations of the Commonwealth and the States. Meeting, as its members did, in the spirit which has been described, it is hardly surprising that the immediate results of its deliberations on this subject were wholly disappointing. They did indeed agree

upon a method of distributing the federal surplus after the expiry of the “**Braddon Clause**”, which Sir **John Forrest** on behalf of the Commonwealth was able to agree to. It was in fact precisely the method which Sir John himself propounded in his Budget speech nearly a year ago. This took the matter a very short step in advance of the position that was reached last October at the Melbourne Conference. But a long step backward was taken in connection with the federalisation of the debts. At the October Conference the States had practically agreed to accept the scheme for the transfer of their debts outlined by Sir John Forrest last session. At the Brisbane Conference, under the influence of Mr. Carruthers, they withdrew from that agreement, and declared their opinion that the time was not ripe for the transfer. It is difficult to understand from the published reports the real reasons for this retrogression. All one can gather is that the Premiers seemed to think that there was nothing for themselves in the proposed transfer, and that even if their taxpayers benefited there was nothing to compensate State Ministries for the loss of their much-prized freedom to borrow in the London market—a sacrifice which is an essential part of Mr. **Deakin’s** proposals to them at the last Conference held in Melbourne.

THE REAL POWERS OF THE STATES.

All this solemn discussion and passing of resolutions on the part of the State Premiers has an air of unreality, not to say futility. Their speeches abound with references to “demands” and “conditions”, and “guarantees”, which they propose to exact from the Commonwealth Government as the price of their consent to any scheme for the distribution of the surplus or the transfer of the debts. Their attitude is precisely that of independent parties, without whose endorsement no arrangement can be completed. Yet the Constitution, in the plainest possible words, leaves the final settlement of the whole financial question entirely to the Parliament of the Commonwealth. That settlement will no doubt be simplified and expedited in its passage through Parliament if it is one that commends itself to the States’ Governments, for the question concerns them very intimately, and they will no doubt be able to influence the electors very considerably when it is submitted to them. For that reason, apart altogether from the courtesy due from one Government to another, in which the Commonwealth Government has never been lacking, the Federal authorities have done, and no doubt will do, everything in their power to dispose of this great financial question rather by agreement than by authority. But if the possibility of agreement fails the authority is there, and will be exercised. No one who knows the temper of the Federal Parliament can doubt that. The forthcoming Budget of Sir John Forrest is expected to throw fresh light upon the whole issue, and especially upon the attitude of the Government of which he is a prominent member.

THE AUTHORITY OF THE COMMONWEALTH.

The Constitutional requirements in this connection have often been explained in these columns, but the subject has to be referred to again now that it threatens to become a *casus belli* at the very moment when for the sake of a settlement of the Tariff peace is most desirable. Until the end of 1910 the Commonwealth Government is bound under the "Braddon Clause" to pay over at least three-fourths of the receipts from Customs and Excise to the States, each State receiving an amount proportioned to the amount of revenues actually collected within it, or to devote that amount to the payment of interest on debts handed over. After December 31, 1910, this obligation comes to an end. The Commonwealth Parliament will then be free to distribute these surplus revenues as it pleases, or to retain the whole of them for its own purposes. If the last-mentioned course were adopted the States Governments would all be left in the gravest difficulties, for the Commonwealth returns constitute a very considerable proportion of their revenues. If the basis of distribution were altered, then even though the total amount returned remained practically the same as it is now, some of the States might suffer very heavily. Hence the necessity for arriving at some understanding. That necessity, however, is a necessity of the States and not of the Commonwealth. They can save themselves from some of the risks that would belong to leaving this matter to be dealt with exclusively by the Federal Parliament by propounding a scheme which would make proper allowances for the interests of their local Treasuries, and asking the Commonwealth to adopt it. But the powers of the Commonwealth continue, whether the States agree or not. Then, as to the State debts, the Constitution gives the Parliament power to take over those debts as they existed at the date of the establishment of the Commonwealth. This means that out of the whole £230,000,000 of Australian debt some £200,000,000 may be taken over immediately, with or without the assent of the States. The remaining £30,000,000, which has been borrowed since Federation, cannot be taken over without an amendment of the Constitution. But the amendment, if it is desired, can be secured without the assent of the States Governments, if the assent of a majority of the electors in a majority of the States can be obtained. In any case, amendment or no amendment, the Federal Parliament is certainly entitled to "take over" some £200,000,000 of the States debts. In other words, it is entitled to substitute itself for the States Governments as debtor, to pay the interest, to use the whole of its Customs and Excise revenues for that purpose, if necessary, and to convert or renew the loans on the best terms it can make. Mr. Carruthers, it is true, suggested last month at the Conference that when the Constitution says that the Commonwealth may take over the State debts it does not really mean it, and after his return propounded some amazing schemes for preventing the Commonwealth from exercising its powers in this respect, by transferring the public debt to Commissioners and so placing it beyond the reach of the Federal Parliament. But Mr. Carruthers seems to be the only public man of standing who has any doubt about the existence of these powers, or who thinks it possible to evade their exercise by juggling.

THE CONFERENCE RESOLUTIONS.

It will be remembered that Sir John Forrest, when he visited the Conference by invitation, displayed the same courteous firmness that has marked the conduct of his chief in previous negotiations, but left no room for misunderstanding. His interposition is responsible for the one feature of the Conference that can be regarded as satisfactory—the abandonment by the States of their objection to the retention of the receipts from any increases of existing duties that may be authorised by the Commonwealth Parliament. Nevertheless the concession in itself is too trifling to avert the crisis now fast approaching. For some time the Commonwealth and its constituent States have been face to face upon this issue, gradually drawing nearer as the time approaches at which the Federal Government must take its stand. The elections in New South Wales are now at hand, and it will suit Mr. Carruthers to throw down this or any other gauntlet if he can divert attention from our local affairs. The proceedings of the Conference have, notwithstanding its many dissonances and personal jealousies, served one useful purpose. They have emphasised strongly the impossibility of maintaining the embarrassing interdependence of State and Federal finance which belongs to the existing system. All our political leaders have declared that the one solution of our present difficulty is to render State and Federal finance mutually independent. The simplest, if not the only effective means of attaining that end is for the Commonwealth to take over the State debts and utilise the whole of its Customs and Excise revenues for the payment of interest. Thus we may get rid of all questions about the distribution of the surplus by getting rid of the surplus itself in payment of the interest upon our public debts. But before this can be done we may expect a battle royal between our local and national representatives.

COMMONWEALTH OF AUSTRALIA.

LABOUR AND THE MINISTRY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 8 1907; Aug. 17 1907.

Parliament has opened; to be more accurate several Parliaments have opened, and in a few days more there will be seven of them in full play. Setting aside the six State Legislatures whose performances provide plenty of entertainment for onlookers and of material for thought to the more seriously inclined the English observer is likely to find in the National Senate and House of Representatives quite enough to occupy any leisure of his for political inquiry. There is a Governor-General's speech in twenty-four businesslike paragraphs foreshadowing as many Bills and resolutions. All of these are practical and some of them affecting issues momentous to the Commonwealth. Yet the criticism of this menu in the House is so far tame, perfunctory, and spiritless, and apparently though a great deal has happened since this Parliament was prorogued in February nothing is likely to happen in consequence. Any stranger within our gates, particularly if he had been reading lately newspaper accounts of our *Prime Minister's* receptions and criticisms of his actions at the Imperial Conference of April and May might be pardoned if he concluded that a Government with such an universally popular head, a sweeping majority sitting on its side of the House, and an irresistible programme, were confronted by a futile and dispirited Opposition. Of course he would be wrong, ridiculously wrong, in every particular. The Prime Minister's personal success has, it is true, thrown a certain glamour over his surroundings, but apart from this we have the same three-party uncertainty which during the past four years has thrice cut the thin-spun life of a Ministry and for the last two years threatened from week to week that of the existing Cabinet. This session begins where the preceding session ended, except that there is more visible chafing of the unruly elements against the unconscionable perpetuation of the curious condition of things then obtaining. Under this it has been possible for the lead of the House to be retained by one of the three parties, both its rivals being dragged after it, in spite of themselves, of their interests, and their ambitions.

SOCIALIST HOSTILITY TO THE MINISTRY.

In such an unstable equilibrium the ordinary solution ought to have been reached long ago by means of a coalition between Ministers and one of the other parties. With Mr. *Reid* and his following this has always been possible on terms. Such a union was actually attained in 1904 until the disclosure of the fiscal conspiracy against his Protectionist

allies ejected him and left him stranded. He and his coterie have been ready to kiss and make friends ever since they discovered that no other way of escape from their isolation could be made feasible. But until the Tariff has been dealt with this session that combination cannot be completed, though Sir **John Forrest** never misses an opportunity of making it plain that he has been and still is ready to bring it about at a moment's notice. Mr. **Watson** is probably quite as willing as Mr. Reid to join hands with Mr. Deakin, and possibly half his associates under his influence are much of the same mind. The other half, consisting of those who have no chance of office or whose ideas are aggressively Socialistic, are of quite another way of thinking. One of them declared last week that he decidedly preferred Mr. Reid to the present Prime Minister if he must have one of them in power. With the former the ultras affect to see a possibility of a reaction in their direction. Besides the **Governor-General's** speech contains no promise of a single measure out of the many for which they are clamouring, the Government are opposing their candidate for the Chairmanship of Committees, while Mr. Deakin's administration of the Contract Immigrants Act in order to assist the sugar farmers with supplies of imported labour has provoked bitter animosity. What do they, or can they, gain by keeping him in office since both legislation and administration proceed as if the Labour programme did not exist, although in fact its party is numerically stronger than that of the Cabinet? There is no answer to these pertinent inquiries, and it is significant that in the debate on the Address in reply all the complaints against the Government came from the Labour corners, though before the general election a full share were levied against Mr. Reid and his supporters.

LABOUR SECESSION PROBABLE.

To an observer with knowledge, therefore, the omens teach an exactly opposite lesson to those conveyed by a superficial examination of the outlook. Despite the Prime Minister's laurels and access of prestige there is nothing in his achievements, in his speeches, or in his policy that appeals to the Labour Caucus as such. Its Protectionists will fight for his tariff, its Imperialists, for there are budding Imperialists in the Australian Labour ranks, will vote for his forward proposals of a patriotic character, while Mr. Watson and some others will even make sacrifices from personal friendship, or owing to their want of confidence in Mr. Reid. But even when taken altogether these motives are but frail threads with which to resist the heavy strain of self-interest. If a coalition with Mr. Deakin could be brought about tomorrow not half-a-dozen Labour members would benefit by it, and these would be obliged to adopt a very moderate Parliamentary programme. All their colleagues would have to become apologists for shortcomings and share the responsibility of its omissions, or fractional concessions, without improving their positions in the House or in the constituencies in any way. The local Leagues upon which they depend for their return would probably resent these compromises by refusing to nominate those who approved them at the next election. Mr. **Kidston's** Queensland

experience with his coalition is a very recent and very disquieting warning of what is to be anticipated from expedients of this kind. While, therefore, nothing in the way of partnership is impossible in the new Parliament, all the indications are that the tacit, undefined, and unrewarded subordination of the Labour Party to the Government is about to be terminated. At all events, it is too precarious to count upon for any length of time. Circumstances may postpone the rupture for a little, but it seems inevitable. Further speculation as to what complexion will belong to the next Cabinet would be unprofitable at this stage. Neither its policy nor personnel can be foreshadowed. Strange as it may appear, it is quite possible that one result of a change of Government would be the adoption of the whole of the Imperial proposals fathered by Mr. Deakin in London. This contingency is worth mentioning, remote though it may be, because, whatever the changes in local measures to which it would lead—and these would probably prove neither numerous nor important—too much of the national spirit has been aroused by the recent proceedings at the Conference and the response they have elicited in the Commonwealth to permit the questions at stake being put aside. Indeed the mere fact that Mr. Deakin himself was not a member of the next Government would to some extent operate in favour of his own particular views in this regard. Here nothing is being said as yet of the alternatives outlined in this prognostic. A situation so critical invites guesses, but at the same time its numerous possibilities discourage any definiteness of suggestion. That a field so open to prophecy should not be more courageously entered upon by some irresponsible Press tipsters is another evidence that stormy as the whole political horizon is they have been so often baffled by events during the life of the Deakin Government that in spite of all temptations to spread their wings they refrain from vaticinations at this juncture.

MR. CARRUTHERS' ELECTION POLICY.

Last week saw the opening of the final session of the present Parliament of this State. The businesslike brevity of the Governor's speech evinced recognition of the fact that a session which shortly precedes a dissolution is not for public business but for electioneering. Members much concerned about the prospects of their presence in the new House are little affected by the Opportunities in this except for posing. No one knows this better than our wily Premier, Mr. Carruthers. He does not expect more of politicians than they are likely to give. He has therefore limited the business of the session to the granting of Supply and to the passage of one or two Bills to remedy some serious omissions, which a very short experience has revealed in the Gambling Act and the Local Government Act of last session. Beyond this he contents himself with making smooth the electioneering path of his own partisans. His election Policy, unfolded a few weeks ago at Kogarah, was practical and attractive. There was not enough social reform to frighten any politically useful adherents but sufficient to discount the feeble platform of Mr. McGowen and the Labour Party.

Our Premier's most delicate morsel for the electors is, of course, his promise of a remission of the income tax on all earned incomes, accompanied by a reduction of railway fares and freights. Nothing that any rival can offer will make such a direct appeal to our pockets. Saving sixpence in the pound income tax next year is a more attractive bait for the city man, while cheaper carriage fascinates the farmer and grazier alike.

NEW SOUTH WALES FINANCES.

Some severer critics argue that remissions of taxation, at a time of abounding prosperity, in a country which carries a debt of nearly £57 per head of its population, is not the wisest finance. Still remissions there must be. The year's income of New South Wales reached the sum of £13,386,000. This is an increase of more than a million over the previous year. It is considerably larger than the total revenues of the Commonwealth Government, and certainly an extraordinary yield from a community of a million and a half people, who have no reason at all, as individuals, to complain of over-taxation. It has to be remembered, of course, for purposes of comparison, that of this £13,386,000 no less than £4,750,000 is derived from our State railways. Making allowance for this, the figures afford ample evidence of the extraordinary resources of this part of the Commonwealth.

The debate on the Address in reply gave Mr. Carruthers an opportunity of bringing this roseate picture of the finances before the country, in more detail than was possible when he spoke from a public platform. The surplus for the year which closed on June 31, 1907, amounts to a million and a half. Adding the cash surpluses for the two preceding years, Mr. Carruthers has had a total surplus of £2,626,000 to dispose of. Part of this has gone towards revenue deficiencies of former years; part towards a public works fund that is intended to enable a class of works hitherto constructed out of loan money to be paid for out of revenue. After these deductions, however, there still remains nearly £2,000,000 to be carried forward. Taking a very liberal view of the proposed remission of taxation, Mr. Carruthers expects a further surplus at the end of this year of about half a million. Nor is Mr. Carruthers by any means the only Treasurer who has a golden tale to tell. In Victoria the balance to credit after deducting the annual outlay assessed by the Treasurer in his financial statement at about £4,000 has turned out to be about £800,000. Queensland has a surplus of £400,000, and South Australia of £300,000. One feature common to them all is the great growth of railway revenues, which total over £1,100,000 in excess of the receipts for 1905-6, equal to an advance of 10 per cent. in profits. There can be no better index of national prosperity in Australia than such a leap in railway revenues.

COMMONWEALTH OF AUSTRALIA.

ATTACKS ON MR. DEAKIN.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 15 1907; Aug. 21 1907.

Australian politics, Federal and State, are still in a condition of ferment without getting to a clarifying stage. The session of our State Legislature was held rather to fulfil an undertaking than to accomplish any definite purpose, and vanished within a fortnight, leaving not a trace behind. It is true that Mr. Carruthers was attacked, and this time openly, for his professional relations with one of the cases included in the Land Office scandals. Speaking from memory he had misquoted a date, but having admitted as much had no difficulty in showing that this slip of the tongue was in no way material to the issue. His Attorney-General added another elaborate explanation of the long series of blunders committed by himself and his colleagues in their conduct of this unsavoury business. Perhaps his best defence is that the Cabinet waited upon public opinion at every step, partly from timorousness and partly in the hope that circumstances would determine the prosecution without their active intervention. Circumstances being against them they cut a sorry figure before a contemptuous public that might easily have resented the promptly drastic action that was necessary at the commencement of the scandal, but which now condemns the Administration for its paltering, piecemeal, and patchwork methods. The Premier will always remain subject in this connection to veiled insinuations of guilty knowledge or artificial ignorance from antagonists who can prove neither. His weakness of character led him into tactics which, suitable to the courts in private litigation, were altogether inappropriate on the part of a Minister conscious of his own innocence and owing it to the public that he should make this manifest. To let his exculpation seem to be dragged from him was to discount it in advance. Nothing whatever has been proved against him or his firm, and evidently nothing can be suggested specifically to his discredit. The one politician whose reputation has been shattered is Mr. Crick. Though he has not been convicted upon a single count, and has successfully emerged from all his trials in the Courts, the impartial judgment outside upon his relations with land agents during his administration is distinctly unfavourable, if not to his honour at all events to his manner of discharging those duties of his office which called for the most absolute insusceptibility to personal influences even of an impeccable kind. Whatever revival of these unpleasant scandals may be witnessed

during the coming elections it is to be hoped that they will be buried once and for all at the ballot-box. Similar abuses cannot occur again while all those associated with those lately under review have been upon the judicial rack often enough to punish them for any indiscretions with which they allowed themselves to be identified. Mr. Carruthers has suffered enough for his bad management of the prosecutions, and on any other ground is entitled to sympathy.

THE PRIME MINISTER'S INDISPOSITION.

The Federal Parliament has disposed of the Address in Reply in both Chambers. The Senate has also heard from Mr. Best, who, as Vice-President of the Executive Council leads for the Government, a lucid exposition of the important measure for amending the Indian Act of which he is in charge. But the party alliances of the Parliament are still its most interesting problem. Alliances at present there are none that can be pointed to or defined, but alliance of some kind there must be between some two of the three if the present or any other Ministry is to fulfil its tasks. The gradual collapse of the Prime Minister's health, which has led to his temporary absence from Melbourne, was by no means unexpected. It appears to be due to simple overstrain during the recent Conference and the eagerness with which he seized every opportunity of the many offered to him upon his return to expatiate upon the significance of the events in London in April and May last. Despite his elaborate and emphatic explanations the debates in both Houses show singularly little grasp of the few plain deductions upon which he has been dilating. It is to be hoped that the public have been more open-minded, though it is to be feared that they, too, have missed the real Imperial features of the gathering. Another curious circumstance is that though the Prime Minister is regarded as the one indispensable member of his Government, his absence from the House last week was scarcely noticeable. At his special request his words and acts in England have both been criticised as fully as if he were present. Yet no one has replied on his behalf and no one appears to have noticed the omission or felt the necessity for any answer. Sir William Lyne, who now leads the Chamber in the absence of his chief, spoke briefly before he became ill under the supposition that Mr. Deakin would deal in detail with the criticisms of the Deputy Leader of the Opposition, Mr. Joseph Cook, who opened the debate from his side in a far more dispassionate spirit than has been customary for him. Mr. Reid when he arrived did not fail to make all the capital he could out of the charges levelled against the Prime Minister by the English newspapers supporting the Campbell-Bannerman Government, but had nothing to add to their censures. Some of his followers took their cue from the same biased sources, particularly Mr. Bruce Smith, who was taunted even by his own side with making a speech "for export purposes only", so meaningless were its misrepresentations. The complete failure of all these speakers

to arrest public attention goes to show that the English fables have had their day, if indeed they can be said to have had even a day's influence in Australia. What Mr. Deakin and Sir William Lyne did and said has been generally approved here without necessarily being assented to, because their attitude in London is and always has been their attitude here. Upon the chief matters in question at the Conference they have and will have a large majority with them. Mr. Reid, Mr. Cook, Mr. Smith, and the minority they form are also justified in repeating their old protests. So far as the Press and public meetings serve as a test that minority is dwindling. We have been listening, perhaps for the last time, to the dirge of the cause of free imports and no Preference in trade.

A PARALYSED PARLIAMENT.

While it would be apparently unreasonable to describe a Parliament as paralysed which has not yet had an opportunity of doing anything except discuss the Governor-General's speech, paralysis is the only word appropriate to the present situation. For two years the Labour Party reluctantly, sulkily, and sometimes angrily has supported the Protectionists in passing a series of practical measures with which they have had little or no sympathy. They have obtained nothing in return except the exclusion of Mr. Reid from office. They were beaten at the elections, where they fought both Protectionists and Free Importers with equal fierceness, though in Victoria, where Mr. Deakin himself was their most dreaded antagonist, they concentrated all their animosity upon him. They have come back as they were, only to find him still in office offering another programme in which there is not a single item for them, unless the Navigation Bill be now accepted by them almost in the same form to all intents and purposes as when first drafted in 1903. No wonder that the majority of the speeches from Labour members have been more occupied with denunciations of the Ministry and of the Prime Minister in particular than with anything else. What hope is there for either when even Mr. Watson and those who share his friendly feelings to the Government only defend it on the plea that Mr. Reid would be worse? That astute leader, recognising the position, has set himself to widen the breach between them by ostentatiously offering to retire from the leadership of the Opposition in order to make way for a coalition between his party and the Protectionists so soon as the Tariff shall have been passed in some form. His subordinates have flaunted the same prophecy in both Chambers, at the same time voting to put a Labour member in the chair rather than a Protectionist because he is Ministerialist. Everything, therefore, is being done in the full light of day to aggravate the Labour caucus against the Ministry and to warn them that once the Tariff is settled they will be settled too by a majority of members. These, putting aside fiscal differences, are there to resist the caucus programme to the uttermost. By these ingenious vagaries Mr.

Reid trusts first to hamstring the Tariff, cutting it down to the lowest scale possible, and then to head an alliance with the satisfied or dissatisfied Protectionists on the vague Anti-Socialist platform adopted by him last year. No one credits his offer to retire. If there are any in his own party who wish him out of the way they are few and without influence. He is indispensable to the bulk of them, and knows it. In circumstances like the present his opportunity may come at any moment, for though he cannot make it, it may be made for him without notice. He will not wait for the Tariff or anything else, and would be false to his party if he did. He will strike and strike hard whenever the breach between Ministers and the Labour members is wide enough for his blow to be effective. It looks wide enough now, but he is taking no risks. Without an understanding with Mr. Watson the Deakin Cabinet cannot carry its Tariff. It has already reigned for two years at the expense of the caucus. Up till now Mr. Watson has received no authority to enter into an understanding with Ministers, and until he does the most trifling incident may precipitate a crisis. The Prime Minister's former resignation in 1904 at the first refusal to follow his lead is being anxiously remembered. The present condition of parties offers a premium for intrigue and for surprises. The astonishing and inexplicable achievements of 1905–6 cannot be reasonably looked for this year. Nothing is certain except uncertainty. The odds at present are in favour of a change of Government before this letter reaches the *Morning Post*.

AN IMPERIAL COURT OF APPEAL.

The first Bill of the session introduced by Mr. Best furnishes another argument in favour of an Imperial Court of Appeal, for which his chief pleaded in vain at the recent Imperial Conference. The full possibilities of confusion which belong to the existing relationship between the High Court and the Privy Council were not quite so clear at that time as they are now, because the High Court had not then actually declared its independence as a Final Court for certain appeals. Nor was there before the Conference such a frank statement of the Australian view of the Privy Council as has since found expression in the judgment of the **Chief Justice**, now by common consent of the Bar considered the greatest of Australian lawyers. If it had been, the **Lord Chancellor** would have been in a position to understand why the Justices of the High Court, or at any rate, all but one of them, do not share the cheery optimism which enabled him to defend the Privy Council as an altogether satisfactory Court of Final Appeal for the Dominions beyond the seas. The judgment given in Melbourne is a masterly and valuable statement, not only of the reasons governing the decision in this particular case, but of the reasons which induced the Federal Convention to place some limits upon the right of appeal to the Privy Council in certain local matters. It ventures into regions where modern English judges do not often tread,

and has traces of that “political” element that is so marked a feature of some of the greatest judgments of the Supreme Court of the United States when presided over by Marshall. It has been interesting in this connection for our lawyers to note that the distinguished editor of the Law Quarterly, while agreeing with the ultimate decision of the Privy Council, expresses himself in the last number to hand here as “wholly unable to understand the reasons given by Lord Halsbury” for it. He adds that he is bound to presume that if he did understand these reasons he would agree with them.

CONFLICT OF LEGAL OPINION.

From one aspect the question whether the High Court or the Privy Council is right in this particular case has lost much of its practical importance, since the Federal Government has redeemed its promise to introduce legislation compelling its officials to pay State income tax. The important question which remains is, how to prevent another conflict of opinion from arising again in the same way between our High Court and the Judicial Committee of the Privy Council. The method adopted by the Government is as simple and direct as the Constitution permits. The Bill forbids appeals to the Privy Council from the High Court on questions as to the distribution of powers between Commonwealth and States. These questions may under the present Federal Judiciary Act arise in a State Court. When they do there is nothing in the Constitution to prohibit an appeal direct from the State Supreme Court to the Privy Council. Consequently, the same question may be decided in one way by the High Court, and in the opposite way by the Privy Council on appeal from a State Court. Since neither of these tribunals regards itself as bound by the decision of the other, the unfortunate litigant may be left to decide for himself which Court to follow. This is, of course, precisely what has happened in the income tax case. The Government measure proposes to prevent this in future by amending the Judiciary Act, so as to take away from the State Supreme Courts all jurisdiction in questions as to the distribution of powers and to vest this jurisdiction in the High Court alone. If this is done there can be no such conflict in future, for the Privy Council will be deprived of its opportunity of giving decisions on such questions unless the High Court chooses to grant leave to appeal from its own decisions. If it does it will then, of course, become bound by the decision of the Privy Council. Unfortunately, this legislation, even if passed as introduced, will not settle the whole difficulty. There are still some thorny questions left to be adjusted between the High Court and the Privy Council. So far as can be seen it looks as if their adjustment will require an amendment of the Constitution. That, however, must be decided by and by.

COMMONWEALTH OF AUSTRALIA.

FEDERAL PARTY RISKS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 22 1907; Aug. 27 1907.

Our Federal situation in its party aspects overshadows everything political. Another week has passed quietly in both Chambers. The ordinary business of legislation is proceeding smoothly, scarcely a ripple in the stream indicating that the rapids are close at hand. The **Prime Minister's** absence, though most unfortunate, is not without compensations, since if he had been in charge of the House he would by this time have been in open conflict with the Labour ultras. On the other hand, Sir **William Lyne** is a favourite, having received their support at the last elections, having been in open alliance with them during the **Watson** Administration, and being actuated by every desire to maintain these cordial relations. Nor can they be blamed for remembering that Mr. Deakin consented to the overthrow of the Labour Government, supported Mr. **Reid** against their attacks until he sought to snatch a fiscal victory by surprise, was bitterly opposed by a Labour candidate at the late election, and persists in a defiant attitude towards the Caucus. Nothing but his cordial relations with Mr. Watson and some of the Moderates associated with the Labour leader preserves even a semblance of amity between the Labour phalanx and the Prime Minister, Sir **John Forrest**, Mr. **Ewing**, Mr. **Best**, and Mr. **Chapman**, who represent the Moderates in the Cabinet. The other wing, headed by Sir William Lyne, is Radical, and though not extreme by no means repelled at the extreme proposals of the Caucus. Of course, all Governments contain different elements, and though the contrasts in our present Cabinet are not as glaring as those over which Sir **Henry Campbell-Bannerman** is now presiding, the two sections which unite under Mr. Deakin are, and always have been, distinct in the public eye. Nothing but a combination of this character could have survived the extraordinary strain of the last two years, nor can any other be constructed to replace it should it disappear. The Protectionists are in power because a majority of the representatives are pledged to Tariff Reform, but they would be displaced at once by the Labour members, with whom they make that majority, if the latter could find any other Ministry that would favour their special platform. No such group is discoverable, but their dislike to the independent action and outspoken criticism of the Prime Minister and his impulsive Treasurer breaks out angrily with such frequency that Parliament to-day is doing its ordinary work from day to day under the ever threatening shadow of an impending crisis. The avalanche is visible; its hold obviously precarious; a loud laugh might precipitate its fall at any instant.

REVOLT OF THE LABOUR CAUCUS.

Legislative work under such conditions as these is possible only in an intermittent fashion. The stress upon the nerves of members leads to sudden outbreaks of temper scrutinised with eagerness on every side and subsiding resultlessly when it is perceived that they are the mere outbursts of individual excitement, resentment, or mischief. Still each fresh incident is watched with suspended breath because a malicious prick and an impatient rejoinder may evoke a crash. The marvel is that the Government has lived for two years under similar conditions. But in 1905 and 1906 a restraint was imposed upon the Labour members who were biding their time till after the election, when they expected to be able to beat back Mr. Reid and overthrow Mr. Deakin at the polls. Having failed in this design they are now as eager to provoke a change as they were then to avoid one. Many of them seek to vent their wrath upon the Prime Minister, hoping to fish in the troubled waters after he has gone down for some more pliable Cabinet. Their clear-headed and experienced leader for his part recognises only too well the risks of such a course. They might merely solidify their opponents, a risk to them that becomes greater with every step taken towards a settlement of the fiscal differences between the followers of Mr. Deakin and Mr. Reid. That must occur in all probability before this session closes, when the new tariff has been framed. It may occur by arrangement before then, though such an arrangement must be at the expense of the Protectionists with whom Mr. Watson sympathises, and to the advantage of the Free Importers in whom he sees a poorer prospect of winning improved labour conditions for the wage-earners of the Commonwealth. Mr. Watson therefore favours Mr. Deakin politically and personally, and is in close touch with the Radical half of the Ministry with whom he looks forward to renewing the union by which his Government of 1904 survived four months. But he is subject to his Caucus, in which a majority detests the Prime Minister and would insist upon Sir William Lyne unequivocally adopting its standard. For two years under pressure of necessity they followed their leader, who followed the Ministry, without the Caucus receiving anything in return for its assistance except polite acknowledgments. No wonder they are openly declaring against a pact of which the Protectionists take all the profits, fighting them again this session for the Chairmanship of Committees. Neither the Labour Party nor its candidate can be expected to forget that he owes his seat to Mr. Reid's vote and influence against the Government.

NEW SOUTH WALES ELECTIONS.

In face of the General Election the Carruthers Ministry, less Mr. Ashton and plus Mr. Waddell, faces the electors. Of its land scandals fiasco and of the Premier's petulant hostility to the Commonwealth because it dwarfs his personal importance, I have written already. These are not likely to prove serious factors at the poll. Abounding prosperity and an ever-increasing revenue afford the best opportunity ever offered to a

New South Wales Treasurer of reducing the public debt and of putting an end to the deplorable practice of using any part of the proceeds of the sale of our public lands as revenue. Mr. **Kidston**, in Queensland, under far less favourable circumstances, has done both these things. Mr. Carruthers has done, and will do, neither. Last year, with a revenue of nearly thirteen and a half millions, he still found it necessary to borrow £1,300,000. Notwithstanding these lapses, even those who bewail his lost opportunities will concur in the pardonable boast in which the Premier indulged in moving the final motion for adjournment after a seven days' session. "There has never been", he said, "a Parliament in the history of this State which has achieved so much legislation of a progressive character." This is more than a mere outburst of self-gratulation. If this Parliament had simply secured us a comprehensive, and, so far as can be judged at present, an effective system of local government, the boast would have been true. But it has done more. Its Anti-Gambling Law has done almost, if not quite, as much as legislation could do to diminish the absurd and dangerous craze for gambling which has been for a long time one of our least attractive characteristics. Its amendments of our Licensing Law have been equally useful. Acts establishing Children's Courts, consolidating and amending our out of date Mining Law, and facilitating land settlement, are some of the other measures which have to be placed to its credit.

THE ELECTORAL OUTLOOK.

The coming elections will have one feature which has been absent from our State elections for many years. They will be fought practically—as were the recent elections in Victoria—between two parties. The remnants of the old Protectionist Party, formerly led by the late Sir **John See** and finally by Mr. Waddell, still profess to maintain an independent existence. Mr. Waddell himself has joined the Carruthers Government, and no member of the rather forlorn band he has left behind has yet been able to evolve a policy which so far differs in substance from that of Mr. Carruthers. The real battle at the ballot-box will be between the present Government and the Labour Party, and under present conditions the Government wins. This is not because Mr. Carruthers himself is popular or trusted. An unrivalled tactician, he is probably less liked among his own followers inside and outside the House than any of our political leaders. Nor is it because the individual members of his Government have made up for his deficiencies. However, the Government collectively have disclosed a certain capacity for doing useful legislative work which has enabled them to live down their individual defects. Moreover, the Labour Opposition has nothing to offer, either personally or politically, which the electors are likely to prefer. Mr. **McGowen**, the leader, though a man of good character, has displayed little or no generalship, while Mr. **Holman**, his chief lieutenant, a young man of marked ability, has not succeeded in

gaining public confidence. Besides, as far as policy goes, all the practical planks of the Labour Party's platform are already on the Statute Book. Old Age Pensions, Industrial Arbitration, Land Resumption for Closer Settlement, Adult Suffrage, Early Closing, are all provided for. We have, indeed, no graduated land tax; indeed, since the former impost has been handed over, under our new Local Government Act, to the local bodies, we have no State land tax left. Nor have we a Workmen's Compensation Act. Mr. McGowen has therefore nothing attractive to offer. His chief ground for asking the electors to substitute him for Mr. Carruthers is based upon a general denunciation of the Government administration, particularly in connection with the land scandals. This line of attack would have been much more formidable now if the Labour Party had shown a little more courage and sincerity when the matter was being dealt with by the House. It was observed in this column at the time that their conduct then did not encourage the belief that they would have managed the business any better than the Government. Mr. Carruthers, on the other hand, offers the electors that most attractive of all baits, a remission of the income tax. Besides this, he promises a further reduction of members from 90 to 60, a vigorous policy of closer settlement, a liberal grant to friendly societies to help them in making provision for persons permanently injured. He also proposes to abolish the Industrial Arbitration Court and to substitute Wages Boards, a proposal which at this particular time will probably prove popular. He has also stolen some of the Labour Party's thunder by promising a Workmen's Compensation Act. What more can be asked? In personality, in past performance, and in future promise Mr. Carruthers goes to the country with a vast advantage over the Labour Opposition. They are not likely to be routed, but are sure to remain a minority, and perhaps a smaller minority than now.

COMMONWEALTH OF AUSTRALIA.

THE MURRAY RIVER.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 30 1907; Sep. 5 1907.

The substantial unity of character of Australian politics is just now being illustrated conspicuously. Always visible to the careful observer, the likeness was formerly less marked in State Legislatures than it has become since the Federal Parliament has added another field for the exhibition of our tendencies as a people. Formerly when fiscal issues were in abeyance there were few real distinctions between State parties except that of "ins" and "outs". While very gravely earnest as to their frequent exchanges of office, they are quite light-hearted in their equally frequent exchanges of what they were pleased to call their policies. Of these it might well be said that the more they changed the more they were the same. The course of public affairs was therefore much more bewildering to an outsider than it has been since the advent of our "enfant terrible" the Labour Party. Nowadays candidates are sorted out in Federal and State elections alike according to their attitude to its social schemes, as well as according to their Tariff colours. This double classification of members is clumsy and unsatisfactory at present because it implies a three-party system in every Legislature. This, however, is gradually passing away. Those outside the Caucus regime are becoming coerced into agreement upon a positive platform, in addition to their negation of the Labour programme. In the course of its stormy career the Caucus in its turn has submitted to a number of reactions upon itself and amendments of its programme; these are gradually shallowing to some extent the moat dug by its founders between their stronghold and all who were without its gates. This was originally intended to be unbridgable, but is so no longer. The coalitions existing to-day in South Australia and Queensland, together with the undefined arrangements successively made by the local Caucus in this State with Mr. Reid, Sir William Lyne, and Sir John See, and in the Commonwealth with Sir Edmund Barton and Mr. Deakin on behalf of the Protectionists, are ominous of further impending readjustments of the Spartan severity of its first plan of campaign.

A TRIANGULAR DUEL.

Hence it comes about that Federal politics in Melbourne and State politics in Brisbane are almost exactly reflecting each other. In the Northern State Mr. **Kidston**, formerly a Labour member at the head of a combined team drawn from his own Caucus and from the Independents, who grew weary of Mr. **Philp's** barren legislation and premature borrowing, was in one respect in a very different position to that occupied by Mr. Deakin, whose solidly Protectionist Cabinet contained no Labour representative. But both of them were faced at the recent elections by the Labour Party in its angriest mood, as well as by an Opposition whose bond of union consisted in antagonism to the Caucus and all its works. The Federal triangular duel throughout Australia last December was exactly repeated in the triangular duel in Queensland in April. Both produced precisely the same results. The three parties emerged from those encounters each of them too feeble to resist a combined attack from its rivals. The Commonwealth and State Ministries retained office because their opponents could not ally with one another, and were too exhausted to resume the conflict. Time was needed to permit of a review of the forces remaining fit for service. Consequently the Federal Prime Minister went to London without demur from friend or foe. Mr. Kidston went into retirement for his health, as Mr. Deakin was obliged to do after his return. Both have met the new Houses with a bold prospectus of work. In Melbourne the Labour members, or rather their ultras, have broken out in revilings against some Ministers, though those that would have been levelled at their chief were diminished materially by his absence from the Chamber. Mr. **Watson**, on the other hand, has confined himself to attacks upon the Opposition, from which it may be inferred that he has not weakened in his friendliness to the Government. In Brisbane naturally, under the circumstances, the election of Speaker discovered three candidates, each of whom was defeated by vote. It was not until after a consultation between Mr. Kidston and the direct Opposition that Mr. Philp's candidate, Mr. **Leahy**, was chosen to receive their joint support. This combination was doubly significant because the new Speaker is personally and politically most unpopular with the Caucus. Through its leader the Labour Party, having announced its intention of acting quite independently of the Government, supporting only those of its measures or such fragments of them as it might think fit, the Premier thereupon moved the adjournment of the House in order to consider his position. He meets his followers for that purpose today. The Opposition are pursuing the same course apparently in concert. The three parties in Queensland therefore appear to be upon the point of resolving themselves into

two. For what period the Federal House will hesitate to follow suit is hard to say. It cannot be long. According to rumour Sir **John Forrest** has resigned this afternoon. His place is filled, or is to be filled, by the promotion of the **Postmaster-General** to the Federal Treasurership and of Mr. **Mauger**, an honorary Minister, to the Post Office. Whatever else this substitution means, it can add no strength to the Cabinet. Indeed, this must be seriously weakened by the retirement of one of its most prominent members.

PROBLEM OF THE MURRAY RIVER.

It may be difficult to interest an English reader of the Press in a national scheme of a practical character whose greatness is discounted by its remoteness to such an extent that it needs an effort of the imagination to appreciate even its immediate importance. Yet it must be attempted, for, like the proposed transfer of the Northern territories to the Commonwealth, it involves such immense material possibilities to Australia that to ignore them we must ignore our future prospects and the foundation of our future policy as a Dominion. The negotiations between New South Wales, Victoria, and South Australia over the use and disposal of the waters of the Murray River, though almost as old as our self-government, are still unfinished. Just fifty years ago South Australia invited the co-operation of the other two riparian States in a scheme for improving the navigation of the river. Since then project has succeeded project, welcomed at one time with fierce jealousy, at another with indolent indifference, until two weeks ago we saw the first real and complete Ministerial agreement arrived at. It is possibly too optimistic, even at this stage, to say that the controversy is ended, for the agreement still has to be ratified by the Legislatures of the States concerned. It is perhaps safer to say that the controversy is very much nearer an end than it has ever been before. The Bill providing for ratification has already been introduced in South Australia and Victoria; it will be among the first measures considered by the new Assembly in New South Wales when it meets next October. If it should fail to obtain ratification in any one State it may be taken for granted that the possibilities of peaceful negotiation are exhausted, and South Australia, the State whose real or supposed interests are in the greatest jeopardy, will at once have recourse to the High Court with a view of obtaining an authoritative definition of the rights she considers herself to possess, but which the other States have never been willing to acknowledge. If this happens the Court will be confronted with an issue the magnitude and importance of which has rarely, if ever, been exceeded in any British Court of Law. The monetary value of the interests immediately involved can be measured by millions; the political effects of the decision will be felt for a period to which it is hard to set any limit.

IRRIGATION VERSUS NAVIGATION.

The elements of the problem can be shortly stated. In passing it may be observed that they are remarkably like those in a case which is now before the Supreme Court of the United States between the States of Kansas and Colorado. The Murray in the upper part of its course forms the boundary between this State and Victoria. This portion, from the source down to the South Australian border, was declared by an Imperial Statute of 1855 to be within the territory of New South Wales. For the lower portion of its course it flows through South Australia only, and empties itself into the sea, through two considerable lakes, within the bounds of that State. It is navigable throughout the South Australian portion of its course, and during high river for some hundreds of miles above the point where it crosses the border of that State. It is used to a considerable, though decreasing, extent for the purposes of water carriage. Practically the whole of this trade belongs to South Australia. That State has also a few irrigation settlements along the banks, of which the only important one is Renmark. She has a further interest arising out of the fact that if the volume of water in the river falls below a certain level the water in the lakes at the mouth becomes salt, and immeasurable damage is threatened to the pastoral and agricultural lands abutting on them and on the lower reaches of the river. It is therefore a matter of immense importance to South Australia that the volume of water passing down the channel should be maintained at a height which will preserve the freshness of these lakes and will allow navigation to be carried on. Victoria and New South Wales, the upper riparian States, have practically no interest in navigation. Their sole desire is to use the waters of the river and its tributaries for the purposes of irrigation.

COMPROMISE OF THE RIPARIAN STATES.

New South Wales has done little to apply the surplus flow of the Darling or Murrumbidgee, but the bitter lesson of the last great drought has been learned, and the immediate utilisation of our inland waterways (of which the Murray and its tributaries are the only ones of any importance) is a part of every political programme. Victoria has been pursuing for more than twenty years an active and a comparatively successful policy of irrigation. Since 1886 she has spent millions of pounds in the construction of works for the diversion of the waters of the Murray and its tributaries. Only last year her Parliament passed an Act which was intended to enable the Government to pursue a still more vigorous policy. To put it shortly, the interest of Victoria and New South Wales is to take out of the river bed sufficient water to enable them to irrigate the arid tracts that lie near its banks; the interest of

South Australia is to keep in the river bed a sufficient volume of water for navigation and the other purposes mentioned. The normal volume of water in the river in its natural state is not enough to serve both interests. Hence the difficulty—a difficulty so great that it all but prevented Federation when the framers of the Commonwealth Constitution attempted to cope with it. So hopeless at one stage appeared the task of reconciling the claims of the upper and lower riparian States that the Convention came within measurable distance of disbanding. However, a compromise, which merely transferred all the real difficulties into the future, prevented such an untoward result, and the constitutional provisions on the subject were so framed as to give to the Commonwealth the right of legislating with regard to navigation while reserving to the States a right to the reasonable use of the waters for the purposes of irrigation. The Commonwealth, however, has not yet endeavoured to exercise its powers in the matter, and the Agreement just ratified is confined to the three riparian States. Queensland's interest has always been treated as inconsiderable. The Federal Parliament is content to stand aside.

STORAGE WORKS AND LOCKS.

The recent Agreement embodies the only possible solution of the question. Although there is not enough water in the natural condition of the river to meet the conflicting demands of the upper and lower States, a proper system of locks will some day maintain a sufficient volume for all purposes. One of the most important elements in the Agreement, therefore, is the provision by which an effective system of storage works and locks is to be constructed at the joint cost of the contracting States. The control of these works and the allotment and distribution of the available water is entrusted to a Commission of three members, one representing each State. For the period between the ratification of the Agreement and the completion of the works, doubtless many years ahead, a provisional allotment of the waters between the three States, varying with the volume of the flow, has been settled. This will give to the upper riparian States a reasonable allowance for the purposes of irrigation and at the same time maintain the flow of the river at a level which will meet the requirements of South Australia. This business arrangement is of very great importance now, because it not only composes present difficulties and heals old sores, but chiefly because it must be made the basis for large and expensive schemes of water conservation and distribution, affecting indirectly a fine territory as large as several European Kingdoms and directly promising an enormous extra population and production from the rich soils of the spacious plains through whose easy gradients the majestic flood waters of the Murray find their way to the sea.

COMMONWEALTH OF AUSTRALIA.

INDUSTRIAL ARBITRATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 6 1907; Sep. 21 1907.

Last week the three-party conflict in Australia had become responsible for two crises. That in Queensland was settled very simply. When the Labour Caucus declared its intention of sitting alone and acting alone on the cross benches, the Premier, Mr. **Kidston**, at once challenged them with an intimation that under those circumstances he did not intend to remain in office. As his resignation meant Mr. **Philp's** return to power the Caucus angrily and sullenly rescinded its resolution, because it did not dare to accept such a responsibility. When brought to book they offered the Government a grudging promise of general support. Mr. **Kidston** accepted it. Thus the condition of affairs in the last Parliament is exactly reproduced. The three parties fought each other vindictively at the polls, but after all return to their old places. The Commonwealth after a similar experience has had its political tension temporarily relieved by the retirement of Sir **John Forrest**. Why he leaves the Cabinet is plain—so plain that no one credits it. In his letter he simply said that “The outlook in Parliament and the necessary observance of my election platform leaves me no alternative”. Mr. **Deakin's** reply, after a surprised allusion to the suddenness of the step, adds very significantly that he was the more reluctant to part with his old colleague “because there is not and has not been anything rendering your retention of your high and responsible office in any way a sacrifice of principle or departure from your election platform”. He concluded by regretfully accepting a resignation “so unfortunate for all of us in the present state of business”, and, as Mr. **Reid** caustically added, in the present unfortunate state of the Prime Minister's health. The speech made in Mr. **Deakin's** absence on behalf of the Government by Sir **William Lyne** and that of the late Treasurer himself threw no fresh light upon this curiously untimely action. There “is not and has not been” any specific cause for it, but perhaps there may be, and that it anticipates some Ministerial proposal from which Sir **John Forrest** desires to be dissociated. Press opinion points to the Tariff due to be introduced next week, for though the late Treasurer is a declared Protectionist he does not forget that at present Western Australia, industrially less developed than the Eastern States, sees her markets captured by their exports of manufactures. This would explain the immediate urgency of his action as nothing else can, and is therefore generally held to have determined the time of his departure. But undoubtedly his campaign last year against all the Labour candidates in his State and the taunts to which they have been subjecting him this session have, as his own letter declared, left him no alternative.

SECESSION OF SIR JOHN FORREST.

The immediate effect of this incident has been imperceptible. Sir John Forrest seems to have looked for an outburst of admiring approval from the Opposition and apparently to justify this walked straight across the Chamber to take his seat in their corner. This was to say the least of it an extraordinary proceeding, since his retirement has been brought about not by anything that the Government has yet done, but in an anticipation of future contingencies. For one reason and another no applause was forthcoming. Mr. Reid's greeting to his new ally was cynical and almost contemptuous and the Opposition newspapers as a whole have adopted the same tone. They are all pleased to enrol such a recruit, but express chilly astonishment at his delay in coming rather than satisfaction at his secession. In point of fact the manner of his withdrawal deprived it of all sting. Under present conditions this has made it easier for Mr. Watson's followers to uphold the Cabinet than it was while the late Treasurer remained. His personal relations with Mr. Deakin continue cordial as ever, and there is no greater breach visible between himself and the Radical wing of the Government than has always existed. Personal jealousies on the part of the Opposition Leaders account for the absence of rejoicing. Impetuous in everything Sir John Forrest has retired to please himself when it pleased him and without wishing to injure his old friends. He had no personal grievance with them and invented none. He has passed over to the enemy quietly and has been received without beat of drum. Still they must recognise the importance of their acquisition and cannot fail to put it to their credit. Sir J. Forrest has made an excellent Treasurer of the Commonwealth. As Premier of Western Australia during the critical period of its growth he was a brilliant success. Cautious but confident in times of stress, he was splendidly enterprising when his opportunity came and left a noble record of achievement in his own State before entering as of right into the first Cabinet of Federated Australia. He recently enjoyed fresh triumphs when acting Prime Minister because of the manner in which he bearded the State Premiers at the Brisbane Conference in spite of his strong State sympathies. He was their strongest advocate in the Federal Cabinet. His resignation has made it easier for the Labour members to support the more national financial operations dreaded by the local Legislatures and Administrations. For the time being, therefore, the path of the Government fiscally and financially is made straighter by the departure of one of its ablest members.

ARBITRATION OF INDUSTRIAL DISPUTES.

The Labour parties in the Commonwealth and in Queensland in spite of themselves are being forced behind Governments they cordially dislike. At the same time the legislation in which they have taken most pride is being threatened in New South Wales. The impression conveyed by our newspapers that the Federal and State Acts

providing for the judicial arbitration of industrial disputes has become a dead letter is entirely misleading. Within the last few days we have had a Commonwealth award governing the conditions of employment in the pastoral industry of the continent which yields an annual revenue of £20,000,000, and a State award fixing wages in the retail shops of Sydney within the metropolitan area. Nothing of the kind can be pointed to outside Australia. Our politicians if they had done nothing else have greatly increased the world's experience of the quasi-legal processes by which employers and employees can have their differences settled for them without a strike or a lockout. Both of the recent awards have gone in favour of the employees. The Federal award grants an advance in the pay of shearers and other classes of men employed with them in the bush; that of the State Court places shop assistants in a better position than they formerly held, both as to earnings and other conditions of employment. But in spite of some grumbling both are generally accepted, because they represent the verdict of an impartial and well-informed tribunal. There have been, of course, the usual pessimistic prophecies from the disappointed, but no one ventures to suggest that the awards should not be observed. Any such suggestion would elicit the strongest public reprobation. They have met with general approval, and the reasons for this are not far to seek.

THE SYDNEY SHOP ASSISTANTS.

In the case of the Sydney shop assistants the evidence opened a good many eyes. The wages paid even to assistants of middle age and long service were, on the whole, considerably less than those received by ordinary skilled labourers. The rate of 50s. per week, which has now been fixed by the Court as the minimum wage for male assistants over the age of 24, represents a considerable average increase. The Court took the view, which seems to be generally shared by the public, that anything less than this did not represent a living wage, and that a living wage ought to be paid. In the case of the pastoral industry the old rates of pay were those fixed in the days when the amount of wool obtained from a single sheep, and the prices obtained by wool-growers, were less than they are today. Mr. Justice O'Connor pointed out that the increases directed by him would only restore the earning power of shearers to what it was some sixteen years ago. The most interesting feature in this case, however, was the Judge's refusal to order employers to grant a preference to Unionists over non-Unionists. The provisions enabling preference to be granted were, it may be remembered, a kind of storm centre while the Arbitration Bill was under discussion in the Federal House. Strong exception was taken to the proposal to enable the Court to declare in its awards that preference in employment should be given to members of unions, mainly on the ground that these unions were to a large extent political bodies, and their funds were partly used for political purposes. The Labour Party, however, insisted on them, and the result was a compromise, which allowed

preference to be granted, but forbade that it should be accorded to the members of any union whose funds were used for political purposes. In this case, the judge based his refusal to accord it on the ground that the rules of the Shearers' Union clearly brought it within the above-mentioned prohibition.

THE OTHER SIDE OF THE PICTURE.

The two awards described promise much for our industrial peace. There is, unfortunately, another side to the picture in New South Wales. Just about the same time that these awards were given there came to an end a strike by the Sydney Coal Lumpers, which lasted for 14 weeks, and hampered greatly the shipping trade of the port. Before the trouble began the men were working under an award of the Arbitration Court. They professed themselves willing to go on working under it, and repudiated any suggestion that they were violating it, but claimed that their employers had imposed conditions, apart from those imposed by the Court, which made their position intolerable. The real grievance appears to have been that the men were not satisfied with that part of the award which dealt with Saturday and Sunday labour, and further, that a certain foreman under whom many of them worked being an opponent of Unionism had become a marked man. His employers refused to dismiss him and the men, to the number of 800, to work. The struggle was long and bitter. The men, inspired by the highly inflammatory eloquence of Mr. Tom Mann and Mr. Ben Tillett, Socialists of the Continental type, both of whom have done their best to foment industrial strife, held out for three and a half months. Public opinion, however, was against them. Labour members such as Mr. Hughes, who recently returned from London, set Mr. Mann and Mr. Tillett aside, and the men yielded. But their rebellion has been a very severe test of the faith of the apostles of industrial arbitration, though even in this case the system has not been without its influence. The men, though they dared not admit it, were virtually defying an award of the Court. This fact in itself was enough to deprive them of public sympathy, and the party which fights without the public always fights a losing battle. It seems pretty clear, as was pointed out in these columns some time ago, that whatever form the proposed amendments in our industrial arbitration laws may take, we are unlikely to revert to the old system under which the whole duty of the State in regard to industrial conflicts was to keep the ring clear for the combatants. The ultra-Socialists will also be unable to wreck the new laws. The alternative now proffered by Mr. Carruthers for this State is an adaptation of the system of Wages Boards which seems to have been a conspicuous success in Victoria, where it has won the support of all classes and political parties by its smooth working during the last ten years.

THE COMMONWEALTH OF AUSTRALIA.

FEDERAL FINANCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 19 1907; Sep. 28 1907.

Last week's Budget and Tariff are memorable in themselves for their particular proposals, but perhaps more memorable still in their general structure. Putting all fiscalism aside they would stand out conspicuously among our political landmarks because the financial policy roughly outlined in them is more independently and expressly Federal than any hitherto formulated. Sir **George Turner** began in 1901 with apologetic phrases by the establishment of a minimum Federal administration at minimum cost. Sir **John Forrest** continued from 1905 apparently in much the same path, though his energetic optimism lent a general expansiveness to all the undertakings he took in hand. Sir **William Lyne**, fully in sympathy with his immediate predecessor in his more generous view of the requirements of the Commonwealth, is also free from the State leanings which characterised him as well as Sir George Turner. The new Treasurer is an anti-Federalist in finance who now that Federation is accomplished either favours unification or at all events is prepared to march a certain distance on that road. This would be in exactly the opposite direction to that sought by the two previous Treasurers. While they were in office with the present **Prime Minister** the latter was a propelling force balancing the timid nationalism of his Treasurers. Today he is again balancing, but upon the other side, in order that the impetuosity of Sir William Lyne may not take us too fast and too far towards financial autocracy. Mr. Deakin remains a convinced Federalist, though he has recognised from the outset the necessity of allowing the Commonwealth to assume its full powers only by accretion—that is to say, gradually as a normal growth. He seeks to establish its paramount authority by degrees, cautiously but firmly relegating the States to the new spheres prescribed for them by the Constitution. Content to do today whatever is necessary for the present he has evidently thought the time ripe for a further advance, and therefore given his new Treasurer freedom to follow his own inclinations to a certain extent. Mr. Deakin's unfortunate absence from the House in Queensland, where he has gone to recover his broken health, has prevented the measures in which he is specially interested from being advanced as they might have been had he been able to resume work. Still, as it is, the Budget and Tariff tabled with his consent, if looked at in a large way, clearly indicate our entrance upon another stage in the development of the relations between our two political systems of government, the one affecting local and the other national interests.

FEDERAL INDEPENDENCE.

Although this same outlook was dwelt upon in last week's letter, it is important enough to be reiterated. So far as the materials available here permitted at that time the features of the Budget, the Tariff, and the preference to British manufacturers were roughly scanned. The political and party effects of the new development illustrated in them have now to be noted in their turn. They deserve very careful consideration. Of course, the real cause of what may seem a new departure is to be found in the changing circumstances out of which changes in policy inevitably arise. Every year sees the States drawing nearer to the time when the Federal Parliament will decide what share of its Customs receipts shall be allotted to them and for what period. Every year sees that Parliament impelled irresistibly to meet larger demands upon its income. This, large as it is, cannot continue to satisfy both claimants. One of them must go short. As the Federal Parliament has the sole power of deciding the disposition of its revenue from Customs after 1910, there can be little doubt what the character of the fresh distribution between them will be. The policy just submitted does not forestall the future, but it does foreshadow the kind of arrangement certain to be adopted. It is a natural product for 1907, differing from that of 1901 because it is so much nearer to 1911. If the present Federal Parliament lasts for its full term the next ordinary General Election will not be held under our Constitution (as lately amended in this particular) until about May, 1910. It is scarcely conceivable that the plan for apportioning our Customs Revenue between the Commonwealth and the States can be postponed beyond then. A premature dissolution appears very unlikely this year, and after that interval any General Election held must, in the natural course of things, decide upon some definite project affecting that revenue. There need not be any other appeal to the country before a project is adopted, but even in that case it is sure to be reviewed at any election prior to 1911. Hence only one appeal to the country can be counted upon before the Commonwealth Parliament declares its policy upon this all-important question to Australia.

THE STATES AND REVENUE.

To this fact, to the increasing sense of their dependence upon the Federal Parliament, and to their equally increasing consciousness of their own importance we owe the angry outbreaks of State Premiers and their newspapers against the Federal Houses, who are the arbiters of their financial destiny. Mr. Carruthers, as a Free Importer, dislikes the Protectionist Tariff, but an extra venom is imparted to his scoldings by his graver dread of the indications of Federal independence in the Budget. In the circumstances it is not in the least surprising that he should renew his wails about the capital site. Mr. Bent returning, if not with any blushing honours, at all events

with a record of London arrangements and inquiries useful to Victoria, takes up the same air though in a lower key. His State is too Protectionist to permit anything more than raillery at the proposed duties, but it is already seizing upon the increase of allowances to Federal members which has received the support of Sir William Lyne, Mr. Reid, and Mr. Watson as representatives of the three official parties in Parliament. The fourth party, consisting almost wholly of Victorians, among whom Mr. W. H. Irvine is most influential, is solidly opposed to the Bill. This side issue, however, will require to be discussed by itself. It is but casually connected with the main contest. Mr. Kidston, too harassed with local trials to emit more than a groan and a growl from Queensland, Mr. Moore only too happy to find another ground of complaint from Western Australia, and Captain Evans in a like mood in Tasmania, are united in their protests to their several sympathisers. But the note running through them all is one betraying an antagonism much deeper than that which can be explained by any specific items in the Budget or the Tariff, or even the increase of members' allowances, though it is to these that their criticisms are ostensibly confined. What they cannot forget or ignore is their Treasury outlook in 1911. At present the States pay either the whole or nearly the whole of the interest upon their debts out of the Customs revenue remitted to them by the Commonwealth. This is the mainstay of their finance. The condition of things they would be obliged to face if any considerable portion of this subsidy were withdrawn is so serious that even its anticipation gets upon their nerves. They have no direct voice in this, to them, most vital of all existing issues. They can have none. All that is possible for them is to endeavour to induce their constituents to use their votes as Federal electors for the return of whatever men will deal most handsomely with the States and most rigorously with Federal expenditure. Only a single chance of exercising such a vote at the polls is likely to be presented. Consequently for them the one and only matter of moment is to unearth or invent a means of persuading a majority either of Federal candidates who become members or of present members to deny themselves federally for their State's sake.

TEMPER OF THE FEDERAL PARLIAMENT.

So far as can be judged the temper of the existing Federal Parliament is not favourable to the Premiers' most modest demands formulated at Brisbane or at preceding conferences. In the first place the Labour Party bent upon securing old-age pensions over the whole Commonwealth will allow no tenderness for the local governments' finances to stand in the way of that chief article of their programme. Where their own party is in power as in South Australia they are inclined to exhibit some sympathy, but even there it will not carry them far. Their chief aims are Federal, and they may be reckoned therefore to take a strictly Federal view of any and every scheme to which their assent is invited. There are, perhaps, as many other members in the Federal

Parliament who lean to the States as there are Labour members pledged to a platform which subordinates local interests, but certainly there are not more. Apart from these quite a third in both Chambers hold a moderate view of their obligations to either Treasury. It is with these that the verdict will lie. It is believed that they will favour just enough relief to the States to make their finances safe, but that they certainly will not restrict themselves and their own Parliament in order to place funds at the disposal of State members even for the sake of the districts that they represent. On these points of course it is the electors who will have the final voice. But it will be difficult—even for them—to find a set of men willing to be responsible for raising revenue and to hand it over to another set of men to be expended under their control. The natural conclusion is that Federal responsibilities will be steadily enlarged up to the full measure of our Federal means, and that State responsibilities will be to the same extent diminished. While that may be the ultimate outcome of the present situation it is clear that some years must pass before we can arrive at anything like a permanent redistribution of powers and resources. The Budget and the Tariff now before the House will to all appearance be voted, the former with little, if any, amendment, the latter with numerous alterations in detail but few in principle.

BRITISH PREFERENCE.

As explained last week the British Preference will be endangered only by the backwash of disappointment due to the refusal of the present Cabinet in London to even consider with an open mind the possibilities for joint or reciprocal action with the Oversea Dominions. Nothing now can undo the fatal mistake it made in adopting that attitude of absolute negation which left no foothold for negotiation and no room even for the consideration of any real means of mutual assistance. If the door had been left open to any degree hope might have continued to spring eternal in the Colonial breast. But when the door was not only “banged” but “bolted and barred” against co-operation in any fashion (unless the illusory affectation of uniting us by an All-Red route is still preserved) there need be no surprise if the response made here to our Government’s proposals for Preference has been lukewarm and if the proposals themselves were in some respects restricted. But at the present moment local feeling and rivalries, details and party strategy occupy the whole field. As their turbulence subsides wider views and deeper sentiments ought to assert themselves. When the squalls are over we shall be able to judge in what quarter the prevailing political wind lies.

THE COMMONWEALTH OF AUSTRALIA.

THE FEDERAL TREASURER.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 26 1907; Oct. 14 1907.

Sir **William Lyne**, in his new offices of Federal Treasurer owing to Sir John Forrest's retirement, and of Leader of the House during Mr. **Deakin's** absence, has proved much more successful than his opponents are prepared to admit. He, too, returned from the Mother Country with enlarged prestige. The part he took in the Navigation Commission stands to his credit most, but the aggressive attitude adopted by him under the taunts of the Free Importers in London also tells in his favour. The temper of the House, though irritable, is not dangerous at present. Until the Tariff can be disposed of many members feel their hands tied. They cannot enter into the new combinations that are believed to be imminent until the fiscal issue has been settled. Mr. **Reid** owed his short lease of power in 1904 to the fact that though the Kingston tariff had been mutilated by him out of recognition there had not been sufficient experience of its working then to enable its revision to be undertaken with confidence. Under pressure he appointed the Tariff Commission, which has only just finished its prolonged investigations into the 1901–2 schedule of duties. With its report before them Ministers prepared their present proposals though their leaders can only have had a general knowledge of the innumerable details comprised in them. Here again the chief work has been done either by Sir William Lyne or under his supervision, and it is generally averred that Sir **John Forrest's** retirement is due as much to fiscal differences with him in this connection as to any other cause. Pending some settlement of the Tariff parties remain watching each other constantly engaging in affairs of outposts. Ready and willing to trip up Ministers at any moment, the Opposition and the Labour ultras harry them, not with the expectation of displacing the Cabinet at once, but in order to make its displacement easier and more acceptable to the public by and by. Such a guerrilla warfare suits them while Sir William Lyne leads, and suits him, too, under the circumstances.

THIS MINISTERIAL MAJORITY.

The Ministerial majority is composed in both Chambers of its direct supporters acting with the Labour members. The two parties together command a working majority in the House, but only a bare half of the Senate, and indeed owe that equality to a recent judgment of a Court of law. Of course the Ministry has other quasi-supporters

in the Senate who are kept aloof chiefly by hostility to the Labour Party. They respond when its ultras take offence to the appeals of Mr. Best, who leads for the Government, because he is enrolled, as they are, among the anti-Socialists and sits quite independent of the Caucus. Sir William Lyne, on the other hand, though occasionally in conflict with the Extremists, was returned with Labour votes and adopts that part of their programme which is practical. A master of ruse, bluff, and compromise, with a very human flexibility of moods, changing rapidly from anger and defiance to reconciliation and good fellowship, he has piloted business astutely ever since the session began. Himself pledged to an increase of members' allowances which found no place in the Government programme at the elections or the Governor-General's speeches since then, he endeavoured for some time to head the movement in its favour without committing the Ministry. Finding Mr. Reid and Mr. Watson both open and ardent in its advocacy, with Mr. Joseph Cook, the Deputy Leader of the Opposition, and Sir John Forrest, his late colleague, beside them, he last week took the plunge to which they urged him and passed the necessary measure through the House. This increases the allowance from £400 to £600 for all members except Ministers, the President, Speaker, and Chairman. Sir William Lyne is triumphant at present, but the Press with few exceptions, and the public as a whole, have yet to be reckoned with. The Senate, too, has a voice and also a vote which can wreck the Bill, and would willingly do so if a crisis could be brought about upon such a question. Apparently it will not exercise its power and will miss the opportunity it offers to the Opposition of securing the popular approval that their self-sacrifice would win.

A CONSTITUTIONAL QUESTION.

The Senate situation is, and must remain, precarious for the Government at all times. It is not often that in a British community the fortunes of a political party are, or may be, vitally affected by a judicial decision though questions arise naturally under a written constitution which involve legal interpretation. Our High Court has been recently occupied in hearing an argument of this character, the determination of which may imply an alteration in the quality of our legislation during the next year or two. Our Federal Senate consists of thirty-six members. After the last election these were divided for practical purposes into two very nearly equal parties. There were nineteen Oppositionists, who were opposed on general principles to the Government, while there were seventeen others, including the Labour Senators, prepared to give its policy a general support. If this condition of parties had been maintained, it is obvious that, on important issues the Government proposals could always be put in peril. The election of one of the Opposition, Mr. Vardon, of South Australia, having been challenged, was finally declared void by the Court of Disputed Returns, on the ground of some informality in the polling. How was the vacant seat

to be filled? The law officers of the Government took the view that it was a vacancy occurring before the end of a senatorial term, which, according to the Constitution, must be temporarily filled by an election by the two Houses of the State Parliament. This view was strongly combated by the Opposition in South Australia because from the political colour of the majority of the members of the State Parliament, it was plain that such an election must result in the return of a supporter of Mr. Deakin's Government. This would exactly equalise parties in the Senate, and give the Government, with the help of its sympathisers, a much better chance of carrying out its policy. With a view of the law possibly coloured by this knowledge the Opposition argued that Mr. Vardon's election was a complete nullity; that his Senatorial term had never really begun, and that there must be a new election by the people. Still the official view prevailed in the State; the Legislature was summoned, and it elected Mr. O'Loghlin, a supporter of the Federal Government. Mr. Vardon in the meantime applied to the High Court for a writ of mandamus to compel the Governor of South Australia (upon whom the Constitution imposes the duty of issuing writs for Senate elections) to issue a writ for a new election. The case was argued at great length before all five of the justices. They upheld the law officers of the Commonwealth. Mr. O'Loghlin remains. Mr. Vardon must wait for another chance. He would have been on many questions a Government supporter himself, but could not be counted upon as Senator O'Loghlin will be to follow their flag in emergencies. The delicate balance of parties in the Commonwealth could hardly have been more strikingly illustrated. On the Tariff especially one vote will probably decide many divisions in the Senate when the schedules get there.

IMMIGRATION.

The failure of the State Premiers to respond to Mr. Deakin's invitation to co-operate with him in an active immigration policy for the Commonwealth did not apparently arise from any antagonism to his aim, but solely to their jealousy of the Federal Government. The three Eastern States are quietly, but not ineffectively, making a beginning in order to attract a larger proportion of the 250,000 Britons who, as Mr. Coghlan told us in his report some months ago, emigrate from the United Kingdom every year. Their efforts are certainly feebler and their results much smaller than they might have been had they accepted Federal aid, but they are doing something. Our own Government has instituted a system under which it is possible for a respectable single immigrant to transport himself to New South Wales at a cost of about £6; nor does its assistance stop when he lands here. He is met on arrival by Government official, directed to suitable accommodation, and brought into touch immediately with any possibilities of employment that may be open to him. Up to the present no difficulty whatever has been experienced by the Department in finding a suitable

engagement for every immigrant who has come to our shores under these conditions. The totals are not by any means imposing, but they promise improvement. During 1906 some 680 immigrants were thus started on their way in New South Wales. For the first half of 1907 nearly 1,200 were similarly dealt with. These figures only represent the persons who have taken advantage of Government assistance. They do not include immigrants, of whom there are many more coming here from other countries or from Great Britain without State aid.

Queensland is pursuing a similar policy. Mr. Kidston's hope that the arrangements he made in the early part of this year would bring a steady flow of immigrants at the rate of 200 a month has hardly been realised, but on the other hand the exceptional demand expected from the sugar fields has not asserted itself. The immediate openings for employment for able-bodied men in that great State are not limited to that one industry, though this year it had special claims. At least four thousand new hands are wanted by the sugar planters to take the places of the Kanakas who have quietly and, in many cases, gladly, returned to their own homes. The places are gradually being filled, and in large part by our own farmers' sons.

CANE GROWING IN QUEENSLAND.

The inept interference of the Colonial Office Immigration Agency in issuing a quite unnecessary warning against the climatic conditions under which cane growing is carried on in Northern Queensland has thus, fortunately, been deprived so far of injurious results. The Colonial Sugar Company have brought in a few hundred Spaniards and Italians, but the bulk of the labour attracted is British, owing to the exertions of the Queensland *Agent-General*, acting under the instructions of his Premier, Mr. Kidston. Of course the company and other sugar planters, too, have had the benefit of a cordial co-operation between the Federal and State Governments. And yet the object-lesson of this experience, which the Premiers should certainly lay to heart, is being, and apparently will be, ignored by them in a vain attempt to preserve their own dignity at the price of the policy they profess to pursue, and ought to pursue, in the public interest.

THE COMMONWEALTH OF AUSTRALIA.

THE NEW TARIFF.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 9 1907; Oct. 30 1907.

Australian politics are not clarifying, and yet that is what is most needed just now. Our Federal Parliament discovers four parties in the House and three in the Senate, none of them sure of their bearings. The consequence is turbidity, effervescence, and uncertainty, old feuds active, new feuds germinating, and a general expectancy that puzzles onlookers. The one fusion so far achieved was amazing and unexpected. When members' "allowances" were to be increased sudden fissures appeared in every section of the House. The majorities for the increase were large in both Chambers, but surprisingly composite. Of necessity the minority became equally mixed in character. All the official leaders were of one mind. To see Sir *William Lyne* and Mr. *Reid* together with Mr. *Watson* and Sir *John Forrest* sitting side by side among the "ayes" when the vote was taken was in itself a spectacle to suggest a millennial harmony. True their union was but momentary; the next instant old animosities burnt up again unabated. The impression made by their conjunction might have been dissipated had not the occasion been stamped upon public attention by the fact that this remarkable demonstration of Federal unity occurred so as to produce an almost absolute breach between Federal politicians and the public, and also between the Federal Parliament and the State Legislatures. For the time being the boundaries between Federal and State policies have been broken down, at all events in New South Wales, by these strange events and Mr. *Carruthers's* strategical use of them. Such a welter of conflicting currents has rarely been witnessed even in this country of political cross-purposes.

DISCUSSION OF THE NEW TARIFF.

The public business done, or rather attempted to be done, in Melbourne so far is nil. Such a debate upon the Tariff as is now proceeding cannot be described as anything more than a device for prolonging the proceedings until members obtain time to collect themselves. They also desire to collect the opinion of their constituents upon the schedule of new duties. Those who sit for this State have special reasons for

awaiting the results of tomorrow's poll for our Legislative Assembly with personal anxiety. In addition to this there will be an attempt on the part of other Federal representatives to use the same figures in order to forecast the general trend of opinion in other States. At present the omens point to numerous reductions in the duties proposed by Sir William Lyne. The people whom they are intended to benefit appear content to rely upon the Ministry to give effect to its policy. On the other hand those whom they hit are up in arms furiously protesting and employing every possible agency to influence public opinion against the increases. The foreign traders who are specially penalised, wealthy firms, or agents for powerful German houses or American corporations, though less conspicuous, are putting forward unexampled efforts to defeat the preferences in favour of British goods. According to the cables these are unappreciated in Great Britain, where one might imagine that there is a greater dread of the development of Australian industries than of the growth of the already large import business of their rivals of other nationalities. The merchants whose warehouses here are filled from Hamburg or New York have no such misapprehension. They are perfectly well aware that production in our small communities scattered over a great continent must be slow of expansion, while the cost of transit of local goods from part to part is and will long continue to be greater than that of shipments from Europe or the United States. It seems to be impossible to impress the English mind with the size of Australia or with the various permanent consequences which flow from that factor alone, making everywhere against our own manufacturers and for the oversea trader. The question whether our importers shall be British or foreign appears to be thought of little importance by some of your Chambers of Commerce. The best answer that can be made to them is to call attention to the vigorous campaign now being undertaken by or on behalf of foreign importers in every part of the Commonwealth, using every means available to defeat the British preference at any cost.

NEW SOUTH WALES ELECTIONS.

In our local elections the stars in their courses fight for Mr. Carruthers. His outlook from a simply State standpoint has always been promising. The one ever-present danger to be faced by him was due to the invincible apathy of our citizens. Many of them were indifferent to his policy, or, what comes to the same thing, were inclined to believe the Labour Leagues already defeated owing to defective leadership. The Premier himself was sufficiently under a cloud to be unable to awaken enthusiasm among his followers on his own merits. Since then the course of events in the Federal Houses have afforded him a whole sheaf of golden electioneering

opportunities of which he has hastened to make the best possible use. The new tariff for the Commonwealth has brought behind him the whole of our always influential Free Importers clamouring for vengeance against the Protectionists and their allies. It has brought to his side the still more eager and embittered energies of the foreign importing interest. It has enabled him to saddle our local Labour candidates with the odium due to the support given by the bulk of their Federal colleagues to the obnoxious Ministry and its exasperating imposts. He has been given a fresh pretext for appealing to the old parochial antagonism between this State and its neighbour by denouncing the fiscal policy as Victorian and the Federal Government for being under the control of Melbourne. He has appealed to the old anti-Federal Party, which still resents the national union, by his seizure of un-customed goods and by impassioned threats of reprisals. Some of these have been so extravagant that he has had to explain through the Press that his threats of revolution by physical force only referred to future possibilities.

MR. CARRUTHERS'S CHANCES.

The battle of the ballot-box here appears to be over before it has begun. A Sydney cartoon depicts Mr. Carruthers vainly spreading wire-netting over a large placard bearing the inscription: "Land Scandals". But the mists of antinational jealousy and vindictiveness have effectually concealed the damaging series of incidents connected with these scandals, all the more easily because the feebleness of the local Labour Party when confronted with them in Parliament has deprived them of whatever right they had to impeach the Administration for its paltering methods of sifting them. The only choice left to our electors lies between Mr. Carruthers, with his good legislation and financial record and poor administration in this and other particulars, as against a party with no legislative record and no promise of better administration. There can be no doubt as to the issue. The Premier has undoubtedly of late shocked many of the Moderates and offended all judicially-minded people, though at the most these will refrain from voting. But he has rallied the interested and reckless to his standard who might not otherwise have gone to the poll. It could not unreasonably be predicted with confidence that under these conditions the Labour candidates must go down *en masse*. Probably their doom was sealed, but for the intervention of Mr. Watson and two or three of his lieutenants. They have at least put life into a contest that threatened to be hopelessly one-sided. The Federal Labour leader is trusted, and his reasonable statements of the case against our State Government have been applauded by many who owe him no allegiance. His short and straightforward campaign may prevent an utter rout, but it has come too late

to do more. A Government victory is assured. The only question can be as to its extent. With the two parties face to face nothing can deprive the Premier of a large majority. He would have been sure of that if local issues only had been submitted simply and plainly. Judgment by default had been registered against Mr. McGowen and his Caucus before the first shot was fired. After that every advantage of position and of circumstance due to Federal developments has fallen to the Premier. He has abused them wherever that was profitable. Except from Mr. Watson he has met with no real resistance. It is quite safe to say in advance that tomorrow's poll will give him another lease of power. This will be in part deserved, and even when undeserved will have been due to his own individual sagacity and devices for catching sectional votes. Mr. Reid himself could not have proved a more ingenious tactician. No other member of the Cabinet has had any prominence. The issues have been intentionally confused, and so must the verdict upon them be, though it will be unmistakably for the Government as against the Labour Caucus.

THE COMMONWEALTH OF AUSTRALIA.

ANTI-FEDERALISM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 16 1907; Nov. 5 1907.

Our State elections are over, but our publicists do not seem anxious to assess their meaning. The heaviest polling we have witnessed for many years leaves our local parties much as they were. If anything the Premier's direct following is slightly weaker, Labour a little stronger, and the Independents less numerous but more Ministerial in their leanings. Looking only at these groups, it almost seems today as if nothing had happened—as if no dissolution had occurred. But there is really a world of difference between the situation now existing and that of a month ago, when Mr. Carruthers's victory was already assured. It would be easy to exaggerate the importance of the election to New South Wales, but it is easier still to overlook its great significance to the Commonwealth. The heavy polling is chiefly due to the battle between the Temperance Party and the publicans, who brought many thousands to the booths that would not otherwise have attended. These, having given their particular declaration for or against liquor licences, then recorded their votes for their candidates, who were almost all of them Ministerialists. Moreover, the Government was bound to win upon its practical record of work during the late Parliament, and as a fact had already won upon that issue before the ballots were counted. Independently of this they were bound to succeed as against the Labour caucus, whose general line of conduct has not been approved outside their own ranks, and whose business programme for the next three years is undeniably inferior to that of the Ministry. Yet, so far as one may venture to interpret the voting, it can hardly be said that Mr. Carruthers has defeated his opponents. He ought to have done so, and perhaps might have done so had he confined himself to the plain local issues submitted. But at the last moment he turned a torrent of vituperation on Federation, the Federal Parliament, Victoria, and Melbourne, the present seat of the Government of the Commonwealth. Every circumstance favoured his violent irruption, our leading dailies did not scruple to applaud and assist him, and except Mr. Watson no opponent worthy of his steel entered the arena. Taking these circumstances into account, he failed, and having regard to the tone and purport of his speeches he failed ignominiously, to carry his own State with him.

AN ELECTIONEERING EXTRAVAGANZA.

Mr. Carruthers's sensations and those of the editors who aided and abetted him in his anti-Federal outbreak must be akin to those of quarrelsome roisterers awakening in cold daylight to their reckoning amid the débris of their overnight saturnalia. Our Premier's fresh appeal to the electors after he was sure of his majority subordinated everything to anti-Nationalism. He announced that "the turning point in our history has arrived". "The spirit of the race we belong to" was invoked against that "instrument of tyranny" the Federal Constitution, contemptuously administered so as to hold us "in political bondage". He called for "the voice of New South Wales speaking in clarion tones in favour of a better destiny for a free country and a free people". This shriek appeared in large type in our newspapers the day before the election, accompanied by approving articles endorsing its attack with all the weight of their wide influence. Both insisted that the crucial question was that affecting the future relations of the State and the Commonwealth, and that the ballot-box would declare our unanimous repudiation of the present Federal policy. Mr. Carruthers protested that unless this were altered at once his rebellion against it will be protracted for seventy years. At his "final rally" the night before the battle he announced his intention of fighting with "his bare knuckles". The new Tariff was denounced in every key. The grossest anticipations current of the magnitude of the success to be accomplished on the morrow were exultantly repeated. Mr. Reid lent his aid, though his utterance was naturally pitched in a lower key. His saving grace of humour preserved him from the extravagances of the Premier. Nor could he forget that he was a Federal member and that the Sydney newspapers, while shouting for Mr. Carruthers, were sneering at him as a "belated leader" who "showed a disposition to lead his party from the rear", and had only changed his tactics under the whip. Even his former colleague and successor in State politics whom he came to help did not fail to add his drop of gall to Mr. Reid's overflowing cup. Mr. Carruthers jeered in his presence at the increase of Federal members' allowances, for which Mr. Reid himself had spoken and voted in his place in Parliament, though he did not deem it wise to revive a discussion on the subject at the Sydney Town Hall. Still he gave his sanction to the new crusade and relieved the monotony of the evening by the brightness of his wit. The whole strength of the free importing party was rallied upon the platforms throughout the State, together with the Anti-Federal remnant who have never forgotten or forgiven their defeat in 1900. The Temperance array followed with flying banners. With these apparently irresistible reinforcements to the already triumphant host of the Ministry its campaign closed amidst a violence such as has rarely been exhibited in this State, for which our Premier was personally responsible.

MR. CARRUTHERS'S MEAGRE MAJORITY.

The results of the polling have been received with something approaching stupefaction by the Government and its journalistic following. That both they and the Labour leaders claim the victory is a mere performance in pursuance of a time-honoured practice. It deceives no one. Mr. Carruthers's disappointment can be exactly measured by his own standard. The minimum number of supporters to which under the most unfavourable circumstances he could be reduced according to his own estimate was 57 out of 90. The maximum upon which he calculated was 67. His actual total today is 44. Instead of three-fourths of the Assembly he has not quite half. When he went to the ballot-box expecting an irresistible majority it was as the foe of the Federal Parliament. When he counted his regiment in order to add the Independents it was only as the opponent of the Labour Party. He is now anxious to reckon on his side all those, even if they defeated his own candidates, who hold themselves aloof from the Labour caucus. He is obliged to turn to them for his majority of 10. This very different standard of comparison indicates the depth of his fall from intoxication to sobriety. It is unnecessary to refer either to his tardy apologies and explanations or those of his boon companions of the Press. It is a case of "sermons and soda water the day after" their orgie of inflammatory declamation. Upon the local consequences of the election it would be profitless to dwell. The Ministry is safe; it was never in peril. Its policy on the whole is sound; it was never really challenged. The Premier will keep on vapouring; it is his habit. The Labour leader, Mr. McGowen, professes entire contentment with the outlook; that also is part of his role. Mr. Watson says little, but probably drew a long breath of relief when he read the totals. The work of education and organisation conducted by his Leagues will proceed steadily week by week as before. Altogether they have won seven seats, a marvellous record considering the odds against them and the weakness of many of their candidates. Their splendid discipline tells in spite of all the disabilities by which they are surrounded at every general election, but they are even now far from the goal of their aspirations. A Labour Ministry with a Labour majority in this State is still quite impossible.

A FIGHT ON NATIONAL GROUNDS.

What has made the recent local contest memorable is the fact that it was much less local than ever before. It was fought locally but upon national grounds, and though these were only introduced incidentally and at the last moment a whole army of Anti-Federal projects now lies buried with them. It would be going too far to claim that seats were lost because of the Premier's aberrations and obsessions, but it is certain that none were gained by his flag of secession. Taking the most moderate view of the case it is plain that his frenzied appeal to the people has met with no response capable of being identified.

Our newspapers have met with an equal rebuff to that sustained by Mr. Carruthers. They were foolish enough to accept him as their champion because at the last moment he turned his batteries against the Commonwealth. Although the whole of our four Sydney dailies gave him their whole-hearted aid our Metropolis itself remained unmoved, and seven suburban constituencies were lost by the Government. Yet the Tariff, the increase of Federal members' allowances, and the delay in settling the capital site are all charged in the account between Sydney and the Federal Parliament. The Free Importers' newspapers, in spite of their dominance here, could only enable the State Ministry to hold its own. They made no converts among the masses, whose leaning to Protection is becoming decided, even in the former strongholds of Cobdenism. It is in these aspects that Mr. Carruthers's reverses loom large. A more encouraging circumstance is that one or two members of standing and experience are to be found among the score of old members who have been displaced.

FAILURE OF THE ANTI-FEDERAL OUTBREAK.

Our Premier insisted that Federal policy should overshadow his local claims. It has overshadowed them and him, too, to such a degree that brazen it out how he may his flank has been turned and the influence of his permanent antagonists the Labour Party strengthened. He was foolish enough to pit himself against Mr. Watson, whose moderate and reasonable manner of speech compared most favourably with Mr. Carruthers's hysterics. Mr. McGowen was an admirable chopping-block for his rather rowdy style of rejoinder, but when the Federal Labour leader picked up the intemperate challenge of the Premier with temperate deliberation and effective criticism the positions were reversed. Indeed, the whole position has been transformed by this incident. No one here at present appears to have realised that when the battleground was changed from the State to the Federal field of battle Mr. Carruthers sacrificed all his advantages in this State and isolated himself outside of it. He is now in this dilemma. Having asked the electors to vote against State Labour candidates because Federal Labour members have not ejected the Federal Ministry, he now finds some seven more State Labour candidates have been returned, that the verdict in answer to his appeal is against himself and in favour of the Federal Government. Only by admitting that the failure of his direct supporters to win seats is due to the fact that the electors reject his policy of aggression against the Commonwealth can he plausibly contend that they still approve his local administration. If they do not he has the other horn of the dilemma. The real reading of the numbers appears to be that he gained nothing and lost something by his Anti-Federal outbreak. The real reading of the effect of his strategy is more serious still. In the Labour Party itself he has assisted to move its centre of gravity from the State to the Federal sphere. He has helped to give it a more national colour, and has still further demonstrated its dependence upon its national leader Mr. Watson. The consequences of this development have yet to disclose themselves in the party and in the Commonwealth.

THE COMMONWEALTH OF AUSTRALIA.

MR. WATSON'S SOCIALISM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 23 1907; Nov. 7 1907.

Australian political sensations are short-lived. Even Sydney's protest against the Tariff cannot now summon our indignant citizens to a Town Hall meeting. That combat is transferred to the Federal Parliament, where progress is being patiently and astutely blocked from day to day. Like a waterlogged ship it lies at the mercy of the currents. The astonishing thing there is how party movements counteract each other. In the House of Representatives we have four sections. A Ministry receiving a fitful and partial support from the Labour members confronted by an Opposition of Free Importers casually assisted by its corner, where sit the Anti-Labour Protectionists. So far the Government gets its way sometimes with the aid of that corner, but generally relying upon that of Mr. *Watson*. This astute politician has much ado to restrain his ultras from giving Mr. *Deakin* his happy despatch. He remembers, though they do not, the consequence of their last venture of the kind in 1904. Quite lately he has frankly disavowed the revolutionary wing of the Caucus and its programme of incessant combat, much to the wrath of Mr. *Tom Mann*, Mr. *Ben Tillett*, and the other vendors of violent panaceas. Socialistic in theory he advocates cautious expediency in practice. The ideals of some of his associates are those of the Continent, and the methods they advocate for realising them as immediate and drastic as those of Herr *Bebel* or M. *Jaurès*. Mr. *Watson* has a truly British indisposition to commit himself to either, openly declaring his preference for the slow processes and peaceable means provided by constitutional Government. He evidently favours a coalition of parties so far as their policies permit in order to accomplish what they can before the next election. In the meantime he, too, desires things to remain as they are. His only possible allies now upon the Treasury Benches are, of course, satisfied with their independence. His own supporters look askance at the Prime Minister, with whom their leader's personal relations have always been friendly and intimate even when he put their Ministry out and gave Mr. *Reid* his opportunity.

A DISORDERLY SESSION.

While the three other sections temporise and hang back the Government pursues its way. The Prime Minister having returned has resumed touch with his colleagues, though not appearing in public until next week. If the whole Parliament were at its back or an enthusiastic and well-drilled majority waiting the word of command the Cabinet could scarcely jog along more serenely. Certainly there has been no serenity in the intercourse, between members of the four parties while their enforced truce lasts. The Press reports already disclose more personal encounters and disorderly scenes during the last few weeks than in the whole of last year's session. These ebullitions are perhaps attributable to the suppressed party energies now unemployed. In any case they are to be deplored. If the House is not out of hand now it may easily become so when the duties are being fought bitterly in detail. The British Preference is put in peril, too, because the *Age*, exasperated by the attitude of the **Campbell-Bannerman** Government, protests angrily against making concessions to a Cabinet which rejects every offer of fiscal or other co-operation. Mr. **Lloyd George's** refusal of the idea of any Imperial fund for common Imperial purposes is remembered. The bad blood engendered by these unfortunate incidents and by the offensive tone of the newspapers that support your Ministers with arrogant narrowness adds another disturbing element to those already in play. Unless all the protectionists can be rallied, differences of this kind may easily destroy them while the fiscal fray is on. Senator **Best**, who leads the Senate for the Government, has hitherto avoided shipwreck of the measures in his charge only by extreme tact and untiring exertion. Despite the present interregnum existing conditions invite crises, and nothing but constant vigilance, aided by a full share of luck, can avoid them. Even now, though no one is prepared to put the Ministry out, opportunities for a surprise vote are so frequent that it is hard to believe that the temptation to seize one will always be resisted or defeated. In any event, it will be no easy task for the most expert tactician to lead a House divided against itself, uncertain in aim and in allegiance.

THE NEW SOUTH WALES ELECTIONS.

Recurring once more to the recent elections in this State, the very gratifying increase in the proportion of electors who took the trouble to record their votes deserves some attention. Recent experience has led us to regard a poll of about 50 per cent. of the number of those on the roll as the normal condition of things. Normal or not, it was anything but satisfactory. At this election, however, the percentage of votes recorded was about 70, rising as high in some electorates as 75 or 80 per cent.

In a country of magnificent distances, as this State is, it is quite impossible to hope that our electoral rolls will ever be so purified that all, or practically all, the names upon them will represent effective voters, and a poll of 70 per cent. may properly be regarded as a very high record indeed. It affords incontestable evidence that, for some reason or other, public feeling was aroused at this election in quite an unusual degree. Mr. Carruthers's dramatic outburst of Anti-Federalism had some effect. Another contributing cause was the sudden incursion of Mr. Watson and other Federal Labour members into the field. But by far the most effective stimulant of public interest was the fact that the first local option poll under the new Liquor Act of 1905 was taken simultaneously with the vote for the Parliamentary election. The no-licence advocates have for a long time been conducting an assiduous and well-organised campaign throughout the whole State. They were successful enough to arouse the fears of "The Trade", and during the last few weeks the liquor interest in its turn maintained an equally assiduous counter-campaign. Between them they managed to attract to the polls large numbers of people who, if one can judge from past experience, were not prepared to go there merely for the sake of electing a Parliamentary representative.

THE LOCAL OPTION VOTE.

The system of local option which came into operation for the first time at this election is the creature of the amending Liquor Act of 1905. Under the new Act a poll is required to be taken at every General Election. On this occasion three questions are submitted to the electors. They are asked to say whether they desire a continuance of the existing number of licences in their electorate, a reduction of that number, or a withdrawal of all licences for the sale of alcoholic liquor. No-licence can only be carried by a three-fifths majority of all the votes polled, and not even then unless at least 30 per cent. of the voters on the roll record their votes. If, however, no-licence is not carried by the requisite majority, all the votes given for it are added, logically enough, to the votes polled for reduction. In this arrangement our Act differs from the New Zealand measure, where each vote stands by itself, so that if no-licence be not carried by the votes given expressly for it those votes are wasted. At the last poll in New Zealand, in 1905, no-licence was carried in three and reduction in four electorates. If our system had been in vogue it is calculated that there would have been a very much larger reduction. It is too early yet to state the precise results of the recent vote in this State. All that can be positively said, until the final results are published, is that although no-licence has not been carried in any single district there has been an astonishingly large vote in its favour; and that this vote, added to the number expressly given for reduction, will mean that

at least 500 licences must shortly be cancelled. If the no-licence vote here should increase at anything like the same rate as in New Zealand it is safe to say that before long we shall be providing the world with some more object-lessons in the effectiveness, or ineffectiveness, of legislative prohibition of the sale of alcoholic liquors. The New Zealand vote has increased from 49,000 in 1894 (the first local option vote) to 200,000 in 1905. Judging from experience votes of this kind have a marked tendency to increase. Having begun with a no-licence vote at the recent election of approximately 200,000, it is probable that the next few years will see no-licence carried in a not inconsiderable number of the electorates of New South Wales. This time, however, they have to content themselves with a substantial reduction. The weak point of the system is that reductions tend to be carried mainly in those districts where the need for them is least pressing. In all but one of the thickly-populated city districts which are now absurdly over-licensed, and in which reduction is urgently needed, the electors have decided for continuance of the existing numbers. This, however, is apparently unavoidable under any system of local option. It certainly does not detract from the substantial advantage that the new liquor legislation of the Carruthers Government has conferred on this State.

THE COMMONWEALTH OF AUSTRALIA.

MR. CARRUTHERS'S RESIGNATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 1 1907; Nov. 13 1907.

Mr. Carruthers's resignation comes like a bolt from the blue. Nothing could be more unexpected. His health has been bad for some years, and especially since he became head of the Government. Its effect upon him explains a good many minor incidents, outbreaks, and escapades that have injured his cause and reputation. These have compelled the critical to deal with them so frequently that the solid successes he has achieved have been less appreciated by a public always prone to fasten upon particular events rather than to keep in mind the broad lines of consistent policy. His work will stand and his old Cabinet go on unaltered except that his place will be filled. But it is safe to say that there is no man among them that can fill it. As a tactician he is without a peer in our Legislature or at the hustings. Though never a pleasing speaker, he was always a clear, forcible, and effective debater. His long experience of public life, his thorough knowledge of our people, of fellow politicians, and of our past Parliamentary evolution made him in reality as well as in name the head of his Government and the leading spirit in all its deliberations and executive actions. He was always the chief, jealous of his prerogatives and eager personally to exercise all the great range of powers of a Premier which custom and necessity have been continuously enlarging from year to year. Our local leaders are few, and the best of them are in the Federal Houses. Mr. Carruthers's retirement, leaving a blank that cannot be filled, marks another decline in State politics. It also deprives the Commonwealth of its most resourceful and resolute adversary in New South Wales.

THE PREMIER'S CAREER.

The suddenness of the resignation is remarkable. Up to a few days ago the Premier's public speeches, so far from giving the slightest indication of the coming event, were full of bravado and promises of business for the House. He was full of his programme and eager to push it through. Whether he really intended to pursue his campaign against the Federal Parliament and Government or not he was making a brave show of defiance. He waved a hundred telegrams from anti-Federalists

too obscure to be identified who were alleged to have applauded his wire netting escapade, though it has been discovered that as a matter of fact he had already hastened to pay duty upon the quantity carried away. The brain fag to which unfortunately he has fallen a victim supplies a reasonable explanation of this and many other eruptions natural to an overwrought man. Looking backward and deducting these lapses, it is clear that Mr. Carruthers's career as Premier is one of which he and his friends may well be proud. It has been practical, industrious, and fruitful. His measures were well piloted through the Legislature and well administered afterwards. His reform of our whole system of local government, the liquor and gaming laws, the impetus given to economy in the Treasury, and the encouragement extended to settlement upon the land are the chief items in his record. No sessions since Federation have been as prolific as those for which he is responsible. Not sparing himself or his colleagues, he has paid dearly at last for persistent devotion to his duty, as he saw it.

THE EFFECT ON THE CABINET.

Not only shattered health but shattered hopes are disclosed by this sensational resignation. The result of the elections was, as already explained, a distinct defeat of the Premier so far as his anti-Federal crusade was concerned. Pursuance of that had been rendered impossible. His local policy was warmly approved, but his attempt at insurrection was as coldly suppressed. This was a crashing blow to his ambitions in his present nervous condition. Bad as this is, it is to be hoped that his release will be followed by a thorough recovery. Certainly it ought to be if he accepts the inevitable. He may even find himself willing hereafter to return to public life from which his ability can ill be spared. Of course there have been contributory causes for his overstrain. Even the reconstitution of his Cabinet was accompanied by a great deal of friction, and his old colleagues have buried with them a full share of differences of the same kind. These had been embittered by the irritability due to his invalid condition. We may hope that all difficulties in the new Cabinet will be composed, but it would be too much to expect that the anti-Federal agitation for which our late Premier is chiefly responsible can be as easily closed. Deprived of its leader in this the chief State, it may languish for a time, but since Mr. Carruthers has given a definite lead it is probable that he will find some imitators ready to seize the secession flag that he has dropped. Under these circumstances anxious eyes will be turned towards Melbourne in the Tariff Session, and then to other States to where the anti-Federal ferment has appeared.

THE FEDERAL GOVERNMENT.

Our Federal Government gets its way. The mixed majority sitting upon its side in Parliament has distinctly hardened. Sir **William Lyne's** leadership may account for this to some extent, as he has always been upon more friendly terms with Labour members than Mr. **Deakin**. But the main cause of the solidarity, such as it is, now being manifested by them is due to pressure from without. The Anti-Labour Protectionists of the Opposition corner have exhibited their animus to Mr. **Watson** and his group rather tactlessly. By expressing their willingness to assist the Prime Minister if he will but sever himself from his Labour corner they have led the unruly ultras who centre there to realise the necessity of bidding against them for a Ministerial alliance. Again, Mr. **Joseph Cook**, who commenced his political career in this State as a member of the Caucus, has been more combative in his relations with his old comrades than Mr. **Reid**, who always leaves a way of reconciliation open. His deputy has helped Sir William Lyne by conducting incessantly aggressive attacks upon the Ministry and its corner together because that promised to draw the Opposition corner closer to its Front Bench. Hence the closing of ranks on each side visible just at the moment when the Prime Minister and the Leader of the Opposition resumed their places. The former is not yet sufficiently recovered to undertake more than formal duties. The latter, conscious of the injudicious tactics of his followers and independent allies, and confident that they can almost always be retained, has sought to soften the asperities of debate. Mr. Deakin has been received with generous courtesy. Mr. Reid, looking ahead to the Tariff debate just opening upon specific items, recognises that he may now and again lose votes from his corner, which he can only counterbalance by winning some Labour men who are Free Importers to give him their aid. He is therefore blandly benevolent in demeanour to everyone. A new chapter in the story of the session is commencing; but that which has just closed has been full of meaning.

APPEAL TO THE PRIVY COUNCIL.

My letter which appeared in your columns of August 21 contained an explanation of the importance of the first Bill of the session when introduced in the Senate by Mr. **Best**, the Vice-President of the Executive, who leads that Chamber for the Government. It will be remembered that the claim of the States to levy their income taxes upon the allowances paid to Federal representatives had raised a vital constitutional question. The High Court, following the principles of English law,

but applying them to our Federal form of government in the light of United States decisions, decided that our States could not tax Commonwealth officials or agencies. It has also decided that the Commonwealth in its turn is forbidden to tax those of the States. But a Privy Council Committee of four afterwards reversed both decisions on grounds which, so far as they are understood here, are not considered applicable by our legal advisers. But the Committee have gone much further, because in defiance of the provision of our Constitution, which makes judgments of the High Court unappealable except with its own consent, on this particular point it reversed that Court's judgment after it had expressly refused to give its consent to an appeal. This very serious step was taken by the Committee, although the State Supreme Courts have only been endowed by our Parliament with Federal jurisdiction subject to a restriction of all appeals from them in the first instance when exercising that jurisdiction to the High Court alone. The Privy Council has lightly treated the restriction as inoperative—the High Court has since formally refused to be bound by its findings. Parliament has now come to the support of the High Court by cutting off the right of State Supreme Courts to hear any cases in the future in which the respective powers of the Commonwealth and the States as between themselves may be at stake. Assuming this law to be valid there can be no more back stairs entrance to the Committee to evade the plain prohibition upon appeals, except as provided by our Constitution. The consent of the High Court must be first obtained. In this matter, therefore, our Parliament and our Court are standing together upon the Constitution. It will be a grave misfortune if the breach between them and the Judicial Committee of the Privy Council should be widened. The Act just passed has been fiercely fought here by some members who agree with its law, but for political reasons object to the policy of making it in this fashion. There is a hardening here, too, of a dangerous character. It will be remembered that the one alteration made in the Constitution approved by the electors of all Australia when it was endorsed by the Imperial Act was in respect to this very matter. Our Prime Minister dealt with the incident before the **Lord Chancellor** at the recent Conference, showing that this one alteration was accompanied by a promise of the establishment of an Imperial Court of Appeal. The possibility of a clashing between the Judicial Committee and our High Court was clearly predicted in 1900 both in the Lords and the Commons when Federation was being sanctioned. Lord Loreburn was unable last May to give any satisfaction. Apparently he did not feel bound by the promises of his predecessors in office, and evinced no sympathy with Mr. **Chamberlain's** ideal. A conflict of Courts here and at home, a conflict of Australian Legislatures, involving a probable amendment of our Constitution, leading up to a possible collision with the Parliament of Great Britain, are not pleasant prospects for Australian Imperialists.

THE "SANDGROPER" FACTION.

The conflict between our local Legislatures, though it will doubtless be extended to many issues, is really nothing more at bottom than a quarrel arising out of the eternal want of pence that vexes public men here as much as anywhere, in spite of our overflowing Treasuries. This is most nakedly displayed in West Australian complaints. Politicians there cannot, or rather will not, make both ends meet. Though the State revenue every year since Federation has exceeded its receipts before union, they are loud in demands for more. Their anti-Federalists boldly demand the right to tax imports from the rest of Australia. This would destroy at one blow the freedom of commerce of the continent upon which the Commonwealth is built, and without which it would be but a mere confederacy of allied powers. Direct taxation as yet they have none. The State is now in the throes of a purely formal crisis, Mr. Moore having tendered his resignation because the Legislative Council refuses to pass his Bill imposing a very modest Land Tax. This is but a formal step in every sense of the word, since on this proposal the Labour Opposition supports him. But whenever the want of pence occurs in a State local agitation of this kind is likely to follow. It will always be the easiest escape in such cases to pick a quarrel with Federal finance and Federation in general. The whole of the old "Sandgroper" faction in the West which fought against union up till the very last moment is now ready to take the field again on this plea. They have some new recruits who feel the pinch of Eastern competition, and therefore deplore their lost Customs dues. Together they rally quite a respectable number of people of standing, whose horizon is limited and whose knowledge of the consequences of this proposed action is of the slightest. But the important circumstance is that by their emergence they are forcing the Labour Party which was always Federal in the West even when the whole of the Labour organisations in the East were against Federation, to bring out its old colours. The possibility that an anti-Federal campaign elsewhere may lead to complete unity among the Labour Leagues of Australia in order to uphold the Commonwealth is fast becoming a probability. In addition to them there are other Federal forces alert. Whatever else the Deakin Administration may be—Protectionist, Preferentialist, or Progressive—it is above and beyond all Nationalist in aim, and may be trusted to stake its all for patriotic union.

THE COMMONWEALTH OF AUSTRALIA.

THE NEW PROTECTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 7 1907; Nov. 16 1907.

The “new” Protection has arrived. In point of fact, it is not at all new in Australia. It represents a branch of the old Protection which was recognised from the first in Victoria and in other States so soon as they adopted the same fiscal policy. When duties were imposed to foster manufactures it was recognised that generally the greater part of the profits would go at once to the employers. Unions accomplished something by degrees for the employees; occasionally strikes resulted in increases of wages or decreases of hours; a general improvement in the conditions of labour accompanied these until the wage rates crept up to a high level in the main centres of industry. This progress followed Protection and completed its operation; but in States in which it has been enjoyed only since the Commonwealth came into being and in the outlying towns or districts of all the States there have been and still are marked inequalities. Some of these are reasonable, as, for instance, those due to the greater cheapness of living in the country and the increased cost of transit cast upon employers there when competing for business on the seaboard where all our important markets are to be found. The redress of the remaining inequalities among the employees has been attempted by Wages Boards, but even these in Victoria have no jurisdiction in outside districts. Small bodies of men find the processes of the Arbitration Court in our own State costly, clumsy, and ineffective. The consequence has been that for some time past Free Importers have consistently harped upon these exceptions as demonstrating the one-sided influence of a progressive fiscal policy. The most oft-repeated gibes in Mr. Reid’s well-filled storehouse of mockeries have been devoted to the contrasts which his imagination depicts between the wealthy capitalist whose coffers were filled to overflowing by Protectionist imposts while his underpaid hands were being mercilessly ground down under his ruthless exactions. A cry of this kind, welcome to the Labour Leagues at any time, is swollen beyond measure whenever the Tariff is proposed to be amended. It also suits the Caucus to call on provisions made for the benefit of the wage-earners “new” because they can then claim credit for their activity. It suits politicians, too, because it magnifies their immediate energies. It suits the Free Importers as an excuse for their persistent exaggerations. When everybody wishes this phase of Protection to be called “new” it straightway becomes “new” in spite of its history.

A COMMONWEALTH TRADE MARK.

The Government scheme explained last week by Sir [William Lyne](#) is not new even to the statute-book. It is based upon the expedient adopted in the last Parliament, when the duties upon agricultural machinery in general were raised, and in the case of harvesters imported by the great American Trust were rendered prohibitive. The device was simple. A heavy excise duty was levied upon all our own goods thus protected unless they were proved to be made under satisfactory conditions of hours and wages. Although owing to the law's delays that requirement has not yet been shown to have been complied with, it is now sought to extend it to an indefinite number of manufactures throughout Australia. When the size of our continent is remembered and the distances that separate our States and their settlements are realised the project of giving practical effect to such a scheme becomes almost unthinkable. The attempt is to be made, however, by an ingenious use of the provision in another Act which authorises the issue of a Commonwealth Trade Mark. This is all that remains of the prolonged and angry agitation for an Union Label, which has been legalised under conditions that render it of little or no value as a fighting weapon. The Commonwealth Trade Mark legalised can now be affixed to goods manufactured in accordance with the findings of any States Wages Board or Arbitration Court, or, where these bodies do not exist, upon any conditions approved by the Federal Parliament. It has not yet been applied at all. In future when goods are thus stamped they are to go free; if unstamped they will pay an excise equal to half the import duty. By this means the maintenance of an army of inspectors to supervise the manufactories of the Commonwealth is to be dispensed with. Their proprietors must prove that they are entitled to use the Trade Mark, or they will receive only one-half the protection conceded. It should be observed that even these methods of protecting employees, though not quite new, will be novel in practice. Whether they will accomplish their purpose is another question.

A BOARD OF EXCISE.

The mere administration of such a law over the whole of this vast Commonwealth, although much simplified by the application of the Commonwealth stamp, is far from disposed of even with its aid. There remains the task of granting or refusing the right to affix the stamp, which in its turn involves complex problems as to what are fair and reasonable conditions of employment, not in one spot only but in every one of the many climates and widely-contrasted territories comprised in Australia. The authority intended to be entrusted with these delicate determinations is to be a Board of Excise consisting of three persons. These may require the assistance of two assessors appointed by the parties if that course be deemed expedient, or may depute the work

of collecting local evidence for them to a Police Magistrate, aided if necessary by two experts. In some undefined way the Board is to be associated or perhaps identified, with the Inter-State Commission, for which provision is made in the Constitution. What is clear is that only a tribunal of ability and standing which is clothed with large powers can be expected to cope with matters so potently affecting a great proportion of our people and immense financial interests. Replying in advance to probable criticism abroad, it should be remembered that corruption among our public bodies is practically unknown in Australia. Our own land scandals and a few rare instances where power has been abused are too few to be worthy of mention. Public standards of conduct for responsible persons are rising instead of falling, and hence no danger need be apprehended on this score. Nevertheless, the obvious difficulties presented by any attempt to control industrial conditions are in themselves numerous and grave enough to render even a foolhardy disposition cautious. When this supervisory jurisdiction is to be exercised over an area nearly as large as Europe, even with a relatively very small population, the essay becomes still more adventurous. What will probably appear "new" in the whole undertaking is the sanguine spirit of men capable of conceiving, and then of attempting, so extraordinary an innovation. That it has the support of the Ministerialists and the Labour Party is somewhat surprising, but that it should have also won strong support from the Opposition and its corner is an amazing testimony to our tendencies towards State experiments.

PROSPERITY OF THE STATES.

For one thing there are grounds for optimism in regard to our Australian investments in railways just now which perhaps encourage those doubtful of State intervention generally to face the new departure. A series of Budgets have been laid before our local Legislatures which, following that of the Commonwealth, are practically all in the same key. Western Australia is somewhat of an exception, owing to her distance and the lateness of her development, but it is recognised that her progress of late, though not as fast as that of the States generally, is substantial. Take the surpluses in our Treasuries. One of the smallest in amount is that of South Australia, £300,000, yet this is not only enormous for her, but considering that her whole revenue is only about £3,000,000, it ranks proportionately among the largest. In New South Wales we rejoice, as has been explained in previous letters, in a surplus of a million and a half, while Victoria enjoys £800,000 and a reduction of her debt by another million. Queensland and Tasmania are well up in the race. Mr. Kidston has laid out his £400,000 surplus on public works, which in former times would have been constructed with borrowed money. During his administration he has spent £1,600,000 in this way without floating a single loan. Today he claims, and with reason, that the financial position of his State is stronger than ever. Good seasons have

had a great deal to do with these imposing balance-sheets, but thrift and sober finance have played their part, and deserve to be recognised in order to mark the contrast between present and past methods. Two of the Ministries which have done the best work in this way, those of Mr. Kidston and Mr. Price, are coalitions in which Labour members hold chief place. They, too, are keeping abreast of the times in economy and judicious management of local resources.

PROFITS FROM STATE RAILWAYS.

But the most striking of the returns are those relating to our State railways, the enterprises which represent the major portion of our borrowing and largely determine each Treasurer's balance. They would continue to be the most notable features of all our Budgets, even if the lines were clear of debt and had little effect upon surpluses, because over and above these considerations they are the best possible tests of the prosperity of the country and of the efficiency of the control which our Legislatures exercise over the great carrying business of the Commonwealth. In South Australia, after paying working expenses and interest upon cost of construction, Mr. Price is left with a clear profit for the year from his railways amounting to £230,000, a net return of 5.16 per cent. In Victoria the receipts for the twelve months are £4,000,000, of which, after discharging all expenses and paying all interest, the profit is £280,000. But to summarise instead of repeating details, which have little attraction for English readers, the totals ought to be worthy of notice at least by our critics. Australia depends upon her railways more than any other country of the same standard of development, and has therefore extended her lines ahead of her population, while at the same time studying those that use them whenever possible more than private companies would have done under the same circumstances. Yet under this generous public policy the total receipts of all our railways for the year exceed £14,000,000. After paying interest, working expenses, and charges the surplus for the twelve months exceeds a million sterling. Such results speak for themselves as to our wealth of production and the commonsense management by the States of these huge business undertakings which are interlacing the eastern half of the Continent and commence to stretch eastwards from its south-west golden province.

THE COMMONWEALTH OF AUSTRALIA.

WAGES BOARDS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 14 1907; Nov. 20 1907.

The battle over Preference has not more than begun. It is true that a Preference is secured for British wire netting, but none of the several curious votes taken before this was accomplished, almost incidentally, was really governed by fiscal considerations alone. Country districts have been inflamed with extravagant predictions of the increase in cost to graziers and farmers if the Government's proposals were endorsed until some staunch Protectionists succumbed to the canard and abandoned the effort to convince their constituents of the value of developing the local industry. The order in which the Tariff schedules are to be dealt with was also a fruitful source of contention which had its effect. Sir **William Lyne** proved himself a most capable general during the long mêlée. He was driven from one position after another, fighting every foot of his retreat, until at last he seized a chance of making a final stand in which as it fell out he had the Opposition behind him and the Labour Party, or most of it, angrily against his compromise. The House, thoroughly wearied with a tedious, confused, inconsequential debate, welcomed a series of divisions in which party lines were obliterated and a settlement forced that really satisfied nobody. Ministers got a duty and a Preference it is true, but it was neither the duty nor the Preference they had proposed. The incident, however, has a typical character. It supplies an excellent illustration in general outline of the astonishing Federal political situation that has been maintained for upwards of two years despite the continuous efforts of all concerned to disentangle themselves.

THE MAZE OF PARTIES.

Nothing could be more distasteful to our parties and their leaders than to make each of them always dependent upon one of its rivals. Yet that has been the effect of the polling at each of our three general elections in 1901, 1903 and 1906. In this Parliament their equality is even more pronounced than in either of its predecessors, except that while the Protectionists as a separate section have lost in numbers, any diminution under their own flag has been accompanied by an increase of those who in each of the other sections have openly adopted their policy. Thus the **Prime Minister** today has a more slender following than in 1903 or than Sir **Edmund Barton** obtained in 1901.

But on the other hand his fiscal proposals are better supported than ever. The House remains the sport of parties and yet at the same time more united upon principles. The Free Importers have now lost so heavily that they can affect nothing except by chance combinations on special items. When they rallied not only their full strength but obtained the assistance of twelve Protectionists to help them to place British wire netting on the free list, and 5 per cent. on foreign goods, they were still ten votes behind. They sat with Ministers when the 5 per cent. duty on British and 10 per cent. on foreign netting was carried by a majority of twenty-three, because fifteen of the sixteen who voted against these rates were Protectionists anxious for higher duties. There are but twenty-two members of the House who profess Free Trade, that is less than a third of its strength. Half a dozen of those belonging to the Labour Caucus are always willing to subordinate their fiscal votes to other considerations. Consequently, Mr. Reid has to rely upon the vote-catching tactics in which he is so adept to obtain the assistance of weak-kneed opponents of his platform who either for personal or anti-Ministerial reasons occasionally consent to help him over a stile. Sir William Lyne's high duties can only be cut down by the desertion of Protectionist members.

The first trial of strength upon the Tariff has ended in the defeat of the Free Importers and of the Anti-Preferentialists, who are mainly to be found in that party. But it was not a victory for Ministers, and points to the probability of similar dangers ahead. As Protectionists the country is overwhelmingly behind them, but at the same time, owing largely to the non-fiscal programme of the Labour Party intervening a considerable number of members are able without much risk to adopt a half and half policy. At least a dozen, among whom Sir John Forrest is to be found, are not of sympathy with Sir William Lyne because of his relations not only with Mr. Watson but with the more advanced wing of the Labour Party. To these have to be added, when Preference is dealt with, a band of Protectionists who insist upon reciprocal concessions from the Mother Country, and dwell with emphasis upon the repellent attitude of the Bannerman Cabinet. In the Senate the Free Importers who are Anti-Preferentialists and the Protectionists who demand Reciprocity are stronger than in the House, so that the ultimate fate of both parts of the Ministerial proposals is still somewhat uncertain. The Tariff will be Protectionist, but not highly Protectionist. It may not be Preferentialist to an extent really deserving that name.

MR. REID'S OPPORTUNITY.

Meanwhile the Cobdenites of Great Britain are actively at work among us in order to prevent if possible the extra strain that will be put upon them if Australia grants you a trade preference out of simple goodwill. Our own Free Importers, too, will fight it to the last ditch, both of them greatly encouraged by the open hostility of

the *Age*. The Prime Minister aims at establishing the completest possible commercial community between ourselves and the rest of the Empire, while the Labour members, or many of them, and the Ultra-Protectionists are both inclined to break away from this first step in that direction. This gives Mr. Reid his opportunity to divide, and perhaps to conquer. The one safeguard against the latter contingency lies in the gravity of the crisis which would be created. It might lead to the resignation of Mr. Deakin, with perhaps half his Cabinet, supposing that some of his colleagues were prepared to accept a direction from a mixed majority to abandon Preference, and face the task of carrying on without him. But for the pressure exercised by fears of the interminable complications to be heralded if our four parties were obliged to recast all their alliances in this fashion, the peril would be imminent. Even allowing for this the outlook is still troubled and uncertain. Mr. Reid's turn might come again presently if he was not so absolutely distrusted by some Labour members and his reputation dimmed in lustre by the cynical criticisms of the Sydney papers hitherto indefectible in their loyalty to him. Things have come to such a pass that Mr. Joseph Cook's leadership is favourable contrasted with that of his chief. He fights the Tariff at every turn, while Mr. Reid is content to temporise with its duties and flirt with the New Protection. After such a transformation anything may happen without surprising us.

ARBITRATION IN NEW SOUTH WALES.

Significantly enough, nearly all the Parliaments of Australia are more or less occupied with the thorny problems of industrial legislation. The federal Parliament has before it the "New Protection" proposals explained in my last letter, introduced as the necessary complement of increased duties. The State Parliaments, altogether relieved by Federation of their fiscal obligations, and placed by good seasons and plentiful revenues above the necessity for being over anxious about ways and means, are becoming more and more laboratories for social and industrial experiments. No less than four out of the six have been devoting their attention during the last few weeks to the making, ending, or mending of their several attempts at industrial regulation. Our new Premier, Mr. Wade, has been pronounced in his declarations that our Arbitration Act is a complete failure, while our Labour Opposition are pledged to the hilt against its repeal. Their aim is to repair the breaches in its jurisdiction and powers, due to a series of judicial decisions, and to make those powers equal to its task. Our present Act expires by effluxion of time next June. It

appears from our new Premier's statement that he does not adhere to the published determination of his predecessor to substitute for the Court a system of Wages Boards, but to devise some new system of Arbitration which is to combine in itself all the excellences of both systems. The introduction of this measure is, however, to be postponed until next year, and with it further discussion of Mr. Wade's own pet solution.

POPULARITY OF WAGES BOARDS.

Mr. *Kidston*, in Queensland, after a careful comparison of the relative merits of the systems of Compulsory Arbitration and Wages Boards, decided in favour of the Boards, and a measure modelled almost entirely on that of Victoria has passed through practically all its stages in both Houses with the apparent approval of all parties. The reason why the Boards are preferred in that State and in South Australia is because they find that employers and employees who become contending litigants increase the bitterness of their disputes, while Wages Boards bring the parties together in friendly conference. The Arbitration Court can hear but one case at a time, and often make of the hearing a tedious and lengthy business. As under the rival system there is a Wages Board for every trade, several cases may be dealt with at the same time by different tribunals. The Arbitration Court, consisting, as it does of permanent members, cannot possibly have expert knowledge of every trade; Wages Boards being composed of employers and employees in the different trades, with an impartial outsider as Chairman, are expert bodies which start with a knowledge of the details that a permanent Court spends painful days in endeavouring to gain.

The Wages Board system is certainly not free from defects of its own. Even while Queensland is faithfully copying Victorian legislation, the Parliament of that State is occupied in amending it freely. The strongest objection raised against the existing system in Victoria is that the most important decisions are usually given by the Chairman, generally an amiable outsider. A Court of Industrial Appeal, consisting of a Supreme Court Judge, was established, with power to rehear disputed cases. A recent exercise of this power, in the case of the baking trade, in which the rate of wages fixed by the Board was reduced by the Judge, led to a strike, which the employees sought to justify on the foolish plea that the decision of the Judge was given on technical grounds. So far as is known the charge was baseless, but the strikers won. A strong demand is made for the abolition of the Appeal Court. The

Government, however, has determined to retain it as part of the system, but to prevent a recurrence of the recent trouble they propose to divest the procedure of the Court of all technicality. Wages Boards are popular in all the States, but they are not yet perfectly organised. Many improvements will require to be made before they can be expected to enjoy an authority before which strikes or lockings-out will finally disappear. The misrepresentations made on behalf of the bakers who struck in Melbourne as a protest against the decision of Mr. Justice Hood could not be dealt with by him as contempt of Court, and were not dealt with by Mr. Bent, though it was the duty of the State Government to uphold him. However, the Judge's resignation has forced its timorous hands to provide for proper respect being paid to any future Judge occupying the same position. Thus in piecemeal fashion the Wages Board system is being completed in the light of experience. No other method has presented itself which has yielded anything like the same useful results, and none of its failures so far has impaired public confidence in the power of the Legislature to make it efficient. It has thus become distinctively the Australian system of coping with industrial disputes.

THE COMMONWEALTH OF AUSTRALIA.

FEDERAL LABOUR PARTY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 21 1907; Dec. 11 1907.

Mr. **Watson's** resignation of the Leadership of the Federal Labour Party and proposed retirement from politics at an early date is the event of the session. The effects likely to arise from it can hardly be over estimated if the special character of the man and the peculiar instability of our parties is taken into consideration. In consequence of federation the State Legislatures since 1901 have been led by men who were and would have remained subordinates but for the transfer of their chiefs to the Commonwealth Parliament. Practically every politician in the first rank of local politics stood at the first national elections. Its Cabinet contained "all the talents" that could be found in the Protectionist camp, having regard to the representation of each of the States. Since then the unexampled strain placed upon parties by the inaugural tasks of union and the maintenance of a triangular duel between them has driven almost every one of the more prominent men out of the arena. It has thus greatly enhanced the importance and influence of the three present leaders of those parties. The revelation of 1901 was the discovery that Mr. **Reid** and his free importers in Opposition were looking eagerly to a capture of the Treasury benches by the aid of a compact and aggressive Labour phalanx sitting on the cross-benches operating independently on the Ministerial flank and perfectly prepared to force the pace in pursuit of its programme. On the fiscal issue most of its members came unpledged, though some were among the fiercest opponents of the tariff framed by Mr. **Kingston** and Sir **George Turner**. Their leader, a pleasant, patient, well-mannered young man was not distinguishable in himself at first. Being a Moderate Protectionist he leaned to the Government as a rule, though quite discriminating in his support and fearless in criticism. While a member of our New South Wales Assembly he had made his mark quietly but surely as a serviceable officer in all emergencies. He was steadily shedding the extreme views to which with almost the whole of our Labour representatives he had committed himself in his salad days. Fairly educated and fairly read, he showed himself an apt scholar in practical methods; level-headed and painstaking rather than brilliant; not an orator, though by degrees becoming a useful debater; but he still seemed only abreast of the influential among them when he found himself a Federal member. The fact that

he was the best liked and most trusted among the Labour men who came from the Mother State, rather than any dominating quality, led to his selection as leader by men who little guessed that their choice was destined to give a new tone to their policy and to immensely increase its influence throughout Australia.

A POPULAR LEADER.

It was not until after the first two years' sessions, and almost insensibly then, that Mr. Watson's unaffected manner and studious devotion to Parliamentary work created a new reputation for him that travelled back to us in Sydney. At the outset he had commanded a hearing as the mouthpiece of the Caucus, but he was often outshone in debate and excelled in authority in the Chamber by some of his associates, openly exulting in their superior claims to notice. By degrees, however, his soundness of judgment, clearness in argument, and fairness to opponents drew him ahead of them all and finally left them out of sight. As usual it was his own home and his own State that was the last to realise that by his all-round endowments and careful mastery of facts the Caucus had produced a leader possessing the confidence not only of its serried ranks but of the House. When he became Prime Minister his simple dignity, courage, and resource during his short lease of power made hosts of admirers and many friends. He fell with dignity, bearing no malice, and piloting his party judiciously through the constant trials that accompanied their defeat and the equally constant perils due, during the whole of his leadership, to the rashness, wrongheadedness, and internecine broils of his followers. The strain thus imposed, even upon his even temper and good physique, must have been almost unbearable at times. No wonder impaired health drove him to the Northern Territory early this year and now is a principal motive inducing him to lay down a sceptre that he has wielded wisely and loyally for seven years crammed with crises, surprises, and vicissitudes. Even jealousy and party rancour have given way before the general recognition won by an honourable, capable, open-minded, and amiable public man, who has not a personal enemy or stain on his career. Whatever mistakes or errors have occurred are forgotten, because it is apparent that since his personal ascendancy became undisputed his clear-sighted moderation has safeguarded his often unruly associates against many more and far more serious blunders. If his counsels to the Leagues had been obeyed they would be in a much more hopeful and commanding situation than that in which they find themselves today, and he might have still remained their chief. More intractable material does not exist within our politics than that with which Mr. Watson has had to work. The course of events gave him perpetual opportunities, few of which have been missed by his fault, though most of them have been either lost or spoiled by the narrowness or violence of the League ultras behind him.

STRENUOUS POLITICAL LIFE.

Whether political life with us is more strenuous than elsewhere or not, the fact remains that prior to Mr. Seddon's untimely decease we had seen Mr. Kingston's collapse, that of Sir George Turner, followed by his retirement, Sir Edmund Barton's escape to the bench, and lately the at least temporary invaliding of Mr. Deakin, Mr. Carruthers, and Mr. Watson. The revolution effected by federation, for it was nothing less, together with the great tasks imposed upon the men responsible for bringing in the new order of things, has proved too much for most of those who, having conducted the campaigns for unity to a successful close, naturally accepted responsibility for ushering in the new order of things. Our trials are not yet over. The readjustments between the local and national powers are far from completed; our fiscal policy, especially in the direction of Preference, is still in course of unfoldment, and the financial problem remains to be faced. It is extremely unfortunate that Mr. Watson could not sustain his burden a few years longer, for upon all these questions his strong commonsense and patriotic spirit would have imposed invaluable restraints upon the excitable and unpractical among his supporters. While he continues in the House his counsels will be heard with respect, but when he has withdrawn, if not before then, the Caucus will be unchained. If Mr. Deakin had been obliged to leave public life in August a reconstruction of the Ministry of his party and of its programme were all anticipated and openly discussed as probable by the Press. But the rumour that Mr. Reid might be offered the High Commissionership instead of being resented by his followers, appears to be accepted with cheerful serenity. He alone of the three leaders is not considered indispensable, either by members or the public. Last week a public meeting was called in our Town Hall for the purpose of denouncing the Tariff. The building holds 5,000 people, and the object of the gathering had the cordial advertisement of our newspapers, but though Mr. Reid has always been able to crowd it at any time during the last ten years, there were but 500 people in Sydney who assembled to hear him on this favourite topic the other day. It is plain that he is suffering an eclipse, and it is confidently asserted that better prospects of alliances would present themselves if he were out of the way. This may be true, but the fact remains that the Opposite ranks may be scanned in vain today for any one who would make an even respectable second to him in knowledge and experience in oratorical ability, flexibility of mind, or expertness in political tactics. Whatever cause of complaint his followers may have against him is foolish, while to dispense with him would be reckless. He is their only possible powerful leader.

DISPUTED ELECTION TO THE SENATE.

If anyone is competent to answer the ambiguous question, "When is the Senator not a Senator?" it ought to be Mr. O'Loghlin of South Australia. The proceedings in the Senate in connection with his case had some features which were reminiscent of the good old days when disputed elections were dealt with by the methods of party warfare. Ordinary questions as to the validity of an election are now dealt with under the Commonwealth law, as they are in England, by a Judge of the High Court. The particular circumstances of this case, however, have so far prevented it from coming before that impartial tribunal in a conclusive way. At the triennial election of Senators last December Mr. Vardon was returned as a Senator for South Australia. His election was subsequently declared void on technical grounds by a Justice of the High Court. The Crown Law Officers took the view that this voidance created what is known under the Constitution as a "casual vacancy", to be filled by both Houses of the State Parliament, and its choice fell upon Mr. O'Loghlin, a supporter of Mr. Deakin's Government. As parties are very nearly equally divided in the Senate the substitution of Mr. O'Loghlin for Mr. Vardon, who was an Oppositionist, materially benefited the Protectionists. Mr. Vardon's friends then sought a declaration that another popular election must be held. The High Court, however, held that this was a matter for the Senate itself. The case was thereupon brought before a Committee on which there was a majority of Opposition Senators, who promptly reported that Mr. O'Loghlin had no right to the seat. The Senate declined to endorse this finding, and, with the strong approval of the Government, insisted upon the question being referred to the Court. The only proper course has been taken. But it is still possible that Senator O'Loghlin, though he may go on sitting and voting, will yet find that neither himself nor his predecessor have ever been Senators at all, though they have both exercised all the functions belonging to that high office.

LAND RESUMPTION IN VICTORIA.

The proceedings last week in the State Parliament of Victoria have a humorous as well as a practical aspect. A few months ago Mr. Bent returned from a general election with about fifty pledged supporters opposed by fifteen Labour men very angry with him and hostile to all his proposals. Yet we have just seen the bluff Premier in a situation so much resembling those depicted in some of his favourite comic songs as to add to the gaiety of politics. Last week found him attempting to force through the Legislative Assembly a gigantic scheme for the resumption of 1,250,000 acres of land in the western part of Victoria, with the enthusiastic aid of the whole Labour Party, while a comparatively small, but very determined band of his own professed supporters denounced him and his measure with much acrimony. The dearth of available lands in Victoria has brought all parties to the admission that some steps

must immediately be taken to provide homesteads for small farmers. The Western district, where an area of a million and a quarter acres, mostly rich agricultural land, is occupied by some eighty persons, as sheep-runs, certainly offers a promising field upon which to begin operations. The provisions of the existing Closer Settlement Act having proved inadequate Mr. Bent came down with a sweeping proposal for the compulsory resumption of the whole area named at a cost of something like £6,000,000. It was not proposed that the existing owners should be immediately extruded from their properties. They were to be left, for some considerable period, if they so desired, as Crown tenants, but were to be burdened with the whole cost of railway which Mr. Bent proposed to build for future settlers. Admirable as the object of this adventurous State speculation may be, and great as is the undoubted necessity for making more country available to farmers, the whole scheme appears to have been rashly and inconsiderately framed. At all events, after a brief debate, the Premier lightly discarded a million acres voted by his mixed majority, and asked authority to proceed only with the remaining 250,000 on terms much more liberal to the owners. The Labour Party, baulked of the bulk of the land appropriation for which it had hungered, is now furiously hostile to the scheme for which it was lately cheering the Government. For exactly opposite reasons Mr. Bent's supporters must now back him in his amended project. But what Mr. Bent himself may yet do none of them, and no one else, can guess. The outcome of his last ambitious plunge continues uncertain. Only one thing is clear. Land must be found for settlers somewhere, and quickly too, unless Victoria is to be left behind.

THE COMMONWEALTH OF AUSTRALIA.

INTER-STATE TROUBLES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 4 1907; Dec. 21 1907.

Australian politics are mixed and many coloured enough to remind their observers of a kaleidoscope. Every turn discovers some fresh combination of the old pieces, though, unlike the toy tube, these, if carefully watched, disclose a distinct development. We have at present a series of inter-State squabbles not without meaning and a few specially conspicuous incidents, such as the defeat of Mr. Moore, the West Australian Premier. A little while ago he asked Sir Frederick Bedford for a dissolution because his Legislative Council would not pass his Land Tax. Having then been refused an appeal to the country he prorogued for a day or two, opened a new session, and has now been beaten upon an amended proposal of the same kind in the Assembly. He will probably repeat his former request to the Governor with more emphasis, but, should he get his way, the position of parties is not likely to be decisively altered. Victoria has also had a mock crisis of its own, or, rather, in its Premier's temper. His incessant caprices, vacillations, and humours will some day result in an enforced retirement. Like our own Mr. Carruthers, he has exhausted the patience of his public by purely personal extravagances. The Victorian Government itself has nothing to dread from his departure. Mr. Wade's reconstructed Cabinet occupies an equally strong position with us, having nothing to fear except from its own blunders. Mr. Waddell's Budget has been favourably received, and in spite of the very dry weather throughout a great part of the interior, just relieved by a splendid downpour, the revenue continues to flow freely into his coffers. Our wants in the way of agricultural products are likely to be fully supplied from our more fortunate neighbours, the bountiful harvests in Southern and Western Australia giving their farmers so fine an opportunity for realising good prices here that exports to England will be much diminished. Tasmania is flourishing for the same reason. The only two mainland Legislatures in which the political conditions are unsettled—Western Australia and Queensland—are those in which the Labour members are powerful enough to constitute a disturbing influence. In the Federal Parliament they are more influential than anywhere, and, owing to the recent retirement of Mr. Watson, the outlook will become more threatening. Mr. Fisher, the new chairman selected in his place, is belligerent by disposition and will have the support of a

majority whenever he takes the aggressive. A Labour campaign in the country is to be commenced by way of preliminary and then continued on the floor of the House after the Tariff has been passed. For the present a work of organisation is to be pushed on prior to the annual Labour Conference of 1908.

GENERAL OUTLOOK.

The general outlook of the Commonwealth in public affairs does not threaten sudden changes of policy. On the contrary, though it would be hard to demonstrate it from any surface signs, there is a real tendency to a segregation of opinion and action between similar parties in the different States and segments of States. This is most noticeable among Labour representatives, and to a smaller extent among Labour Leagues. It exists in a feebler fashion among those who oppose the Labour platform, because their consents are framed of dissents instead of being built upon assents. But it does exist generally, and is deepening slowly. This by no means forbids rapid changes in our political *personnel* or our Cabinets, for which there are abundant openings among seven Responsible Governments. The settlement is taking place in the lower strata upon which they rest. In large measure it is due to the gradual federalisation that is proceeding by steady stages under the direction of the Commonwealth Parliament. As a rule the States resist every extension of its power, but in South Australia there is some hope that local interests will be so well served by the transfer of the Northern Territory to the Federal Government that it will be accomplished early next year. Mr. Price has won an overwhelming victory in the Assembly for the agreement entered into between the Prime Minister and himself last year. Judged as a business bargain only he has all the advantages, though probably the national importance of the acquisition of this vast area by the Commonwealth justifies Mr. Deakin's liberal terms. However, the Legislative Council of the State has yet to be appeased, and there Mr. Price is in a small minority. Besides, he has just forced the majority in that body to enlarge its franchise a little. This was achieved only at the point of the bayonet, and has by no means prepossessed them in favour of any project that may reflect credit upon him. The Federal Parliament itself is none too favourable to some of the concessions offered to the State, and certainly any addition to them would prejudice the whole project. Yet it would be a thousand pities if it were to fail. No such wholesale transfer of territory has been made even in Asia or Africa for many a long day, and so far as one can see, none remain to be made. In Australia itself there will never be another possibility of this magnitude. Its effects upon the finances of the Federation and its authority will be widespread and permanent. Our empty North is one of our most obvious dangers. To attract sufficient settlers capable of holding it against invasion will be a long and costly task. If on that account only the sooner the work is begun the better.

RECENT CONVENTIONS.

Sydney, as the principal port and market of the Western Pacific, might claim to be its capital; but for all the real interest in a practical knowledge of it displayed by most of our fellow citizens a visitor might suppose us the least affected of all the States. Even our newspapers continue to employ its perils chiefly for the purpose of local party attacks on our own Administrations, going so far as to quote the dicta of British papers based upon their own published travesties of the actual facts. Nevertheless, it was more than a coincidence that on one day last week both of our morning papers appeared with special signed articles upon the dangers in our ocean neighbourhood. The *Herald*, in spite of itself, is obliged to endorse its correspondent's complaint that in respect to this region for the last half century the British Government has behaved "like nothing so much as a fractious baby". The Convention with France expected to be put in force this year has been delayed until British trade with the New Hebrides is "fast disappearing". The Colonial Office "in happy-go-lucky fashion helped to frame the Convention, signed it in a hurry, and too late has discovered that what before was a muddle is now desperate confusion". Nor is this mere swearing at large. The indictment is based upon ascertained data in each instance. The challenge covers several other groups. Of course it would never do for the *Herald* to admit that it is upholding all the Prime Minister's contentions before the Conference last May, and consequently the more or less deserved censures upon our own Governments for past neglect are cheerfully admitted and exaggerated. As usual, too, the duties levied on island products are made their chief cause of complaint, although it had already been announced in Parliament that before the Tariff is closed preferences are to be proposed to the coffee and maize of British settlers in the New Hebrides, in addition to the £500 a year already in the Estimates. The story of German evasions in the Marshall Islands of the spirit and letter of the Anglo-German Declaration of 1886 is told in detail from official documents. The present Convention with France affecting the New Hebrides was drawn up behind the backs of the two Dominions directly concerned, adopted without any of the amendments considered essential by Australia and New Zealand, and hung up since, with a fine disregard of British interests and of our export trade. The Secretary of State for the Colonies must have many graver matters to occupy him, and it is to be hoped that the fruits of his endeavours elsewhere are not disastrous as have been and are his handling of questions affecting those parts of the Pacific with which we are well acquainted. Pleas and protests have been sent from this country to London for the last twenty-five years almost continuously without securing any practical gain or even proof of a sincere desire to conserve British rights.

MURRAY RIVER DISPUTE.

Some recent incidents—happening after seven years of a much closer inter-State intercourse than was possible before Federation—make it pretty clear that if we had postponed Federation until the development of a true federal spirit, as we were so often and so strenuously advised to do, we should still have been a good way from its attainment. If these things happen in the green tree, what might not have happened in the dry? First comes the “Murray Waters Question”, which is in itself a shining illustration at once of the imperative necessity in some matters for concerted action between the States, and also of the utter futility of all attempts to obtain it except through the machinery of Federation. For fifty years Victoria, New South Wales, and South Australia have been negotiating and quarrelling over the distribution of the waters of Australia’s greatest river. For fifty years every effort to arrive at agreement failed. Two or three months ago, after infinite labour, an arrangement which promised to be acceptable to all three States was finally settled by the Premiers concerned. Nothing remained to be done but to have it ratified by the States’ Parliaments. A Bill for the purpose has already been almost passed through the Legislative Assembly of South Australia. A similar Bill was introduced into the Victorian Parliament some time ago, but it is now announced that the end of this session will find it among the “slaughtered innocents”. In our own State the intervention of the General Election has prevented our measure from being introduced, and when it comes we are not sure how it will be handled even by the Ministers responsible for it. When questioned about it the other day Mr. Wade unsympathetically replied that as it was a matter concerning the other States it must give way to matters of domestic concern, adding sourly that if South Australia would avoid imposing harassing restrictions upon the import of New South Wales fruit she would have a better chance of obtaining consideration for her wishes in respect of the Murray River. The remark sounds trifling, and so it is, except for its provincial flavour. Owing, unfortunately, to our very lax methods of supervision some rather serious fruit pests have been found in the fruit we are exporting to Victoria and South Australia. Both these States have a much more effective method of supervision, and their orchards are consequently comparatively free from the pests from which we suffer. As a reasonable measure of self-defence they have temporarily restricted the importation of New South Wales fruit. Yet that their caution, if excessive, should be deliberately assigned by our Premier as a proper ground for delaying, if not for blocking, the most important and pressing national work that lies before the Australian people tells its own tale.

PROHIBIT OF IMPORTS.

A similar difficulty, which, had it not been for Federation, would have had in it possibilities of inter-State discord and reprisals, has recently arisen between Western Australia and some of the Eastern States. Camels, largely used in the arid interior, imported from India have brought with them a disease known as Surrah. Whether it is communicable to other animals does not seem certain, but without waiting for any conclusive evidence on this point South Australia, Tasmania, and some of the other States have absolutely prohibited the importation from Western Australia not only of all kinds of live stock but even of hides and skins. This drastic action has caused a good deal of ill-feeling in the West, and not without some reasonable justification. This particular difficulty remains unsettled. But it can hardly develop, as it might and probably would have done before Federation, into a serious quarrel. Happily a Bill transferring the control of quarantine to the Commonwealth, now before the Commonwealth Parliament, if passed will prevent such squabbles in future.

THE COMMONWEALTH OF AUSTRALIA.

LABOUR LEGISLATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 11 1907; Dec. 25 1907.

Australia's reputation for fecundity in experimental legislation, wide as it already is, must increase if it is to keep pace with our actual experiences. Nowhere has our political hardihood been more manifest than in the industrial field, and in none of our venturous States have there been bolder essays in this direction than those of the Commonwealth. The Federal Arbitration Act has enabled the two great national undertakings of shipping and shearing to be regulated without seriously dissatisfying either of the disputants. But this long-debated measure, purchased at the expense of the lives of two Ministries and many months of debate, has already been cast into the shade by the first judgment given by its President under another measure consisting of but a few clauses drafted in haste and passed to meet a particular emergency. How this happened is a curious story. On the faith of what was accepted as sufficient evidence of a deliberate attempt of the American Agricultural Implement Trust to destroy an important local industry by ruthlessly underselling it in our own markets, Parliament last year passed a special Act raising the duty upon its imports of this character to a prohibitive figure. Shipped harvesters in particular were singled out for a duty of £12 apiece, which appears to have accomplished its purpose of shutting out shipments from that day to this. At the same time a condition was imposed by the same Act that unless "fair and reasonable wages" were paid by all manufacturers of harvesters they should be liable to an excise duty of half the amount. They were required to satisfy a Judge of the High Court that they were complying with this condition in order to obtain an "exemption" from the excise. The first manufacturer applicant has just failed to obtain that exemption, and must consequently pay £6 for every machine he makes, and perhaps for every one he has made this year. The standard of wages laid down by the Judge is higher all round by 1s. or 2s. a day than the rates he has been paying. Whether that would cost the employer more than £6 a machine is not clear. He makes his choice, but it must lie between higher wages or the new excise. Then, too, his position today may be that of most other manufacturers tomorrow, for it is proposed to adopt the same device in respect to all industries that receive any considerable measure of protection. If

they desire higher duties they must give higher wages. This “New Protection”, as it is called, is “new” only in the method of its application, but its latest mode is novel enough in itself to introduce an industrial revolution—always providing that such legislation is within the Constitution and that its administration can be proved practicable.

THE WAGES QUESTION.

So important a departure as this incident signalises merits more detailed explanation to English readers. The case under review was an application by Mr. McKay, the largest manufacturer of agricultural implements in Australia, for a declaration that the “conditions as to the remuneration of labour” in his factory were fair and reasonable. His employees, or some branches of them, were not satisfied with the conditions, and opposed the application. Mr. Justice Higgins, in a clear, cogent, and impartial judgment of some length, upheld their view that the rates paid satisfied the Act, refused the application, and so left Mr. McKay liable to pay in excise duties a sum which is variously estimated at from £1,800 to £2,500. His dilemma, however embarrassing, can hardly be thought more serious than that of a Judge called upon to perform the stupendous task of determining, apart from legal guidance, without any limitation of his right to range at will over the whole field of economic theory, what pay ought to be deemed due to employees in this particular business. He was at liberty to inform his mind on the subject by any means which seemed good to him, and exercised this right to the fullest extent. He had before him exhaustive evidence as to the wages paid to employees of the same classes in similar industries and the determinations of the Victorian Wages Boards, where there were any relevant to the case. In addition to this he made minute inquiries into the cost of living among the classes from whom the employees in this factory were drawn. Under the circumstances it is generally conceded that his determination was judicial in tone and humanitarian in principle. The unlimited nature of his task evoked from him some observations for which it is not easy to deny justification. He pointed out that it was hardly fair to impose upon a judicial tribunal a duty which practically amounted to legislating on the most important issues that can divide the community, and thus bring the judicial office under political criticism. This might have been avoided, he observed, if the Legislature had itself defined the general principles by which the tribunal was to be guided in fixing “a fair and reasonable wage”. As this had not been done, he was forced to define his own standard. He began by abandoning completely the current rates of wages paid in accordance with the laws of supply and demand, even when these had been settled by Wages Boards. If Parliament had approved such rates, determined as they were, in his opinion, by “the higgling of the market” and

by individual bargains between employer and employee, there would obviously have been no need for new legislation. What these yielded to his mind were “minimum” rates only. On the other hand, the Judge repudiated with equal force the view, strongly urged by counsel, that “fair and reasonable wages” implied profit-sharing; or, in other words, the idea that an employer whose profits were 100 per cent. should pay more than the employer whose profits were nil. For this reason a request made by counsel for the employees that Mr. McKay should be compelled to produce his books was unhesitatingly refused. Mr. Justice Higgins was therefore compelled to find his data for himself.

MINIMUM RATES OF PAYMENT.

The measure of wages actually adopted by the Judge in determining “fair and reasonable wages” was, to quote his own words, “the normal need of the average employee, regarded as a human being living in a civilised community”. This test determined the lowest rate which could be regarded as equitable for unskilled labour. In the case of skilled labour additions had to be made, proportioned to the degree of efficiency and experience required. Applying this test to the conditions of life in this country, the President found that the minimum amount which would enable an unskilled married labourer to satisfy his “normal needs” was 7s. per day. Fair and reasonable rates for skilled labourers were fixed at amounts up to 10s. 8d. per day. Probably no strike could have accomplished this result and certainly not as quietly and inexpensively. One of the most interesting features of this very interesting judgment is the Judge’s criticism of the Victorian Wages Boards, whose rates he was invited to adopt as fair and reasonable, in the case of those classes of employees whose remuneration was governed by their awards. He declined to do this, mainly on the ground that the Victorian legislation is based on the principle that no minimum wage must be high enough to prejudice the progressive maintenance of or scope of employment in the trade or industry. In other words, said the Judge, this Act “puts the interests of the business—of the profit-making—above the interests of the human beings employed”. This did not appear to him to be the intention of the Federal Act he had to administer, and he therefore expressly refused to adopt the rates of these tribunals. It is not hard to see that the view taken by the Judge on this point, if generally adopted in the administration of the “New Protection”, must have far-reaching consequences. It means, as he himself explained, that a fair wage must be a first charge on the gross receipts of a manufacturing business. No industry which cannot afford to pay this wage is to receive the encouragement afforded by Protectionist duties, or, at all events, by duties high enough to give a local monopoly to industries requiring large investments of capital.

EFFECT OF THE DECISION.

Whatever may be the effect of the new departure thus impressively illustrated by a concrete example of its working, the demonstration must greatly exercise the powerful interests affected. The first question raised concerning it will be posed by a suit against the Commonwealth's attempt to take command in this fashion of the whole of the industries of Australia. The State Governments are already bristling at the inroad made, or proposed to be made, upon a region that they have hitherto regarded as entirely within their own control. On the other hand, the law advisers of the Federal Government are quite positive that its general power to levy duties of customs and excise cannot be cut down so as to prevent Parliament from imposing whatever conditions they please in connection with their levies. To the several conflicts already commenced between our local and national Legislatures this fresh *casus belli* has now to be added. Then, in politics, if anything were needed to transform our Labour Leagues, already federal in general sympathy, into actively belligerent assailants of these claims of the States it should be supplied by this struggle. Mr. Justice Higgins's judgment will sweep them all into the army of the "New Protection". Generally speaking, the unsuspected potentialities lurking in the wide federal powers conferred by the Constitution are evolving year by year, to the dismay of the Provincialists and of those who seek to shelter themselves under the wings of the States. Mr. Wade's Government and that of the Commonwealth have just agreed upon a statement of the legal issues to be submitted to the Courts in consequence of Mr. Carruthers's forcible seizure of wire netting from the Sydney Customs. Another kind of "New Protection", that of the law, is being continuously sought both by the States who find their authority frequently challenged and by the Federal Government against such "new invasions" of its prerogatives as that which closed the career of our late Premier.

THE COMMONWEALTH OF AUSTRALIA.

GREAT COAL STRIKE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 18 1907; Dec. 31 1907.

The coal strike fills the whole horizon in this State, and in all the States, for practically they depend upon the output of coal. Our ships, railways, factories, many water supplies, the lighting of towns, tramways, and innumerable homes requiring to be supplied with this fuel are now looking starvation in the face. In the face of such a coming calamity even the stirring political situation in Brisbane passes almost unnoticed, the mail contract made by the Commonwealth is scarcely mentioned, and, the serenity with which Mr. Moore has laid by his Land Tax in Perth passes unobserved. The coal strike, and the coal strike alone, occupies public and private attention today. The one cheering circumstance is that those who know, or ought to know, most of the circumstances are evidently much more confident than their neighbours that some way will be found of avoiding the imminent catastrophe. Whatever may happen, our Premier will come out of the trial with a much enhanced reputation and a marked accession of public confidence. None of his predecessors in office in similar straits gave evidence of a more happy combination of patience and promptitude.

EFFECT ON THE COMMUNITY.

But the strike is not yet over. Far from it. Even if it is disposed of now it can only be by a remission of the issues to an impartial tribunal. The struggle may be merely postponed. At present it is still unprofitable to look so far ahead. But our community has received a severe shock, which it is to be hoped will impress us with a warning. The precarious condition of the whole of our business undertakings, of our wage earnings and profits (outside those of the pastoral and some few rural industries which can dispense with steam carriage partially excepted), while our coal supply can be cut off at any moment, affords at present much food for reflection. Although we have large collieries elsewhere and all the States possess some kind of collieries, Australia really depends upon Newcastle and our northern fields. Hence the peril is Federal, though at present it can only be dealt with in New South Wales. From our own standpoint the situation is so grave that Mr. Wade has not hesitated to announce that, if necessary, the whole force of the law will be used to compel the combatants to settle it sufficiently to permit of an instant resumption of work.

It is not easy to sum up the merits of the dispute. The miners have undoubtedly been rash, foolish, and indifferent to their contractual obligations. The colliery proprietors have not shown a spirit that one could fairly call conciliatory. They have, unfortunately, allowed the recollection of past wrongs of which they consider the men have been guilty to influence their attitude towards the claims raised in the present dispute. They have not shown a sufficient recognition of the fact that the owners of a commodity which is necessary to the whole of our industries are, and must remain to a certain extent trustees for the community. Wherever the essential fault may lie, its penalty must fall impartially on all classes as well as upon both parties to the dispute. It is the natural resentment aroused by this, and, indeed by all of our serious industrial disputes in Australia, that gives the argument for some system of industrial arbitration its unabated force.

CAUSES OF THE DISPUTE.

The events which have led up to this crisis may be briefly stated. The rates of pay for miners on the Newcastle fields are fixed according to a sliding scale, varied from time to time according to the selling price of coal. This is fixed year by year by the Associated Colliery proprietors. It is their practice to meet every October to fix the price for the ensuing year. Shortly before their meeting last month there had been trouble in two or three collieries which had resulted in a small number of men in the mines concerned going out on strike. There was nothing in any of these cases, however, that could not and would not have been easily adjusted. Unfortunately the time for the annual meeting of the proprietors was at hand. The miners, whose rates of pay depend upon the selling price, and who have been urging for some time that this should be increased, asked for a conference to discuss this question and one or two others. No notice was taken of this request until after the meeting, which fixed the selling price at 11s. per ton, a shilling lower than the figure suggested by the men. Irritated by this decision and by the manner of arriving at it the employees formulated certain demands, which included an increase in the hewing rate and a slight limitation in the length of their working time. At a conference held soon after these demands were unequivocally rejected.

While relations were thus strained the owners unfortunately thought the time appropriate to close down the mines in which the minor local troubles before referred to had occurred. This aggressive and untimely reprisal threw out of work a large number of men, the greater number of whom were in no way concerned

with the disputes in question. Their maintenance, of course, became a heavy drain on the general funds of the Union, which, as a matter of course, supports its own unemployed. Rightly or wrongly, but certainly not without some excuse, the men at once assumed that the object of the proprietors was to deplete the Union funds, and so weaken their power of insisting upon the demands which had been presented and rejected at the Conference. Under the influence of the irritation aroused by this idea the Miners' Committee, whose leading officials have not up to the present given much evidence of moderation or discretion, at once announced that unless the men who had been discharged on account of the local disputes were reinstated within a time named and an impartial tribunal appointed to settle these disputes the whole of the men on the field would be called out. This ultimatum was almost unanimously endorsed by a vote of the general body of miners. The proprietors, however, refused to consider these demands until their next meeting, which was not due until a date later than that fixed by the Miners' Committee for the cessation of work. At this stage the State Premier intervened with a wise suggestion that the men should continue work until an effort had been made to adjust the differences. This the men agreed to do, on condition that the proprietors would guarantee them payment for the work thus done, whether they came out subsequently or not. The proprietors again showing very little judgment refused the guarantee, and the men threw down their tools.

UNREASONABLE TEMPER DISPLAYED.

The temper displayed on both sides has been unreasonable, and certainly the inability of the employers and the employees in this industry to settle these comparatively trifling disputes in a peaceful fashion instead of paralysing the business of a continent, so as to inflict suffering and hardship on hundreds of thousands, discovers a weak spot in our industrial system. This, at any rate, seems to be the general feeling. Even our most strongly anti-Socialistic newspapers are saying that if the parties cannot adjust their quarrel themselves the whole force of the State should be used to compel them to do so. Mr. Wade's declared intention of stopping at nothing to secure an immediate settlement appears to be endorsed by all disinterested sections of the community. Our Arbitration Acts and Wages Boards, though diminishing the number and magnitude of our industrial disputes, have not prevented them; but they have succeeded in effectively disposing of the *laissez faire* doctrine that industrial disputes are merely a matter for the parties to settle between themselves, the State looking on and keeping the ring while they fight out their quarrel.

ARBITRATION ACT IGNORED.

The dispute at present is limited entirely to this State, so that it does not come within the sphere of the Federal Government. Our local Arbitration Act, for reasons that do not appear adequate, has been treated by all parties as if it did not exist. If, however, the present dispute should extend beyond this State, and thus come within the jurisdiction of the Federal Court, it may be taken for granted that its powers will not be left in abeyance. The Prime Minister has up to the present carefully refrained from interference, but has made it clear, in answer to questions in the House, that if the agencies at work within the State are not equal to the settlement of the dispute, he will not hesitate to take any course the law will justify or perhaps emulate Mr. Wade, who is quite willing to pass a new Act dealing out of hand with this special case of industrial anarchy. Your recent threatened railway strike had its effect in rousing our miners to action here, but the Boards of Conciliation accepted in England, so far as we understand their constitution, are not likely to furnish us with a precedent for an Australian tribunal of the same kind.

THE COMMONWEALTH OF AUSTRALIA.

COAL STRIKE ENDED.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 25 1907; Jan. 3 1908.

The coal strike has ceased, as optimists predicted. Owing to the haste with which they flow at each other's throats, without sufficient provocation or the slightest consideration for the public, neither masters nor men deserve the slightest sympathy. Both merit warm praise for the celerity with which they retraced their steps when brought to reason, though, as usual, it is the public that is left to pay the cost of their escapade. The one man who has profited by his association with the outbreak is Mr. *Wade*, who has been elevated by this one strike to a higher pitch of popular favour than Mr. *Carruthers* was ever able to attain. Not even the Opposition grudge him his laurels, and, indeed, the State Labour Party, by the mouth of its leader, Mr. *McGowen*, was prompt to compliment him upon his management of the contending parties. The strike as an incident has closed. Work has been resumed today in every colliery. Picks are clicking in every face, and trolleys are running from them filled to the brim with thousands of tons of overdue coal destined for all our ports and for others many thousands of miles away. Several weeks must elapse before normal conditions can be restored in every quarter of the Continent, but the pressure has eased already, prices have fallen, and our throttled industries will speedily revive. Another page in the story of our labour troubles has been turned; it discloses the commencement of a new chapter.

THE ARBITRATION ACT.

Mr. *Wade's* position, enviable as it may be, is not without embarrassment. When in active practice at the Bar he was retained in almost every case arising out of our Arbitration Act on behalf of the employers. It being his professional duty to discredit that necessarily imperfect measure, he assailed it with vigour and with relish. He impugned to the utmost of his ability not alone the statute drafted nearly ten years ago but the principle upon which it was founded. That sundry flaws were detected and exposed in the process was only to be expected, having regard to the fact that its author, Mr. *Wise*, was compelled to depart from the methods adopted in New Zealand, while the only precedents to guide him were derived from that country of social experiments.

Though the flaws have been made to appear fatal, largely by Mr. Wade's ingenuity, they really discover nothing more than the weakness of some of the methods adopted in our first attempt to control by means of legal machinery the intricate details of industrial employment. Whatever our Premier's personal opinions may be or have been he had come to be treated as the chief antagonist of all compulsory arbitration. Consequently it was an irony of fate that compelled him directly after assuming the leadership of the Government to come forward as the resolute apostle of this very mode of dealing with disputes. As Premier he imposed it upon both parties with despotic decision, though none of the chief combatants was really anxious for an appeal to an impartial tribunal. In the public interest a truce was essential, and for a settlement of such an embittered controversy nothing was found feasible except compulsory arbitration.

STATE INTERVENTION.

Mr. Wade may not have been really inconsistent in his change of front. In any case that becomes a small consideration if we look behind his act, either to its implications or its impending outcome. What has been achieved so far has been a forced remission of all questions in dispute to a Court specially created, but built upon the exact model of the Court of Arbitration sanctioned in the original Bill, which Mr. Wade had been so strenuously impeaching. A prominent feature of the situation is the promptitude with which under pressure of circumstances the whole of our Legislature, of our Press, and our public demanded first the intervention of the State and next insisted that this should take the same form as that provided by our own much-despised and contemned Act, to which neither party even attempted to appeal. The settlement of the differences between masters and men has been unhesitatingly taken out of their own hands. Consents to this transfer were wrung from them to some extent by threats, but most effectively under the coercion of public opinion. The significance of these occurrences must not be overlooked. Unfortunate as our experiences of judicial arbitration have appeared during the prolonged campaign of litigation conducted in the Courts, we now find everyone convinced that no other way of escape from the disasters of industrial strife has yet been discovered. It is either compulsory arbitration or nothing. In the same way the "New Protection" sought to be established by the Commonwealth Parliament under cover of excise duties imposed wherever "fair and reasonable wages" are not being paid in protected industries is already subjected to a series of fierce assaults from many quarters. The errors of omission and commission in the Federal Acts are being unearthed and magnified just as were those of our Arbitration Act. Yet in the long run the probability is that the "New Protection" will be found to have taken root. Our Premier has already promised a Bill substituting Wages Boards for the present Arbitration Court, but after his own appeal to just such a body to settle the coal dispute it will be difficult for him to attempt to abolish the existing tribunal. It has become his own child by adoption.

THE MAIL CONTRACT.

A further illustration of the fresh forms that State intervention is assuming in Australia is supplied by the mail contract entered into by the Federal Government and sanctioned last week by both Houses. The part of it which relates to a postal service is quite obscured by the number and heterogeneous character of the other conditions under which the Orient Company will run its new fleet. They will make an immense provision for carrying perishable products in cool storage chambers, at rates which, so far as our exports of butter and fruit are concerned, must not exceed fixed amounts. The ships are to call at ports like Brisbane and Hobart, which will not be benefited postally at all. They are not to be used in any combines or "rings" affecting fares or freights, are not to discriminate between Australian ports nor between union and non-union sailors, and are to employ white seamen only. Many other things they are to do or refrain from doing in return for a subsidy of £170,000 a year and a general prospect of being specially patronised as the distinctively Australian line. But while perfectly prepared to go these lengths in order to attain definite ends believed to be of importance to their constituents, the Federal Parliament has once more resolutely set its face against the proposal of the Labour Party that the Commonwealth should build, man, and run its own steamships. The Senate was not even asked to agree to this departure, while the House rejected it, together with every other proposition for a departure from the terms fixed by the Government. Although it would be no easy task to mark a boundary of State action beyond which our legislators may not pass under special provocation they are in no humour for multiplying calls upon the Treasury, even for tempting investments of the public funds in commercial enterprises. What is attempted is a regulation of wages and prices, in itself a very arduous undertaking. Any further extension of State ownership is looked upon with well-grounded apprehension. Financial conditions being more favourable now than they are likely to continue after we reach our full Federal stature and obligations the healthy caution and circumspection displayed are evidences of sound judgment.

UNIVERSAL MILITARY TRAINING.

There is one field of compulsory legislation into which it is currently believed that the Commonwealth Government proposes to enter before the session concludes, although its only connection with arbitration is by way of contrast. Rumours are constant that the Prime Minister's policy of defence includes besides the ambitious naval programme foreshadowed upon the Estimates a scheme for compulsory service in arms upon a large scale. The movement in that direction inaugurated in this city two years ago has just received a fresh impetus owing to the receipt of a message from Viscount Milner, in which the case for national service is crystallised with splendid clearness and force.

The weight of his great name, added to the weight of his arguments, has immensely impressed many besides those already engaged in the work of propaganda. The open-minded manner in which the Imperial Preference policy has been expounded by Lord Milner has won him an audience in Australasia and probably in other dominions besides South Africa. There his local work is becoming better appreciated as the chaos that followed his withdrawal throws the wisdom of his courageous policy into high relief. The annual balance-sheet of our Australian National Defence League shows a deficit upon a very small expenditure, but the idea it promulgates is making headway in New South Wales and among most of our neighbours. Lord Milner's spirited exposition of the value of universal military training has awakened approving echoes from all quarters. Nothing could have been more stirring or apropos.

QUEENSLAND POLITICS.

The political crisis in Queensland has altered in character. Mr. **Kidston** and his majority, including the Labour Party, complained that their Bills are mutilated out of recognition in the local House of Lords, or Legislative Council. They appealed to the King's representative to authorise ten fresh appointments to the nominee Chamber in order that the will of the country expressed at the General Election held in the middle of the present year may obtain its due effect. This the **Governor** has thought fit to decline, accepting Mr. Kidston's resignation and a new Cabinet from Mr. **Philp**, though the Assembly has refused the latter supplies and informed Lord Chelmsford that it is resolute in its support of the Ministry whose advice he has declined. Up to this point his Excellency had followed the precedents, but he has since granted a dissolution of a House not six months old to the Leader of an Opposition who was recently badly beaten, though the circumstances of the contest were very much in his favour, and that in spite of the refusal of the House to grant supplies. The Governor has thus taken a new departure and a personal responsibility of a serious kind. Events may justify him, and for the sake of his present Cabinet it is to be hoped that they will. An addition of ten Government supporters to a Council of forty-odd members would have meant a grave change, despite the fact that in Queensland there is no constitutional limit to the power of appointment. It is a change so considerable that Lord Chelmsford was bound to challenge it. But when a House fresh from the country, with a Ministry which had survived the attacks both of Mr. Philp and of the Labour Party, refuses his new Premier on any conditions a Governor's conduct becomes hazardous. The Assembly has protested to the Home Government against this action, citing the New Zealand precedent of 1892, when twelve Councillors were appointed under similar circumstances, with the sanction of the British Cabinet of the day, in spite of the hesitation of **Lord Glasgow**. The cases seem precisely parallel. But, of course, the protest is too late. In such circumstances the election a few weeks hence will determine the Governor's future influence almost as much as Mr. Philp's future policy.

THE COMMONWEALTH OF AUSTRALIA.

CRISIS IN QUEENSLAND.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 2 1907; Jan. 8 1908.

English readers who wish to understand the crisis in Queensland must commence by mentally transferring themselves to the Antipodes. Here they find acting in the name of his Majesty the King a temporary representative with strictly-defined powers in a strictly-defined area engaged in a struggle with an elective Chamber also of limited authority, and both of them subject to local precedents that do not apply to the United Kingdom. Getting rid of the several prepossessions aroused by the use of the same constitutional phrases in both countries when referring to very different relations between Powers, they will find the dissolution of an Assembly precipitated within six months of a general election against its angry protests and on the advice of Mr. Philp, who was recently defeated at the polls. He now appeals to the country to support Lord Chelmsford in his refusal to add ten members to the nominee Council in the face of the New Zealand precedent mentioned in my last letter. Mr. Kidston, the late Premier, is organising his coalition following in order to insist upon the appointments asked for. The Labour Party, in a militant manifesto, declares its separateness, exclusiveness, and unalterable programme of reforms. There are, therefore, still three irreconcilable platforms, but apparently not three hostile parties. The double-barrelled declaration of the Caucus hits, and is intended to hit, Mr. Kidston as well as Mr. Philp. If it led to a triangular contest resembling that of last July, the odds would be much more in the Premier's favour this time. But according to current political gossip the intention of the manifesto is to discount in advance the censure to which the Caucus will be subjected when joining Mr. Kidston in a temporary partnership in order that the Legislative Council may be brought to book and the measures it recently rejected passed into law. Assuming this to be the case Mr. Philp's sanguine forecasts must be intended merely to inspirit his followers. His chances in January will be worse than they were when he was beaten this year. The Cabinet he has formed is weaker than that over which he presided when last in office, and very much weaker than the Ministry he has just displaced. This is a misfortune for him and for the State if he succeeds; but there is a greater misfortune to face, whatever happens to him. Although he must shoulder his responsibility for the sudden and untimely dissolution, public opinion insists upon going behind him to the Governor, who has refused to listen to his elective House even while it was fresh from the country. His Excellency is being treated as in the firing line, and is far more

criticised today than either his present or his late advisers. The question is not whether his views are right or wrong. Whatever good may arise from his intervention may be outweighed by the fact that it has been won at the expense of his office and of his own future usefulness as a representative of the King.

POSITION OF THE GOVERNOR.

The case may be put in a simple way. Supposing the electors approve Mr. Philp and his policy by giving him a solid majority of his own against both his rivals Lord Chelmsford's judgment will have been triumphantly vindicated, but unhappily he will have sacrificed a good deal to gain his victory. It would be expecting too much to hope that the defeated sections will forget his active part in their overthrow. Should he prove that he has saved the Council from coercion by the Assembly everyone will rejoice in the outcome of his campaign. But from that date onward the Ministry and its majority in both Chambers will be his Ministry and his majority in a new and special sense. He will have brought about an unhealthy condition of affairs both for himself and his advisers. Owing everything to him they may be relied upon to protect him to the best of their power. But the need of being protected will place him in a painful relation to the Opposition even in the most favourable circumstances. On the other hand, if he is shown to have misjudged public opinion and miscalculated the findings of the electors now being appealed to at his direct instigation the mistake will render his position intolerable. As his constitutional critics are already saying, the crisis in the House a month ago was temporary, and will terminate with the election. But the crisis created by his refusal to listen to the House will last as long as he continues Governor of Queensland.

Whenever the Philp Cabinet goes out, then to all intents and purposes he goes with it. Such, at all events, is the contention of the Opposition, not too scrupulous in their application of precedents. Even they admit that their complaint would not be valid in the Mother Country, and on that account they draw a broad distinction between the hereditary Monarch of the Empire and the officers who preside in his name for short terms over parts of the Commonwealth. These representatives of the King are honoured within their respective segments of Australia chiefly because of the loyalty to the throne which obtains among all classes. But when they step into the political arena they have not sufficient divinity to hedge them in from the sharp criticism directed at all our public men. Mr. Philp took the fighting chance offered him, and if he believes he can win did right in doing so. If he fails he will not be personally prejudiced. Lord Chelmsford, on the other hand, has burned his boats behind him, when six months after Mr. Philp's bad beating he goes out of his way to make him Premier on the chance of getting a public endorsement of his choice. The risk is too great. The intervention is too conspicuous. It tends to make the Governor appear the patron of one party, and to that extent, even when it is only an appearance, causes him to cease to be in the best sense a representative of the Crown.

STATUS OF LOCAL GOVERNORS.

The heat of the criticism evoked in Queensland makes this point worth elaborating, even with repetition, if it be considered in its relation to the irresistible tendency of our Federal expansion. Of course, there is nothing parallel to that in the Mother Country, and even here its force is hardly realised. Lord Chelmsford, with his eye on the relation between the King and the Commons, and recognising that the warmth and sincerity of the loyalty to his Majesty which exists everywhere in Australia makes the very substance of his authority as Governor, has altogether overlooked that he inherits but a modicum of the Royal prerogatives. He is but one of six officers limited in every direction and exercising his powers only in a transient fashion. Precedents in his case are the only legitimate guides. Besides, since 1901 he and his colleagues, all of them and at all times, have been overshadowed by our seventh and principal representative of the Crown—the *Governor-General*. Precedence and prestige now naturally attach to him, and are to some extent at least withdrawn from State Governors. As our sense of Australian unity grows the influence of the Governor-General grows too, while that of his associates diminishes. It is to the change in our circumstances and not to defects in the noblemen and others who fill these high offices that the transformation now proceeding is due. In New South Wales we have never had a Governor as popular as Sir *Harry Rawson*, whose departure when it does occur will mean the breaking of many ties of affection and admiration. Probably similar attachments exist in some degree in our neighbour States. Nevertheless since the Commonwealth the salaries, establishments, and functions of the Governors are publicly discussed with a freedom and persistence which in themselves indicate a marked alteration in the attitude of the average citizen. All the local Legislatures have had questions of this kind before them. Hence there is less disposition than ever on their part to submit to overt or arbitrary interferences, almost unknown prior to Federation and still more hazardous since. It is safe to say that every one of Lord Chelmsford's colleagues regrets his impulsive imprudence, the only effect of which will be to reveal the decline in status of local Governors so far as public opinion is concerned.

STATE ASSISTED IRON INDUSTRY.

If the Queensland incident illustrates the mischief caused by departing from the rules of the political road Mr. *Wade's* latest venture is a testimony to the wisdom of going with the current. That this happens to run counter to our Premier's own opinions is nothing to the purpose from a practical point of view. He has openly condemned every extension of the powers of the State, but once he is in a position to use them finds his hands forced. That was his experience last week when, though an antagonist of compulsory arbitration, he proceeded to impose it on the coal owners. That is again his experience this week when he announced his intention of advancing public money to sustain a private business that none of our banks or other

financial institutions could be induced to assist. Stated boldly in this way such a handling of the taxpayers' money would have an ugly appearance in some countries, where it would at once suggest possibilities of personal interest behind the bargain. In reality not only does the whole transaction take place in the light of day, and without a suspicion of impropriety, but there is a good deal to be said for it, having regard to the exceptional nature of the experiment. Ever since Federation our Federal Protectionist Cabinets have been seeking to foster the development of the iron ores which are to be found in all the States. So far they have failed, though this year the House of Representatives has carried the second reading of a measure for the purpose. In the meantime Mr. Sandford, an energetic though hitherto unsuccessful ironmaster, has been making a series of fruitless efforts to commence the manufacture of iron and steel in New South Wales. When on the point of failure two years ago the Carruthers Ministry came to his rescue with a contract for the supply of iron and steel to our railways—a contract be it noted entered into without public tenders though on fair terms. But his works being imperfectly equipped for economical and efficient operations he has since been borrowing without obtaining relief until Mr. Wade and his Cabinet played the part of the good Samaritan at the expense of the public treasury. In all likelihood this will keep the furnaces in blast at Lithgow and may be the means of enabling its great iron and coal deposits to be profitably used. Of course in this enterprise our vehemently “anti-Socialist” Cabinet has not been moved by pure philanthropy. They expect the Federal Iron Bounty Bill to become law, and anticipate that the start they are giving to local production will keep our State ahead of its rivals. But above all they are subject to the general pressure of public opinion. In Australia we have made and are making so many incursions into the realm of private enterprise with State aid or by State action that your many municipal experiments in the same direction are brought forcibly to mind. Our Governments label themselves as they please, and express their leanings in effective political catchwords whenever the electoral occasion requires, but the habit of using the State and its machinery, without regard to doctrinaire difficulties, to precedents, or indeed to anything except the business prospects of the particular case before them, is becoming quite ingrained. We are all dabblers in State Socialism whenever the temptation is sufficient, and Mr. Wade in his latest inconsistency is only another illustration of the strength of the movement that way.

THE COMMONWEALTH OF AUSTRALIA.

LEGISLATIVE OUTPUT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 9 1907; Jan. 21 1907.

The height of summer is at hand, and the political thermometer remains at a high register. In every State except Queensland local Legislatures are hurrying through their overdue work in order to close by Christmas. No revolutionary measures are before them, but there is the customary squeeze to get the business done before adjourning, the crush resulting, of course, in the customary sacrifices of whatever can be put aside. A great deal that is being added to our seven Statute Books merits the examination of students in State-aided or State-managed social experiments. A large part of the rest can be ignored because it consists of patches upon old legislative garments or adjustments of recent misfits. There are forward and there are backward movements, but the main direction of the general march is unmistakeable. Our legislation grows and will grow. The size of the continent makes local government indispensable. Neither municipal nor State organisations can escape the burdens of their natural destiny. Some hundreds of city or town councils, boards, trusts, shires, and other similar bodies created in the immediate interests of specific areas are busily engaged in the exercise of multifarious powers, most of them of minor importance, but all of them utilitarian. These make new bye-laws, regulations, orders, or other mandates incessantly to meet current needs. Over them in larger spheres are flying the shuttles of our State Legislatures all bicameral, sedulously weaving a web of enactments in sessions lasting as a rule for the greater part of every year. In mere bulk, therefore, the legislative output of these various bodies becomes imposing. Often it must seem to be out of proportion to the number of people affected, though it is not at all disproportionate if the areas controlled and their resources are reckoned in the account. But while the grinding of the Parliamentary wheels and the groaning of their axles are filling the air just now, as they always do in December, one cannot appraise the actual outcome of these, the more important among our many law-making machines—the most important after the Commonwealth Parliament.

MR. WADE'S MINISTRY.

In New South Wales our reconstructed Cabinet is doing better under Mr. Wade than when Mr. Carruthers was in command. The new team will close its first short session, having accomplished its programme. Its greatest success was achieved administratively by the Premier's firm and tactful handling of the coal strike. Here he was as successful as Mr. Lloyd George has been in the Mother Country, though in your case the agreement between the disputants is to be brought about by Boards of Conciliation, while ours are to be bound by the decision of a specially created Court. Whether its decisions though more authoritative in form will be any more capable of enforcement than yours may be open to question. The chief distinction between the two procedures is that by comparison, while your masters and men may be said to settle their differences for themselves within the limits of their special calling, ours are to have them settled for them by an impartial arbitrator outside the particular industry affected by the Act and in the name of the State. Though the contrast in fact is not quite so marked as in statement it is very real in tendency and principle. Mr. Wade's judicious and judicial demeanour succeeded when his predecessor would have been likely to fail. His personal triumph is to be recognised in this instance by a public testimonial. Unfortunately he is not exhibiting any greater breadth of mind than Mr. Carruthers in some of his relations with the States. The long-needed utilisation of the waters of the great Australian artery now running to waste is to be postponed for a year longer than is necessary. Our Ministry refuses to proceed with the Bill legalising the agreement for their distribution between South Australia, Victoria, and ourselves arrived at after years of negotiation. The refusal to complete it was made worse by Mr. Wade's own statement in which he admitted it to be in the nature of a reprisal, because South Australia has felt obliged to enforce her quarantine regulations against us on account of our neglect to cope effectively with fruit pests within our borders. A foolish Act was made worse than foolish by this unblushing avowal of unjustifiable resentment.

INTER-STATE GRIEVANCES.

A similar policy is now being applied to Victorian fruit exports entering our markets, provoking from her Ministers the strongest complaints. Our own merchants are attacking her subsidies to a line of steamers trading to Java and Singapore, thus further provoking painful recriminations. Happily it is unnecessary to dilate upon local squabbles of this kind to the English public, especially as they will probably be settled before the causes of quarrel can be explained in detail. But the manner in which our new quarantine regulations have been introduced at seven days' notice and the refusal to withhold them until Ministers from Adelaide and Melbourne could come to Sydney for the purpose of composing the differences between us tell

against our motives quite as much as the indiscreet justifications offered for these discourtesies. Mr. Wade and most of his colleagues were anti-Federalists from the first and have always been hostile to the Commonwealth. They were perfectly entitled to retain their views on the question of Union. But when, like Mr. Carruthers, they openly pose as the antagonists of our neighbours they disclose the real root of their anti-Federalism. They are not only asserting what they call "State rights" against the rule of the majority in Australia. Their grievances are against our comrade States on just the same grounds. Their real aim is to keep the continent divided into units, each fighting for its own hands and attacking its neighbour kinsmen as if they were foreign rivals in trade and interest. Many of their powers for mutual injury have been taken from them by the Commonwealth Constitution, as that of quarantine will be when a Bill now before the House of Representatives becomes law. Within the last few months every one of the six States has been more or less embroiled with some of the others in connection with the prohibitions they have been levelling at each other's imports, to the serious restriction of inter-State trade. The use they have been making of their authority in this regard is a most striking illustration of the chaos of conflict into which we should have been plunged during the last seven years if we had not federated. Union came not a moment too soon. Indeed, it would have been of ampler scope and fuller efficiency if it had been accomplished in 1890, instead of 1900. Only a Federal Parliament and a High Court are able to stand against the internecine jealousies, trifling in themselves but very mischievous in their consequences, that break out now and then on the slightest pretexts between small-minded politicians intent upon exploiting local interests, however inconsiderable, for their own profit. The people of the Commonwealth are too apt to look upon such affrays with amused contempt or else to enjoy them in a sporting spirit, for superficial as they are and have been, they sometimes beget bitterness which exercise a malign indirect influence upon our national life and politics.

THE IRON INDUSTRY FIASCO.

Nor is our Premier's first plunge into State Socialism, which I noted last week, answering his own or anyone else's expectations. Rather than be frankly beaten in the House he accepted an amendment from a supporter which rendered useless his whole agreement. When submitted to the Assembly Mr. Wade's proposal was that the Government should accept a first charge upon the assets of Messrs. Sandford's iron works at Lithgow to the amount of £25,000 out of the £70,000 to be advanced by the Treasury. It was to risk the remaining £45,000 with the sum of £131,000 already due to the Commercial Bank, both debts ranking *pari passu* for repayment after ten years. The amendment required that the whole of the £70,000 advance should be a first charge, and that the Bank should be content to remain unpaid until the Treasury had been wholly reimbursed. But the only reason for the appeal to the Government

from a financial point of view was that having a public interest in the development of the iron industry, in the carriage of its products upon our railways, and in the employment of a thousand hands at Lithgow the State could afford to lend its money on terms that no other capitalists could be expected to face. As amended the terms were made so favourable to the Treasury that any bank manager would have jumped at the investment. The intervention of the Government to do what plenty of people were willing to do was therefore rendered purposeless. The whole of the negotiations, the elaborate reports, the scrupulously minute conditions of the advance, and the statesmanship of the Cabinet in devising them were made ridiculous. No bank could be expected to consent to a sacrifice of its interests, which the Government would not face, though it would be benefited by the railway receipts, the contributions of the employees as taxpayers, and by the increased local income derivable from the use of our iron ores. If Mr. Wade had consented to a direct negative of the bargain he had elaborated and announced with a flourish of trumpets he would have emerged from the transaction with his consistency and courage unstained. As it is he and his Cabinet are being humiliated, and though the negotiations are still likely to proceed, such a loss of prestige can scarcely be retrieved. If the works are closed down they will probably be reopened under some fresh arrangement. Meanwhile the one noteworthy feature of the failure is its demonstration of the vigilant manner in which every extension of our State enterprises is scrutinised upon the business side. With all our willingness to make fresh experiments through our Governments, every new proposition is put to a severe test and critically watched thereafter. Though we have passed the stage when each novel development of State economic enterprise is condemned unheard, every one of them is still sharply challenged from the outset. It must justify itself in pounds, shillings, and pence before it obtains even a trial. This attitude of public caution is so invaluable that we can scarcely regret to find it pushed to an absurd extreme at the expense of the Lithgow Ironworks and the Wade Ministry. We are State Socialists when State Socialism is profitable, and only then with much circumspection.

THE COMMONWEALTH OF AUSTRALIA.

POLICY OF DEFENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 16 1907; Jan. 24 1908.

The Commonwealth is making history. Whether our Parliament is equal to its responsibilities or not it is certainly facing them with spirit and indeed with audacity. The proceedings of our State Legislatures, useful as they are, appear dull and drab beside the highly-coloured and possibly visionary projects of the Federal Government. Its Tariff has passed the House, and though ragged edges testify to the severity of the struggles by which this has been accomplished, the schedule is through its first ordeal with the new principle of Preference to the Mother Country written boldly across its pages. The general scale of duties has been lowered as was expected, and perhaps intended, but the percentage of Preference has been increased. The old Protection having been affirmed, we now have the "New Protection" treading boldly upon its heels in a formal memorandum expounding its principles and methods which has been circulated by the Ministry as a preliminary to a Bill to be introduced three months hence. These economic and social departures are doubtless of interest to onlookers at home, though probably both are overshadowed by the comprehensive announcement of the Government policy of defence, and especially by the novel proposals for uniting the local naval flotilla proposed to be created with the Royal Navy. The declaration of Ministerial intentions was made by the Prime Minister himself in the last hours of the last sitting before the Christmas adjournment, and was well received by those who remained to hear it. Their good humour, if not goodwill, had just been displayed very pleasantly by the cheerful unanimity with which at a moment's notice they endorsed his request for a £5,000 grant to complete the outfit of Lieutenant Shackleton's expedition to the South Pole. Considering that no hint of the grant had been given to anyone this was very handsome behaviour. Australia's interest in the expedition, like that of the Mother Country, is purely scientific, but there is no doubt that the enlightened generosity of the Commonwealth will be appreciated far and near.

THE NAVAL AGREEMENT.

Our requirements in the way of defence have agitated us from time to time during the last five-and-twenty years. But the Prime Minister's sketch of the stages by which the present Naval Agreement with the Admiralty was arrived at and his criticisms of its terms was the only historical part of his speech. Still a larger portion of it was devoted to this Agreement as it is, and as in his opinion it ought to be, than to any other part of the complicated scheme he unfolded. The present attitude of the Admiralty is not very clear upon any of the several proposals discussed except in its insistence that in time of war the local force shall be under the absolute control of the Commander-in-Chief of the Squadron of the Navy on this station. This Mr. Deakin challenges on constitutional grounds, maintaining that though for strategic reasons the Government of the Commonwealth in such an emergency might be relied upon to place its flotilla under the orders of the Admiral, yet our Executive must retain the decision in its own hands and answer for whatever action is taken to its constituents. The present naval squadron in our waters is, of course, wholly at the disposition of the Admiral and quite independent of the Commonwealth. Consequently the difference of opinion relates only to the old "P" cruisers proposed to be borrowed by us together with any small craft built by our Government out of any balance of the existing subsidy of £200,000 left to us, after paying the wages of the thousand Australian seamen offered by the Prime Minister in lieu of that contribution. Looked at from this side of the world the contention hardly deserves the prominence given to it unless indeed the Admiralty is preparing to put forward larger demands than it has yet unfolded. Until we are better informed of their real aims it is better to put aside the current comments of our Press, as they may prove to be based upon misunderstanding. But taking the cablegrams as published the negative, distrustful, and indefinite character of the reply from the Admiralty points either to uncertainty on their part or to a desire to prolong communications. What is really wished by the rulers of the Navy cannot be determined from their answers to the queries put from Melbourne. Mr. Deakin may have deceived himself as to the views of those he consulted in London, or these may have changed during the last six months. His disappointment at the unsatisfactory response to his overtures is manifest, especially since his plan as a whole is founded upon the establishment of the most intimate relations between the Royal Navy and the new flotilla we are about to build and man at our own expense.

AUSTRALIAN BLUEJACKETS.

The Commonwealth has offered to the British Government free of cost the services of a thousand Australian seamen for the local squadron of the Navy. Four hundred of these are to man two "P" cruisers kept on our coast. We further propose to spend during the next three years £750,000 upon nine submarines and three torpedo-boat

coastal destroyers, whose annual maintenance, with sinking fund, would absorb £230,000 a year. This means probably a quarter of a million of new expenditure added to the wages of the thousand bluejackets. Any surplus, if there be any obtained by a readjustment of the present subsidy, would be applied to the same purposes. The belief is that when this programme is carried out every important port in Australia would be rendered secure against attack, and their shipping provided with free ingress and egress in spite of a hostile raid upon our coasts. In addition to this the flotilla would supply the Imperial Squadron with an auxiliary force which would add immensely to the Admiral's effective command in any engagement. Mr. Deakin contended that it would contribute most materially to the defence of this part of the Empire without costing the British taxpayer another penny. Another £50,000 a year is now being laid out upon our forts according to the recommendations of the Imperial Defence Committee in order to perfect their lighting and bring their armament up to date. Whether or not, as Mr. Deakin suggests, we obtain the loan of another two cruisers of the "P" class to be manned by our Naval Militia, the commerce in our seas seems guaranteed against risks from raiders, at all events, while in harbour. Our flotilla can operate some little distance from the shore on its own account, though its value will be immensely enhanced when acting with the squadron, to which its addition will mean much more than its independent strength might suggest. But if Mr. Deakin can induce the Home Government to endorse his boldest departure the union of our ships will be completed by the union of our seamen. He proposes that all whom we engage or employ here, no matter where they may have enlisted, shall all of them belong to the Royal Navy, being recruited, trained, distributed, and promoted in our Service as in yours, and passing freely from one to the other. Except that a preference is to be given in our craft to those who are Australian born and who while they are on our boats will receive Australian rates of pay, they would be indistinguishable in every respect from your own bluejackets. Officers and men would serve only their allotted term in our flotilla as they would in similar vessels in the Channel, and would then be transferred to another squadron elsewhere. They would constitute a real addition to the British Navy, since they, like the boats they served in, would be maintained at our cost, at Admiralty standards, in the same number each year. At the same time, we on our side would then have confidence in our seamen, because they would bear the stamp of the Navy and attain its proved efficiency. The proposal is alluring, because it is so emphatically patriotic and Imperial and is being attacked by excited localists on these very grounds. Its patriotism is Imperial without ceasing to be local. It will be a thousand pities if so promising an innovation be forbidden by the advocates of a routine derived from days in which the Dominions were mere dependents and needlessly preserved after they have become partners.

UNIVERSAL MILITARY SERVICE.

The military scheme of the Government, though not without some Imperial features, is of a character entirely novel to all British communities. For analogies one must look to the Swiss system in particular and to the practice of the Continent in general, though both are modified, the first considerably and the second radically, in order to meet the special circumstances of Australia. Even amended as it is with an eye to our peculiar conditions, it is still doubtful whether we can apply to our sparse population and vast areas the principles of organisation upon which we propose to proceed. We are to inaugurate universal service without conscription in the ordinary sense of the word, without barrack life, and without withdrawing even young men from their ordinary occupations for more than a fortnight or three weeks each year. To interfere as little as possible with their bread winning they are to receive three years' training, commencing at the age of eighteen years. Artillery and Cavalry will require a longer course, and receive some consideration for choosing these arms, but the service demanded before manhood is attained is to be universal and unpaid. After completing three years' camps, at each of which the standard of efficiency has been obtained, they are to be kept in touch with their regiments in the Reserves, presumably for some consideration. A military college is to be founded with three expert lecturers, visiting each of the States in turn, while the utmost possible use is to be made of all opportunities for exchanging officers for fixed terms with the British Army at home and in India or with the forces of our Sister Dominions. An Intelligence Department, Medical Reserves, and a General Staff are new developments of much interest and importance, upon whose details it is not requisite to dwell. Our present Militia are to be absorbed as officers and non-commissioned officers for the new levy *en masse*. Instead of 22,000 drilled men, half of them unfit for active campaigning, we are to have 83,000 men each year, and to accumulate a reserve of more than 120,000 men by the eighth year. Ultimately there are to be at least 800,000 National Guards, past and present, who have been disciplined and are assumed to be effective, supported by field batteries totalling 240 guns.

THE COST OF THE SCHEME.

To make the Commonwealth self-sufficient in time of war, in addition to the gun carriages, waggons, and equipment already made here, we are to have factories for the manufacture of rifles, cordite, and ammunition. Behind the National Guard are to be an indefinite number of cadets, naval and military, whose training after a certain standard is reached is to count towards their full effective record. There are many other provisions upon which our professional critics are commencing to dwell. Some of them it may be taken for granted will be much modified before they are

accepted by Parliament when the new scheme comes before it as a whole next year. For the moment our whole community is more dazzled by its magnitude and the novelties it contains than convinced that we have before us a practicable plan. Our transformation from an industrial to a martial people can scarcely be realised out of hand. If we are to organise for defence upon such a scale the cost will have to be calculated upon a wider basis than that the Prime Minister has presented. He has allowed nothing at all in his balance-sheet for the sixteen days a year, the shortest period that the average working young man will be obliged to spend in camp, though it must imply a serious loss of earnings to each of them. How the system is to be applied in our huge thinly-populated districts has not been explained. Besides, and above all, the sufficiency of the training and the competency of many of the officers who must impart it will undoubtedly be called in question when once the experts open fire. For the moment the public seem staggered at the daring evinced in the submission of this wholesale reconstruction of our defence forces, and at Mr. Deakin's strategic handling of the subject. Two-thirds of his *speech* was devoted to naval questions, though nearly two-thirds of the outlay proposed is to be military. His bargaining with the Admiralty is by no means concluded, and upon his success there a great deal depends. But when all allowances have been made the shock given to the Commonwealth by the scope and gravity of this audacious policy may carry it over the first of the obstacles in its path, the inertia of our public. He may carry it through in spite of its many antagonists. In any event our defence problem cannot be trifled with or ignored again after being promulgated in this bold fashion.

THE COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY RECESS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 23 1907; Feb. 6 1908.

That Australian sessions should terminate at Christmas, before the hot weather sets in determinedly, is, on the whole, convenient for everyone. Any fixed date is better than none, though no amount of experience enables us to avoid a crush of business and a series of sacrifices when the legislative doors are being shut. Often some of the most memorable measures of the year are under review in the last hours, and it is amazing that on the whole they seem to suffer little from their unpropitious endings. A deliberate, thoughtful, and cautious completion of the work of legislation appears to be rendered impossible owing to the storm and stress in which Bills receive their final form. Criticism in the Chambers is baffled, and comes too late to be of any use. Yet the statutory misfits which a closet student might anticipate are rarely visible. The weary brains of jaded members breathing a mephitic atmosphere and lulled into the sleep of exhaustion by unending echoes of discursive talk somehow accomplish their task. While it is true that hastily-improvised expedients are adopted in desperation, and Bills hacked to pieces or recast on the spur of the moment, nevertheless, compromise being the order of the day, nothing like the mischief expected actually occurs. Blunders there are of necessity, but not conspicuously worse than those during ordinary sittings before the hastily arrived at recess. Every State Legislature will have completed its course in a gallop this week, and all will be over by Christmas Eve. The Federal Parliament is our one exception. The shadow of the tariff still resting upon its path will be entered by the Senate before the end of January, and finally dealt with by the House before the interrupted session closes. In each and all of our States the political temple of Janus has closed.

THE SITE FOR THE FEDERAL CAPITAL.

Though our own Legislature met for but a brief session in order that the reconstructed Cabinet might make its bow to our newly-elected Assembly, it has only reached its haven after confused and protracted debates. The closing sitting establishes a record, technically, both for New South Wales and for the Commonwealth, since

it extended over three days, though in reality it comprised only forty-two hours actually devoted to business during that period. Possibly it may have been due to the intolerable pressure upon our Premier and upon the Prime Minister owing to their Parliamentary duties, but for some cause or other the correspondence between them relating to the choice of a site for the Federal capital suddenly blazed up just before it finished into recrimination, threats, and defiances. The dates of the last letters support the hypothesis that the sessional strain upon the writers is to some extent responsible for an acrimony that is natural to neither. Any further dispute on this subject will be deplorable, especially from a Federal point of view. Probably Mr. Deakin does not appreciate the strength of the feeling in Sydney in regard to it, nor realise that it unites men of the most opposite opinions among us as no other issue can. Our Anti-Federalists as a body have no more effective weapon in their well-stocked armoury, our Free Traders attribute the Protectionist tendencies in the Commonwealth Parliament to the circumstance that its sittings are held in Melbourne, while the anti-Victorian animosity (recently revitalised by the quarantine quarrels) brings into the field a formidable body of fruit-growers and cultivators. It is affront enough to Sydney that she should have been excluded by the Constitution from the eligible sites but when in addition to this she sees the Parliament of Australia sitting for seven years in the one city that has dared to be her rival and directly benefits by our exclusion the offence becomes rank. It smells to heaven. Mr. Carruthers always understood the value of this grievance, though his undue and untimely insistence upon it contributed as much as anything to cost him his Premiership. Mr. Wade, always an Anti-Federalist, was his understudy in this and other devices for crippling the Commonwealth and confining its powers. But up till now he was believed to differ from his former leader, at all events in the mode of attack to be adopted. Possibly he differs still except so far as the Federal capital is concerned. On this he is evidently prepared for extreme measures, and though these may be abortive the bitterness engendered by their parade will be most unwholesome. We are threatened with an outburst of declamation, the effect of which will be to obscure the real point at issue, to clog the progress towards national union, and to rekindle all the antagonistic localisms masquerading in the name of "State rights". The Prime Minister would have acted more wisely if he had accepted Mr. Wade's assaults in a spirit of meekness.

SYDNEY'S SUBSTANTIAL GRIEVANCE.

Primâ facie Sydney has a substantial grievance. She had first claim to be the capital of the Commonwealth as its greatest and most beautiful city and principal port. Mr. Reid has never been forgiven for excluding her in order to save his own face and prolong the life of his State Administration. But when debarred from the prize and

with a quarantined zone of a hundred miles in breadth banned around her, Sydney was at least entitled to expect that her rival, Melbourne, should not enjoy, except for a short season, the precedence secured to her until the Parliament made choice of its future home. She has been deeply incensed to find that probably for ten years at least the capital of Victoria will remain the seat of government of Australia. New South Wales has been guaranteed that the capital shall be within her borders, and though no time was named for its foundation we are surely well justified in our complaints that after seven years waiting we are little, if any, nearer than we were in 1901 even to the selection of a site. Dalgety has been declared by Act of Parliament to be the district somewhere within which the new city is to be built, but there is scarcely a spot in the whole State less acceptable to Sydney. It can be brought almost as near by rail to Melbourne as to us, and, having a port in its neighbourhood, may in time conduct its trade direct with Twofold Bay instead of through Port Jackson. Though within New South Wales, it is outside the influence of Sydney, and only less objectionable than Albury or Tooma, which would be actually nearer Melbourne than we are, besides being but a few yards from Victorian soil. Although any of the localities named would satisfy the terms of the Constitution, none of them would in the least content this State as a whole. Any of them would be resolutely resisted by this great city.

PROGRESS OF NEGOTIATIONS.

There have been, of course, reasonable delays due to the inspection of sites and careful comparison of their several features. Three years passed before the Federal Parliament could decide with any amount of confidence. The many political changes and complications since are fairly responsible for another two years. For five years we may admit that there was no avoidable delay or evidence of an intention to defeat our desires. While Mr. Reid was Prime Minister he made no better progress than his predecessors towards a settlement, but since the present Ministry took office the period of probation may be fairly taken to have closed. There was an attempt to remit the legal questions involved in a demarcation of the site to the High Court. Mr. Justice Isaacs, then Attorney-General of the Deakin Government, and Mr. Wade, then Attorney-General of the Carruthers Ministry, arrived at a provisional understanding as to the points at issue, but nothing came of their conference. A Bill fixing the limits of the area to be acquired at Dalgety was brought forward at the end of 1905, only to be postponed at the request of members representing New South Wales. In 1906, as a dissolution was at hand in which Mr. Reid was counting upon a victory, nothing was done. This year the Tariff has absorbed attention, though some other measures have been dealt with of less importance than this.

Therefore Mr. Wade's request to the Prime Minister that failing the passage of a Bill during the current session, when it is resumed after the Christmas recess, the Prime Minister should give a pledge to make it the first business of the next session was no more than reasonable. Mr. Deakin's undertaking to make it one of the first measures submitted was too vague. Mr. Wade's indignation flamed. The heat in the epistles seems to be due not to the communications themselves but to inferences from them possibly mistaken. In any case, at this stage consideration was due rather from the Commonwealth to the State than vice versa. Our Premier erred, no doubt, in employing expressions which might be read as imputing an intention to the Federal Government to evade its obligations. The angry retort he received from the Prime Minister can be excused only in that interpretation. Happily the altercation ended there. But be that as it may, the collision between our Premier and the Prime Minister on this particular matter was most unhappy. The sooner Mr. Deakin understands that friction between his Parliament and ours will always be kindling into flame until the site for the capital is definitely fixed the better it will be for the peace and union of the Commonwealth.

THE IRON INDUSTRY.

The iron industry is to be established at Lithgow, but not by Mr. Sandford. In the course of some valedictory remarks announcing his consent to being bought out, and admitting his failure to carry on, that gentleman naively remarks that he has nothing to excuse, since "the lack of capital" was the sole cause of his coming to grief. Even accepting that explanation, it must be recognised that to set out upon such an ambitious enterprise without providing the necessary cash beforehand was, to say the least, a very unbusinesslike proceeding. Messrs. Hoskins, who step into his shoes, one of our oldest and most reputable firms, are said to be well supplied with funds, and certainly possess the necessary business experience to carry on this great undertaking. They already hold contracts from our Government in connection with the Sydney water and sewerage works, and are to receive an extension of time in these and also in the contracts taken over from Mr. Sandford for iron and steel for our railways. There is to be no Government loan, secured or unsecured, so that the Treasury is not in any way involved in the venture. Messrs. Hoskins take it up as a business investment of their own. The State grants them extensions of time, to the inconvenience probably of some of our ratepayers and of the Railway Commissioners, whose metals will be delayed. These, however, are very small sacrifices to make in order to prevent the collapse of a promising industry, which will become very valuable to this State for local supplies, and also as the pioneer of

Australian iron manufacture. Sympathy is felt for Mr. Sandford, but the action of the Government is universally approved. The business having been placed upon a sounder foundation high expectations are entertained of its future developments. Messrs. Hoskins look to the Commonwealth for a duty upon pig-iron. What assistance, if any, is to be extended to them or other similar businesses has yet to be decided. Though the Iron Bounty Bill passed its second reading by a large majority the conditions upon which the bounty will be payable remain to be settled in committee. The Labour Party almost as a whole will strongly resist subsidies to private works except under onerous conditions. Should the Bill fail to pass the Tariff may be resorted to in order that those who invest their capital as Messrs. Hoskins have done may receive sufficient protection to give them a good start. In one way or another the new industry is sure to be buttressed. It is being launched by degrees, and when it is in full blast one of the many reproaches to which the Commonwealth has been subject will be removed. In times of peace we cannot afford to rely upon iron imports, and still less in time of war. Mr. Wade and his Cabinet have done excellent service in keeping the flag flying at Lithgow.

THE COMMONWEALTH OF AUSTRALIA.

LEGISLATIVE PROBLEMS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 30 1907; Feb. 11 1908.

Whether our antipodean methods are really understood at home is even yet open to much doubt. It is difficult to bring home clearly to people who have always lived and are still living under a single Government, subject throughout the whole area of legislative control to one all-powerful Legislature, the nature of the problems with which Australia is now constantly being confronted. Behind many of our principal political questions lies a preliminary constitutional problem. We have to decide, not only that this or that shall be done, but to make sure by what authority it shall be done. Can the Federal Parliament dispose of it for the whole continent or must each State deal with it separately? The stream of constitutional cases coming before the High Court ever growing in volume affords proof that these questions are not easy to answer. In such cases of conflict it is the High Court that determines their respective domains. The sphere in which the possibilities of a clashing of authorities are greatest is that of industrial legislation—partly because it is there that all our legislatures—State and Federal—show most activity, and partly because the lines of division between the Federal and State authority in industrial matters are not by any means clearly marked. We have, for instance, beside our Factories Acts and Early Closing Acts, State Arbitration Courts and Wages Boards, with power in certain cases to determine industrial conditions within the limits of the States to which they belong. We have also a Federal Arbitration Court, having jurisdiction to determine some industrial conditions over the whole of the States, so far as this is necessary to the settlement of an industrial dispute which extends beyond the limits of any one of them. Besides this the Federal Parliament has a general power of passing laws with respect to inter-State trade—a power which, if United States precedents hold good, may be construed to include the power of regulating the labour conditions of the persons employed in that trade. Moreover, if the “New Protection” proposals of the Government which were explained at length by the Prime Minister in a memorandum published last week are sustained by the High Court in the test case which is already pending, the Commonwealth will find itself in possession of practically unlimited powers of regulating industrial conditions anywhere within its borders.

INDUSTRIAL CONDITIONS.

These observations only refer to possibilities of conflict. In actual fact our British instinct for self-government has enabled us to do what the race has so long managed to do in Great Britain itself—to work our governmental machine with comparatively little of that friction and discord which, by every rule of logic, should be its inevitable product. However, the mere possibilities of conflict have more than once served as a text for the exponents of a steadily growing opinion in the Labour Party particularly in favour of the complete transfer of the power of legislating with reference to industrial conditions from the States to the Commonwealth. In the first year of the Commonwealth's existence Sir **Edmund Barton**, then Prime Minister, unsuccessfully solicited the assent of the States to a voluntary transfer. They are a good deal less likely to assent today than they were then, for State jealousy of any extension of the Federal power has grown steadily with the lapse of time. It is not impossible, however, that this transfer may be forced upon them by public opinion. At all events, the difficulty of existing conditions is beginning to be felt by many who are by no means in favour, on general grounds, of enlarging Federal powers. The logic of facts is too convincing. All the manufacturers of Australia have, and must have, uniform protection from the Australian tariff so far as it goes. Coupled with this uniformity of protection is absolute freedom of inter-State trade under Federal supervision. The natural corollary of these two conditions must be an approximate uniformity in the conditions under which manufacture is carried on all over Australia. This we cannot expect while the regulation of those conditions is left in the hands of six independent authorities.

WAGES ARBITRATION.

A rather striking illustration of the way in which this difficulty presents itself was furnished this week by an award of the Industrial Arbitration Court of this State. Certain employees in the boot trade in New South Wales asked our Court for an award fixing their wages at £3 per week. The Court considered that a fair weekly wage was £2 14s., and would have awarded this sum but for the fact that the Victorian Wages Board a few weeks before had fixed the wage for employees of a similar class in the boot trade in that State at £2 8s. Our own Court frankly expressed the opinion that this was not enough, but observed that since federation the State boundaries had been obliterated; that the common market for the manufactures of all the States was Australia; that Melbourne, as the capital of a protected State in pre-federation times, had enjoyed a decided advantage in building

up her factories, and consequently still exported very much more to New South Wales than Sydney did to Victoria. Under these circumstances the Court felt bound to decline to impose upon the manufacturers of this State conditions more burdensome than those prevailing in Victoria. More instances of this kind will probably make the demand for Federal control of industrial conditions stronger than it has yet become. In the meantime, as if the regulation of wages by a State Tribunal were not in itself a sufficient puzzle to the *laissez-faire* Briton, he finds that novelty rendered much more bewildering in Australia, because it is presented merely as part of a strictly constitutional issue. The problem before the Court will be not whether there ought to be State interference with industries conducted by private enterprise. The right of interference is acknowledged everywhere in the Commonwealth. The actual question is only as to which Court, State, or Federal possesses the power of fixing its rates of pay.

THE TREATMENT OF CRIMINALS.

Nor are our new departures under legislative sanction confined to industrial matters. There is the same freedom of handling the questions of betting and gambling and more illicit practices. Lately our methods of dealing with the punishment of criminals have been fundamentally revised in two States. One of the first measures piloted through our own Parliament by Mr. Wade, then Attorney-General in the Government of Mr. Carruthers, was a Bill which entirely separates juvenile offenders, both during their trial and their period of punishment, from baneful association with older and more hardened wrongdoers, bringing them during confinement under influences which afford inducement to permanent reform. Another measure, passed during 1905, which has just been copied and very much improved upon by the Parliament of Victoria, is a Bill dealing with habitual criminals. Our Act was limited. It enabled a judge, when an offender had been found guilty of any one of certain classes of offences for which he had been two or three times previously convicted, to declare him an habitual criminal. The judge could then order him to be detained, at the expiry of the sentence then inflicted upon him, for an indefinite period in an institution having some of the characteristics of a reformatory and some of the gaol. It also provided for allowing an habitual criminal thus detained to enjoy his freedom under "ticket-of-leave" conditions. The Victorian Act just passed is a more ambitious effort to deal in something like a scientific fashion with the problem of the criminal. It not only provides for the indefinite detention of persons who have proved themselves to be habitual criminals; it grapples in a way unprecedented, at least in this part of the

Empire, with the problem of reforming the incipient criminal. Under its provisions any person now under sentence, who has given evidence of qualities which distinguish him from the hardened criminal, and which make his reform apparently possible, may be removed, on the recommendation of a board of experts appointed for the purpose, from gaol to a reformatory prison. Here he is to be set to some kind of work to which he is suited, part of the proceeds of his work being kept to be handed over to him on his release, and part being devoted to the maintenance of his wife and family. With a faith in the softening effects of leniency which some will think exaggerated, the Victorian Parliament has gone on to enact that if the board considers any prisoner sufficiently reformed it may recommend his release on probation under conditions which will keep his future movements under the eye of the authorities. This board, in fact, is to exercise a parental supervision over the inhabitants—that punishment, while it should fit the crime, should also fit the moral condition of the criminal. The particular experiment about to be commenced may easily fail, but the beginning to study the effect of adjusting penalties to persons instead of to classes of acts is in itself a humanitarian essay.

Index to the letters

A

Age, The, 30, 46, 82, 87–88, 154, 168
agricultural industries, 3–4, 16–20, 29, 91
American Agricultural Implement Trust, USA,
181
Anti-Federalism, 37–38, 43, 55, 69, 76–77, 83,
99–101, 107, 111, 147, 149–52, 158, 161, 199,
207
Anti-Socialism/Socialism *see* Federal and State
Parliament entries
Argentina, 16
Argus, The, 76
Arthur, Richard, 20, 52
Ashton, James, 6, 9, 19, 21, 32, 71
Asian labour, 10
Australian National Defence League, 192
Australian Natives' Association, 15, 28

B

Baker, Richard Chaffey, 48
baking industry, 169
Balfour, Arthur James, 105
Barton, Edmund
 alliance with Deakin, 128
 Anglo–Australian Naval Agreement, 74
 Federal Capital, 82–83
 industrial legislation, 212
 pressure of office, 173
 Taylor v Barton, 80
 White Australia policy, 9
Baxter, John, 92
Bebel, August, 153
Bedford, Frederick George Denham, 176
Bell, Joshua Thomas, 35
Bent, Thomas

 coalition, 71
 elections, 35, 49–50, 66–67
 immigration, 51
 industrial dispute, 170
 Labour division, 21, 32, 42–43
 land resumption, 174–75
 mail contract, 53
 parliamentary outburst, 176
 tariffs, 138

Best, Robert Wallace

 Anti-Socialism, 142
 Indian Merchant Shipping Act (UK), 120
 Judiciary Bill 1907 (Cth), 122, 159
 protectionism, 154
 Senate leader, 48

Blair, James William, 35

boot trade industry, 212
Braddon Clause, 99–100, 111–14
British Empire League, NSW, 47
Bulletin, The, 27, 107
Burns, Philp and Co, 11

C

Campbell-Bannerman, Henry, 87, 105, 120, 124,
154, 167
Canada, 18, 27, 33–34, 52, 69
cane growers *see* sugar industry
Carruthers, Joseph Hector
 alliance with Waddell, 71
 antagonism to Reid, 32
 Anti-Federalism, 37–38, 76–77, 99–101, 107,
 111, 147, 150, 155
 coalition with Waddell, 94, 126
 Colonial Conference, 75–76

- difficulties in governing, 32
- Federal Capital, 83–84
- Federal elections, 6, 9, 34
- health, 21
- Kogarah speech, 99–101, 117
- land scandals, 6, 77–81, 119–20
- local government reform, 56–58
- Northern Territory transfer, 41
- Premiers' Conference, 111
- pressure of office, 173
- resignation, 157–58
- State debts, 111–13
- State elections, 50, 54–55, 100, 117–18, 125–27, 146–52
- State finances, 4
- support for Reid, 6
- tariffs, 138
- wages, 127
 - Wages Boards, 62, 102, 127, 136
- cattle industry, 3
- Chamberlain, Joseph, 105, 160
- Chapman, Austin, 53, 124, 130
- Chelmsford, 3rd Baron, Frederick John Napier Thesiger, 192–95
- Churchill, Winston, 105
- climate, northern Australia, 17–19, 41, 65
- Close, Peter Collinson, 78
- coal industry, 61, 134–36, 185–90, 195–96
- Cockburn, John Alexander, 104
- Coghlan, Timothy Augustine, 19, 51, 69, 143
- Collins, Robert Henry Muirhead, 68
- Colonial Conference 1906, 30
- Colonial Conference 1907, 28–29, 38, 45–47, 73–77, 86–92, 103–08, 117, 120–21, 160
- Colonial Sugar Refining Company, 144
- Commonwealth Conciliation and Arbitration Act 1904* (Cth), 85, 181–84
- Commonwealth Conciliation and Arbitration Bill 1903 (Cth), 30
- Constitution
 - Australia, 37–38, 45, 53, 76, 79, 82–85, 92–93, 99–100, 105, 108–14, 123, 137, 142–43, 159–60, 164, 202, 211
 - South Australia, 23
- Contract Immigrants Act 1905* (Cth), 59, 116
- Cook, Joseph
 - Anti-Socialism, 48
 - Free Traders, 159
 - Members' allowances, 142
 - opposition to Deakin, 120
 - Pacific Islands labourers, 11
 - possible leadership, 168
- Courier, The*, 27
- Courts, Federal
 - Commonwealth Court of Conciliation and Arbitration, 85, 169, 181–84, 211
 - High Court, 15, 37, 53, 61, 83, 92–93, 108–10, 122–23, 159–60, 174, 211
- Courts, New South Wales
 - Industrial Arbitration, 60–62, 127, 136, 162, 190, 198, 212–13
 - Metropolitan District, 92
 - Supreme, 61, 80, 96–97
- Courts, States
 - Supreme Courts, 123, 160
- Courts, Victoria
 - Industrial Appeal, 169
 - Supreme, 97
- Creswell, William Rooke, 73
- Crick, William Patrick, 9, 77–81, 119
- customs duties see tariffs
- Customs Tariff Amendment Bill 1908 (Cth, proposed), 201
- Customs Tariff Bill 1907 (Cth), 201

D

Daglish, Henry, 51

Daily Telegraph, The, 46, 76, 107

Darling River *see* rivers, Darling

Deakin, Alfred

Adelaide speech, 106

alliance with Barton, 128

alliance with Watson, 121, 153

Anglo–Australian Naval Agreement, 73–75

away from Australia, 54–102

Colonial Conference, 35, 45–47, 74–76,
87–89, 115

Contract Immigrants Act 1905 (Cth), 116

defence, 201–05

defence policy, 191

difficulties in governing, 29–30, 53, 115–17,
124–25

elections, 33–35

Federal Capital, 83

Federal finances, 137

Forrest's resignation, 133–34

health, 120, 124, 129, 137, 173

immigration, 16–17, 51–53, 68–69, 143

Imperial control, 90–91

Imperial Federation League, 47, 88

justification for Federation, 28

labour for sugar industry, 59, 71–72

Labour Leagues, 7

naval squadron, 89

New Protection, 211

Northern Territory transfer, 39–42, 63–66,
177

opposition from Labour, 45

Perth speech, 103

preferential trade, 88

press, 87, 107

pressure of office, 173

Protectionist policy, 8, 48

report on Colonial Conference, 103–08

State debts, 112

sugar industry, 59

support from Labour, 6–7

support from Watson, 116, 125

tariffs, 29–30, 121–22, 166–68

visit to Queensland, 137

debts

Federal, 64, 101

New South Wales, 101

Northern Territory, 64

Queensland, 69–71

State, 29, 38, 45, 65, 101, 111–14, 139

defence

Anglo–Australian Naval Agreement, 73–75,
201–03

Australian Coast Defence Fleet, 74, 99

Australian National Defence League, 192

Australian Squadron, 73–75

budget, 29, 201–05

coastal, 201–03

employment, 201–05

materiel factories, 201–05

military college (proposed), 204–05

National Guards, 204–05

naval fleet, 201–03

naval program, 191

naval squadron, 89

naval training, 73–75

Northern Territory, 41, 64

Royal Naval Reserve, Australian branch, 74

universal military training, 191, 204–05

Denham, Digby Frank, 32, 35–36, 42–43, 70

drought, 3, 131

E

elections

apathy towards, 36–37, 66–67, 146

Federal, 4–7

- New South Wales, 50, 54–55, 58, 67, 71, 100, 117–18, 125–27, 146–55
- Queensland, 35–36, 50–51, 69–71
- South Australia, 35
- Victoria, 35, 49, 66–67
- Elgin, 9th Earl, Victor Alexander Bruce, 47, 76, 90
- employment
- conditions, 84–85, 135–36, 162–63
 - defence, 201–05
 - Queensland, 16–19, 22, 60, 144
 - Unions, 135
- Evans, John William, 111, 139
- Ewing, Thomas Thomson, 21, 124
- Excise Tariff Act 1906* (Cth), 85
- Excise, Federal Board of, 163–64
- exports *see* trade
- F
- Fawkes, Wilmot Hawksworth, 73
- Federal Capital, 37, 77, 82–84, 100, 206–09
- Federal Capital Sites Bill 1905 (Cth, proposed), 208
- Federalism, 17, 37, 184, 212
- Fiji, 14
- Fisher, Andrew, 176
- Forrest, John
- acting Prime Minister, 82, 103
 - elections, 33
 - labour for sugar industry, 71–72
 - Members' allowances, 142, 145
 - opposition from Labour, 45
 - opposition to Labour, 167
 - Premiers' Conference, 114
 - Queensland immigration, 60
 - resignation, 130, 133–34, 141
 - State debts, 112
 - transcontinental railway to Perth, 40, 65
- France, naval forces in New Hebrides, 14
- Free Importers *see* Federal and State Parliament entries
- Free Traders *see* Federal Parliament entries
- freight
- costs, 18, 162, 165
 - rail, 24–25, 118
 - sea, 24, 191
 - wheat, 92
- fruit industry, 179, 198
- G
- gambling industry, 95, 97–98
- Glasgow, 7th Earl, David Boyle, 192
- Gould, Albert John, 48
- Governor-General
- Northcote, Baron Henry Stafford, 15, 44–45, 47, 73, 103, 115–16, 195
- Governors
- New South Wales, Sir Harry Holdsworth Rawson, 117, 195
 - Queensland, Chelmsford, 3rd Baron, Frederick John Napier Thesiger, 192–95
 - status, 194–95
 - Victoria, Sir John Madden (Lieutenant-Governor), 27–28, 31
 - Western Australia, Sir Frederick George Denham Bedford, 176
- Graham, James, 5
- Great Britain
- Anglo–Australian Naval Agreement, 73–75, 201–03
 - Central Immigration Board, 52
 - Chambers of Commerce, 146
 - Colonial Office, 13, 105–06, 144, 178
 - immigration, 16–20, 143–44
 - Imperial control, 90–91
 - Imperial Court of Appeal, 90, 122
 - Imperial Defence Committee, 73–75, 203
 - Imperial Navigation Conference, 35, 38, 89, 141

- Imperial Squadron, 203
Merchants' Shipping Act, 45
 naval forces in New Hebrides, 14
 New Hebrides, 178
 preferential trade, 88, 90, 146, 154
 press, 27, 38, 63, 88–89, 120, 122, 178
 Privy Council, 37, 45, 53, 90–93, 108–10, 122–23, 159–60
- Great Cobar Copper Mining Company, 60–61
 Griffith, Samuel Walker, 122
- H
- Halsbury, 1st Earl of, Hardinge Gifford, 37–38, 109, 123
- Harnett, Laurence Joseph, 80
- Heydon, Charles Gilbert, 60–62
- Higgins, Henry Bourne, 84, 109, 182–84
- High Commissioner, need for, 106
- Holman, William Arthur, 126–27
- Hood, Joseph Henry, 170
- Hoskins, Charles Henry, 209–10
- Hughes, William Morris, 5, 30–31, 136
- I
- immigration
- Argentina, 16
 - budget, 29
 - encouragement of, 51–53
 - Great Britain, 16–20, 143–44
 - Italy and Southern Europe, 16–20, 59, 144
 - New South Wales, 19–20, 51, 69, 143–44
 - Northern Territory, 41
 - Queensland, 19, 22, 36, 52, 60, 69, 143–44
 - rate of, 19
 - Spain, 144
 - States, 68–69
 - Victoria, 143–44
 - Western Australia, 17, 52, 69
 - White Australia policy, 15
 - with mail contract, 53
- Immigration League of Australasia, 20, 52
- Immigration League, Victoria, 52
- Immigration Restriction Act 1901* (Cth), 11, 15, 17
- Imperial Federation League, Victoria, 47, 88
- imports *see* trade
- Independents *see* State Parliament entries
- India, 4, 28
- industrial arbitration, 60–62, 134–36
- industrial disputes
- baking (Vic), 169
 - coal (NSW), 61, 134–36, 185–90
- industrial legislation, 84, 168, 211–12
- industries
- agricultural, 3–4, 16–20, 29, 91
 - baking, 169
 - boot, 212
 - cattle, 3
 - coal, 61, 134–36, 185–90
 - coal industry, 195–96
 - fruit, 179, 198
 - gambling, 95, 97–98
 - iron and steel, 29, 195–96, 199–200, 209–10
 - liquor, 95–96, 149, 155–56
 - livestock, 180
 - manufacturing, 4, 181–83
 - mining, 3, 17–18, 22, 60
 - railways, 19, 22, 24–26, 36, 39–40, 63–66, 101, 117–18, 164–65, 175, 209
 - river navigation, 131
 - shipping, 31, 136
 - sugar, 9–20, 59–60, 71–72, 116, 144
 - Sydney retail, 134–36
 - tramways, 26
 - wheat, 3, 91–92
 - wool, 3, 92, 134–36
- International Harvester Trust, USA, 163
- Inter-State conference on financial relations between the States and the Commonwealth 1906, 38
- interstate rivalries, 197–99

iron and steel industry, 29, 195–96, 199–200, 209–10

Iron Bonus Bill (Cth, proposed), 196, 210

Irvine, Hans William, 29

Irvine, William Hill, 28–29, 35, 42, 67, 139

Isaacs, Isaac Alfred, 109, 208

J

James, Walter Hartwell, 18–19

Jaurès, Jean, 153

Java, 72

Jebb, Richard, 76

Johnson, William Dartnell, 51

Judiciary Act 1903 (Cth), 123

Judiciary Bill 1907 (Cth), 122, 159–60

K

Keating, John Henry, 21

Kidston, William

alliance with Labour, 165

Anti-Federalism, 111

difficulties in governing, 129

elections, 50, 69–71

immigration, 60, 144

in coalition, 22–23, 42–43, 116–17, 193

labour for sugar industry, 71–72

Northern Territory transfer, 41

Political Labour Leagues, 35

Premiers' Conference, 111

resignation, 192

resignation threat, 133

State prosperity, 164

tariffs, 139

Wages Boards, 169

Kingston, Charles Cameron, 30, 61, 173

Kinloch-Cooke, Charles, 52

L

labour

Asian, 10

European, 17

Pacific Islands, 9–20, 59–60, 71–72, 116, 144

Labour Party

Black-Labour Party, 13

Federal loans, 64

in Parliament *see* Federal and State entries

iron and steel industry, 210

mail contract, 191

New South Wales, 9, 31, 34, 146–52

organisation, 33–37, 151

Political Labour Leagues, 7–8, 16, 22–23, 31, 33–36, 42–43, 48, 50–51, 116, 146, 151, 161–62, 177, 184

Queensland, 42

Lamb, William, 2nd Lord Melbourne, 57

land scandals, 6, 9, 55, 77–81, 95, 119–20, 125, 127, 147, 164

Leahy, John, 129

Liberal and Reform Association, 6

liquor industry, 95–96, 149, 155–56

livestock industry, 180

Lloyd George, David, 1st Earl Lloyd-George of Dwyfor, 91, 106, 154, 198

Lyne, William John

acting Leader, 120

alliance with Labour, 159

alliance with Reid and See, 128

as new Treasurer, 137, 141

Commonwealth Trade Mark, 163

Federal finances, 137

Forrest's resignation, 133

Imperial Navigation Conference, 35, 89, 106, 141

Members' allowances, 142, 145

Navigation Bill 1904 (Cth), 30
 Parliamentary Allowances Bill 1907 (Cth), 139
 Radicals, 124
 tariffs, 87, 146, 166
 wheat industry, 92

M

Mackinnon, Donald, 35, 49–50, 71
 Madden, John, 27–28, 31
 mail contract, 52–53, 103, 191
 Mann, Thomas, 136, 153
 Manufactures Encouragement Bill 1904 (Cth), 29
 manufacturing industry, 4, 181–83
 Marshall Islands, 178
 Mauger, Samuel, 130
 Maxwell, Walter, 72
 McColl, James Hiers, 29
 McGowen, James Sinclair
 coal dispute, 189
 elections, 34, 117, 126–27, 148, 151–52
 iron industry, 199
 Wages Boards, 102
 McKay, Hugh Victor, 182–83
 McLean, Allan, 28–29
 McMillan, William, 9
 Milner, Alfred, 1st Viscount of Saint James's and Cape Town, 191
 mining industry, 3, 17–18, 22, 60
 money market, 101, 112
 Moore, Newton James, 19, 139, 161, 176, 185
 Morgan, Arthur, 42, 70
Morning Post, 27, 38, 63, 122
 Murray River *see* rivers, Murray
 Murrumbidgee River *see* rivers, Murrumbidgee

N

Navigation Bill 1904 (Cth), 30, 121
 New Hebrides, 13–14, 178
 New South Wales
 Anti-Federalism, 37–38, 55, 58, 76, 83, 100, 207
 anti-Victorian animosity, 207
 boot trade, 212
 British Empire League, 47
 Closer Settlement Board, 101
 corruption, 81
 debts, 101
 elections, 50, 54–55, 58, 67, 71, 100, 117–18, 125–27, 146–55
 Federal tariffs, 4
 Federation, 100
 financial position, 4, 100–101, 117–18, 126
 fruit industry, 179
 fruit restrictions from Victoria, 198, 207
 gambling industry, 95, 97–98
 immigration, 19–20, 51, 69, 143–44
 industrial disputes, 61, 134–36, 185–90
 iron and steel industry, 195–96, 199–200, 209–10
 Labour Party, 34
 land release, 19, 52
 land scandals, 9, 55, 77–81, 95, 119–20, 125, 127, 147
 Lands Department, 19, 77–81, 102
 liquor industry, 95–96, 149, 155–56
 local government reform, 54–58
 mining industry, 17, 60
 municipal elections, 67
 Murray River, 130–32
 Peel River Estate, 19, 101
 press, 5–6, 21, 36, 44, 46, 76, 83, 107, 150–52, 168, 178

- prison reform, 213–14
 - prosperity, 100, 125, 164
 - public works, 118
 - quarantine regulations, 198
 - railways, 24–26, 101, 118
 - Royal Commission into Administration of the Lands Department, 78, 102
 - settlement, 26
 - State Labour conference, 31
 - Sydney councils, 55
 - Sydney retail industry, 134–36
 - taxation, 58, 101, 117–18, 127
 - trade, 100
 - tramways, 26
 - Wages Boards, 62, 102, 127, 136, 162, 190
 - wheat industry, 92
 - New Zealand, 45, 60–62, 91, 107, 155–56, 189
 - Northcote, Baron Henry Stafford, 15, 44–45, 47, 73, 103, 115–16, 195
 - Northern Territory
 - climate, 17–19, 41, 65
 - debts, 64
 - defence, 41, 64
 - immigration, 41
 - railway, 63
 - resources, 39–42, 63–66
 - settlement, 42, 63–66
 - transcontinental railway to Darwin, 39–40, 64–66
 - transfer to Commonwealth, 17, 39–42, 45, 63–66, 177
 - visit from Northcote, 103
- O
- O'Connor, Richard Edward, 85, 135
 - O'Connor, Broughton Barnabas, 21, 71
 - O'Loghlin, James Vincent, 142–43, 174
 - O'Sullivan, Edward William, 95
 - old age pensions, 45, 127, 139
 - Owen, William, 78–79
- P
- Pacific Islands labourers, 9–20, 59–60, 71–72, 116, 144
 - Pacific Islands Labourers Act 1901* (Cth), 11, 59–60
 - Papua, 45
 - Parkes, Henry, 10
 - Parliament, Federal
 - Anti-Socialism, 48, 122, 142
 - Budget, 29, 137–40
 - difficulties in governing, 166–68
 - Free Importers, 125, 153, 159, 166–68
 - Free Traders, 6, 87–88, 104, 166–68, 207
 - graduated land tax, 101
 - House of Representatives, 45–46, 115, 153, 191
 - Labour, 6–7, 30, 38, 84–85, 116–17, 121, 125, 139, 166–68
 - Members' allowances, 139, 142, 145, 150, 152, 159
 - New Protection, 162, 168–70, 182–84, 190, 201, 211
 - Northern Territory transfer, 39–42
 - Preferential Traders, 105
 - pressure of office, 173
 - prorogation, 29, 44, 115
 - Protectionists, 5–8, 33–35, 41, 48, 87, 115–16, 124–26, 153–54, 159, 162, 166–68, 207
 - Radicals, 7, 125, 134
 - Senate, 6, 45–46, 115, 142–43, 167, 174, 191
 - Shackleton grant, 201
 - Socialism, 115–16, 153
 - Parliament, New South Wales
 - Anti-Socialism, 196
 - Arbitration Act 1901*, 102, 168, 189–90
 - Blayney by-election, 9

- Closer Settlement (Amendment) Act 1907*, 126
- Federal Capital, 82, 206–09
- Free Importers, 162
- Gaming and Betting (Amendment) Act 1907*, 50, 95–98, 117, 126
- Government Savings Bank Act 1906*, 19
- Habitual Criminals Bill 1905, 213
- Independents, 86, 149
- Industrial Arbitration (Temporary Court) Act 1905*, 60–62
- Labour, 50, 58, 71, 94–95, 126–27, 146–52
- Legislative Assembly, 54, 56, 80–81, 146
- Liquor (Amendment) Act 1907*, 50, 95–96, 126, 155–56
- Local Government (Loans) Act 1907*, 56–58, 117, 127
- Local Government (Shires) Act 1905*, 55
- Local Government Act 1906*, 57
- Mining (Amendment) Act 1907*, 126
- Murray River Agreement Bill 1907, 130, 198
- Neglected Children and Juvenile Offenders Act 1905*, 126
- Neglected Children and Juvenile Offenders Bill 1905, 213
- Socialism, 136, 196, 199–200
- Temperance Party, 149–50
- Parliament, Queensland
- difficulties in governing, 129
 - immigration, 17–18
 - Independents, 22–23
 - Labour, 13, 22–23, 50–51, 69–71, 165, 192–94
 - Legislative Assembly, 192–94
 - Legislative Council, 192–94
 - political crisis, 192–94
 - Socialism, 51
- Parliament, South Australia
- coalition, 71
 - Constitution Amendment Bill 1906, 23
 - dissolution, 23
 - Factories Bill 1906, 23
 - Legislative Assembly, 24, 40, 179
 - Legislative Council, 22, 24, 40, 177
 - Murray River Waters Bill 1907, 130, 179
 - Northern Territory transfer, 39–42
 - Tramways Bill 1906, 23
 - Transcontinental Railway Land Grant Act 1902*, 40
- Parliament, Victoria
- Closer Settlement Act 1906*, 175
 - coalition, 71
 - Constitution Act 1906* (Clause One), 42
 - Independents, 49, 66–67
 - Indeterminate Sentences Act 1907*, 213
 - Labour, 21, 42–43, 49, 66–67, 87, 174
 - Legislative Assembly, 174
 - Licensing Act 1907*, 96–97
 - Lotteries, Gaming and Betting Act 1906*, 97–98
 - Murray River Waters Agreement Bill 1907, 130, 179
 - Murray Settlements Act 1907*, 131
- Parliament, Western Australia
- Labour, 161
 - Legislative Council, 161, 176
 - prorogation, 176
- Parliamentary Allowances Bill 1907 (Cth), 139
- Peacock, Alexander James, 35, 42, 49, 66
- Philp, Robert
- Anti-Federalism, 43
 - as Premier, 192
 - dissolution, 193
 - elections, 36, 51
 - financial management, 22
 - labour for sugar industry, 72
 - Political Labour Leagues, 42–43
 - State debts, 69–71
- Playford, Thomas, 21, 48

- Political Labour Leagues, 7–8, 16, 22–23, 31, 33–36, 42–43, 48, 50–51, 116, 146, 151, 161–62, 177, 184
- political parties, organisation of, 36–37
- population, 3
- Preferential Traders *see* Federal Parliament entries
- Premiers' Conference 1906, 68–69, 92, 112
- Premiers' Conference 1907, 99, 103, 111–14
- press
 - Free Importers, 152
 - Free Trade, 87
 - Great Britain, 27, 38, 63, 88–89, 120, 122, 178
 - national, 27, 107
 - New South Wales, 5–6, 21, 36, 44, 46, 76, 83, 107, 150–52, 168, 178
 - Protectionist, 87
 - Queensland, 11, 13, 27, 87
 - South Australia, 87
 - States, 86–89
 - Tasmania, 76
 - Victoria, 30, 46, 76, 82, 87–88, 154, 168
 - Western Australia, 87
- Preston, William Thomas Rochester, 18
- Price, Thomas
 - alliance with Labour, 165
 - coalition, 71
 - Colonial Conference, 76
 - dissolution, 23
 - franchise, 22
 - Northern Territory transfer, 17, 39, 41, 63–66, 177
 - Premiers' Conference, 111
 - railways, 165
 - transcontinental railways, 39–40
- Privy Council, 37, 45, 53, 90–93, 108–10, 122–23, 159–60
- prosperity
 - national, 4, 28, 59, 66, 91, 118
 - New South Wales, 100, 125, 164
 - Queensland, 22, 164
 - South Australia, 164
 - Tasmania, 164
 - Victoria, 66, 164
 - Western Australia, 4, 164
- Protectionists *see* Federal Parliament entries
- public service
 - Queensland, 69–71
 - Victoria, 67
- Q
- Quarantine Bill 1907 (Cth), 180, 199
- Queensland
 - conservation, 36
 - debts, 69–71
 - elections, 35–36, 50–51, 69–71
 - employment, 16–19, 22, 60, 144
 - financial position, 69–71, 118
 - financial reforms, 36
 - Government Labour Bureau, 60
 - immigration, 19, 22, 36, 52, 60, 69, 143–44
 - land settlement, 22, 36
 - mining industry, 17
 - Pacific Islands labourers, 9–20
 - Political Labour Leagues, 22–23, 42
 - press, 11, 13, 27, 87
 - prosperity, 22, 164
 - public service, 69–71
 - public works, 164
 - railways, 22, 24, 36
 - sugar industry, 9–20, 59–60, 71–72, 144
 - Sugar Labour Conference, 60
 - taxation, 69–71
 - Wages Boards, 162, 168–70
 - water, 36
 - White Australia policy, 59–60
- Quick, John, 29

R

Radicals *see* Federal Parliament entries

Railway Commissioners, appointment of, 6

railways

industry, 117–18, 164–65, 209

New South Wales, 24–26, 101, 118

Queensland, 22, 24, 36

revenue, 25–26

South Australia, 25, 165

Tasmania, 25

transcontinental to Darwin, 39–40, 64–66

transcontinental to Perth, 25, 39–40, 65

Victoria, 24, 165, 175

Western Australia, 19, 25

Rason, Ernest Goldfinch, 13–14

Rawson, Harry Holdsworth, 117, 195

Reeves, William Pember, 61

Reid, 1st Earl Loreburn, Robert Threshie, 90, 110, 122, 160

Reid, George Houston

alliance with Labour, 171

alliance with Lyne and See, 128

antagonism to Carruthers, 32

Anti-Imperialism, 88

Anti-Socialism, 122

as possible High Commissioner, 173

Colonial Conference, 45–46

election results, 4–7, 33–34

Federal Capital, 37, 206–09

Forrest's resignation, 134

Members' allowances, 142, 145

New South Wales elections, 150

opposition to Deakin, 120–22

Pacific Islands labourers, 11

Parliamentary Allowances Bill 1907 (Cth), 139

protectionism, 48, 162

support from Carruthers, 6

tariffs, 141, 166–68, 173

retail industry, Sydney, 134–36

river navigation industry, 131

rivers

Darling, 131

Murray, 130–32, 179, 198

Murrumbidgee, 131

Robson, William, 110

Royal Commissions

Administration of the Lands Department (NSW), 78, 102

Navigation Bill 1904–06, 30–31

S

Sandford, William, 196, 199, 209–10

Savings Banks, 19–20

Seat of Government Bill (Cth), 83

sectarianism, 34

Seddon, Richard John, 173

See, John, 37, 83, 126, 128

Shackleton, Ernest Henry, 201

shipping

industry, 31, 136

Orient line, 191

Skene, Thomas, 29

Smith, Arthur Bruce, 120–21

Smith, William Ramsay, 18

Socialism/Anti-Socialism *see* Federal and State Parliament entries

Solomon Islands, 13

South Africa, 41, 192

South Australia

ban on livestock from Western Australia, 180

conservation, 132

elections, 35

financial position, 118

franchise, 23–24

land values, 23

- Legislative Assembly, 35
 - Legislative Council, 35
 - Murray River, 130–32
 - Northern Territory debts, 63–66
 - Northern Territory transfer, 63–66, 177
 - press, 87
 - prosperity, 164
 - quarantine bans, 179, 198
 - railways, 25, 165
 - river navigation industry, 131
 - taxation, 66
 - trade, 176, 179
 - transcontinental railway to Perth, 39–40
 - Wages Boards, 169
 - sugar industry, 9–20, 59–60, 71–72, 116, 144
 - Sugar Labour Conference, Queensland, 60
 - Sydney Coal Lumpers, 136
 - Sydney Morning Herald, The*, 6, 178
 - Symon, Josiah Henry, 46, 65
- T
- Tariff Commission, 29, 35, 85, 141
 - tariffs
 - Federal, 4, 85, 100, 120–22, 137–40, 145–47, 150, 166–68, 181, 184, 201
 - New Protection, 162, 168–70, 182–84, 201, 211
 - policy, 29–30
 - protectionist, 138, 167, 183
 - reform, 121–22
- Tasmania
- ban on livestock from Western Australia, 180
 - press, 76
 - prosperity, 164
 - railways, 25
- taxation
- Federal, 101
 - New South Wales, 58, 101, 117–18, 127
 - Queensland, 69–71
 - South Australia, 66
 - State, 92, 108, 123, 159
 - Western Australia, 161, 176, 185
- Thomson, Dugald, 30–31
- Thurn, Everard im Ferdinand, 13
- Tillett, Benjamin, 136, 153
- Tozer, Horace, 144
- trade
 - coastal, 91
 - domestic, 3–4, 100
 - international, 3–4, 72, 91, 100, 146–47, 167
 - interstate, 91–92, 100, 199, 212–13
 - Inter-State Commission, 164
 - New South Wales, 100
 - preferential, 29, 46, 87–90, 140, 146, 154, 166–68
 - protectionist, 46
 - South Australia, 176, 179
 - statistics, 91
 - Western Australia, 133, 176
- Trade Mark, Commonwealth, 162–64
- Trade Marks Act 1905* (Cth), 163
- Trades Unions, 16–17, 135, 163, 187
- tramways industry, 26
- Turner, George, 48
- U
- United States of America, 33–34, 69, 123, 131, 146, 160, 163, 181, 211
- V
- Vardon, Joseph, 142–43, 174
- Victoria
 - boot trade, 212
 - closer settlement, 51, 175
 - education, 66
 - elections, 35, 49, 66–67

- financial position, 118
 - fruit restrictions to New South Wales, 198, 207
 - gambling industry, 97–98
 - immigration, 143–44
 - Immigration League, 52
 - Imperial Federation League, 47, 88
 - industrial disputes, 169
 - land resumption, 174–75
 - Licences Reduction Board, 96–97
 - liquor industry, 96–97
 - Murray River, 130–32
 - press, 30, 46, 76, 82, 87–88, 154, 168
 - prison reform, 213–14
 - prosperity, 66, 164
 - public service, 67
 - railways, 24, 165, 175
 - revenue, 176
 - shipping subsidy, 198
 - Wages Boards, 62, 136, 162, 168–70, 182–83, 212
- W
- Waddell, Thomas
 - alliance with Carruthers, 71, 94–95, 126
 - Budget, 176
 - elections, 50, 125
 - opposition to Federation, 37
 - Wade, Charles Gregory
 - Anti-Federalism, 199, 207
 - Arbitration Act 1901*, 168–69
 - coal dispute, 185–90, 197–99
 - fruit trade, 197–99
 - iron and steel industry, 195–96, 199–200, 210
 - land scandals, 79, 119
 - Murray River, 179
 - Murray River Agreement, 197–99
 - prison reform, 213
 - Socialism, 196, 199–200
 - tariffs, 184
 - wages, 17–20, 62, 85, 134–36, 181–84, 191, 212–13
 - Wages Boards
 - New South Wales, 62, 102, 127, 136, 162, 190
 - Queensland, 162, 168–70
 - South Australia, 169
 - Victoria, 62, 136, 162, 168–70, 182–83, 212
 - Ward, Joseph George, 91, 107
 - Watson, John Christian
 - alliance with Deakin, 121, 153
 - election results, 5–7
 - Federal graduated land tax, 101
 - Federal loans, 64
 - Members' allowances, 142, 145
 - New South Wales elections, 147–55
 - opposition to Protectionism, 48
 - Parliamentary Allowances Bill 1907 (Cth), 139
 - resignation, 171–73
 - Royal Commission on the Navigation Bill, 30–31
 - Socialism, 153
 - State Labour conference, 31
 - support for Deakin, 116, 125
 - Victorian elections, 49
 - Western Australia
 - agriculture, 3–4, 17
 - camel disease, 180
 - climate, 17–19
 - export restrictions to other States, 180
 - Federal tariffs, 4
 - financial position, 4, 160–61
 - immigration, 17, 52, 69
 - livestock industry, 180

manufacturing industry, 4
mining industry, 17
press, 87
prosperity, 4, 164
railways, 19, 25
taxation, 161, 176, 185
trade, 133, 176
wheat industry, 3, 91–92
White Australia policy, 9–20, 59–60, 191
Wise, Bernhard Ringrose, 61, 189
Woodford, Charles Morris, 13
wool industry, 3, 92, 134–36



ISBN: 978-0-9875764-8-4