

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



Volume 8: 1908

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— Volume 8 —

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

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The First Eight Project: Australia's First Prime Ministers



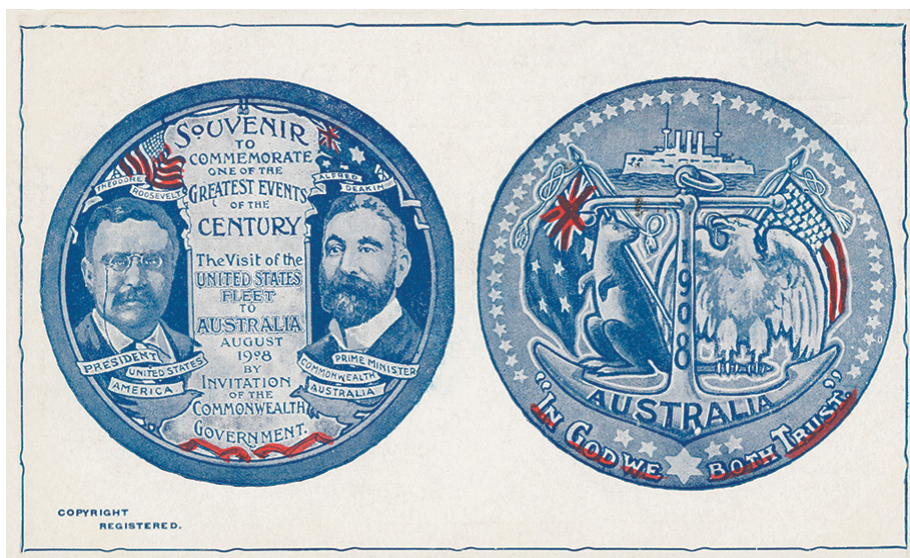
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A postcard depicting Prime Minister *Alfred Deakin* in front of the Union Jack and the Australian Red Ensign (which was flown by Australian-registered ships from 1903)

(JG Roberts, Scrapbook: manuscript, typescript, printed, 1903–1907, State Library of Victoria, MS Box 4913/1)



A souvenir postcard commemorating the 1908 visit of the American fleet, depicting the President of the United States, *Theodore Roosevelt*, and the Australian Prime Minister, *Alfred Deakin*

(National Library of Australia, nla.obj-372435177)

# Acknowledgements

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# Contents

Acknowledgements	iv
Illustrations	vi
Introduction	vii
Notes on the text	x
Endnotes	xi
1908	1
Index to the letters	181

# Illustrations

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

Postcard depicting Prime Minister Alfred Deakin in front of the Union Jack and the Australian Red Ensign, JG Roberts, Scrapbook: manuscript, typescript, printed, 1903–1907, State Library of Victoria, MS Box 4913/1

President of the United States Theodore Roosevelt and Prime Minister of the Commonwealth of Australia Alfred Deakin, 1908, postcard, National Library of Australia, nla.obj-372435177

Composite image of the Deakin ministry, 1908; portrait of Littleton Groom, The Swiss Studios, 190-?, National Library of Australia, nla.obj-136704491; all other images, Parliamentary Library, Department of Parliamentary Services

*Sixth Commonwealth Ministry from 13th Nov. 1908 to 1st June 1909*, The Swiss Studios (Melbourne), 1908; National Library of Australia, nla.obj-136656806

## 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’.<sup>1</sup>

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.<sup>2</sup> 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’.<sup>3</sup> 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’.<sup>4</sup>

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.<sup>5</sup> His appointment was formally confirmed in March 1901.<sup>6</sup>

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.<sup>7</sup>

Evidently the *Morning Post* quickly applied itself to the task of ensuring that diplomacy prevailed, for in May 1901 Mennell 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.<sup>8</sup>

Mennell went so far as to recommend Deakin find another outlet for his letters.<sup>9</sup> 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.<sup>10</sup> 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’.<sup>11</sup> 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.<sup>12</sup> The letters generally bore a Sydney dateline, and adopted a Sydney, Free-trade, point of view (‘our city’, ‘our Premier’);<sup>13</sup> 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’.<sup>14</sup> Deakin adopted a pseudonym (‘Andrew Oliver’) and sometimes a cypher for his cables to the *Post*.<sup>15</sup> 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’.<sup>16</sup> 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.<sup>17</sup>

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*.<sup>18</sup>

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.<sup>19</sup>

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.<sup>20</sup>

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 himself<sup>21</sup>—and the shifting fortunes of the Protectionist, Free Trade and Labour movements.<sup>22</sup> The letters chart the course of early Commonwealth governments and parliaments as they '[put] into actual operation the intricate provisions of the Constitution'<sup>23</sup> 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'.<sup>24</sup> His biographer and editor La Nauze, having grappled with the motivation for, and the propriety of, this anonymous journalism,<sup>25</sup> 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'.<sup>26</sup>

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.<sup>27</sup>

## Notes on the text

A complete edition of Deakin’s *Morning Post* has been long awaited.<sup>28</sup> 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.<sup>29</sup>

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.<sup>30</sup> 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.<sup>31</sup>

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

Until early August 1911 [TR] Bavin wrote fairly regularly on topics such as the politics and legislation of Queensland and New South Wales; industrial legislation and disputes; constitutional questions; the River Murray waters agreement. It is impossible to identify all his paragraphs or sections of articles, since Deakin himself sometimes wrote on such themes, or adapted Bavin’s drafts. In general it may be assumed that all the material on federal issues was written by Deakin or had his sanction.<sup>32</sup>

# Endnotes

- <sup>1</sup> 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.)
- <sup>2</sup> *Federated Australia*, *ibid.*, p. vii.
- <sup>3</sup> *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.
- <sup>4</sup> ‘Banquet to the Colonial Delegates’, *The Argus*, 25 May 1887, p. 5.
- <sup>5</sup> Philip Mennell cable to Alfred Deakin, NLA MS 1540/7/8–10.
- <sup>6</sup> E Peacock letter to Alfred Deakin, NLA MS 1540/7/14.
- <sup>7</sup> J Nicol Dunn letter to Alfred Deakin, NLA MS 1540/7/12–13.
- <sup>8</sup> Philip Mennell letter to Alfred Deakin, 10 and 26 May 1901, NLA MS 1540/1/613–16, quoted in J Brett, *The enigmatic Mr Deakin*, Text Publishing, Melbourne, 2017, p. 252.
- <sup>9</sup> *Ibid.*
- <sup>10</sup> *Federated Australia*, *op. cit.*, p. viii.
- <sup>11</sup> ‘Alfred Deakin and the Morning Post’, *op. cit.*, pp. 361, 373.
- <sup>12</sup> *Federated Australia*, *op. cit.*, p. viii.
- <sup>13</sup> ‘Alfred Deakin and the Morning Post’, *op. cit.*, p. 369.
- <sup>14</sup> *Ibid.*
- <sup>15</sup> J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/14.
- <sup>16</sup> Brett, *op. cit.*, p. 242.
- <sup>17</sup> Quoted in *Federated Australia*, *op. cit.*, p. x.
- <sup>18</sup> W Murdoch, *Alfred Deakin: a sketch*, Constable & Co. Ltd, Sydney, 1923, p. 252.
- <sup>19</sup> Alfred Deakin to Richard Jebb, 29 May 1907, quoted in *Alfred Deakin: a biography*, *op. cit.*, volume 2, p. 353.
- <sup>20</sup> Alfred Deakin to F Ware, 4 January 1909, NLA MS 1540/7/45–48, quoted *ibid.*, p. 358.
- <sup>21</sup> *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.
- <sup>22</sup> *Federated Australia*, *op. cit.*, p. ix.
- <sup>23</sup> H Tennyson, ‘Prorogation’, Senate, *Debates*, 22 October 1903, pp. 6436–37.
- <sup>24</sup> *Alfred Deakin: a biography*, *op. cit.*, volume 1, p. 199.
- <sup>25</sup> *Federated Australia*, *op. cit.*, pp. ix–xii; *Alfred Deakin: a biography*, *op. cit.*, volume 2, pp. 360–61.
- <sup>26</sup> *Federated Australia*, *op. cit.*, p. x.
- <sup>27</sup> *Alfred Deakin: a biography*, *op. cit.*, p. 361.
- <sup>28</sup> *Federated Australia*, *op. cit.*, p. xv.
- <sup>29</sup> *Ibid.*, p. xv.
- <sup>30</sup> *Ibid.*, p. xvi.
- <sup>31</sup> *Ibid.*, pp. 295–311.
- <sup>32</sup> *Ibid.*, p. 304.



# — 1908 —



The Deakin Ministry, 1908

(Top, L–R) **Alfred Deakin** (Vic), Prime Minister and Minister for External Affairs; **James Cook** (NSW), Minister without portfolio; **Littleton Groom** (Qld), Attorney-General; **Austin Chapman** (NSW), Minister for Trade and Customs

(Bottom, L–R) **Sir William Lyne** (NSW), Treasurer; Senator **John Keating** (Tas), Minister for Home Affairs; **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; **Thomas Ewing** (NSW), Minister for Defence

(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)



The sixth Commonwealth Ministry from 13 November 1908 to 1 June 1909 photographed with the Governor-General, 1908

Seated (L–R): Egerton Batchelor (SA), Minister for External Affairs; Andrew Fisher (Qld), Prime Minister and Treasurer; the Earl of Dudley, Governor-General; William (Billy) Hughes (NSW), Attorney-General; Hugh Mahon (WA), Minister for Home Affairs

Standing (L–R): Senator Gregor McGregor (SA), Vice-President of the Executive Council; George Pearce (WA), Minister for Defence; Josiah Thomas (NSW), Postmaster-General; Francis Tudor (Vic), Minister for Trade and Customs; James Hutchison (SA), Minister without portfolio

(National Library of Australia, nla.obj-136656806)

# THE COMMONWEALTH OF AUSTRALIA.

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## LABOUR LEADERS' VISITS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jan. 6 1908; Feb. 18 1908.

The close of 1907 has been marked by the usual crop of newspaper articles summarising its general results. With the annual returns before them even the most unpatriotic journals have condescended to recognise an astonishing progress throughout the Commonwealth. When we remember that trade has been disturbed by the Tariff, industry threatened by the great coal strike, agriculture injured over large areas by a spring drought, the latest record achieved becomes more remarkable than ever. With all these drawbacks it surpasses the high tides of 1906, and in most respects excels every year we have known. Despite the recent disastrous drop in the prices of metals and less favourable returns from some of our largest goldfields, the buoyancy of our staples keeps us well ahead. Prices for nearly all of them are good, employment is plentiful, land is going under cultivation, and production expanding with quickened speed. Turn where one will the testimony is that of a general prosperity shared by every State and by almost every district. There are spots on our sunshine, the principal being the slow increase of population. The returns are better than they have been, especially in New South Wales, but still remain far below our necessities. The Immigration League, of which Dr. **Arthur**, M.L.A., was the founder and president, has split into two organisations. That which represents him and his followers affirms that its work ought to be conducted with little or no heed to present local circumstances. The original body now headed by Professor **Anderson Stuart** insists that the fault largely rests with the State Legislatures, who require to be spurred on to a reform of our land laws and their administration before bringing out a flowing tide of settlers. As obviously there is no real conflict of opinion between them it is plain that personal dissensions and not clashing principles are responsible for the fissure. The Commonwealth for its part has brought back some 1,300 Australians who found that owing to recent conditions in South Africa it was much harder to earn a living there than in their own country. The case with which those who have returned were at once absorbed is a testimony to the plentifulness



of openings for men of all classes who have had Colonial experience, which goes far to endorse Dr. Arthur's contentions. The financial earthquake in the United States has not been felt in this country, where money continues plentiful and cheap. Taken altogether Australia's outlook today is probably more promising than that of any other part of the Empire.

### INTER-STATE RELATIONS.

Outside of Queensland, where a general election campaign is about to commence, the States are politically at peace within themselves. It cannot be alleged that their relations with one another are too friendly. Their protestations of mutual sympathy are frequent and emphatic, but friction continues chiefly over quarantine regulations. Such pin-pricks, perpetual as they are, will not prevent them from acting together against their common overlord—the Commonwealth. A conference is likely to be held within the next two or three months at which the vital question of the future disposition of our Customs revenue will be once more discussed. Up till lately it has been due to the insistence of Federal Ministers that the subject has been forced upon public attention. But now the period for which the States are guaranteed three-fourths of the receipts from the Tariff under the Constitution is within three years of its termination every State Treasurer is being compelled to face the situation evaded either by himself or his predecessors as long as they dared. The temptations of the recess make the actual date of any conference rather uncertain. Among the Premiers most anxious to visit London as members of the Colonial Conference last year were Mr. Carruthers and Mr. Price, who are now about to make that tour as representatives of New South Wales and South Australia at the Franco-British Exhibition. Mr. Bent having had his trip two of his colleagues and the Lord Mayor of Melbourne are spoken of as a delegation from Victoria. Other State Ministers with such examples before them may pluck up courage to book their passages on the same pretext. We shall not know the results of the Queensland election until next month, but after that is over a Conference can easily be pushed on so that any other Premiers may add themselves to the list of English visitors.

### POPULARITY OF SIR H. RAWSON.

The Governor-General and Lady Northcote are just returning to this State as guests of Sir Harry Rawson at his summer residence in the mountains. He himself was the recipient on the closing days of the session of our Legislature of a compliment such as has been very rarely paid in this State or in any other to a representative of the

King. As it was realised that the time was approaching when in accordance with the practice it would be necessary for the Imperial Government to select a successor, members before separating expressed the hope that the *Earl of Elgin* would prove to be sufficiently aware of the high regard entertained for our Governor by all classes to offer him a second term of office. Whether he accepts it or not, the heartiness with which the spontaneous suggestion was welcomed from every part of the House afforded a most convincing evidence of the universal popularity of Sir Harry Rawson, and that in an Assembly hitherto very slow to express attachment to any Governor. As it happens, his guest, the Governor-General, who is extremely popular in this State—and, indeed, throughout the Commonwealth—is also nearing the end of his term. His continuance in office would also be hailed by all Federal parties. He has been repeatedly named as possibly the first High Commissioner for Australia, but apparently the swift vicissitudes with which he has been called upon to cope and the many uncertainties of our political outlook have rendered him indisposed, if report is to be believed, to accept either a renewal of his present appointment or any new position.

#### THE TIES OF SPORT.

One of the most satisfactory features of the year has been the comparatively frequent visits paid to Australia by representative teams and persons. Among the former the British Rifle Team ranks high, its tour having done much to popularise shooting, and its members having left the pleasantest impressions everywhere. The Cricket Eleven is still with us, and, like the riflemen, they have surpassed expectation. They have given a *good account of themselves in each State*, and but for Mr. *Jones's* unfortunate illness would have done better still. The value of their trip is not to be measured by their successes or defeats as players, but by the manly way in which they have faced their luck whether successful or not. The spirit they are evincing re-establishes once more the reputation of Englishmen for qualities that have made them famous all the world over. The reproach often heard that we forget our national history so much that outside the schools very little is heard of it or remembered by the masses even when it is quoted is too true. But Australians, whatever their defects, are keen sportsmen, cherishing with ardour your sporting standards of fair play, your admiration for pluck and judgment, and your desire to see the best man win. Matches whether for shooting, for football, or for cricket remind many who read little that Britons today are still to be reckoned with in every field and in every game. Slight as the value of such experiences may appear at first sight it is a real factor in the perpetuation of patriotic sentiments and of

the warmth of relationship. In the absence of other ties and means of popular intercommunication those of sport have an importance that it would be easier to under-estimate than to overvalue. The Tennis Championship is held by a young **Victorian**. Our last team shot well at Bisley. Some Rhodes scholars are rowing at Oxford. Slight as these and similar facts appear if taken in themselves, they are almost the only representative meetings possible or at all events existent today. Not to name them among the events of the year would mean the omission of incidents which always have a distinctly Imperial character, although they have rarely been dignified by such a recognition except in the unchartered freedom of pavilion toasts.

### LABOUR AND SOCIALISM.

We have had other visits of a less fruitful nature from those who either are or may be entitled public men in the Mother Country. Apart from the periodical tours of Irish envoys intent upon collecting funds we have so far been favoured with calls only from politicians belonging to one party, and that the smallest in your Parliaments. Apparently in pursuance of a definite plan sundry "Labour" members of the House of Commons and agitators who hope to become members have travelled through parts of the Commonwealth, commonly at express speed and as a rule making acquaintance only with audiences of the same colour. Not one of them has remained long enough to be able to form an opinion of his own either of our circumstances or our institutions. This is even the case with lesser lights like Mr. **Tom Mann**, who has become a resident of Victoria, and Mr. **Ben Tillet**, who lately revisited Sydney. Neither of them has yet come into touch with any class except their own, or been able to throw any light upon our actual political issues. Certainly neither could be relied upon to explain them elsewhere. Being avowed Socialists they have been openly cold-shouldered by the Australian Labour Party, and are recognised neither by its organisations nor its chiefs. The first colleague of theirs who descended upon us with the prestige of a member of the House of Commons was Mr. **Ramsay MacDonald**. His speeches soon made it apparent that from the moment of his arrival he came not to acquire knowledge but to assume it. In the teeth of all the information supplied to him when here and in New Zealand by our Labour Leagues, and in defiance of the legislation passed before and since his arrival, he persisted in alleging the failure of the Wages Boards and other industrial expedients which the whole of his confrères in the Commonwealth and their Radical allies are engaged today in defending, commending, and extending as far as they can. Silent upon

Protection when here, and striving to ignore the New Protection which has captured even the Free Trade labour voters, his utterances since his return to England have been treated with ostentatious indifference, or have provoked open disclaimers from our labour leaders and their followers. Mr. Keir Hardie, though much better known in advance and sensationally heralded, has made no stir among us. He has met with a kindly welcome, being credited with real honesty of purpose and unselfishness of aim, but his doctrines have evoked just as little response as those of his predecessors. Nothing is now expected from them. Indeed the embassies from your Labour Party resemble the visit of Mr. W. M. Hughes, who sits for one of our Sydney constituencies, was a member of the Labour Cabinet in the Federal Parliament of 1904, and went to London as a delegate to the Navigation Conference last year, since they have only served to advertise the contrasts between your "Socialists" and ours. The more they know of each other's aims the farther they find themselves apart. With Wages Boards, Protective Tariffs, compulsory military training, and the exclusion of Asiatic manual labourers on their banners, none of our Labour Leagues can find a place in their ranks for Mr. Keir Hardie, M.P.

# THE COMMONWEALTH OF AUSTRALIA.

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## OPINIONS ON THE TARIFF.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jan. 13 1908; Feb. 22 1908.

Interest centres on the approaching resumption of legislation by the Senate. Its Christmas recess began early in order that its members might recuperate before commencing to deal with the Tariff. The House adjourned in such a state of exhaustion that a certain amount of finishing off was intentionally omitted. The right of the Second Chamber to amend the duties was implicitly recognised even by its fellow and rival Chamber, but with or without that opportunity Senators were certain to assert their co-equal authority in all fiscal contradictions or reconstructions. Except so far as they independently approve, they will not consider the schedule submitted to them with any greater tenderness than if it had never been before the public until now. Sir **William Lyne's** scale of duties has been moderated in many directions, and to that extent of course the Opposition finds its task anticipated, at all events in part. But there are numerous imposts to which strong exception will be taken, and some that were imposed only by a vote or two will be challenged with asperity. The Protectionists, though stronger than they were, are even now barely in a majority in the Senate, even if the Moderates are reckoned on their side. As only one half of that Chamber went before the electors a year ago, the rising tide of Protection could not prove anything like as effective as in the election for the House of Representatives. The block vote in New South Wales maintains command so decisively that every one of our six Senators remains a Cobdenite. As a natural consequence, when Sir **Josiah Symon**, of South Australia, desired to be relieved of the leadership of the Opposition, Senator **Millen**, the ablest of our group, though not the senior, was selected to lead the assault about to begin. Whatever fertility of resource and keenness of debating power can achieve will be accomplished by his strategy. Even granting that some Labour Senators who are, or have been, Free Traders are contented to support the Tariff as it is in order to obtain the "New Protection" the Government cannot spare a single vote on any critical division. The election of a new Senator for South Australia, now being held, may have a potent influence on the fate of important industries. The Tariff is far from completed, though it has suited everyone to assume that it had reached its final stage. All that can be said is that public opinion has become more favourable to it as it stands. Its influence will weigh with that of Ministers

in assisting to bring about a settlement as soon as possible. Once out of the way the often predicted severance in Mr. Deakin's following between the Anti-Labour Protectionists and those who are willing to go farther with the Caucus will at once become imminent.

## CONSTITUTIONAL BOUNDARIES.

If 1908 promises to prove a critical year in our Parliament, all the omens go to show that it is likely to be equally fruitful in the one other branch of its Government which can affect its vital growth. Australia has not escaped the usual experience of Federations. The early years of her Federal history have produced a plentiful crop of new questions requiring new answers. The respective ranges of Federal and State authority on every side require, and will long require, delimitation, since the demarcation can only be gradually deduced from a long series of legal decisions. Some will be trifling choices of alternatives, requiring only a clear statement, to be promptly settled without recourse to the Courts. Many, on the other hand, must involve principles of general application much wider than the particular matter in dispute. Nothing can settle these except the authority of a legal tribunal. So our High Court, the only Court which can finally settle such issues, has now before it an ever lengthening list of cases in which Constitutional Boundaries must be defined to some extent. Several of those now pending promise to evoke judgments the importance of which in relation to our future history can scarcely be over-rated. It is indeed a fortunate thing for Australia that the Federal Bench has inspired a very high degree of confidence. Some of its interpretations—notably the one holding Federal officials to be exempt from State income tax—have not unnaturally produced criticism from lawyers and laymen. But these have not detracted to any appreciable extent from the almost universal confidence in the impartiality and ability of the members of the Court, or from the feeling that the Judges are adequately qualified for the immense task which a Federal system necessarily imposes upon its Judiciary. A large measure of relatively constructive judicial capacity is demanded in order to give meaning and life to the dry statements of broad principle which make up the written constitutional document establishing the Commonwealth at the expense of the six States out of which its powers have been drawn.

## EXCISE QUESTIONS.

One of the most interesting of these cases involves the constitutionality of the "New Protection" proposals of the Government already described in the *Morning Post*. Although the Bill which is to provide for their all-round application has not yet been passed, the same principle as was explained has already been sanctioned by an

Act of 1906, which imposes an Excise duty on harvesters, exempting those in whose manufacture fair and reasonable rates of wages have been paid. This is now being acted upon, or, rather, tested. The first attempt to collect Excise from manufacturers who have not complied with the conditions of exemption is being vigorously resisted on the ground that the Commonwealth, having no express authority to legislate directly fixing any rates of wages, cannot do the same thing indirectly through the exercise of its power of taxation. If it can where will its functions end? The decision in this case must obviously have far-reaching effects on the general legislative powers of the Federal Parliament. Another case now ripe for decision is that arising out of Mr. Carruthers's famous, but futile, electioneering coup when he directed a forcible seizure of wire-netting in the control of the Customs. This he claimed to do as a protest against the action of the Commonwealth in charging duty on goods consigned to State Governments. The memory of this performance is already beginning to fade from the minds of men, but the legal issues conjured up by it are of permanent importance. Nor does this conclude the list of the constitutional questions awaiting solution by the High Court. One Federal statute which restricts combinations in restraint of trade and another permitting the application of an "Union label", or workers' trade-mark, to goods made under Trade Union conditions are also to be challenged. However these cases are decided, their authoritative settlement cannot but contribute important additions to the stock of constitutional principle by which future political developments in Australia must be regulated.

### MARKS ON MERCHANDISE.

On the practical side there is not as yet much on our statute books to regret and not a great deal to amend. We are tolerably familiar in Australia with prophecies of certain confusion and disaster to follow from novel legislation. Sometimes we have made mistakes. But they have been rare and soon repaired. The prophets of evil have been even louder since our union than they were before. Dislike of Federation has often expressed itself in indiscriminating protests against Federal legislation on the part of people who try to convince themselves that no good can come from such a quarter. Nevertheless Acts are passed; the tumult and the shouting die; our everyday habits and methods imperceptibly accommodate themselves to the new conditions, never as strange as they at first appeared; and nothing dreadful happens. In many cases the only thing that reminds us of the existence of the law is our short-lived reminiscences of the dismal prophecies with which it was ushered in. For instance, there are the reports published a little while ago on the working of the Federal Commerce Act of 1905. This measure, largely a reproduction of the English Merchandise Marks Act, which prohibits the use of false or misleading descriptions on imports or exports, went a step further in giving power to the Government to

require not only the absence of a false description but the presence of a true one. Its introduction aroused a storm of abuse. Mr. *Wade*, then Attorney-General of this State, who has always been keen to scent Federal aggression, denounced it as a gross invasion of State rights. Importers for the most part derided it as unworkable or condemned it as unjust. The fruit-growers of Tasmania and New South Wales, when it was sought to apply its provisions to their exported commodities, made the country ring with protests. In spite of this the measure was quietly enforced. The importation of any of the articles enumerated in the Act—foods, medicines, manures, apparel, boots, jewellery, seeds, and plants—is now prohibited unless the article is accompanied by a trade description giving the required particulars as to its origin and composition. The provisions of the Act relating to exports have not yet been put into full operation, but already the chief articles of food sent from Australia, as well as other important exports, require to bear a true description. So far as one can discover this measure has answered the expectations of its authors. Since the friction incidental to its introduction disappeared no complaint has been heard about its working. By common consent it has considerably raised the standard of our imports, and so far as its limited range allowed has saved our traders from the damaging advertisements that reckless shippers occasionally obtained for themselves. There has been no real mischief but much real benefit from this quite recent innovation.

#### TRADE WITHIN THE STATE.

Another and more serious difficulty is that regulations with regard to inter-State and foreign trade cannot in many cases be made effective without complementary regulations relating to trade within the borders of a State. The Commerce Act has already emphasised this point. It can and does prohibit the import of certain articles falsely described. But it can do nothing to prevent the distribution within a State of articles locally manufactured, however grossly they may be misdescribed or however deleterious they may be. The sole power to do this is in the States. Some of them have laws which more or less effectively tend to protect their citizens. None of them, however, has any measure which covers so wide a field so effectively as the Commerce Act could. Under its influence one or two of the States' Governments are beginning to do their duty in this direction. But progress is slow and the need for uniformity patent. In time we may get a system of regulations which will cover the whole field. But it is perhaps a matter for regret that the Constitution should embody the arbitrary distinction, which has been fertile in confusion in America, between two branches of trade whose separation is entirely artificial.



# THE COMMONWEALTH OF AUSTRALIA.

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## PROPOSALS FOR DEFENCE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jan. 20 1908; Feb. 29 1908.

Mr. Reid has lately announced that he is about to study the proposals of the Government for the defence of Australia by sea and land. He also added sagely that probably this is the most important matter before us at the present time. Since everyone has been saying this for some years past, and saying it over again with extra solemnity since the Prime Minister repeated it in Parliament a month ago, we may venture to suppose that by this time all classes must be convinced of the gravity of our situation. But if this be recognised all that can be said by way of comment is that we have a strange way of showing it. Nearly six weeks have elapsed since the very elaborate statement of the policy of the Cabinet in this connection was made to the House. Granted that it was not delivered under the happiest circumstances and imperfectly reported by the Press, yet a constant demand for information has sprung up which has been supplied by the issue of the speech in pamphlet form. This has now been in the hands of publicists for a month or more. It is characteristic of Mr. Reid that he should postpone its perusal until his vacation is over, because by that time he ought to be better able to estimate the trend of public opinion and to acquire that knowledge with the utmost ease. The probability is that his own mind is at present a blank upon the subject. This is perhaps the first condition necessary for a judicial estimate of the project submitted, and certainly by the time he puts on his considering cap he ought to find before him the results of a great deal of drudgery by experts in the Force and writers in the Press which should render it much safer for him to make up his mind. So far it must be admitted that there is little to guide him to a knowledge of the opinion of the public. Possibly his modest disclaimer of present competency to give a verdict is due to the unconscionable delay of our journalists in tackling the real issues submitted and the delightful vagueness of their very general conclusions. Evidently they find the Ministerial plan a tougher morsel than anticipated. Besides not a single public man of note has taken advantage of their silence or attempted to give a lead to his adherents. Even the State Premiers have remained silent. This timidity is altogether unusual. Reticence is rare with our politicians, and equally rare is it for our journals to be shy of controversy. So strange do these symptoms seem that people are beginning to inquire uneasily what such a curious condition of affairs implies.

## PUBLIC AND PRESS INDIFFERENT.

The Prime Minister himself is partly to blame. Instead of choosing a time when he would have the stage clear for his announcement, he postponed it to after everything else. Not until every scrap of possible legislation, as well as the Tariff, had been disposed of, not until the Government's intention to grant £5,000 to the British expedition to the South Pole had been debated and a list of charitable gratuities voted, would he begin his tale. By this time members were scattering eagerly to steamers and trains so as to escape another week-end in Melbourne away from their homes. In the circumstances, wearied as all were, and assured that no more business remained to be disposed of, it was a remarkably good House that endeavoured to follow the comprehensive outline given by Mr. Deakin as well as its jaded condition would allow. Necessarily the Press reports suffered seriously owing to the mass of the last day's Parliamentary business to be chronicled. When "Hansard" appeared the Christmas holidays were beginning, and the imperfect newspaper records remained without amplification. Since the holidays have terminated the subject has been touched upon perfunctorily in many leading articles, without being grappled with in the coherent manner necessary to disclose the policy of the papers upon the scheme as a whole. The one exception is to be found in our own *Daily Telegraph*, which, in harmony with its economic policy of *laissez faire* and individualism, has, after complete analysis of the proposals for military reorganisation, denounced any form of enforced service, and pronounced for a development of the existing voluntary Militia force. The estimates of the Government are declared to be fallacious, and its plan of training inadequate in the extreme. But apart from this careful examination of half the scheme, the usually energetic Press of the Commonwealth has confined itself to superficial notices, often of extreme brevity. Whether deterred by their apathy or by indifference, there have been few references elsewhere. It is true that our senior **Militia Colonel** in this State has declared outright for the scheme. A few minor meetings have approved the general principles expounded, and more are to be held under the auspices of our New South Wales branch of the National Defence League for the same purpose. But so far one might conjecture either that the familiar commonplace as to the vital importance of defence was merely a parrot-cry or that public opinion had been too staggered by the propositions submitted to be able to rally to its task of passing judgment upon them in detail or even in the gross except in offhand fashion. Neither of these explanations sufficing, one is forced to look below the surface of events in order to interpret the most peculiar attitude adopted throughout the Commonwealth in this regard.

## DIVERSE OPINIONS.

Upon Defence as a national problem there are many and diverse opinions. Upon Defence as an issue in party politics there are, or soon will be, but two. Both of these begin with the same supposition, that the plan adopted must be either British rather than Australian or Australian rather than British. Those who approve the first contingency wish our naval preparations to take the form of a larger subsidy for the Royal Navy, and that our land forces should be placed in the hands of officers from the British Army. Incidentally, they happen to be opposed to national service, and rely upon paid Volunteer levies. They do not object to the building of small craft for harbour use, but desire them to be under the direction of the Admiralty in time of peace and subject to its control in time of war. Our Sydney daily Press expounds this creed more explicitly than that of any other part of the Commonwealth. Their opponents, of whom the boldest and most consistent is also to be found in Sydney, speak through the *Bulletin*, which is at the opposite pole of opinion. These urge the immediate cessation of subsidies to the Navy in any form and the replacement of the existing squadron by a local fleet constructed in Australia and controlled wholly by officers of our own appointment. This may act with the Royal Navy, but is to be in every way independent of it. Our military preparations are to be conducted upon the same principle of isolation. Incidentally reliance is placed upon the nation in arms under a system of compulsory training. Now the Government scheme satisfies neither of these contending parties. Of course, probably both might agree that if there is to be a subsidy it had better be given in Australian seamen rather than in Australian coin, though this expedient is really repugnant to both of them. A mosquito flotilla of our own is also believed to be better than none, but the connection between its officers and men in the Government scheme makes them practically members of the Royal Navy, intended to be placed under the authority of the Admiral in these seas in time of war. This would be extremely obnoxious to the localists. No doubt a good deal of the hostility exhibited to Mr. Deakin's rather complicated plan of connecting our naval and military development with that of the Mother Country arises from other considerations. If this had emanated from Mr. Reid our daily Press would have dwelt upon its close approach to their own ideals, and the *Bulletin* would have contemptuously torn it to shreds. As it is, he is approved by neither. Even the *Age* and the *Adelaide Advertiser*, with all their Protectionist leanings, mourn over the Prime Minister's astonishing attraction towards the Royal Navy. There the matter rests for the present. What Parliament will say to it has yet to be discovered, for the Federal Parliament is much less under newspaper influence than any State Legislature; but the fact remains that nearly all our principal journals are either openly hostile or but lukewarm supporters of the scheme.

## THE MEETING OF THE SENATE.

Apparently our public is prepared to take its time over the project as a whole, the process of incubation having been favoured under the circumstances by the Christmas adjournment of Parliament. When the Senate meets two days hence the Tariff will be found upon its threshold, though whether its members will be prepared to begin with its schedule is another question, seeing that two election campaigns are proceeding in which they are deeply interested. In Queensland Mr. **Philp** is fighting hard for his new Ministry and for his **Governor**, while in South Australia the Labour Party is trying hard to hold Mr. **O’Loghlin’s** seat if it can, a difficult operation since the struggle over the whole State seems to be narrowed to a duel in which Mr. **Vardon**, his opponent, has a strong claim upon public sympathy. If pretexts for delaying the Tariff are sought by the Senators who assemble in spite of these temptations the Defence scheme lies ready to their hand. A memorandum is in preparation for the **Minister of Defence** which is to furnish such details of the proposed national guard and its training as were crowded out of the Ministerial statement to the House on its last night’s sitting before breaking up for a three months’ recess. But since the Senate doors must open now the curious silence of the community as a whole, the reticence of members and of public men, together with the perplexed attitude of the Press upon this great subject, will now be gradually resolved. We may expect some articulate criticism other than that which has been emitted for merely party reasons by papers pledged already by their hostility to the Government or on other grounds to wholesale condemnation, or, if they are Ministerial allies, to resentful apology, especially for the naval proposals, accompanied by appeals for a larger and more distinctively Australian departure. But the scheme itself was a surprise. Whatever happens to it now cannot surprise us more than its wholly unforeseen reception during the last six weeks.

# THE COMMONWEALTH OF AUSTRALIA.

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## SOUTH AUSTRALIAN PREMIER. PRIVY COUNCIL AND INCOME TAX.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jan. 27 1908; Mar. 6 1908.

The adoption by your English Labour Congress of an “objective”, as it is called here, demanding the socialisation of the means of production, distribution, and exchange puts it exactly in line with our own Labour platforms. Very possibly our experiments may foreshadow yours to some extent in spite of the very great differences existing. Without a “red flag manifesto” of this kind none of our Labour Leagues are able to restrain their extreme adherents, for whose satisfaction it was originally devised. But an experience of sixteen years has taught them that the less prominence given to it outside the official platform the better. It remains on the platform but out of the programme. We have had several Labour Ministries in the States and one in the Commonwealth, but none of them has been able to attain office or hold it except by following the beaten track made by the parties preceding them whom they set out to overthrow. The whole tendency here today is to keep the “objective” for ceremonial occasions, to treat it as the expression of an aspiration, and to rely for support upon practical proposals exactly the same in type and differing only in extent from those adopted outside the Labour ranks. Whatever successes they have achieved have been by men like Mr. Price, the present Premier of South Australia, who has just sailed for London with the approval of his own party and the express congratulations of his opponents. Mr. Duncan, who leads the Opposition in the Chamber, which it is Mr. Price’s chief mission to assail, did not hesitate, while praising him for his personal qualities, to compliment him heartily upon the marked success of his administration. So far as our knowledge of South Australian politics goes the tribute appears to have been deserved. Yet until a comparatively few years ago this successful Premier was a working stonemason, still retaining the upright character and good humour that gave him his first opportunity. His most enthusiastic admirer would not call him brilliant, though his intellectual training has been soundly acquired in the hard school of life. He has the gift of speech sufficiently to carry most audiences and broad sympathies which make him popular. But it is the administration of his Government for the last two years that has evoked the special commendation of some of his bitterest opponents. How much of this is due to his colleagues, who are all what is known as “level headed”, and how much to him as leader we are unable to guess, but their

record entitles Mr. Price to claim that his Government has won the confidence of many of its old opponents. So far as his party is concerned the principal credit for this is accorded to him personally. His record shows him to have been extremely tactful in his management of the internal affairs of the State. When, for instance, he undertook with a great deal of energy and determination the reform of the local Upper House the results of his campaign were nothing like what his party wanted, or expected, but he had the good sense to moderate his demands and take what the country was ripe for. In another field his methods were justified by his shrewd handling of the arrangements for the transfer of the Adelaide horse tramways to the State. A large amount of money was at stake, yet the business capacity of the Cabinet when pitted against that of Adelaide's keenest business men was not found at fault.

### CONDUCT OF IMPORTANT NEGOTIATIONS.

His claims to statesmanship, if that term can be employed in this connection, are based upon several important negotiations with the Commonwealth and neighbouring States. The Agreement by which the Northern Territory, for many years a millstone around the neck of South Australian finance, is to be transferred to the Federation, is one with the terms of which no South Australian has any reason to quarrel. Mr. Price was perhaps "on velvet" as far as this transaction was concerned, for the national considerations which dictated the taking over of this great unpeopled area by the Deakin Government seem to have induced an exceptional liberality. Nevertheless, he had hard work to carry it through his Legislative Council with some amendments. The agreement between the States of New South Wales, Victoria, and South Australia with regard to the disposal of the waters of the Murray River is another example of diplomatic achievements. Several conferences had been held, only to emphasise the fact that neither this State nor Victoria was prepared to offer terms which could be accepted in South Australia. The matter was on the verge of litigation when Mr. Price took it in hand, and struck a bargain which has been approved by the most exacting of his local critics, and against which all that can be said is that it is so favourable to South Australia that it runs some risk of rejection by the other States. The last triumph of the Labour Premier was the settlement of a long-standing dispute with the adjoining State of Victoria in regard to a doubtful boundary line, which, having been wrongly surveyed many years ago, gave to Victoria a strip of territory to which she was not entitled. Successive Victorian Governments have insisted on treating the matter as long ago settled, and have repudiated any claim by South Australia to compensation, but Mr. Price's last act before leaving for England was to sign an agreement by which Mr. Bent, the Victorian Premier, agreed to buy out the South Australian rights for £107,000, thus arousing the violent indignation of the Melbourne newspapers. Of course, there are Labour men who are impossible and Labour Parties that will not learn to sever their visionary from their reasonable

aims. But, as a leading Adelaide newspaper puts it, Mr. Price's remarkable record is that of a man who not many years ago was regarded by his political enemies, and not without reason, as a dangerous extremist, and who remains the trusted leader of a party which, according to its official "objective", still cherishes ruthless designs on the community. Of course, he has retained power by avoiding extremes and devoting himself to practical and useful work. The reckless utterances of some of the irresponsibles behind him continue to justify the belief that they would go much farther than Mr. Price. But the consoling fact is that he cannot if he would, and they cannot do without him. Another encouraging circumstance is that the example of Mr. Price and of Mr. Watson is insensibly substituting a new standard of public life for those associated with them. Wiser counsels prevail. The Labour Party, when confronted with the responsibilities of office in South Australia, in Western Australia, or in Queensland, has been obliged to become amenable to the logic of facts and to the sobering effect of contact with reality, almost as much as their opponents, many of whom are now prepared to outbid them in order to exclude them from power. Indeed, so far it has been found wiser in some emergencies, particularly when they find a man like Mr. Price at their head, to give them the reins in order to keep the State coach on the old roads.

#### PRIVY COUNCIL AND INCOME TAX CASES.

Turning our eyes again to your shores, we find another event which has supplied a fresh illustration of Australian immobility in the wholly unperturbed fashion in which our public have received the news of the decision of the Privy Council giving the grounds of its refusal to grant leave to appeal from the High Court in the long drawn-out income tax cases. Our daily newspapers, all of them being dependent upon their circulation in one or other of the States, and therefore under State influences, have passed it over as lightly as possible. It may be that its brevity may help to account for general indifference. Nevertheless, the judgment has been sufficiently commented upon by the Press and by public men to make it clear that the Privy Council has succeeded in disappointing everybody concerned. The history of these cases is now quite a long and to all except lawyers a somewhat complicated story. But the salient facts are simple enough, and, as there are still possibilities of important constitutional issues arising out of them, they will perhaps bear stating once more. The Victorian State Court decided, to begin with, that Federal officials were liable to pay State income tax on their official salaries. The High Court, soon after its establishment, overruled this decision, and decided that the officials owed no allegiance to their States in such matters. Then a case was—if one may use a vulgarism in such a connection—"sneaked" before the Privy Council, on appeal from a State Court. The Privy Council decided that Federal officers were liable.

Still another case involving the same question was then brought before the High Court, which refused to follow the Privy Council, resolutely adhering to its previous decision. Then, for the first time, an attempt was made to appeal directly from the High Court to the Privy Council. The Commonwealth Government has contended that this is one of the class of cases, involving a question as to the respective limits of the constitutional powers of the Commonwealth and the States, in which our Constitution makes the High Court the final arbiter. The States contended that it was not such a question, and that an appeal would lie to the Privy Council. It was chiefly with a view of getting this point determined and of reversing the principle adopted by the High Court which secured the Commonwealth officers from any interference by the States, that leave was asked in the case which has just been before the Judicial Committee.

### FEDERAL LEGISLATION.

Meantime the Federal Parliament, apparently intending to remove any apparent injustice due to the exemption of its servants from their obligations as citizens, had passed an Act removing their immunity and making them liable to State taxation. This Act is held by some of our Constitutionists to be of doubtful validity; in any case, it was in a sense only “a sop to Cerberus”, and has no bearing on the question as to the class of cases in which the High Court is supreme. This was the question which everybody wished to have authoritatively answered. But the Privy Council, by a stroke of judicial humour, made its enactment their reason for refusing leave to bring the main issue before them for a second time. Acting on the principle that leave is not to be granted where the point in dispute has been settled by legislation, they cheerfully waived the whole matter away. The legislation in question here has settled only one of the points in dispute, and that not the most important. Consequently the decision of the Privy Council leaves things exactly where they were. All the expense and trouble involved in the attempt to secure a definite pronouncement on their relations to the High Court, the real bone of contention, has gone for nothing. All the legal acumen of the assembled Law Lords appears to have been devoted not to settling or even throwing light upon the really important questions submitted, but to finding reasons for not deciding them. Possibly they could not agree on anything else. But they were not particularly successful even in this modest aim. No one except the litigants is a penny the worse, but not even the litigants are any better off for their appearance before the **Lord Chancellor** and his distinguished fellow Councillors. The advocates of a further curtailment of the right of appeal from Australian Courts to the Privy Council have been provided with the strongest argument they have acquired since Federation was accomplished; and there the latest effort to get the benefit of the highest tribunal in the Empire open to Colonists rather significantly ends.



# THE COMMONWEALTH OF AUSTRALIA.

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## THE GOVERNMENT'S DEFENCE SCHEME.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Feb. 3 1908; Mar. 16 1908.

No one can complain any longer that the Defence Scheme of the Commonwealth Government is denied its full share of criticism. Our leader writers in the Sydney dailies seem to be reeling from the shock given them by the Prime Minister's speech in Melbourne a week ago. Addressing a very sympathetic audience of the Australian Natives' Association he repeated with emphasis and in doctrinal form his declaration of the principles upon which the scheme has been drafted. He did this with terse explicitness by means of a series of questions which he put to his audience and to himself, obtaining prompt answers from his hearers even before he supplied them with his own lips. So uncompromising were his declarations that the Melbourne newspapers have united with ours in a wail of desperate protest. What is "at the back of his mind?" asks our *Morning Herald*. "Without claiming a veto power for the Press" the *Daily Telegraph* asserts a right to exercise it in this instance. The Melbourne *Argus* condemns the whole project root and branch. The Melbourne *Age* sneers at parts of it. Mr. Deakin himself is singled out by both for personal censure. For all that he proceeds impenitently without noticing any attacks to which as yet he cannot quote from a single Press ally of any note in his own defence. Last week his colleague laid before the Senate a memorandum upon the proposed system of National Training in adding a number of details to those already given in his speech. Despite the rattling fire against its scheme the Government, instead of going back, is going resolutely on.

### THE SCHEME OUTLINED.

Its faith is pinned to a naval policy of harbour and coast defence by means of a local flotilla and a military policy of universal service. This latter is to be based upon five years' compulsory school drill and exercises for all able-bodied males completed in three annual camps of training before attaining their majority, and maintained until the age of twenty-six, when they pass into the Reserves. Everyone now knows exactly what the Government intends to stand by, and though all the leaders continue as silent as Mr. Reid our public is evidently making up its mind. Whatever else the

discussion may teach us it will afford an invaluable measure of the power of the Press. This has often been enormous in certain States, though of late years diminishing visibly in most. For instance, the successes of the Labour Party have been won without the assistance of the general Press (except occasionally that of the *Bulletin* when it is satisfied) and against the fierce hostility of all papers except their own. The prestige of our best-known journals in this State has sometimes been lowered by a reaction in favour of some often undesirable politician when they have sought to scarify him unduly. From the first their authority in Federal affairs has been bounded by the limited range of the circulation even of our leading dailies, though when they happen to be united their influence would seem irresistible. In the present instance it is united, the papers ordinarily upholding the Ministry standing aloof or complaining of their attitude. Apparently it is a pitched battle between the Cabinet and the Press upon which we are entering. Under the circumstances Mr. Reid's doubts of the scheme of defence are certain to disappear, and also those of the Opposition members, who so far seem to have been afflicted as much as its leader with a fit of reticence. This means, therefore, a pitched battle in Parliament at the outset, and probably at the hustings afterwards. Two years must elapse before an election will be due in ordinary course for both Chambers. Any earlier dissolution of the House of Representatives would apply to it alone, and as the half of the Senate due to retire early in 1910 must go to the country at that time and no other the country would be put to double cost. Assuming that the Tariff is passed this year there will still remain the complementary measure introducing the "New Protection", to be dealt with before the fiscal issue can be considered settled even for the time being. The financial readjustment to be made between the Commonwealth and the States after 1910 requires to be elaborated, a task of exceptional difficulty and detail which ought to be disposed of, at all events tentatively, before a joint appeal is made to the country. When Defence proposals of the momentous character of those just launched have also to be dealt with at the same time the Press will have every opportunity of making its weight felt against them. If it continues unanimous what Government can hope to resist the gathered clans whatever else its programme may contain?

## FEDERALISM AND PARTICULARISM.

In any such contest the Labour vote will become more important than ever, because it is less susceptible to Press opinion than any other. Whether even it can be kept solid if the contest becomes one in which the States as such appeal to the people as their selectors against the Commonwealth, of which they are also the electors, is under these circumstances a matter of great interest. It is becoming clear that there are State Labour leaders whose aim is to resist the strong federalising movement already visible in the party. Already also there are public men outside its ranks quite prepared

to make up for any such defections. We have had a good many complaints since Federation of the continued maintenance of the States' Parliaments and Governments at their pre-Federation strength. No after-dinner speaker anxious to raise a cheer has ever failed of his purpose if he referred in tones of indignation to the fact that there are fourteen Houses of Parliament with six hundred members, all of whom consider themselves indispensable to Australia. It is not often, however, that a Federal Minister helps to swell this chorus. But the other day Mr. **Chapman**, our Minister for Trade and Customs, while his Prime Minister in Melbourne was earnestly appealing for harmony in the working of our three sets of Governmental agencies, national, State, and municipal, plainly was assuring an audience in this city that Federation should shape gradually towards one Parliament and one Governor. Our own State Legislature, he added, had made what he was pleased to consider a good step in this direction by extending local government to country shires where the election of some three thousand municipal representatives has just been proceeding. What the Prime Minister deprecated was evidently the prejudices of a band of State politicians whose interest it is to part with no authority they are able to retain, whether it ought or ought not to be exercised federally. Mr. Chapman was probably propounding his theory by way of warning to local Ministers in general and Mr. **Wade** in particular. No doubt the local Legislatures may soon, and probably must, ultimately be considerably reduced in power, and the present excessive expenditure on our unduly duplicated Governmental machinery curtailed. But the magnificent distances of Australia, its wide variations in production, in climate, and in physical characteristics, forbid the idea of submitting the whole of its diverse interests to the Government of any single Parliament. The Federal system alone can cope with its multifarious needs.

## LABOUR OPPOSITION TO FEDERALISM.

So much has always been manifest, though of late the grouping of political forces has been changing greatly. That the hope of the Unificationists today should have become centred in the Labour Party is one of the most citable transformations. That party began with grave suspicions of Federation. Many of its leaders were among the stoutest opponents of the Constitution. Their real apprehension was for the influence of their organisation. They suspected the system of equal representation of the Senate, where, as a fact, its operations have been most successful. Thanks to the fact that in our three-party strife the balance of power in both Houses fell to them, a strong tendency to favour every effort towards an extension of the Federal authority has become conspicuous all over the Continent. But recent happenings in our own State have shown that there is a reaction to be reckoned with. The annual local Conference which settles the policy of our Labour Party is now in session here and the rift in its ranks has discovered itself in several ways. A proposal for the complete transfer of

industrial legislation from the States to the Commonwealth was warmly debated. In view of the exclusive power of the Commonwealth over trade and commerce, this is perhaps one of the most reasonable of the proposals for an extension of Federal power. But it was fought by Mr. **Holman**, one of the ablest and most influential of our State Labour members, and by other members of the Conference who are, or hope to be, State members with unremitting energy. Finally, the only compromise possible was one of procedure. Any decision was postponed until the next Conference. This incident, unimportant in itself, suggests the possibility of a serious clash of interests in the Labour Leagues. Their Federal Labour members are irrevocably committed to an effort to extend the national power over industrial conditions, and it is quite certain that they will fight hard for its extension in other directions. If the attitude of the present Conference represents the permanent attitude of the section which still clings to State action in spite of the temptations afforded by Commonwealth control, there are certain to be angry conflicts of the same character in the other conferences and throughout the party as a whole.

#### WESTERN AUSTRALIA LAND TAX BILL.

The **Agent-General for Western Australia** has questioned by implication the statement in my letter of November 4, 1907, that Mr. **Moore** had just been defeated a second time upon his Land Tax Bill. He was in fact beaten on October 31 upon an adjournment motion. This in South Australia has frequently implied the resignation of the defeated Government, and in our Parliaments would be treated as a serious event. Relying upon the telegraphed fact commented accordingly, my inference proved erroneous. In Western Australia the incident attracted no attention. The Bill went into Committee. Mr. Moore's Government were again defeated on a motion to report progress on November 21, but nothing followed. Evidently the Western practice in such matters differs widely from our own.

# THE COMMONWEALTH OF AUSTRALIA.

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## SITUATION IN QUEENSLAND.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Feb. 10 1908; Mar. 21 1908.

As foreshadowed in my letter appearing on January 8, the situation in Queensland has proved profoundly unsatisfactory. It is also full of significance to all the States of the Commonwealth. An unnecessary and untimely General Election, brought about in an unconstitutional, or at least an unprecedented, manner, has merely repeated with emphasis the verdict of the country given only a few months before, upon which reliance should have been placed. The cost has been sheer waste. Nothing has been gained by this fresh appeal. On the contrary, a great deal has been lost. Some reputations have been wrecked and some weeks of Parliamentary work sacrificed. Worse than all, an inflamed condition of feeling has been provoked in the State which will not soon pass away. Consequently, the outlook is much more unpromising than it was before Lord **Chelmsford** took his fatal plunge. The Governor appears to have been chafed at the conditions of his office and to have attempted to take a more active part than his knowledge of the country fitted him for. The pity is that he should have discounted his possibilities of future usefulness so light-heartedly. The normal course of local politics has been sadly interfered with in consequence. What is more, the prestige of the office of State Governor has been a little more impaired throughout the Commonwealth, and a critical temper in this regard is already becoming manifest. There are already Australian Viceregal Deputies holding dormant commissions, and it is freely pointed out how impossible it would be for any of our leading citizens who occupy these posts to have made the blunder just witnessed in Queensland. In Sydney very little is known of Lord Chelmsford, but whatever is known is to his credit. No one doubts his good intentions, and everyone feels for him in his painful position. Why he should have chosen to sally forth at this juncture is not understood, but any Governor who deserts the safe paths of constitutional procedure knows the risk he runs. In this case the sum total of his exploit is the creation of a precedent which all his fellow Governors have promptly recorded as one not to be followed under any temptation.

## MR. PHILP'S DEFEAT.

But there are other public interests gravely affected besides his or those of the immediate present. One result of the election is to postpone, perhaps indefinitely, a redistribution of the membership of the three existing parties which would permit a return to healthier conditions in Parliament. A Governor who could have done much to enable political antagonisms to be resolved and better defined channels of responsibility to be followed has forfeited his opportunity. A Premier—one of the best-liked men in the State—has by fathering the blunder terminated his own effective career in public affairs. His leadership, always amiable to excess and biased by attachment to a coterie, has finally landed his friends in a cul-de-sac. The best-educated and most substantial elements of the community have been fruitlessly severed from the main body of their fellow citizens accustomed to look to them, while they have expended their whole strength in a vain contest that leaves them weaker than they were. Never were campaign funds more liberally supplied or lavishly expended, particularly upon the Brisbane Press. Yet though all of them put forth their utmost strength in the struggle, they did not even enable Mr. Philp to hold his own in the metropolis and district where almost their whole circulation lies. Their weakness is one indication of the weakness of the case for Mr. Philp. But for the extravagant efforts made by his sympathisers, his following would have been annihilated. As it is, it is greatly reduced. To get a majority he must have captured either half of Mr. Kidston's seats or half of Mr. Bowman's constituencies. Instead of this feat being accomplished he lost to both, and returns with little more than a third of the Assembly behind him. The one conclusion to which the Philpites cannot fail to arrive at is that until they have new chiefs, new editors, and a new platform they can hardly hope to regain the dominating authority they were able to exercise while men like Sir Thomas McIlwraith and Sir S. Griffith were the custodians of their political fortunes.

## THE VICTORIOUS PARTIES.

The two parties victorious at the polls have themselves few grounds for gratification. Beyond the ejection of an improvised makeshift Cabinet, which clung desperately to office while submitting to the electors the longest list of promises ever seen in Queensland, they have achieved little. They will get some nominees of their colour into the Legislative Council, as they ought to have had them more than three months ago when Mr. Philp flattered a susceptible Governor into staking both their futures on an almost impossible hazard. The victors will get the measures from the

new Legislature which they were entitled to obtain from that lately dissolved by virtue of the verdict of the preceding General Election a few months ago. Beyond this they will get nothing. To have overthrown Mr. Philp, shattered his legions, and discredited his soothsayers in the Press are something imposing from a spectacular point of view. But they have made no substantial progress towards the restoration of the two-party regime in Parliament, without which the work of the two Chambers must always continue to be exasperatingly embarrassed. It must be admitted that Mr. Philp has never been backward in his overtures to Mr. Kidston, nor has the latter seemed beyond persuasion. Upon what questions they found themselves divided we have no accurate information. Of the two men Mr. Kidston is undoubtedly the stronger leader. If he had seen a safe compromise possible he could have accepted it confidently, even if it cost him some of his supporters. Mr. Philp, on the other hand, probably shrank from separating himself from old associates, and surrendered his better judgment to them. It is quite likely that this is the explanation of their failure to unite. None of Mr. Philp's colleagues could help him in such a crisis. In all probability it was their incapacity that fettered him both before and after the General Election last year, when a coalition was within reach. A Kidston-Philp Ministry with a moderate platform could have rallied a support strong enough to rule the State for a long period. Personal animosities, kindled by the friction of political warfare, have, of course, played a large, if not the largest, part in preventing an effective combination. To these it is not worthwhile to allude. The recent dissolution, mischievous in every aspect, has envenomed beyond hope of healing those who might have been comrades if allowed time to coalesce.

#### ATTITUDE OF THE LABOUR PARTY.

As explained in previous letters, the Queensland Labour Party has always played a conspicuous role in the Australian movement, attracting more attention until recently than even our Leagues in New South Wales. Originally the most extreme in its demands for "Socialism in our time", it has drifted from that famous "objective" almost far enough to reach breaking point. Indeed, Mr. Kidston has headed a secession of its most experienced Parliamentarians, which survived a General Election in 1907, fighting for its own hand and against its old comrades of the Caucus, some deserters, and Mr. Philp's forces. In spite of the angry complications during the last six months the Kidston Ministry lived and led the popular Chamber successfully, though not with its own strength only. It was compelled to accept the jealous, grudging, and wayward aid of the old Labour Party under Mr. Bowman. Some day soon there must have been a breach with his "ultras" which would probably have isolated the Queensland Caucus, as it has isolated its fellow Caucuses in this State, in Victoria, and in Western Australia under similar circumstances. The weakness

of our Labour organisations is that they all tend to be led by their aggressive extremists, dragging after them out of loyalty to the movement greater numbers who favour more practical politics. Lord Chelmsford's blow cut right across the natural development of the situation, forcing Mr. Kidston to lend a hand to Mr. Bowman and to his own ruthless enemies behind the Labour leader in order to resent Mr. Philp's unconstitutional dissolution. Now the work has to be begun over again of gradually bringing together the practical-minded citizens who have just been taught that they cannot obtain a majority in the country without Mr. Kidston and those already behind him, who realise that little is to be expected from Mr. Bowman under existing conditions. But now, of course, the Kidstonians have been hardened in their hearts against the men who have been opposing them at the polls, and though there is no love lost between them and the Labour League's representatives they have a certain amount of legislation to pass to which they are both pledged. The Kidstonians and Bowmanites must find a *modus vivendi* until that is accomplished. One risk to be feared is that the Governor, having received such a severe lesson, may lose his nerve sufficiently to place himself wholly at the disposal of his new adviser. Mr. Kidston is entitled, both as the late Premier and leader of the larger of the two Opposition parties, to resume the reins of government. He may venture to ask for a larger number of appointments to the Legislative Council than he did three months since. He may seek to "swamp" that body. Can, or will, Lord Chelmsford resist him? Unless he does he will have masters instead of Ministers.



# THE COMMONWEALTH OF AUSTRALIA.

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## SCHEME OF DEFENCE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Feb. 17 1908; Mar. 30 1908.

The Federal Government scheme of defence was propounded upon such a scale that it took the critics' breath away for a noticeable period. Now that they have recovered themselves in all the States it has become a target, though with the special experience, even for a target, of being fired at from both front and rear, and, indeed, from every quarter. While the Press cannot be described as wavering, since the prominent dailies are even more embittered than they were, one very notable exception has been found in the *Town and Country Journal*—a very popular weekly throughout this State—which has become a convert to Mr. Deakin's views on land defence. The *West Australian*, one of the first sympathisers, the *Adelaide Advertiser*, and the *Brisbane Courier* may be reckoned as friendly in that regard, though the Sydney and Melbourne morning papers continue adverse. The *Herald*, however, has yielded sufficiently to publish a brilliant defence of universal service from Mr. E. M. Grigg, an English visitor, which has been much noticed. After an exhaustive study of all the omens Mr. Reid had descended in leisurely fashion from his seat upon the political fence, giving Mr. Grigg an opening for a wittily tart rejoinder. Like the astute opportunist he has always been and the leader of the Opposition he still intends to remain, Mr. Reid of course agrees entirely with our *Herald* and *Daily Telegraph* on every point. Like them, he denounces compulsory training, and ridicules its application to youths who are on the threshold of manhood suffrage. But since he is prepared to make drill compulsory upon schoolboys his jibe appears to tell as much against himself. He pins his faith to the Volunteer principle, a Militia of 30,000 men on a peace footing, with a war footing requiring 50,000. Our naval contribution is to be in money, or men serving in the Royal Navy at our expense. There are to be no local vessels or trained seamen except in the squadron. The Imperial Defence Committee's forecast is his gospel. We are to provide against hasty raids or a possible landing of a thousand men and rest content. But it is conjectured that the real source of his opinions is to be found much nearer to his constituency and the electors than in the dicta of any Committee across the seas. With his Press supporters he also realises that the verdict of Parliament will be that of the Labour members, whose numbers cast into the scale against the Government could make its rejection assured.

Every attempt is being made to detach them from Mr. Deakin, a feat that ought not to be difficult at any time, and comparatively easy now, since on this issue their platform leaves each of them free to follow his own convictions. A dissolution or a referendum are already being anticipated by those who assume that in this question the Prime Minister is unlikely to turn back.

## FEDERAL V. STATE OUTLOOK.

Other factors may also come into play. The Federal system of government requires the retention of our old State Legislatures, though a new Parliament supreme over their most important business has been endowed at their expense. But when we refer to Federal and State affairs as if these were distinguishable in the same way as the Legislatures are, the words become quite misleading. There are practically no Federal affairs that do not affect the States. There are practically no State affairs that do not affect the Commonwealth. All public events flow in one stream, and are only labelled national or local according to the representative bodies that are coping with them at the moment. Every adult enjoys two citizenships. He pays taxes to both his Governments and obeys both their commands. Our politics as a whole are and always must be national in fact, though they are conducted in two separate domains. For instance, the principal occurrences in New South Wales today are associated with the curious outbreak of industrial disputes from which we are suffering at present, while our neighbours are by comparison at peace in this respect. In Queensland the Philp Ministry has been contumaciously ejected from office, a change that will exercise a definite influence upon the Labour Party in other States and in the Commonwealth. When therefore we weigh the chances of the defence proposals of the Prime Minister, we require to recollect that though these are far beyond the reach of the State Legislatures, yet if they are carried into effect the surplus now being returned to the States will be reduced by several hundred thousand pounds. Besides this vital deduction their educational systems must become radically affected by a development of the Cadet movement. In each instance, therefore, these and other incidents cannot be severed, according to the Legislature that deals with them. The electors of the Commonwealth may be somewhat differently divided into parties in the States, because female suffrage obtains in but four of the six, or because of their subdivision in the smaller constituencies of the local Legislature. Yet any contrasts at the ballot-box can only be superficial. The Federation legalised in 1900 promotes in many ways outside the charter of the new Constitution a wider unity of Australian sentiment and action than most of its founders foresaw, or at all events predicted. Hence it is becoming an anxious question for State Ministries how far this process is likely to extend. Our Premier has endeavoured to supply an answer on his own behalf that is being read with general interest outside as well as inside the boundaries of New South Wales.

## THEIR POWERS DEFINED.

The pity is that Mr. Wade, though he faced his problem with a portentous demeanour, commenced by a contention which in the mouth of a Premier who is also an Attorney-General sounded very strangely. He asserted that the Commonwealth and the States had their powers defined by the law, and as Sir William Lyne promptly pointed out no one disputes it. Besides, the High Court existed to keep both of them to their proper functions. Mr. Wade concentrated his attention upon two illustrations of encroachments upon the States, one due to the expiration of the Braddon clause, with which the Courts have nothing to do, and the other the proposed establishment of a Federal Bureau of Agriculture, to which the Constitution imposes no obstacle. The Premier approves the latter proposition providing the Bureau does not overlap the State Departments, yet he concluded his comments upon it with the desperate but inconsequential inquiry whether his hearers thought his Government "was going to sit idly by and see the fruits of their good work filched from them". How this can happen even if there were the duplication of departments feared he did not explain. His alarm aroused by Mr. Chapman's recent assertion that Australia has too many expensive Governments and Legislatures was very amiably and tactfully met by Sir William Lyne's assurance that the Federal Government has neither made nor contemplated any legislation against the States with the object of accomplishing economies in their political household. If our Premier could have brought himself to the point of quoting the action of a Labour caucus with approbation he might have found comfort in the fact that the Queensland Conference, like that just held in this city, has decided to refuse its endorsement to an extension of Federal powers. Safeguarded as to the law by the High Court, and supported in his policy of resistance to Commonwealth expansion by the Labour Party, Mr. Wade might well have possessed his soul in peace. His feeble attempt to copy the anti-Federal sallies of his late chief, Mr. Carruthers, has fallen very flat, though apparently they are still supposed to possess some electoral value, or they would not be kept in evidence. Mr. Wade did not mention defence, but it was evident that his mind is generally oppressed, not by the danger of illegal Federal interference with the States, but by the obvious consequences of the legitimate exercise of the legal powers specially conferred upon the Commonwealth. As that huge vessel passes his smaller craft it takes the financial wind out of his sails and gives him the wash of its onward course. He is tossed about most uncomfortably as it goes sweeping by. What he forgets is that our two Governments cannot keep their several ways without reciprocal influence, that they cannot escape from each other do what they will, and that whenever they come close together, though the greater may be hampered in its steering, it is not nearly so much affected as it affects the half-dozen consorts who are tossed together in its wake.

## FINANCIAL TIES.

Mr. Reid, of course, had this in mind when he invited our Chamber of Commerce to calculate the great items of fresh expenditure that the Federal Treasurer must provide for in a very short time. The taking over of the Northern Territory, establishing Old Age Pensions, paying the States for transferred properties, acquiring the territory for and erecting the Federal capital will of necessity absorb the huge sums which hitherto have been passing year by year into the coffers of the States as the unexpended balances of the Commonwealth. Then there is the possibility that the three-fourths of the Customs receipts which they at present receive regularly under the Constitution may not continue to be secured to them after 1910. The financial ties between our national and local Administrations, embarrassing to both, cannot be got rid of for a long time to come. Just now Mr. Wade is publicly lamenting the entrance of South Australia into the Sydney market as a borrower at  $3\frac{3}{4}$  per cent. while for a long time past our Governments have been plentifully supplied at  $3\frac{1}{2}$  per cent. He pleads a resolution arrived at by a Premiers' Conference, which Mr. Price does not consider to apply to local loans. As a consequence our Premier will be obliged to reconsider his financial arrangements. In this instance we find the action of one State diverting the policy of another. That must always be the case for the future, as it always was before federation. But the inter-play between State and State is overshadowed by that arising out of the towering influence of the Commonwealth. Some Australian Bryce may appear who will inquire why the movement towards national unity now conspicuous in the United States has been so very much later in developing among the Australian people. Of course the marked differences between our written Constitutions, in spite of their general agreement in form, supplies the answer. Though we are far from the Canadian model in our recognition of State independence of the Federal power, we are very close to it and to the Mother Country in our legislative methods and in the relation of Ministers to Parliament. We are younger and in different surroundings. Canada has solved for the time being the problem of Federal and State finance which we are still debating, though we must settle it somehow within the next two years. We must also contrive to settle our Defence Scheme in the same period.

# THE COMMONWEALTH OF AUSTRALIA.

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## TWO STATE ELECTIONS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Feb. 24 1908; Apr. 4 1908.

This week we have two great State elections on which to reflect. Without much exaggeration they may be described as having given diametrically opposite results. Last week the principal reflection suggested by current incidents demonstrated the real unity of all Australian public affairs. Their division into Federal and State affairs was evidently artificial except in order to distinguish our two sets of Legislatures. Both of these are created and controlled by practically the same electors. Nothing that occurs in the one is without at least a reflex action upon the other. Elections are, of course, the surest tests of political movements in general, besides affording final determinations upon particular issues. What, then, are we to conclude when we find the results of the Queensland and South Australian ballots in direct contradiction to each other? No two States at the present moment exhibit a closer likeness. After the unconstitutional interregnum presided over by Mr. Philp, we see Mr. Kidston returning to office. Although he is no longer reckoned a member of the local Labour Party, he came into office originally as one of its representatives in a Coalition Government, remained in office as Premier of the State only by its help, and now resumes the same post with the same support. Reckoning him and his immediate followers among the Radicals, it is to be noted that he has slightly the largest of the three parties in the Queensland Assembly. The regular Labour irreconcilables come next. These two taken together are more than double Mr. Philp's dejected remnant. The verdict of Queensland is therefore either for the Labour Party or for that portion of its programme to which the Kidston Ministry adheres. Despite the desperate efforts of the Philpites, with the Governor behind them, largely on his account they have been beaten badly in town and country in spite of the fact that they included many of the best citizens. How, then, can we explain why in South Australia, one might say at the same moment, a candidate representing the party whose platform is almost exactly that of Mr. Philp has defeated a combination between the Labour and Radical voters very like that existing in Queensland by a sweeping majority, remarkable for its numbers over anything in the recent history of that State?

## SOUTH AUSTRALIAN SURPRISES.

In South Australia Mr. Price is the Labour Leader of a Coalition Government in which the Radicals are equally represented. That was in fact, and still is in effect, precisely Mr. Kidston's position. It is only a short time since Mr. Price came triumphantly out of the ordeal of a General Election. Mr. Butler, the Leader of the Opposition, appeared to have then, and appears today to enjoy, very little better prospects than those of Mr. Philp. Yet it is an old colleague of his, never a very prominent public man and possessed of no particular platform ability, who has just won the vacant seat for the Commonwealth Senate against one of Mr. Price's comrades, Mr. O'Loghlin. Probably better known but in no way superior to Mr. Vardon, he was chosen by the South Australian Legislature when that gentleman's election was declared legally void last year in consequence of official blundering by the electoral officers. Sympathy with him may account in part for his astonishing success today, but not for a large part so far as one can judge. His opponent enjoyed a great deal of popular favour, partly from his amiability and largely because of his consistently moderate views. Probably the best man in the Labour ranks would have polled little, if any, more heavily among them. Besides he had the direct support of the *Adelaide Advertiser*, a Liberal newspaper of very wide influence, the chief upholder of Radical principles in the Central State, which sways a large number of those on the rolls who are quite independent of the Caucus. With just the same union of forces that recently carried the South Australian constituencies for Mr. Price, in that very State Mr. O'Loghlin finds himself left hopelessly in the rear. This in itself would be an amazing mishap, but the actual figures are more inexplicable than his rejection. Though unsuccessful, he succeeded in bringing to the polls more suffrages than were scored by the highest of the three triumphant Senators who took their seats this time last year. To have accomplished this at a bye-election without having the assistance of all the candidates for both Houses who in 1907 were interested in bringing up voters for their own sakes seemed to make his Senatorship a certainty. But Mr. Vardon himself, though he took his seat last February at a General Election with fewer than 32,000 votes, now finds himself accorded over 47,000 votes in a single-handed fight. An increase of nearly 50 per cent. in his total at an election when a decrease in the poll was confidently anticipated by both sides is surprising. But to achieve it without beat of drum, without any special interest being displayed in his behalf, and without any of the experts then forecasting or now explaining the sudden uprising on his behalf is more than surprising. It is bewildering, not only to observers at a distance, but to critics on the spot.

## THE TARIFF QUESTION.

Nothing has happened in Federal affairs to account for it. The battle was fought upon the same platform as last year. This poll is the only evidence before us of any awakening of the South Australian electors. Their definite decision is against a good Labour candidate at a good time for his canvassers. Mr. O'Loghlin, being a staunch Protectionist, had such help as Sir **William Lyne** could give him when he recently appealed to the citizens of Adelaide to return a stalwart supporter of his tariff proposals. Senator Vardon is a moderate Protectionist inclined to reduce Sir William Lyne's higher increases. Yet there is no change in South Australian opinion upon this question indicated in any other direction. Nor can any measure or event be pointed to as the cause of the great majority which at a time of peace has suddenly emerged for the purpose of sending Mr. Vardon back to the Senate from which he was removed by a judicial decision. There were palpable reasons why the Opposition should exert their best energies to secure the seat for him. He will make the eighteenth Senator sitting outside the Labour ranks and the scanty Ministerial following in that Chamber. The **President**, one of their number, takes part in all divisions, and consequently whenever the Opposition puts forth its full strength it can reject or amend the tariff or any other proposals of the Government. Already our Sydney dailies are rejoicing on the improved prospects of their adherents, who day by day and night by night conduct a series of angry assaults upon the schedule of duties passed by the House of Representatives. Up till now the inexhaustible patience and knowledge of detail exhibited by Senator **R. Wallace Best**, who leads the House for the Ministry, have confined their destructive powers within a comparatively narrow area. Inspired by the inexplicable capture of the South Australian seat they will now proceed with renewed virility. Indeed, if they can be assured that the result of a fresh appeal to this State would produce a similar response it might even become their cue to force the House of Representatives to the country before its time, a trial to which they can be exposed only under very special conditions defined in the Constitution. At any rate they have every right to assume either that their organisation in Mr. Vardon's State has immensely improved or that in some manner or other the Labour cause has suddenly alarmed thousands of electors there who had no apprehension of its progress twelve months ago. Mr. Butler and his friends will rejoice to see their flag planted higher than ever before by a Senatorial vote, for if the impetus given proves to be continuous, they too may reasonably look forward to their reward. Anything seems possible at present. So large a proportion of our electors stay at home on polling day that there is always a margin on the rolls in reserve big enough to completely reverse the ordinary majorities by

which our political fortunes are decided every three years. The question that party managers are now asking is whether even in South Australia such a marvellous vote could be repeated even at a General Election. No one seems able to reply. No one knows whether the last poll is a freak or the sign of a revolution in the State.

## POSITION OF LABOUR PARTIES.

Australian opinion may differ from South Australian, as witness the Queensland election. "The Czar", said Mr. Kidston, referring to Lord Chelmsford, "has dissolved the Duma". Now the "Czar" has got his Duma back again, smarting under a sense of injustice and more resolute than ever to force him to obey its will. There is no other change in the situation. Mr. Kidston has taken all his old colleagues back again. Lord Chelmsford will have the pleasure of seeing every one of them around his Council table. On the other hand, Mr. Philp has parted with some of his colleagues, and evidently wishes to take an early opportunity of joining them in private life. The third party—that of Labour—has just held its Conference in Brisbane, where the resolutions passed show that the extremists, temporarily intoxicated by their recent victory, have seized the helm. But in Federal politics their more astute leaders are studying the meaning of Mr. Vardon's majority of upwards of 7,000 votes over their own candidate, when his total was better than their expectations. What Australian opinion is as a whole is just as difficult a question for them at present as for any other party. Queensland results whip them on, while the South Australian warn them back. Which are they to trust? The Federal and the Victorian Caucus agree that there is little hope for the Labour Party in State politics. Here in New South Wales its local Conference was divided, and Queensland, too, being sanguine, at present hangs back. South Australia's Caucus will reconsider its attitude to the Commonwealth if the Senate defeat they have just sustained is accepted as an indication of what is to be expected if they rely upon that Chamber to safeguard their interests federally. All these local totals have to be added together to compose the dominant Australian opinion, which, using either State or Federal Legislatures as opportunity offers, aims at controlling both. The outstanding fact is that there is no prospect of a Labour majority in either Federal House. No such majority exists in any State House. They have partial control of several Legislatures by association with other parties, but there is nothing anywhere to encourage them with the prospect of an early majority of their own. Mr. Vardon's victory in South Australia says very much to the contrary.



## THE LATE MR. SYME.

The death of Mr. *David Syme*, of Melbourne, may make a serious change even in the Commonwealth owing to the changes it promises in the political atmosphere of Victoria. At the moment the daily newspapers of its Capital, where the *Age* circulates so largely, appear to have lost the hold they once enjoyed upon the electorates. A similar transformation is visible here and in Brisbane. But the absence of Mr. Syme's dominating personality must make an immense difference to his papers and the party allied with them. The Brisbane *Daily Mail* has become transformed into a Kidstonian organ, and if it can survive the transformation will endeavour to become the *Age* of Queensland. But the extraordinary influence of the Melbourne *Age* was wholly the work of one man, and now that man has departed. Sydney critics can form no conception of the new developments that may ensue in the sister State as consequences of Mr. Syme's decease.

# THE COMMONWEALTH OF AUSTRALIA.

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## INVITATION TO UNITED STATES FLEET.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Mar. 2 1908; Apr. 14 1908.

The Federal Government has made a hit—one of those rare hits applauded both by opponents and supporters, and receiving, too, the unanimous endorsement of the public. The sailing of the United States “Armada” has been watched with deep interest ever since its cruise was announced. Should its battleships visit our shores their reception will be enthusiastic to the pitch that Cousin Jonathan himself loves to reach. The secrecy with which the invitation was determined upon and despatched through the Colonial Office, accompanied by appeals to the personal influence of the American Ambassador in London and the Consul-General of the States in the Commonwealth, is an evidence of the sincerity of our Cabinet in submitting the proposal. There are political invitations made for political reasons that have served their turn when they have been announced. In this case what is aimed at is the actual presence of the United States vessels in our principal ports. The invitation, though hospitable, was given in deadly earnest and is being warmly pressed on other grounds that are not mentioned. For Australia the entrance of a fleet under the Stars and Stripes into the Pacific is an incident of the utmost significance. Whatever the immediate cause of its going there may be the act is popularly associated with the racial disputes which recently became acute in the West of the Dominion and of the great Anglo-Saxon Republic. Nowhere in the Empire, and perhaps nowhere outside the Southern States of the Union, is the import of the colour question more keenly realised than in the Commonwealth. The ties of kinship are potent, too, and when these happen to be invoked in connection with a visit of the imposing American fleet to an ocean in which the Union Jack has foregone its old supremacy the significance of the invitation given by our Government assumes its true proportions.

## MOTIVES BEHIND THE INVITATION.

The Prime Minister has also probably had in mind the reflex action of such a great naval demonstration upon his defence scheme. Expounding this to a large and friendly meeting in Melbourne a few days since he made it clear that to his mind the gravity of the international situation has been intensified by the failure of the

Conference at The Hague to secure any limitation of armaments. Before expatiating further upon his proposals for a local flotilla capable of acting with the Imperial squadron upon our coasts, he intends to wait for the reply of the Admiralty to his overtures. He also took occasion to emphasise the fact that all his projects are formulated upon the assumption that the control of the high seas will remain with the Royal Navy. Assurances that the control would be maintained under any circumstances were offered by Sir **Henry Campbell-Bannerman** at the Colonial Conference last year. The **Minister for Defence**, who was present at the same meeting, showed by his arguments how deeply he and his chief are convinced that in addition to local floating defences nothing less than universal military service will enable us to face our responsibilities for holding our "island-continent". It is upon this part of the proposals that our daily newspapers continue to concentrate the whole of their fire. Upon this the fate of the whole scheme and perhaps of the Ministry will be staked in Parliament. In response to challenges and at the invitation of our Defence League, much the most influential and numerous body of the kind in Australia, Mr. Deakin is coming to Sydney to address a public meeting within the next fortnight. We shall then hear what personal accent he places upon the several branches of his scheme. Meanwhile his invitation to **President Roosevelt** to spare his fleet to us is already directing public attention into channels which must promote a sounder conception of our national obligations. Whatever sympathy we may expect from our American relations, we cannot look to their fleet to safeguard our shores for us. We must do that for ourselves. Even the British squadrons cannot always provide against the possible raids which may arrive from any part of the compass to any nook on our 8,000 miles of coast. Still, if we are favoured with a call by United States men-of-war their mere appearance will provoke a closer consideration of some of the many problems of national defence.

### LABOUR IN NEW SOUTH WALES.

Meanwhile the pulse of Australian opinion in New South Wales remains at least as difficult to measure as it did in South Australia or Queensland, whose contradictory versions I examined in some detail last week. Mr. **Reid** has been mocking over Labour Leagues because their Conference discloses some desire to draw back from, rather than to push on beyond, their published platform wherever it vaguely outlines Socialism. He is quite right in declaring these symptoms indicative of a distrust of the acceptance by the electorates of extreme opinions. The Caucus has no chance of capturing our State Assembly or of installing their leader, Mr. **McGowen**, in the Premier's chair, though it is so occupied in two States, one by a Labour leader and the other by an ex-Labour leader still in forced alliance with his old party. Mr. **Wade** need fear no rival near his throne, especially since he has obviously profited by

Mr. Carruthers's shrewd tactics for diverting attention from his own shortcomings to those of the Commonwealth Government. From the choice of the capital site down to the printing of postage stamps nothing is either too large or too small as a grievance against them. We have some reason to complain of the manner in which the selection of an area for the housing of the national Parliament has been delayed, though it must be admitted that there is much truth in the Prime Minister's retort that it is the dissensions among our own Federal members that are largely to blame for this. On the whole, perhaps, a majority of our people may be fairly described in a loose way as anti-Labour and anti-Federal in the sense that they would prefer not to increase the power or scope of either the Caucus or the Commonwealth. Beyond this it is not safe to make assertions. The almost continuous industrial unrest in this State makes for the Labour Party so far as it enlists in their ranks or stimulates the employees affected; but it makes against them whenever it exasperates the public by inconveniences which they believe to be imposed upon them without reason, or if with reason without consideration. Mr. Wade talked boldly at Newcastle of dealing with our outbreak of trade disputes, but in such general terms that the means he intends to advise can only be dimly inferred. The prestige he gained during our brief coal strike is dissipating as the inability of the Industrial Court he appointed to restore order becomes manifest. He has another chance to retrieve his failure in the short session he intends to hold next month. Politically at present New South Wales appears impervious to Labour appeals, and would certainly have returned Mr. Vardon if the Senate vacancy had been here instead of in South Australia.

## LOCAL GOVERNMENT.

Looking two or three weeks back, to the first election held under the new local government system introduced by Mr. Carruthers last year, the results of the voting afford us little better material for assessing local tendencies. At the time of the passing of the Act reference was made in this column to the persistent indifference of our people to the possibilities of municipal government. Only a small proportion of the State came within the scope of local authorities at all. By far the larger part was provided with even its most trivial requirements by the central Government. As might have been expected, the results were as bad, since under such a centralisation our State Assembly came to consist largely of men whose claim to membership lay in the assiduity with which they pestered the executive departments for favours for their constituents. Prior to federation there were plenty of promises made of a large reduction in the size and cost of our State Governments, which were postponed after the union had been achieved upon the specious pretext that members for outlying districts had already quite as much as they could do in looking after the wants of their existing constituencies. Mr. Carruthers's Act changed all that. It relieved our

Assembly of this excuse by incorporating for municipal purposes practically the whole of the inhabited areas of the State. In order to secure the passing of his Bill the new municipal authorities, as well as those already in existence, were furnished with a wide range of powers based upon the most modern conception of municipal functions.

### RECENT MUNICIPAL ELECTIONS.

The election recently held was the first under this Act, and the Labour Party, being suspected of an intention to capture a majority of the seats, Mr. Wade (always prone to see a Socialistic bogey behind every bush) thought the danger serious enough to justify him in publishing an appeal to the electors. He begged them to reject those candidates who showed any signs of an intention to use the extended powers which his own Government had conferred upon the municipalities. This meant, of course, an extension of the "anti-Socialism" agitation of the last Parliamentary election into the municipal field. To say that our electors generally think more about things than they do about names would perhaps illustrate their attitude most fairly. In this particular case, as at the last Federal elections, they do not appear to have been susceptible to fright. Mr. Wade's attempt to raise a "scare" bore little fruit. The abstract question posed by him never became a real issue. In one or two country municipalities seats on the Council were captured by declared representatives of the Labour Party, and the results of the polling in the metropolitan district are claimed by the disciples of unimproved land value taxation as a partial victory for their principles. Apart from special cases of this kind, the electors appear to have gone on the principle that municipal government is more a business concern than a matter of party politics. They have returned in most cases men who have proved or given promise of the capacity to manage municipal affairs in a practical way without much regard to the political labels attached to them either by themselves or their opponents. Of course, the new bodies have yet to be put to the proof. As tests of the opinion of the people upon current programmes these elections add nothing to our knowledge of public opinion not previously indicated by the relative strength of parties on our local Legislature.

# THE COMMONWEALTH OF AUSTRALIA.

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## TRADE DISPUTES IN NEW SOUTH WALES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Mar. 9 1908; Apr. 18 1908.

The sudden death of the *Marquis of Linlithgow* has been regretted throughout the Commonwealth, in whose history as the first Governor-General his name occupies a conspicuous place. He is, of course, best appreciated in Victoria, where his previous Governorship was most popular, but the fact that even despite this disqualification he became popular in Sydney as well speaks volumes for his power of ingratiating himself under adverse conditions. He was the only Governor of another State who has ever received a farewell banquet in this State. The circumstances under which he retired from office in 1902 were discounted from the first by the recollection that he had been an invalid from the moment of his landing eighteen months before, and for many weeks unable to attend public functions owing to extreme nervous debility. None of these drawbacks could dispel the charm he exercised over all who met him, or diminish the tact which he invariably displayed in all relations. The Senate, in passing a vote of condolence with the Marchioness and her family, expresses the sentiments of the whole of Australia.

## POLITICAL SITUATION IN QUEENSLAND.

The Parliamentary situation in Queensland exhibits in its most exaggerated form the three-party system which either exists or persistently tends to emerge in Australia. When the new Assembly met last week its first duty was to elect a Speaker. There were present 21 Philpites, 22 Labourites, and 23 *Kidstonites*. However clumsy the titles may appear, this nomenclature defines members better than any other can. Each section had its candidate, and each in turn saw its nominee rejected by the other two voting together. Finally, after vain parleying and more cross-voting, the *Kidstonites* adopted and elected the *Philpite*, Mr. *Leahy*, who held the office of Speaker in the lately dissolved House. A similar condition of confusion prevails in respect to the Chairmanship of Committees, and unless better counsels prevail the same ridiculous triangular duel will be fought out before the public tomorrow. Ultimately the same

kind of conclusion must be reached. The discredit of these proceedings belongs to the Kidstonites and Labourites. It is probably due to the insatiable animosity of the Caucus against the men who left their party because of the dominance of its extremists and of the irresponsible Leagues who sought to reduce members to mere pawns. On the other hand, however loose their alliance, since the Kidstonites have all the portfolios Labour associates not unreasonably contend that they are entitled to recognition while keeping them in office. Whatever the merits or demerits of their disputes such open squabbles between the two parts of the majority reflect upon both. They are especially humiliating to the Government, and particularly to Mr. Kidston, who found himself at last driven to accept the Opposition nominee. At the same time, the removal of Mr. Leahy from the floor of the House has made a union between the Philpites and the Kidstonites less difficult. To this extent it is a warning to the Caucus, and perhaps was so intended.

#### LORD CHELMSFORD'S APPOINTMENTS.

For the time being any possibilities of a real coalition appear remote. Lord Chelmsford's cup is already filled to overflowing, Mr. Kidston having obliged him to cancel the appointment of upwards of 320 justices of the peace whom he had raised to that honourable office a few weeks ago. This unprecedented step is arousing very bitter feeling among the citizens who have been thus abruptly removed from the magistracy. A number are to be replaced in a short time, so that the blow will only fall upon those suspected of receiving the dignity as a reward for partisan services at the recent General Election. The full force of the blow falls upon the Governor, since he finds himself obliged to brand his own previous appointments as unconstitutional. Mr. Philp was simply his nominee, never had a majority in the House, and never had a substantial hope of getting one. The Ministerial appointments made by Lord Chelmsford are now cancelled by him at the bidding of Mr. Kidston. Such is the painful position in which he has placed himself. But more remains to be done. The Auditor-General is presumably an impartial official, whose duty it is to protect the public funds, and whose interest it is to keep step with Ministers as far as possible. This high official felt obliged to protest formally against the application of moneys without the authority of Parliament to the current expenses of the Government or any other purpose. Mr. Philp resorted to this device when the late House refused supplies in order to postpone the inevitable dissolution, and did this simply in his own interest and that of his party. Lord Chelmsford, on the advice of the Premier of his own creation, in spite of the protest of the independent officer whose duty it was to protect the Treasury, by his own warrant authorised payments of nearly £700,000 without any authority from Parliament. The effect of this manoeuvre was to prolong

Mr. Philp's life for a couple of months and increase his chances of success at the polls. His crushing defeat, in spite of the delay, the new justices, and this dipping into the public funds, would probably have proved annihilation but for Viceregal aid. The new House has yet to give its judgment upon these tactics.

### THE MINISTERIAL PROGRAMME.

The speech of Lord Chelmsford's new advisers was phrased considerately, though it said in effect that his dissolution had meant a waste of both time and money, the delay of public business, and the unauthorised expenditure of £687,000. All the interrupted legislation is to be reintroduced immediately, and in addition a measure providing that in the event of differences between the two Chambers resort will be had to a referendum of the electors. This experiment, often talked of but never yet systematically applied in Australia, will enable us to test its practical efficacy when applied to a great area like that of Queensland. Old-age Pensions are once more promised, together with several other measures affecting industrial employment. Prominent among these is a Bill for the establishment of Wages Boards. Mr. Wade nourishes the same project for New South Wales, so that apparently before long every Australian State will have adopted this method in preference to all others. Its popularity is steadily growing, and the denials of its successes which occasionally reach us from some of your Labour members are being quoted with derision by Labour members who watch their working here.

### MR. WADE AND TRADE DISPUTES.

Speaking at Newcastle our State Premier gave an explanation of the nature of the amendments he proposes to make in our industrial arbitration laws during the forthcoming short session of the State Parliament, which is worthy of more than a passing notice now that similar questions are being debated in the Mother Country. As everyone expected, he proposes to substitute for the existing Arbitration Court, with its Judge-President and two lay members, a system of Wages Boards modelled on that of Victoria. Some definite proposal on the part of the Government had become imperative, for the Act from which our existing Arbitration Court takes its being expires on the 30th of next June, and the most inveterate individualist among us does not desire that we should revert to the state of things that existed before we had industrial tribunals, when industrial disputes were regarded as the private concern of the parties, whatever injury might be inflicted upon the community by their inability to adjust their differences. No one will ever understand industrial legislation in



Australia unless he grasps the fact that such a point of view has now been abandoned practically in every State. However faulty our methods of adjusting industrial disputes by State intervention may have proved, all public men seem agreed that some State method is essential. The only question with us today is which State method is the best. Mr. Wade himself provides an excellent example of the irresistible growth of public opinion on this subject. A few years ago he was the most uncompromising opponent of any compulsory method of settling trade quarrels. The whole burden of his Newcastle speech the other day is that "the time had arrived when an obligation was cast upon the public to take an active interest not only in controlling but in endeavouring to prevent any disruption to the continuity of industrial life". These are his own words—the words of the best representative of the individualist leader of the *laissez faire* party in our State politics. It is, of course, impossible to offer any useful criticism on the Government proposals until they are published in detail. But from the Premier's forecast they appear to include a complete abandonment of the principle underlying our present law, that of the compulsory settlement of industrial disputes by making participation in them a punishable offence. Apparently the Victorian system, which merely endeavours to prevent disputes from coming into existence, is to be adopted instead. If so, they will be strongly resisted by the friends of industrial arbitration. And of these, in spite of the experience of the last few years, there are still a good many left in this State.

#### CAUSES OF STATE IMPOTENCE.

Their contention is, first, that the causes of the comparative failure of the New South Wales law are removable, and that they can be removed without any impairment of the principle underlying that law. There seems, indeed, to be a pretty general agreement as to what those causes of failure are. They were summed up by Mr. Wade yesterday in terms with which the strongest supporter of the existing system could agree. He laid stress, first, upon the almost intolerable delay that has been a marked feature of the proceedings of the Court. In many cases, a period of two years, or even longer, has elapsed between the filing of a claim and the hearing. This fact alone is enough to account for what opponents call the failure of the Act. Second, Mr. Wade referred to the participation of lawyers in the proceedings of the Court. This has no doubt contributed to the greater clearness of the issues presented and to the orderliness and consistency of the procedure. But most professional men themselves confess that it has increased the length and the expense of the proceedings. It has also tended to introduce technicality into a sphere where technicality was fatal. The third cause of failure mentioned by the Premier was the lack of technical knowledge on the part of members of the Court. No three men can hope to be perfectly familiar

with the details of a hundred different trades, and as the same three men have had to adjudicate in every case a considerable part of the time of hearing has invariably been occupied in the explanation of details that would have needed no explaining before a tribunal familiar with the trade. These three objections undoubtedly are to a very large extent avoided by the Victorian Wages Boards system, though in that State there is a Court of Appeal the constitution of which has aroused much discussion. The friends of compulsory arbitration in this State contend that the defects disclosed are in no way inherent in the compulsory system, and that before our present system is abandoned in favour of one that is not altogether free from objections of a different kind some attempt should be made to get rid of the faults while maintaining the principle. It is being suggested that, since there must be a Court of Appeal, if Wages Boards were superadded and fortified by a new adaptation of the compulsory principle New South Wales might possibly become the parent of a new industrial organisation capable of dealing in a practical and judicial manner with the many clashing personal interests of employers and employees. Mr. Hughes, M.P., speaking for the Labour Party and the Trade Unions, repudiates it in advance.

# THE COMMONWEALTH OF AUSTRALIA.

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## AMERICAN FLEET'S VISIT.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Mar. 16 1908; Apr. 25 1908.

America having accepted Australia's invitation to send her Fleet upon a visit to our principal ports, the people of the Commonwealth are almost disposed to express their jubilation in the language of the "spread-eagle". Hospitality and curiosity have had their share in the approbation accorded to the request of our Government, and the sense of blood relationship has been more potent still, but its chief inspiration has been racial and political. The two countries, peopled by the same stock, possessing similar institutions and problems, face each other across the Pacific. The possibility of any armed conflict between them appears impossible. The prospect of an alliance, whether express or implied, between the Mother Country and her offspring under the Stars and Stripes seems near at hand. No parts of the Empire can be more interested in the completest cordiality of all their relations than Canada and Australia. If the visit of the Fleet on which the hopes and ambitions of the United States are concentrated today can foster these feelings, as they should without prejudice to any other existing engagements in Europe or Asia, it will be a memorable Imperial event.

## SITUATION IN QUEENSLAND.

The Chelmsford incident is over. It will be a pleasure not to be obliged to refer to it again now that the crisis has reached its formal conclusion. But someone in the Colonial Office has read a paper in London, with semi-official countenance, of which a summary has appeared in the Press, which has been construed as containing a veiled endorsement of the action of the [Governor of Queensland](#) and an incitement to his viceregal colleagues to go and do likewise. There is no danger now that they will make any such mistake for some time to come, but if anything had been needed to stiffen the backs of the majority in the Assembly at Brisbane this unlucky theory, supposed to come direct from Downing Street, more than supplied it. So far as the Australian public are concerned their practical judgment upon constitutional doctrines is formed by watching the way they work. From the first it has been insisted in these columns that there was never anything in the situation in the north to lead a reasonably informed onlooker to believe that Lord Chelmsford's policy could be made to work.

He dissolved a House only elected a few months earlier, and dismissed a Ministry which had been accepted by the representatives then chosen. This on the face of it was a rash and uncalled-for interference with the Legislature. He then summoned to his counsels the lately defeated Leader of the Opposition, though he had just been foiled in an attack on the Government when all the circumstances were in his favour. But up to this point Lord Chelmsford had not overstepped his functions. When Mr. Philp took up the reins the Governor's responsibility ceased. When the Assembly refused the new Cabinet supplies and he sent its members back to their constituents again his responsibility revived and became intensified. Yet, in defiance of the Auditor-General's protest, he authorised payments to be made from the Treasury on his personal warrant after the House had emphatically refused to sanction them. Thus Mr. Philp obtained time to mature his electoral campaign, but evidently wished to disguise the very issue upon which Lord Chelmsford had put him in power with a minority while dismissing Mr. Kidston with a majority. The new Premier made the fresh appointments to the Legislative Council a minor matter, placing his reliance upon sheaves of promises of railways and other public works. Nevertheless he was routed disastrously. The electors resented the Governor's choice and condemned his intervention in the most unequivocal manner. Some of the best candidates were rejected because they did not hasten to disclaim the course he had pursued. No doubt Lord Chelmsford's intentions were of the best, but his tactics were the worst possible. No one who knew Queensland could have expected any other verdict from the country. Whatever else may be said of his unprecedented action, it stands condemned by its results, already summarised in my previous letter. The Legislature, its parties, and the electorates have all suffered in consequence.

#### PROCEEDINGS IN THE ASSEMBLY.

"Last scene of all that ends this strange, eventful history" comes the vote in the Brisbane Assembly Chamber. The Governor's speech, prepared by Mr. Kidston, was not a pleasant document for him to read, but the Address in reply, instead of being a bare acknowledgment of its contents, contained a formal manifesto reflecting upon his conduct such as no other Governor in Australia ever received. The new House commenced by expressly endorsing the refusal of its predecessor to grant Mr. Philp supplies and regretting Lord Chelmsford's dissolution of a Parliament "newly elected and perfectly willing to carry on business". The reply then proceeded to complain that his Excellency had adopted a course "injurious to the State's best interest", and had approved "the methods employed to obtain the control of £687,000 of public moneys after the Assembly ... had absolutely refused" its sanction. Turning to the late Premier's part in these transactions, the House, speaking for the country, declared that it implied "an invasion of our rights as a self-governing people". Mr. Philp's

speech in defence contained nothing that altered the complexion of the charges, nor did Mr. Kidston's heated rejoinder assist to illuminate a position that was already perfectly plain. The electors would have nothing to do with Mr. Philp, but sent him back to the Opposition benches, in spite of all his offers, in even a smaller minority than he possessed before he accepted the Governor's commission. Two-thirds of the members were returned with a mandate to eject Mr. Philp and to challenge Lord Chelmsford's conduct in summoning and supporting him. This they have now done. Political animosities have been intensified and party divisions deepened. Neither the Premier, Mr. Kidston, nor his principal rival, Mr. Philp, have improved in morale. On the contrary, both have somewhat declined from their estate, the strain having unfavourably affected both them and their supporters in health, temper, and judgment.

### THE DEFENCE PROPOSALS.

Last week the **Prime Minister** visited Sydney for the first time since his return from the Imperial Conference and addressed a public meeting on the Defence proposals of the Government. The circumstances were not by any means wholly in his favour. For many weeks past the *Daily Telegraph* has prosecuted a vigorous campaign against the scheme, with no diminution of the condiments that always spice its comments on Federal affairs. Mr. **Reid** has lately used his political influence for the same purpose. All the horrors of European systems of conscription have been paraded in a terrifying procession in the hope of evoking public hostility. Apart from these specific attacks on the proposals themselves, the general anti-Federal feeling which our late Premier Mr. **Carruthers** did so much to rouse has not been allayed by his successor, Mr. **Wade**. Notwithstanding all this, the meeting itself was a triumphant success. It afforded overwhelming evidence not merely of the Prime Minister's personal power over an audience, but of a very general recognition of the essential justice and necessity for real defensive measures. So far as Sydney is concerned, the meeting may be fairly taken as proof that the vigorous efforts to confuse the public mind have not had the customary effect. Mr. Deakin did not concern himself much with details. We have already had ample opportunity of becoming familiar with these. With the evident approval of the whole of his large audience, he emphasised our dependence on the Royal Navy, the unoccupied condition of the continent, the imperative necessity of some form of universal service for military purposes, and its supreme value as an element in national education. He made no apology for the introduction of the element of compulsion, but showed to demonstration that it was not the dreadful spectre his critics had portrayed, boldly justifying it on every ground of social obligation. It would be absurd to overrate the importance of a single public meeting in any large city, but there was no mistaking the sincere ring of the applause

and the close attention with which he was followed from start to finish. The Prime Minister's Sydney meeting was the most encouraging indication we have yet had of the acceptance of the principles of naval development and compulsory service by the people of this State.

### INDUSTRIAL DISPUTES BILL.

The promised short session of our State Parliament opened last week, and, after a singularly futile motion of censure by the Opposition had been disposed of, the Government introduced the long expected measure which is to take the place of the expiring Industrial Arbitration Act. This Bill represents an attempt to combine the virtues of the Victorian system of Wages Boards with those of our own system of compulsory arbitration and to avoid the vices of both. The place of our single Industrial Arbitration Court is to be taken by Wages Boards for each industry, consisting of representatives of employers and employees, with an independent chairman. These boards are to have power to fix a minimum rate of wages, to determine hours of labour, and generally to prescribe the conditions to be observed in the respective industries for which they are appointed. Here the resemblance to the Victorian system ends. The provisions for the compulsory enforcement of awards and for the infliction of penalties for anything in the nature of a lock-out or strike are retained in the existing Act. The retention of these provisions is significant. They are the special powers hitherto denounced by Mr. Wade as being wholly impossible of enforcement. Now the consideration of the problems necessary to the preparation of an effective Act has apparently convinced him that it is hopeless to try to settle industrial disputes by State intervention without the exercise of some degree of compulsion: and this new measure embodies just as fully as the expiring one did the principle—foreign to the Victorian law—that either an employer or employee who brings about a cessation of work merely by reason of a difference of opinion as to terms is guilty of a gross wrong to the public generally. Thus far we have advanced in our views of industrial control, attaining in our own way to about the same stage of judicial authority that has been reached in the Commonwealth and in New Zealand.

# THE COMMONWEALTH OF AUSTRALIA.

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## TAXATION OF INDUSTRIES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Mar. 23 1908; May 2 1908.

Australian public affairs are finding channels for themselves which, however prosaic they may seem, are almost always novel and often surprising. It may not be possible to interest the English reader in our new departures, especially when they relate to or are governed by constitutional restrictions foreign to your politics and quite strange to your Courts of Justice. Yet one cannot hope to explain the course our Legislatures are pursuing without trespassing upon the arid areas of legal interpretation and discrimination upon which our bloodless battles are being fought. The principal differences between our parties at present arise in connection with industrial matters, though there is a cross division separating the combatants again according to their preference for Federal or State control. Whether our national or local governments shall be supreme over the industrial field is the central question today for the Commonwealth. When this is kept steadily in mind even the most insular student of Imperial developments may have his attention arrested long enough to follow a plain explanation of the reason why the undivided attention of that section of our community which interests itself in Federal politics has been concentrated of late upon the proceedings in the High Court in Melbourne, during which a formidable array of constitutional lawyers were engaged in discussing the Constitutionality of the Government's "New Protection" proposals. The decision of the Court will probably be known in England before this letter appears. Whatever that judgment may be, it will have an exceedingly important bearing on the future of industrial legislation and upon the distribution of authority between the Federal Parliament and the Legislatures of the six States under its overlordship.

## DUTIES ON AGRICULTURAL IMPLEMENTS.

The matters to be determined are quite unlike any that can possibly come before an English judicial tribunal. In 1906 Parliament increased the import duty on agricultural implements, the manufacture of which is rapidly becoming one of the most important industries, particularly in Victoria and South Australia, the two

original Protectionist States. There was some evidence that the employees in this industry were not being paid a rate of wages commensurate with the skill demanded or the profitableness of the business. A large majority in the Parliament—including both Protectionists and Free Traders—desired that as the increased protection granted amounted almost to a prohibition of imported harvesters its full benefits should be given only to those manufacturers who were prepared to pay a reasonable wage. Then an apparently insuperable obstacle was encountered, because the Federal Parliament has no direct power to legislate about wages and hours of labour. But the ingenuity of our lawyers was quite equal to the occasion. It was cleverly suggested that what could not be done directly could be done indirectly by the exercise of the Federal taxing power. Accordingly an excise duty, amounting roughly to about half the import duty, was imposed on the agricultural implements affected, and it was provided that this excise duty should not be charged on any manufactured under conditions as to wages and hours that were declared by the **President** of the Federal Arbitration Court to be fair and reasonable. Thus the manufacturers were confronted with the alternative either of paying wages deemed to be fair and reasonable by the Arbitration Court or of paying an excise duty that made further manufacture unremunerative or nearly so. In fact, they were faced with the kind of alternative which is usually denominated “Hobson’s choice”.

#### POWERS OF THE FEDERAL PARLIAMENT.

The implement makers in this State and in South Australia managed to satisfy the President of the Court that the wages paid by them were adequate. Those of Victoria, with one or two exceptions, were not so fortunate. They were, therefore, called upon by the Government, after long negotiations, to pay excise duty. Disputing the right of Parliament to control industrial conditions in this indirect way, and claiming that the power of regulating wages and hours of labour was reserved to the States’ Legislatures, they refused to pay. The present proceedings were taken by the Federal Government in order to enforce their demand, and the main, if not the sole, question for the Court is whether or not the Commonwealth Parliament has exceeded its powers in enacting this legislation. Discussion of the effects of such a far-reaching decision must be reserved until it has been given. But it is already clear that, whatever the decision may be, it cannot fail to exercise, and at once, a profound influence on industrial and fiscal legislation in Australia. If it is against the validity of the “New Protection” the immediate result must be the abandonment of the Bill, already in draft, by which the Federal Government proposes to apply the principle to all the more important manufacturing industries of the Commonwealth. This in its turn will result in a radical change in the



attitude of the Labour Party towards the new tariff, which, owing to the slowness of its progress in the Senate, will not have been finally passed before the Court has spoken. A less immediate, but an equally certain, consequence will be a strong effort, stimulated by, but not confined to, the Labour Party, to obtain an amendment of the Constitution, vesting in the Commonwealth Parliament the right of directly regulating industrial conditions throughout Australia.

### CONTROL OF INDUSTRIAL LEGISLATION.

If, on the other hand, the “New Protection” should be upheld by the High Court, the present session will not close until the principle has been applied to the whole range of our leading manufacturing enterprises. Moreover, as in that event the right of the Commonwealth to exercise this indirect, but none the less effective, control over industrial conditions will be established, Mr. Deakin will be in a position to repeat with added force, the request made by Sir Edmund Barton in 1901, for the consent of the States Governments to the transfer of this branch of legislation to the general Government. The States will have far less reason than they had then for refusing to comply. So that whatever happens the result of the present litigation must be to renew and invigorate the movement for the transfer of industrial legislation to the Parliament of the Commonwealth. Beyond that it is not wise to forecast the future, but the general impression is that the excise sought to be levied will be declared unconstitutional by at least a majority of the five Justices of our High Court.

### POLITICAL ASPECTS.

The political aspects of this case, and the probabilities that have been indicated, are somewhat disquieting to many of those affected. There is one aspect of this business, however, which can evoke nothing but satisfaction. This is the implicit confidence with which semi-political questions, that have aroused the strongest party feeling, are referred to our High Court, and the unwavering readiness of all parties to shape their future action according to its decision. It may be said, of course, that they are bound to do this and cannot credit to their consciences conduct which has become a necessity. This is true. But those about to be taxed are not bound to abstain from anonymous criticism of a kind that might do much harm to the traditional reverence for the occupants of the Judicial Bench—criticism which might be all the more easily evoked because four out of the five Justices have taken a very active

part in comparatively recent politics. Hitherto, however, though more than one question, which, in its political aspect, has aroused keen party feelings, has come before the Court for settlement, the disappointment of the defeated party has never expressed itself in any public questionings of the impartiality of the Justices. There is no indication that this attitude is likely to alter in the case now under review. The Labour Party, keen as they are to see the validity of these proposals established, appear to be perfectly content, if the decision should be against them, to accept it without demur, and to adapt their methods to the new conditions. This is a tribute not only to the character of the Justices, but to the strength of the law-abiding instincts of all classes of our people. No similar restraint is seen or expected in our Legislatures, in our Press, or upon the public platform, where even the smallest and most insignificant minorities with the poorest of causes are accustomed to give full vent to their disappointments. Happily for us our great Australian Court stands high above the scuffles and clamours of the ordinary arenas of strife.

# THE COMMONWEALTH OF AUSTRALIA.

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## GOVERNOR-GENERAL'S POPULARITY.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Mar. 30 1908; May 12 1908.

The *Earl and Countess of Dudley* are assured of a hearty reception in Australia. The published notices relating to them have aroused a lively curiosity, and this of itself is a passport to public favour. The most remarkable proof of Sir *Harry Rawson's* popularity here is that it has been sustained locally in spite of the high appreciation which all classes in New South Wales entertain for the Governor-General. The brilliant success of the Women's Work Exhibition held in Melbourne last year was due to the personal influence and efforts of *Lady Northcote*, who was its active president. But her energetic and tactful management of this great and difficult enterprise only partially explains its success, which was due in very large measure to the strong hold she had previously obtained upon the affections of women of all classes in the other States. In the same way Lord *Northcote* has won the confidence of the Australian elector no matter what party colours he may wear. Better acquainted with the continental dominion over which he has ruled than all but a few of its inhabitants, he knows its influential citizens as no other Governor or public man has known them. He has fulfilled the high duties of his office with self-sacrificing devotion and remarkable acumen, so that, in spite of the stormy times through which we have passed, he has preserved the Viceregal traditions of equity, impartiality, and hospitality. Indeed, he has improved upon them. The retention of State Governors has been discussed in every State, partly because the contrast between some of them and Lord *Northcote* has been so marked. The significant thing is that nowhere has there ever been a hint that the Governor-General could be dispensed with or that his authority should be circumscribed.

## ALLOCATION OF FEDERAL REVENUE.

An innocent-looking little measure is to be explained to the House of Representatives in a day or two. It has an important bearing upon the financial relations between the Commonwealth and the States presently to be reconsidered at a Conference in Melbourne. English readers who take any interest in Commonwealth affairs are mostly aware that for a period of ten years from the 1st of January, 1901, the Federal

Treasurer is bound by the Constitution to return to the State Treasurers not less than three-fourths of the Customs and Excise revenue collected in Australia. But apart from this general obligation to the States collectively, each particular State has hitherto been entitled, under the so-called "bookkeeping" system, to any balance of the Commonwealth fourth unexpended during the year. In point of fact, the States receive the whole of the revenue collected within them less their respective proportions of Commonwealth expenditure within their own borders. Strictly interpreted, this means of course that every penny not actually disbursed by the Federal Parliament has to be returned to the State in which it is received. This system does not allow for the creation of funds to meet expenditure anticipated and provided for, but not actually incurred before the end of each financial year. The problem was recently raised in acute form by the Government's naval defence proposals, involving the setting aside of £250,000 a year for the construction of a local flotilla. This is the reason why the little Bill now before the House extends the meaning of the word "expenditure" to cover the payment of revenue into trust funds to meet expenditure of this kind anticipated and approved by Parliament. It will enable the Government to retain, without a breach of its obligations to the States, moneys which it would otherwise be compelled to pay over to the States' Governments, although they are either already due or about to become due under the Federal Appropriation Act. Such a situation, almost unthinkable in England, is now to be altered by the Bill in question. The States' Governments between them have received since the Union nearly six millions more than the three-fourths to which they are absolutely entitled until 1911. By the simple expedient of creating trust funds the Commonwealth Government, if its measure becomes law, will be able to retain for itself one whole fourth of the total Customs and Excise revenue, or as much of it as may have been appropriated by its Parliament to national purposes. Needless to say the Bill will be fought furiously by all the upholders of "State rights", whether they are really rights or only claims.

### ANTI-TRUST LEGISLATION.

The industrial unrest still prevailing in this State, as shown by sundry more or less foolish strikes and other inflammatory symptoms, is to be coped with in our local Legislature by Mr. Wade's Wages Boards Bill. In the meantime the House of Representatives, while waiting for the return of the Tariff from the Senate, has been intermittently occupied with the discussion of the Senate's amendments in a short Bill to amend the Anti-Trust Act of 1905. That Act, it may be remembered, was passed to enable the Government to curtail the growing power of certain "trusts", or "combinations", local and foreign, which are beginning to spread their tentacles across some not inconsiderable parts of Australian commerce. Our supplies of

mineral oil, of tobacco, and to a less extent of agricultural implements are in danger of becoming controlled by foreign organisations, while our coal supplies, coastal shipping, brick-making, and other less important branches of trade are in danger of being monopolised by local combinations. The evil, of course, has not attained anything like the dimensions which have necessitated the drastic action recently taken in the United States. But it was, and is, actually and potentially quite serious enough to justify inquiry, and perhaps some measure of control. The original Act was based to a very large extent on the Sherman Anti-Trust Act passed by the United States Congress in 1890. The practical working of our Act has not been attended with much success. Nor is this surprising considering the complex conditions to be coped with and the experimental methods adopted. But the efforts to apply it have called public attention to the risks and have disclosed defects in the measure which the present legislation is designed to cure. Our experience has been similar to that of the United States. These defects were generally discovered through the failure of legal proceedings. Here we have made the discovery at a somewhat earlier stage. The Law Officers of the Commonwealth, in their preliminary endeavours to obtain information substantial enough to justify them in initiating proceedings, have been met at every turn by almost insuperable difficulties. Needless to say, "trusts" do not register their agreements in restraint of trade, nor provide documentary evidence of their methods. The Customs officers have found it impossible owing to the tactics of the trusts to obtain evidence enough to support even a *prima facie* case. Of course it is one thing to know that certain commercial conditions exist, but quite another to be able to prove their existence by satisfactory legal evidence. The only real proof is that which is to be gained either from the employees of the trust or from the books, and naturally neither of these sources is readily available. It is this fact which is considered by a majority of the federal legislators to justify the rather drastic provisions of the amending Bill now under discussion. It gives powers of inspection and inquisition to the officers of the Government which are certainly unusual, though no greater, if as great, as those which are conferred on officials by recent legislation in the United States. The trusts must be controlled to protect the public. They themselves make it impossible for the State to exercise this necessary control by the use of ordinary procedure; hence the resort to a procedure which is extraordinary. Even when armed with all the new authority conferred upon the Government, it will probably be some time before any combination can be brought to bay. When it is before the Court it will be hard to secure penalties and harder to enforce prohibitions afterwards. Nevertheless, the general opinion is that the attempt has to be made, and that the time for making it has arrived in Australia. Our faith in legislative remedies, if weaker than it was, is still sufficiently vigorous to authorise more new departures.

# THE COMMONWEALTH OF AUSTRALIA.

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## INDUSTRIAL DISPUTES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Apr. 6 1908; May 16 1908.

Of late my letters have been inordinately burdened with references to industrial affairs in this State and our various attempts to deal with them legislatively. We have reached one crisis in the contest between employers and employed, and another between our Government and the Trades Hall, which make a further explanation of the situation indispensable. The introduction of Mr. Wade's new Industrial Disputes Bill, devised as a substitute for our much-abused Arbitration Act, has synchronised with a rather extraordinary local outbreak of industrial disturbance. The Special Court which was constituted to deal with the Newcastle coal miners' dispute has suspended its sittings. The Unionist employees of three of our coastal shipping companies have ceased work, and the greater part of the shipping trade along the New South Wales coast is paralysed. The members of the Painters' Union in Sydney are on strike, and in more than one country town there are local squabbles of varying importance. All this strife, which the Arbitration Act has failed to prevent, may, and probably will, be regarded by many as a fitting accompaniment to its supersession. It is true that the Act has not been a success. Its best friends do not deny that, although they urge that while its successes have escaped public notice its failures have been trumpeted abroad.

## WORKING OF THE ARBITRATION ACT.

They also claim that the Act and the principle which it embodies have not had a fair chance. Its successful working depended, much more than is the case with most other laws, upon the confidence which the wage-earners affected to repose in the ability and the desire of the Court to settle their disputes. Some daily papers and many of our prominent politicians have poured ridicule upon the Statute from its commencement. These several circumstances have undoubtedly retarded the growth of any such confidence. It is very questionable if any legislative enactment can produce satisfactory results, while the classes most nearly affected by it are convinced, partly by the declarations of the very men who are responsible for its administration,

that it is impossible to enforce its observance, and that no penalty can be inflicted for disregarding its requirements. There is certainly force in this view, but whether accepted or not it can hardly be denied that the experiment from which so much was hoped would have had a better chance of success if, instead of preaching the ineffectiveness and futility of the Act, our public men had set themselves to remedy the incidental defects in its machinery that have been discovered from time to time. The **President** of the Court himself has insisted that the principle of compulsory arbitration might be bad; but nothing that had occurred in this State afforded proof of it, since the principle had not really been tried. In that plain judicial verdict the real results of our experiment in arbitration up to date are authoritatively and impartially summed up. Mr. Wade has wisely done his best to make his new scheme acceptable to the wage-earners upon whose good opinion its ultimate success must depend. To accomplish this he has thrown overboard his first Bill, amending it vitally in order to re-establish the principle of State judicial control. But as he steadfastly refuses to give the Unions or their members any special privileges, his well-meant *volte-face* seems likely to leave him in the same plight. It appears as if the new Arbitration plus Wages Boards, like the old arbitration system, may have to pass without receiving a fair trial.

#### ATTITUDE OF COAL MINERS.

The Special Court lately constituted by Mr. Wade to deal with the dispute in the Newcastle coal mines, which, as will be remembered, so nearly led to a disastrous strike, has been compelled to suspend its sittings owing to the vagaries of a number of irresponsible Unionists. These, who do the "wheeling", which is an essential part of the work of the mines, have been continually striking on their own account on the most trivial pretexts. Their reckless conduct has of course meant a cessation of work in the whole of the mine affected. As one of the terms on which the Court was established was that there should be no interruption of work in any of the mines, the members of the Special Court, after displaying exemplary patience, have properly suspended their sittings until the Miners' Federation, whose thoughtful members resent the conduct of the wheelers, can bring them under effective control. Their unfortunate experience strengthens the case against arbitration in its present form. The commonest criticism to which it has been subjected is that while a Court can readily enforce its judgments upon employers whose mines or factories are a security for their obedience, there is no corresponding control of the employees who, when they are numbered by thousands, can defeat any attempt at legal coercion by passive resistance. Their masters may be compelled against their will to pay the wages and

accept the hours that the Court orders, but nothing can compel their hands to work when they are too numerous for our police to control or our gaols to contain them. While Mr. Wade turned his back upon his former policy of free contract when submitting a remodelled Arbitration Court, the coal miners are supplying him with a most damaging demonstration of the insufficiency of even his new project for settling industrial disputes. By the help of his majority he has forced his Bill through the Assembly accompanied by a chorus of threats from our Trade Unionists that they will as far as possible prevent the measure from being applied. Having already killed his special Mining Court they now openly propose to boycott his new Arbitration Court from the very outset.

### THE SHIPPING STRIKE.

The shipping strike discloses another weakness in our Government's arbitration plan. The actual point in dispute is trivial. It is whether one of the coastal companies (which is united in an Association with its two rivals) is to be allowed to retain in its employ a handful of non-union wharf labourers who were taken on some time ago to fill the places of Unionists who had declined to work until their demands for higher pay were conceded. The Unions profess to regard, and undoubtedly do regard this as a dangerous attack on the principle of Unionism, and they have been the aggressors from the first. The employers, on the other hand, are determined to assert their right of employing whom they please. At first the quarrel threatened to involve not only the three companies immediately concerned, but the whole inter-State and over-sea shipping of the Commonwealth. After some preliminary bluster the Unionists, led by Mr. Hughes, who was Minister for External Affairs in Mr. Watson's Labour Government, finding their onset a failure, have ingeniously recognised that such an extension of the area of the dispute would be a grave mistake. Instead of throwing down the gauntlet to the whole shipping interest they are at present bending all their energies to prevent it from spreading beyond existing limits, partly from a desire to minimise public inconvenience and loss, partly because this course enables them to concentrate their forces on the immediate antagonist. Acting on this plan all the Unionist wharf labourers, seamen, or engineers, who are not immediately concerned in this particular dispute, and all the other Unions which could assist their brother Union by a sympathetic strike, are continuing their work. They leave their employers—who naturally are keenly sympathetic with the coastal companies—without an excuse for dismissing them. To dismiss them without a valid excuse would involve heavy penalties under the Arbitration Act. These tactics place the non-coastal employers in a cleft stick. Not only are they prevented by law



from giving their colleagues any active assistance, but they are indirectly enabling the attack upon them to be sustained by providing the wages from which the strikers receive the contributions upon which they subsist during their period of idleness. As under this plan of campaign the number of men on strike is comparatively small, while the number of Unionists steadily employed is large, the levy which is necessary to maintain the strikers is hardly felt. On the other hand the loss to the coastal companies would be serious if their supply of free labourers were to run short. At present there is no sign of this, and both sides continue confident. Here, again, so far as the enforcement of the law is concerned, the men have the advantage of the position. They can defy a law which their masters must obey. The wages the latter are paying were fixed by the Arbitration Court. They are under no legal obligation to employ Unionists only. They are legally entitled to employ free labourers only if they so please. Mr. Wade's new Bill confirms them in that right, but none the less they are now fighting a strike in order that they may continue to exercise their lawful privilege of choosing their own employees. No wonder that our industrial troubles temporarily occupy attention in New South Wales to the exclusion of everything else.

# THE COMMONWEALTH OF AUSTRALIA.

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## PARLIAMENTARY CRISIS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Apr. 14 1908; May 26 1908.

A crisis exists in the Commonwealth Parliament. Whatever resolution of it is attained must mean much, even if only a prognostic, but in any case it cannot be complete or final. Our four Federal parties may be reduced to three, though even then the two in Opposition will be nearly as strong as the one in power for the time being. This promises a precarious life for any and every Cabinet until the next General Election. Perhaps, and indeed probably, even then the Gordian knot may not be untied at the polls. Our party divisions, out of the House as in it, seem irreconcilable at present. Instability is the order of the day. To an outside observer it might almost appear as if we had been involved in a perpetually recurring crisis ever since Federation. It is true that the first Administration under Sir **Edmund Barton**, including "all the talents" and almost all the Premiers of the day, had a nominal majority upon cardinal questions, but it proved small and unreliable on many occasions. The first actual crisis and change of Government occurred soon after Mr. **Deakin** took the reins. Scarcely had the **Watson** Ministry got to work than it was displaced, his vote being cast on the Opposition side. Mr. **Reid** then enjoyed a long recess, when a third crisis, in which Mr. Deakin was the principal factor, ejected him from office at the commencement of the session of 1905. Since then the present Prime Minister has remained in power under circumstances which have afforded a constant opportunity for crises that, often threatened, never actually occurred until Thursday last. The Senate rose in the afternoon for a three weeks' respite, conceded as a reward after their prolonged discussion of the tariff. The House of Representatives towards the close of a tangled debate rejected by three votes a motion for adjournment supported by the Government. Mr. Deakin promptly accepted this as an expression of want of confidence. A second motion for adjournment was then carried by nine votes, but he declined to regard this as a reparation, he announcing that Ministers would consider their position. It soon became known that he was about to tender his resignation. For the fourth time in four years he became the centre of a serious crisis.

## THE QUESTION AT ISSUE.

To discuss the anticipated outcome of this last contretemps would be futile since the cable will have made it known in London long before this letter can be printed. The character of the crisis is written large across the division list. The motion came from the hand of a **Labour member**, who carried half a dozen of his fellow associates in the Caucus with him across the floor. Beside them sat the full strength of the Opposition under Mr. Reid and also the whole body of the corner members, of whom Sir **John Forrest** and Mr. **W. H. Irvine** are the most distinguished. In other words, the Opposition as a whole voted against the Ministry, and with the aid of seven Labour members obtained a majority of three. Deprived of the seven immediately afterwards they were beaten at once. In a full House Ministerialists and Labour men together command the relatively large majority of ten. When six Labour members desert, Ministers are left in a minority. Directly that happened the Prime Minister faced the situation, much to the surprise of the defaulters and of the greater number of the Opposition. The actual question at issue was who should inquire into the management of the Post Office since Federation. The Cabinet insisted that it could accomplish all that was necessary by deputing two of its number to assist the **Postmaster-General**. Certain Labour members desired a Royal Commission, upon which some of them expected to sit. Ministers objected on the ground that having practical readjustments and reforms already in view these could be dealt with more efficiently and with much greater expedition by their own investigation than by that of an outside body. If after a preliminary attempt of this kind it became plain that a travelling Commission and more detailed research were called for they would be prepared to adopt the best course to satisfy the public that it was getting value for the money liberally voted year by year. But this Postal conflict had little effect on the division list except to capture some of the seven Labour members, whose defection left Mr. Deakin for the moment in a minority. Even in their case political objects foreign to the nominal issue were paramount. The object was to defeat the Government by a “snap” division, and it succeeded.

## DISQUIETING SITUATION.

Our papers, always biased against a Victorian Prime Minister, at first affected to treat the incident lightly. Mr. Reid, in order to snatch his victory, had cancelled the arrangements under which a choice of the capital site in this State was to be made by the House that very day. He thought office more important. Even today our citizens are hardly alive to the full import of the situation in Melbourne. We hear rumours of a possible coalition between Sir **William Lyne** and the Labour Party under Mr. Deakin's patronage, one curious effect of which has been to promote a local

reaction in the present Prime Minister's favour. Mr. Reid's attack has provoked a poor response from his party, apparently because his prestige is waning to some extent in his own city. Today we are told that the vote upon the Royal Commission is to be postponed until after the tariff has been settled, and that a Labour Caucus is sitting this afternoon to decide whether it will concur in this temporary truce. If it does the final struggle is only delayed. Either Mr. Deakin will emerge master of the House or a more pliable Administration, half of it chosen from the Caucus, will take his place. But as the position of such a coalition would be even more unstable than his has been the outlook everywhere is disquieting. Last Thursday's sudden breakaway, the first of its kind in this Parliament, will not be the last, even if the Prime Minister remains at the helm. If he retires no one can foretell what will follow.

### ENCOURAGEMENT OF IMMIGRATION.

Another Premiers' Conference being now at hand we are being reminded that as long ago as 1906 Mr. Deakin submitted to the States' Governments a plan for a co-operative effort to encourage immigration into Australia. Co-operation between Commonwealth and States is (subject to one possibility referred to later) an essential under almost any plan, for while our Constitution confers upon the Federal Parliament the power to pass laws with respect to immigration it reserves to the State Legislatures the exclusive control of the lands upon which the immigrant must settle, if he is to be put to his best use in Australia. Realising this, the Federal Prime Minister, two years ago, made the modest request that, in order to enable him to give effect to the Federal power of promoting immigration, the State Cabinets should take steps to make available the necessary lands to be advertised abroad at Commonwealth expense. To this request he has waited in vain for any satisfactory response. It was submitted to the Conference of Premiers in 1906, but they were unable to come to any arrangement between themselves for concerted action owing mainly to the fear that some States would benefit more than others if the Prime Minister's plan were carried out. Since then New South Wales and Queensland have been attracting settlers by their individual efforts in a fashion and at a rate which, even if it became common to all the States, would be a very poor substitute for the great national policy that Mr. Deakin proposed to adopt. His proposal was that the local Ministries should confine themselves to the work (which lies within their constitutional province) of providing land for intending settlers, of furnishing the Commonwealth Government with authentic information about it, and of seeing that settlers, when they came, were safely and cheaply conducted to their new homes or suitable employment. All the rest of the work—the advertising in England, the arrangement of cheap steamer fares—everything, in fact, that is necessary for getting the immigrants—was to be done by and at the expense of the National Government.

This seems an eminently reasonable division of labour. It is certainly one to which State politicians have no reason to object. After waiting for two years for some response to his offer Mr. Deakin has recently repeated it in the hope that the Premier may take action which will enable him to carry into effect the wishes of the Federal Parliament, which will be asked to vote any sum that may be necessary to accomplish the great purpose in view. The response elicited by the offer from the Premier of this State is characteristic. He sees in it nothing but another insidious attempt to invade the rights of the State and an ungracious desire to belittle what his Government has done and is doing to promote immigration. This obsession of Mr. Wade's about Federal interference is becoming something worse than inconvenient and absurd. He professes, and undoubtedly has, a keen desire to attract some immigrants to New South Wales. But one may fairly infer from his correspondence with Mr. Deakin that he would rather not have immigrants at all than get them through the agency of the Commonwealth. In speaking on the vote for immigration purposes in the House last week Mr. Deakin, without indulging in language likely to wound the tender feelings of the States, made it clear that he does not propose to delay dealing with this subject indefinitely merely because of his failure to secure their co-operation. His projects in that event were not defined, but he evidently means business, and either in one way or another if he continues in power is sure to assert the Commonwealth prerogative in this regard.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL CRISIS PROLONGED.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Apr. 20 1908; May 30 1908.

The Federal crisis is not past, but merely prolonged. When it arrives it brings chaos. If the uncertainties incident to the attempt at government by one minority deriving its majority from the support of another minority which can never quite make up its mind whether its interest lies in upholding or overthrowing the Ministry of the day have not been made plain in many preceding letters, mere repetition will not disclose them now. Mr. Deakin has reigned for nearly three years, and most of the time more absolutely than any of his predecessors. His tenure of office has never been worth a week's purchase while Parliament was sitting, and is worth no more now. He may last out the session, which ought to close by June, though if he does it will be because the Labour members dread the power they know not more than the Prime Minister they do know, at whom they growl while keeping him in office. He may even last out the year, though that seems most unlikely. The chances are that he will resign as soon as the Tariff is settled. Instead of walking out in a pet last week, as he seems to have intended, because he then received his first direct check since accepting office, he is now content to remain in order to pass the Tariff through its final stages. Once it is disposed of the motion for a Royal Commission upon the Post Office will be pressed on, and though this could have been conceded on its merits ten days ago, and may still be conceded on the same grounds, Ministers cannot allow themselves to be convinced of its necessity in present circumstances without appearing to do so in order to retain their portfolios. If the newspapers can be believed a majority of the Cabinet has always been in favour of appointing the Commission, and no wonder seeing that its inquiries would bury all the pressing practical questions relating to postal management for many months. If such a Commission reported, whatever Ministry was in office could adopt its recommendations out of hand. But in the meantime it is the Prime Minister himself who on the score of the delay and the cost of remitting our Post Office problems to a Commission is personally responsible for the refusals to shelve them indefinitely in this way. Whether he will insist upon dragging his colleagues with him in his resistance, or allow them to retain him in his present position at the sacrifice of his individual views, is the real issue to be decided. In any case the situation is critical. The current opinion of Ministerialists appears to be that Mr. Deakin is indispensable at present, but unless the

opinion of the Labour Party is equally uncompromising, a very unlikely contingency, there must be a new Prime Minister very soon. Whether any other leader can keep a majority even with the undivided support of the Labour Party is another question which may become of the first importance a few weeks hence.

## INDUSTRIAL LEGISLATION.

Mr. Wade, having made a reputation and delighted our newspapers by his firm handling of our industrial troubles, has now lost his credit with them by his strange handling of the same issues. The short session of our State Parliament ended on Saturday, after a mild contest between the two Houses, in the course of which the outstanding points of difference over the Industrial Disputes Bill were disposed of summarily. But this measure emerges from the Parliament in a shape fundamentally different from that in which it was introduced by Mr. Wade. All the changes made in it having his brand upon them, our Premier is now told that he has “swallowed the Government’s election pledges” given “a flat and astounding negation” to his undeclared principles by accepting “a Bill which goes right against the grain of the Ministerial policy and professions”. He has “somersaulted in every one of his pledges”, “recanted”, “turned his coat”, and betrayed his supporters. Certainly the facts are remarkable. He originally proposed the Victorian Wages Boards, plus a court with power to inflict penalties for disobedience to awards, and to punish strikes or lock-outs. Lawyers were banished from the proceedings; there were no appeals from the decisions of the Boards; preference to unionists found no place. The Act he has placed on our Statute-book includes the old New South Wales system of compulsory arbitration, which he first sought to repeal, plus the Victorian Wages Boards. The Court which was originally designed simply to inflict and enforce penalties has been turned into an elaborate Appellate Court, to which an appeal lies from the Wages Boards on all questions of law and fact. Strange to say, this feature of the measure, which was inserted with the strong approval, if not at the direct instigation of the Labour Party, is the very feature of the Victorian system to which the Labour Party in that State is most uncompromisingly hostile. Lawyers are to be permitted to appear before our new Court; and preference to unionists—the very *bête noire* of Mr. Wade and those who think like him—still finds a place, though a diminished one, in the new enactment. Still the hopeless inconsistencies of the Premier, though they have set the *Daily Telegraph* shrieking, are of small moment. What really matters is the question whether the hybrid system we have got under the new Act will work any better than that we have just discarded. If it will, no one need grumble, because Mr. Wade has reversed his opinions and recast his measure in almost the shortest time on record. His new Act represents a frank attempt to please everybody. This is not generally a satisfactory method of legislation, but there is certainly a good deal to be said for his plea that a Bill which merely embodied the views of his party, and made no real concessions to the trade unionists, would certainly have been a failure from the outset.

## POWERS OF THE COURT.

What we now have is a very novel combination of existing experiments, none of which have been long enough in operation to permit of their being thoroughly relied upon. Industrial agreements which have proved fairly effective in the system that is now being superseded are retained. These are agreements between employers and employees, or unions, which, once they are registered in the Court, render any offender liable to penalties for their breach. Next, the Act provides for an Industrial Court, to consist of a Judge with the virtual rank of a Supreme Court Judge, who sits with or without assessors. This tribunal becomes the keystone of the new Act. Applications for the appointment of Wages Boards are made to it. Even without application the Court may recommend the Minister to establish a Board for any industry. All awards of the Boards are subject to a right of appeal to this Court, both as to questions of law and fact, though an appeal will only lie by leave of the Court. Its decisions are to be absolutely final. This tribunal is also invested with the duty of trying cases for breach of awards, or for anything in the nature of a strike or a lock-out, acts which under this, as under the old Act, are criminal offences. If a union itself in any way encourages its members to strike its funds may be levied upon for part of the penalty.

## THE WAGES BOARDS.

Wages Boards are to be formed on application to the Court by an employer of not less than twenty employees, or by a trade union, or in some circumstances by non-union employees in any industry. Each Board has jurisdiction over disputes in the industry or group of industries for which it is appointed. It consists of a chairman (an independent person nominated by the other members of the Board) and equal numbers of employers and employees up to five on each side. These Boards have power to fix hours of labour, rates of pay, and all other details relating to the industry, for all persons engaged in that industry within the locality over which their jurisdiction extends. The awards are, in ordinary circumstances, to be in force for a period of three years. With a view of increasing the power of securing their enforcement the Boards or the Court may, before actually making an award, require security from both sides for its observance. If this is not given the award may be withheld altogether. If the old Act had contained such a provision it can hardly be doubted that the unions would have been somewhat less ready to defy the conditions imposed upon them. This would have prevented many revivals of old disputes already adjudicated upon. Such are the salient features of the most important Act that has passed our State Parliament for a long time. Whether it will serve its purpose time alone can tell.



# THE COMMONWEALTH OF AUSTRALIA.

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## MR. DEAKIN'S MINISTRY.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Apr. 27 1908; Jun. 6 1908.

The *Prime Minister* met the House just after my last letter was despatched with an amendment upon Mr. *Webster's* motion for a Royal Commission to inquire into the Post Office administration postponing its further discussion until the Tariff was finally settled. The *Governor-General* had returned to Melbourne in order to be upon the spot in case the Opposition, by joining forces with the Labour Party, should have been able to defeat this Ministerial proposal. In this case Mr. Deakin would have resigned at once and Mr. *Reid* would have become entitled to take his place. But short as had been the interval allowed for reflection it had sufficed to scatter the hostile forces. Even the Labour extremists who desire the overthrow of the present Cabinet shrank from separating themselves from their fellows in order to march under Mr. Reid's banner. Their return gave the Government its usual majority. In the meantime the Opposition corner Protectionists had realised their own danger if they should allow the portions of the tariff schedule in which the Senate had suggested alterations to be transferred to the custody of a new Ministry containing some fanatical free importers. The mere possibility of finding themselves responsible for running such risks sent them to the rightabout in a body. Their defection left Mr. Reid and Mr. *Cook* with their own following only, and that not at all enthusiastic as to the outlook providing they had to take Mr. Reid for their leader in a House that will have none of him. The decline in his popularity in this city, part of which he represents, and in this State, whence he derives his strength, has now become patent enough to affect even his most devoted Parliamentary adherents. Rather than expose its weakness the Opposition proper was obliged to forego any challenge of the Ministerial amendment. Mr. Reid admitted that this suited his policy, though this confession became ungracious when he added that until the fiscal issue was settled there could be no approach to unity among those sitting with him. Ministers therefore received a unanimous support from all quarters of the House. Indeed, but for the uncontrollable temper of the Opposition front bench at such an exposure of its weakness the sitting would have closed with the statement of the Government's intentions. The irascibility of Mr. Reid and Mr. Cook gave the Prime Minister an

opportunity of which he eagerly availed himself. He attacked them and their conduct during the crisis with more force than he has exhibited since his late illness. They had enough to do to defend themselves, and as the proceedings closed were anxiously engaged in explaining away their recent votes and speeches. The tables were turned upon them most decisively.

## STRATEGY OF THE CAMPAIGN

So far the strategy of the campaign has been plain and simple. The direct Opposition, acting under pressure from our Sydney newspapers, has never ceased to press for a vote upon the site for the Federal capital. The Prime Minister anticipated them three weeks ago by fixing a date upon which the decision was to be taken. When the day arrived our own members preferred to throw their long-sought opportunity away in order to force on the motion for a Postal inquiry because it had the support of half a dozen Labour members. Ministers countered this again with their amendment, placing first the requests for amendments in the tariff sent down by the Senate. A baffled Opposition is now condemned to see the settlement of the capital site postponed by the action of the very members who have been incessantly clamorous for its immediate choice, at all events until the schedule of duties has left the House. They also find themselves divided between their desire to hurry on all business that intervenes before Mr. Webster's threatening motion can be called on again, and their almost irresistible inclination to cut down at any cost the rates of all Protectionist imposts included in that schedule during its passage through Committee. That these conflicting motives and disappointments have disintegrated their strength is demonstrated by their almost unbroken series of defeats last week in the numerous divisions on items which they desperately challenged. The apologetic attitude of their Protectionist corner towards the Ministry since its late blunder has been a constant source of vexation to them. The calm preceding the coming storm has therefore so far been favourable to the transaction of business. The Labour extremists are silent, apparently not inspirited by their prospects. Their outside organisations are hostile to any Parliamentary coalition, and they themselves, since they can cherish no expectations of office, will be unwilling supporters of a Cabinet including some of their own more fortunate colleagues. Many go so far as to argue that in no circumstances should they become advisers of the Crown. Labour members on this theory should remain a permanent Opposition, incurring no responsibilities whatever except by resisting all legislation and condemning all Administrations as mere palliatives to be accepted without gratitude or rejected for insufficiency. This intransigent attitude has been adopted by a considerable number of our local Labour agitators towards the new Arbitration scheme, although Mr.

Wade threw overboard his own Bill and his own principles in order to please them. With such surroundings the future of the Federal Ministry cannot be comfortable while it is dependent upon the sober-minded and experienced members of the Caucus to keep its always unruly ultras in reasonable subordination.

### THE SITE FOR THE CAPITAL.

It is rather hard to explain the tactics adopted in this State, and particularly by the Sydney Press, towards the choice of the capital site without appearing to caricature its many inconsistencies. Practically our papers have been in direct opposition to every Federal majority and Government since federation, and have unblushingly employed this question in every way as a weapon of party warfare. Mr. Deakin has once more undertaken to give the House yet another opportunity of discussing the matter before the adjournment, so that there is still a prospect that this long-standing grievance may be removed before the close of the session. Although the Opposition deserve no consideration in this regard, yet for every reason it is to be hoped that this may come to pass. Not that anyone has suffered wrong by the delay, much of which was inevitable owing to the necessary investigations of competing localities. But this State still remains unreconciled to the continuance of the Parliament in Melbourne. The majority of the irreconcilables do not quite know why they are so antagonistic, while the minority more or less frankly admit that it is a matter of business rivalry. Sydney is Anti-Protectionist still, though none of our prophecies of ruin have been fulfilled. Since federation, although our union was ushered in with two or three years of devastating drought on our side of the Continent, New South Wales has known a measure of prosperity which she never enjoyed before. Had it not been for causes with which federation has nothing to do—the recent fall in the price of metals, and in the demand for our wool—we should have repeated this year the golden experiences of its predecessor. Hence our malcontents are bound to cast about for some reason for their anti-Federalism other than the commercial and industrial *débâcle* which they have always predicted. In the face of the very valuable but unexpected fruits of federation in this State our one cherished injury had to be emphasised at any cost, and in consequence has been harped upon until everyone here is weary and every critic oversea must be puzzled to comprehend our obsession.

### RESPONSIBILITY FOR DELAY.

The clause of the Constitution requires that the Federal capital shall be in New South Wales, not less than 100 miles from Sydney. The non-fulfilment of this requirement is quoted as evidence of a deep-laid plot on the part mainly of Victorians to prevent the “Mother State” from enjoying the “rights” which the Constitution vests in her.

Really the only advantage that can accrue to Sydney when the site is selected will be by fixing the capital somewhere in the interior, where all its trade, whatever that may be, is obliged to pass through Port Jackson. The head and front of the Commonwealth's offending remain, and will remain while Melbourne continues the *de facto* capital, though as a port her gains are infinitesimal. Now, in point of fact the chief responsibility for the past delay rests mainly with our State Government. As long ago as August, 1904, during Mr. Reid's term of office, the Federal Parliament passed an Act selecting Dalgety, a site near the Victorian border, not far from Mount Kosciusko. So far as the Commonwealth was concerned, this was a full discharge of its constitutional obligation. But this choice did not commend itself to Sydney nor to the State Parliament which sits here. The capital territory has under the Constitution to be "granted by or acquired from" the State. Our then Premier interposed every obstacle which his fertile and sometimes perverse ingenuity could devise to the carrying out of the Federal Act. The rights of the Commonwealth to acquire the territory in the absence of a voluntary grant from the State are not very clear, and therefore we were able to delay the actual establishment of the capital. These tactics have been so far successful that during the last few months a new district, Canberra, about 200 miles south of Sydney, which was not among the sites considered at the time Dalgety was chosen, has steadily risen in public favour. There is now a very numerous body of Federal members, including Mr. Watson, who advocate a revision of the original choice in favour of Canberra. So strong is this movement today that, unless this or some other alternative to Dalgety can be secured, the acceptance of the Federal favourite will be resisted with dogged determination by our State Parliament, and our ingenuity will still be employed in pretending that the Ministries and majorities of the Commonwealth Parliament are wholly responsible for all the delay. Whatever abstract rights the Constitution may confer upon the federation in respect of the choice of its capital in New South Wales territory, our newspapers know that the forcible assertion of those rights is almost out of the question. If Canberra, or some site equally dependent upon Sydney as its port be taken, our opposition will cease at once. If not, Dalgety at some indefinite time hence, may be victorious. The *Bulletin*, though a Sydney paper, is fighting for this site tooth and nail, while Melbourne papers commend it chiefly because they realise that while it stands nominally approved, the actual determination will be kept in suspense by the persistent antagonism of this State, and especially of this city.

# THE COMMONWEALTH OF AUSTRALIA.

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## FINANCE OF THE FUTURE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, May 4 1908; Jun. 13 1908.

The Premiers' Conference overshadows all else, though at that meeting the attitude of the Federal Government overshadows the throng of State questions. Its large financial proposals, if adopted, would directly determine many things of importance to us, and indirectly affect everything within the Federation. These proposals are to be laid in detail before the Commonwealth Parliament and the Conference tomorrow, and when once tabled are bound to be discussed with deep interest and probably with great heat from one end of Australia to the other. It would not be difficult to forecast them from the suggestions conveyed or implied in a preliminary statement made by the *Prime Minister* to the Premiers assembled in Melbourne on Friday last. But that attempt is unnecessary this week, since we shall have it complete very soon. Besides, what he has already said strikes the keynote of his financial policy which in one form or another has been put before the public many times since it was first outlined five or six years ago. Summed up broadly, he offers to take over the whole of the debts of the States, amounting to £250,000,000 sterling, paying the interest for them instead of paying three-fourths of our Customs receipts to the States till the end of 1910, as the Constitution requires. From that date or a few years later the Commonwealth would commence by degrees to pay the difference between the interest due from each State to its bondholders and the average three-fourths of the Customs receipts it has been receiving. Thus gradually, in some thirty to forty years, it would relieve them of the whole of their current obligations upon the whole of their existing indebtedness. Stated in this fashion the proposition may well appear extravagantly generous, if not recklessly prodigal. Simply as a financial undertaking it can hardly be paralleled on this side of the globe.

## ASSUMPTION OF LIABILITIES.

Of course, there is another side to the bargain, as indeed there needs must be if the Federal Parliament is to be induced to give its assent to such an assumption of liabilities. The responsibility of paying to the States £3 out of every £4 collected in Customs duties would be replaced after 1910 by a fixed Federal responsibility

terminating with the redemption of the State loans. Any growth in the returns during that period would remain in the Commonwealth Treasury. Though promising only a remote enfranchisement, this is certain to grow real in a few years and to become of increasing importance every year afterwards. The next condition is that the States, while retaining their present unlimited powers of borrowing, shall exercise them in future subject to the determination of a permanent Commission of financial experts as to the time and amount of their borrowings. The object of this restriction is to prevent them from spoiling the London market for the Federal **Treasurer** when he undertakes the redemption of the £250,000,000 of their debts for which he is to become liable, and also to protect the States against themselves in the event of their entering into a suicidal combat with each other for English money at any particular season. All borrowing for the future would be through the Commonwealth upon the issue of a single stock, "Australian Consols", at a fixed rate of interest, with a sinking fund for every loan administered by the Commission of financial experts. The States are to give security to the Commission covering all their new loans. Mr. **Deakin's** first and last declaration was that a national financial control is indispensable in the interest of the Australian taxpayer ; that it is essential to protect his pocket, and must be insisted upon to avoid a cutthroat competition between his several sets of representatives. He pleaded for a complete financial federation in all our dealings abroad, coupled with complete financial freedom guaranteed to the States and the Commonwealth here and in their relations with each other. Whatever hopes he may be cherishing of the acceptance of his scheme by the Premiers or by his own Parliament there is an evident preparation for carrying it to the electors in the event of any resistance from either of them. His Ministry has lived, and continues to live, by its close touch with national aspirations and sentiments. Its financial project is obviously inspired by, and therefore in harmony with, its ruling conception of an Australian policy.

## COALITIONS.

The Premiers remain circumspect. Very little authentic information is available disclosing their individual opinions. They naturally prefer to await the complete scheme. Nevertheless, even in the proceedings published, the strong anti-Federal animus of our Premier, Mr. **Wade**, is plainly visible. Apparently he is still smarting from his recent epistolary duels with the Prime Minister, for he shows himself aggressively militant on any and every occasion. Victorian Ministers are endeavouring to preserve an impartial demeanour, leaning on occasion either for or against Mr. **Wade**. South Australia seems Federal, Western Australia and Tasmania are uncertain. It is a misfortune that Mr. **Kidston** is leaving for England before the great problem of our financial future can be disposed of, because it appears as if he is likely to

remain the dominant leader of his own State when recent events have once more transformed the political situation. The unnecessary and injurious crisis provoked by the extraordinary course taken by the **Governor of the State** led recently to a dissolution within a few months of a General Election without any Constitutional necessity. As was, of course, inevitable, the electors then expressed the same opinions as before, though in a more emphatic manner, giving to Mr. Kidston and the Labour Party, whom the Governor's action compelled to fight the election as allies, more than two-thirds of the seats. This happened only two months ago. When the House met the Caucus appeared to have buried the hatchet, which, before the Constitutional question arose, they had been fond of brandishing over Mr. Kidston's head. Circumstances pointed to a definite alliance between them which would have put the Government beyond the strange vicissitudes that everywhere accompany the three-party system. But the harmony between them was purely factitious, as, indeed, all alliances with the Caucus appear to prove. Its rigorous platform makes no distinctions between those outside its fold, no matter what their public services or principles may be. Their co-operation in Brisbane lasted just as long as the policy of Mr. Kidston squared with the rigid requirements of the Labour platform, and no longer. The immediate occasion of the breach was the introduction of certain proposals for the building of railways. The Government proposed to build one or two lines under agreements with private companies holding interests in the neighbourhood, by which these were to advance a certain proportion of the cost of the lines. Anything in the nature of a syndicate railway is anathema to the Labourites, and although Mr. Kidston claimed that he had made ample provision for securing complete State control, they obstructed his proposals with every weapon with which the armoury of Parliamentary procedure could furnish them. The Premier, determined to finish the session in time to allow of his attending the forthcoming Premiers' Conference in Melbourne, with the help of the direct Opposition, applied the closure to force his proposals through the House. This resolute course led Mr. **Bowman**, the Labour leader, to denounce him in the strongest possible terms. After such an amiable outbreak the session closed with a not unexpected announcement from Mr. Kidston that he proposed during the recess to make arrangements which would "enable the men in office to be the men in power"—in other words, that he intended to enter into a definite coalition with the party led by Mr. **Philp**, which he had just defeated at the polls for the second time. It remains to be seen how the difficulties incident to a coalition between these two parties, which have but a slender community of policy, will be surmounted. Their one common ground appears to be antagonism to the aggression of the Labour Party. This, though good in itself, can hardly furnish a foundation for anything more than a temporary alliance for special purposes. But the fact is that even that alliance is better than none.

## RADICAL LEGISLATION.

Possibly some substantial ground for the new partnership may be found in the extraordinary manner in which the session just closed has cleared the way. At all events Mr. Kidston has been able to give the bulk of his policy the force of law. First came two revolutionary measures for the amendment of the Constitution. By one of these the existing requirement of a two-thirds majority in both Houses for the passage of any Bill for the amendment of the Constitution, and also for the reservation of such Bills for the Royal assent, was abolished. By the second a still more drastic innovation was made for the purpose of preventing deadlocks between the two Houses. Where a measure has been twice passed by the Assembly and twice rejected or not passed by the Council, henceforth it may be submitted to a referendum of the whole people, and, if approved by them, pass at once on to the Statute Book. Few Acts of greater Constitutional significance than these have emanated from any State Legislature or any British community for a long time. But they are not the only important results of a very short session. The Wages Boards Bill, which furnishes Queensland with a system similar to that of Victoria, was passed, with the inclusion of the crucial clause extending its operation to the agricultural industries. An Old Age Pensions Act, by which a pension of 10s. per week is granted to all persons over the age of sixty-five who have been resident in the State for twenty years and who are not subject to disqualifications named, has also received the Governor's assent. Further sanction has been given to the principle of the referendum by the passage of an Act providing for the submission to the direct vote of the people of the question of religious instruction in State schools. An amendment has also been made in the electoral system abolishing the system of voting by post. Having passed all the Bills approved by the Labour Caucus in spite of the antagonism of Mr. Philp, he apparently intends to secure the rest of his programme by the aid of Mr. Philp's friends in defiance of the Labour members. In this way a whole sheaf of proposals for railways, some of them of considerable magnitude, has already received legislative sanction. Under the most favourable conditions this would have been an excellent Parliamentary record. Under the conditions which actually existed it is a triumph for Mr. Kidston, who but for the Governor's dissolution could not have achieved as much radical legislation in a regime lasting ten years.



# THE COMMONWEALTH OF AUSTRALIA.

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## CONFERENCE OF PREMIERS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, May 11 1908; Jun. 22 1908.

Another Premiers' Conference has met and deliberated and is about to disperse. Melbourne was chosen as the meeting place because the one object of the gathering was to endeavour to settle financial relations between the Federation on the one side and the several State Legislatures on the other. Readers of the *Morning Post* who recall its current comments upon the drift of our affairs any time during the last five years will not need to be told once more how vital is the question of finance. Australia will only provide a certain sum each year for its Government, and as the functions of Government are divided between a central Parliament and six local Parliaments there will be a life-and-death struggle between the two for the lion's share of the Customs revenue. Up till 1910 the States are allotted three-fourths. After that date it depends upon the Federal Parliament what share they shall receive. Whatever it retains for its own services the States, of course, cannot secure. Hence their eagerness to cajole or coerce the National Parliament into putting them out of the pain of their present uncertainty as to the amount they are to expect and to make that as large as possible. A persistent struggle is proceeding between the Commonwealth and its component States for supremacy, which will be decided principally by their respective proportions of Customs receipts. The deepest purse will carry the greatest power, and Australia will become the political prize of the victor. Every other consideration arising at or out of the present Conference is, therefore, quite subordinate to this. Of course, neither our Federal nor our local Legislatures will be able to suppress the other, but each is ardently anxious to put its fellow in harness and to seize the reins. Eventually, one must drive and the other be driven. The contest now being waged is, therefore, the keenest that is likely to arise in our time. It may, and probably will, settle the spheres of our seven Governments for a generation at least, and possibly for much longer. Attention has frequently been called in these columns to the coming of this crucial conflict. As we approach its climax the interest is intensified—Federal or State representatives, which shall rule?

## FINANCIAL POSITION OF THE STATES.

Up till now the National Government has been most anxious to press for a definite distribution of the Customs receipts, while the States have been hanging back. They have been receiving their full three-fourths, as the Constitution requires, and also during the last seven years in the aggregate some seven millions more out of the surpluses of the Federal Treasury. They cannot expect to be as liberally dealt with in any new agreement. On the other hand, Commonwealth Cabinets have all recognised how much they were being crippled by the fact that the State Legislatures had a direct interest in crippling their expansion and reducing Federal expenditure in every direction. To cut themselves free they have, therefore, offered to take over the State Debts under some bargain which would fix their obligations to the States, and enable these to be discharged by payments made directly to the State's creditors. They are entitled at present to upwards of £8,000,000 a year. The proposal of Sir **William Lyne** is that £6,000,000 of this should be discharged for them by the Federal Treasury from 1911. The balance due will then be gradually discharged by annual increments granted to them over and above that fixed sum. Thus ultimately the whole of the interest upon the debts already incurred by the States will be met and the principal sum of £250,000,000 repaid for them by the Commonwealth. In addition the Federal Treasury will relieve the three largest States of the present cost to them of old age pensions, and the three smaller States of their obligations for the same purpose which they must soon prepare to face. Subject to these charges the Federal Government will then control the whole of its growing Customs revenue for its own purposes. The States will require to depend upon the receipts from their railways and other reproductive works, free by that time from all interest charges, and upon their income from direct taxation. As the Commonwealth also possesses unrestricted powers of direct taxation its absolute dominance would soon be assured in every field. At such a prospect the States' Ministers and newspapers are being stirred into a chorus of protest against the "strangulation" with which they are threatened. At the moment the atmosphere is too disturbed to permit of an appraisal of public feeling or of political judgment upon the daring proposals of the Deakin-Lyne scheme. This differs both in duration and in detail from that of the same Cabinet when Sir **John Forrest** was Treasurer. That, lasting only till 1920, was temporary and generous; this is permanent and, by comparison, parsimonious. There is plenty of room for compromise between them.

## QUESTIONS FOR DISCUSSION.

Conferences of Premiers, the regularity of whose meetings threatens to make them a permanent part of our political machinery, are an interesting, if somewhat unpromising Constitutional development. Before Federation, they were occasional, but possessed a distinct value as a means of co-operation. Yet since Federation, though it greatly diminished the number of matters in which concerted action on the part of the States was necessary, by transferring all or nearly all such matters to the central Government, these conferences have practically become annual gatherings. It is now the open ambition of the local Premiers to give them a continuous life. One of the first acts of the Conference now in session was to agree to the appointment of a permanent Secretary who is to hold a position with reference to these gatherings somewhat analogous to that held by the recently appointed permanent Secretary in the Colonial Office to the Imperial Conferences. Our Premiers evidently contemplate the permanent addition of a new wheel to our already complicated governmental machine. There is, it is true, a temporary justification for these meetings, while the thorny question of the financial relations between Commonwealth and States after 1910 remains unsettled, since the interests of the different States in its settlement are to a large extent identical. If the Premiers had confined themselves in the previous meetings to an endeavour to formulate some method of settlement for submission to the Federal authorities that would meet State requirements, they would have performed a useful service. But, though this object has always been recognised at previous Conferences as the most important of the questions submitted, it has only been one of a large number of topics for discussion, and it has never been found possible to devote enough time to it to secure even an approximately satisfactory solution of its formidable difficulties. Apart from this subject, the nature of the matters submitted to previous Conferences, and still more of those submitted to the present one, suggests that the real *raison d'être* for these Conferences is the desire on the part of the State Premiers to assert themselves against the Commonwealth. The agenda paper for the Conference now sitting comprises no less than forty-one items. If the forty were struck out, and the time of the Conference devoted to the remaining one—the financial question—there would be more promise of a useful result. The odd forty, which are culled from every corner of the field of Federal and State politics, fall roughly into three classes which are not mutually exclusive: first, those wholly unimportant, which could be settled by correspondence; second, those which concern two, or at most three, States only and with which therefore the majority of the members have nothing whatever to do; and third—and this is the largest class—those with which none of the States as States have any concern at all, the subject matter in question having been transferred to the Commonwealth. The Premiers exhibit a confirmed disinclination to render unto Caesar the things that are constitutionally his, unless indeed Caesar undertakes to follow their advice and study their interests first when dealing with them.

## IMMIGRATION POLICY.

An excellent illustration of this Provincial Antagonism was afforded by one of the first resolutions submitted to the Conference by that redoubtable Provincialist, Mr. **Wade**, the Premier of this State. His quarrel with Mr. **Deakin** over the question of immigration has been mentioned in a previous letter. He sought at the Conference to get his attitude endorsed by his brother Premiers by moving a resolution "that each State be left to control its own immigration policy". Seeing that the Constitution expressly empowers the Federal Parliament to legislate with respect to immigration, and that Federal laws do not require the assent of the States for their validity, such a proposal certainly lays its author open to the criticism that he has quite failed to apprehend or is wholly indifferent to the meaning and consequences of federation. Immigration was made a Federal matter for the express purpose of preventing each State from being left to control its own immigration policy to the prejudice of its neighbours and of the country. Fortunately for the immigration policy of Australia the other Premiers were not so oblivious of this fact as was Mr. **Wade**, and the resolution was amended into a shape which makes some recognition of the Federal power, and at least in terms allows of that cooperation between Commonwealth and States which the Prime Minister has so long and so vainly been trying to secure. To put it bluntly, on this particular instance our State Premier (Mr. **Wade**) went out to shear and came back shorn. He is committed now, so far as the proceedings of such a Conference can commit its members, to the policy he recently repudiated—that of common action with the Commonwealth. He may, of course, still refuse to observe the resolution and probably will. But his policy of isolation and provincialism in this matter will certainly be more difficult to pursue than it would have been if his resolution had never been moved. Unfortunately in other matters he had his way. When examining the one all important question of the day, that of finance, the pin-prick policy of the Premiers or a majority of them has to be taken into account. The session when reviewed as a whole will show their suspicion of any and every exercise of Federal power. The attitude of the public towards the financial problems of the future is certain to be affected by the injudicious conduct of Mr. **Wade** and Mr. **Bent**, the two leaders from our two most populous States.

# THE COMMONWEALTH OF AUSTRALIA.

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## RIVAL FINANCIAL SCHEMES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, May 18 1908; Jun. 29 1908.

The rival financial schemes of the Federal and State Ministers ought to occupy this letter, though they have already been touched upon twice. There is no question of equal importance or of anything like equal importance before us. This fact is generally recognised, but strange to say continues to receive only slipshod and almost indifferent criticism. The contrast between the two schemes is manifest to the most cursory critic, and yet it would be hard to find a leading newspaper in opposition to the present Commonwealth Government which has made that contrast plain or even told its readers exactly what Sir *William Lyne's* memorandum means. The document itself is clear, but so is Mr. *Wade's* reply to it made through the columns of the Sydney Press, and yet from a study of his argument it would be very difficult for the "man in the street" to understand the true character of the Federal Treasurer's proposition. Before the Conference closed last week there was an impromptu discussion of the proposals put forward by the State Ministers between the *Prime Minister* and his colleague and the Premiers which brought into plain relief their substantial differences. But so far our papers have failed to do justice to that debate or to convey its purport equitably. They have treated the subject merely as another illustration of the grasping policy of the Commonwealth and particularly of its Cabinet, concluding with their familiar moral that the States in general and New South Wales in particular are being betrayed with intent to rob them. Our public, somewhat wearied of this stale conclusion tacked on recklessly to every kind of disquisition, seems inclined to keep its judgment in suspense. Those who are friendly to the Deakin Ministry are disposed to think that it has gone too far, even if its plan be intended simply to begin its bargaining in a manner that will leave room for concessions. Of course the *Bulletin* insists that the Prime Minister's amiability is making him improvidently generous to the States. The *Melbourne Age* and the *Adelaide Advertiser* lean rather in an opposite direction, though upholding the Federal proposals in their general tenour. In point of fact this scheme, like that for defence, must wait its time before it is fairly appraised. When the report of the Conference debates is published in full interest may revive, but the chances are that the shadow of the coming crisis in the National Parliament will for the time being obscure this supreme issue and its urgency.

## THE PARLIAMENTARY CRISIS.

The approaching crisis arises because the Federal Labour Party is divided. Though less than a fourth of its battalion is either anxious or willing to see the Ministry put out, its full strength is required to sustain the Cabinet against the solid vote of the direct Opposition and its corner. Having in view the consequences of a split in the Federal Caucus and the retirement of the Deakin Administration, an unusual importance attaches to the doings of the State Labour Conferences which have been meeting both in Melbourne and in Sydney, as is their annual custom. The intimate relation between the decisions of these Conferences and the policy of the Labour Parties in our various Legislatures give them considerable general political significance, for as a rule what the Trades Unionists outside Parliament say today the Labour members in Parliament will say tomorrow. In these gatherings members of Parliament have hardly the weight to which the intrinsic value of their utterances entitles them. In fact it is not too much to say that there are indications that the Labourite in Parliament is regarded by his confrères outside with some little suspicion, and certainly does not figure nearly so prominently in these Conferences. Their selection as accredited candidates depends, as might be expected, upon the local Leagues, whose representatives no member can afford to offend. Hence the attitude of the collective Labour delegates in each State towards public questions is today a matter of considerable political importance.

## LABOUR PARTY CONFERENCE.

The Conference of the party in this State, which has just closed, was not without evidences that its members are beginning to gain a little clearer comprehension of political possibilities; a little firmer grasp of the relation between means and ends. The association of the Trades Union with politics is sometimes deprecated. It has had, in this country, at least one useful effect which may be set off against its disadvantages, since it has brought Trades Unionism into contact with political realities and has encouraged in the Union leaders the growth of an instinct for the attainable. They no longer construct their policy in a vacuum. The only policy of any practical value to them is one which can be adopted by the Labour Party in Parliament as a pattern for its legislative efforts. This does not mean, of course, that the Labour Party in Australia has ceased to cry for the moon. It only means that its perpetual pursuit of vague "objectives" absorbs a good deal less of its activities than it might if Trades Unionism and politics were entirely divorced.

## THE NEW DISPUTES ACT.

The defeat of this proposal was in its ultimate issues the most interesting event of the Conference, but a matter of more immediate local consequence was the attitude of the members towards our recently passed Industrial Disputes Act. A not unimportant section of the delegates desired to ignore its existence, to prevent the registration of Unions, and to revert to strikes to secure their ends. It can hardly be doubted that if such a policy were adopted with anything like unanimity by the Labour Party the new measure must be a complete failure, as, indeed, would any other enactment, if the whole of the people to whom it applied adopted an attitude of passive resistance. The Conference was prevailed upon by Mr. McGowen and Mr. Holman, the leaders of the party in Parliament, to defer its decision. This was only an evasion of the issue, but served its purpose, since it prevented the Conference from arriving at a determination that might have nullified the Act. Now, at any rate, the system may have a fair trial when it comes into operation on the 30th of June next.

## LEGISLATIVE POWER.

The most significant event of the Victorian Conference was the declaration by the leader of the party, Mr. Prendergast, in favour of the complete transfer to the Commonwealth of the power to legislate on industrial affairs, which, under the Constitution, remains in the hands of the States. This transfer is strongly opposed by the leaders of the party in this State, who, not unnaturally, dislike a proposal for destroying the primary reason for their own political existence. But the forces in the Caucus which make for the transfer appear to be too strong to be successfully resisted. In this instance also the determining factor is the reliance of Labour electors upon legislation instead of upon the lawless methods of the strike and the boycott. The Caucus's dissatisfaction with Mr. Deakin arises because it has not been obtaining from him the measures it desires. Yet it cannot expect to obtain much more, if as much, from Mr. Reid, and is not strong enough to accomplish anything of itself if any turn of fortune's wheel should place its members upon the Treasury benches. Apparently in their present mood they are not content to remain obedient followers of a Government that simply pursues its own policy by their aid, if not at their expense. The State Conferences just held have been wise in resolving to rely upon constitutional methods to attain their ends, but whether they are likely to get any nearer to them at present by changing Ministries in the Commonwealth is open to doubt. The future alone can tell, but from a sporting point of view the odds are all against the life or fruitfulness of a Federal Labour Cabinet.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL PARLIAMENT AND STATES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, May 25 1908; Jul. 7 1908.

The last act of the performance which began with the famous seizure of wire-netting by Mr. Carruthers has just closed with the delivery by the High Court of a judgment in which it is held that the seizure was wholly illegal; that the State Governments are bound by the Customs laws passed by the Federal Parliament just as individuals are; and that Mr. Carruthers was without any kind of legal justification for his melodramatic appeal to force. It did not need a judgment of the High Court to convince us that his action was without any political or moral justification. How our present Premier, Mr. Wade, who was then Attorney-General, came to sanction such a use of the police and of public officers remains a mystery. Our Anti-Federalists have often hinted at violent measures, but this is the only occasion on which they have ventured to use them in defiance of law and order. The incident in itself deserves no further notice. Today the total result of an act which was vaunted at the time as an heroic and courageous defence of State rights remains a permanent stain on the record of the Ministry, which, unhappily, in Mr. Wade's hands continues the same policy of petty aggression. He has lately indulged himself in newspaper criticisms of Commonwealth expenditures on its advertisements in London and here, which altogether cost some £500 or £600. Apparently its funds are to be expended in future only at the pleasure of the State Cabinets. Lawyer as he is, after such vagaries it is scarcely to be expected that he will lay to heart for the future the part of Mr. Justice Barton's judgment in which he laid down once more the true principle upon which Federal and State functions are divided: "In the domain of exclusively national legislation there is no room for States or their Executives. They have great power, which this Court has guarded and will guard. But, as far as the law of the Constitution is concerned, State Governments are supreme in their sphere and powerless beyond it. And this is also true of the Australian Government in its turn". These words have immediate reference to the legal relationships between the Governments. If the State Premiers – and particularly the Premier of this State—could be brought to recognise that they apply with equal force to the political relationships, a good deal of friction might be avoided. We are celebrating Empire Day with a fervour and unanimity that proclaims our loyalty in every school and in every street of Sydney, while at the same time our representatives are denying their obligations to the King's Government in Australia, whose Governor-General is now Resident here.



## THE NEED OF IMMIGRANTS.

The efforts of Mr. *Deakin* to obtain from the State Premiers definite information as to the extent to which they will co-operate in his immigration campaign by the offer of suitable areas of land for the settlement of intending immigrants will be assisted by the recent publication of the official population statistics. He made little if any impression on Mr. *Wade*, and need expect less consideration in the actual work of securing any really notable increase of our present small influx. During the twenty-five years ending with 1906, the population of Australia increased from 2,306,000 to 4,119,000. This, it need hardly be said, is not by any means a large increase for a young country. But the most unsatisfactory feature is that the rate of increase has shown a falling off. The average annual increase for the five years 1881–6 was 3.86 per cent.; in 1901–6 this had dropped to 1.49. It is true that even this lower rate compares favourably with that of England and Wales, or Germany, or Japan. But these older and densely settled countries do not furnish proper standards of comparison for a young, immensely rich, and almost empty continent, with its illimitable areas of fertile soil. To get a proper test we can turn to the United States, where, although the density of population is now much greater than in Australia, the rate of increase is 1.73 per cent. It is calculated by the Federal Statistician that if our present rate of increase is not accelerated the population of Australia in 1950 will amount to no more than about 8,000,000 persons. This is not a prospect that can be contemplated with equanimity by anyone who takes thought for the future of this part of the Empire. Unfortunately, the birth-rate figures taken alone do not suggest the probability of an improvement from this source, for though the marriage rate increased from 7.32 per 1,000 in 1901 to 7.44 in 1906, the birth-rate during the same period decreased from 27.14 per 1,000 to 26.41. These percentages, however, are counterbalanced by the very pleasing fact that the infantile death-rate has decreased during since 1901 from 103.61 per 1,000 births registered, to 83.26. The more efficient municipal government which begins to characterise our larger towns may be expected to reduce it still further.

## ENCOURAGEMENT OF SETTLERS.

The direction in which the Press and the public men of Australia are beginning to look for the arrest of this downward tendency is, reasonably enough, towards the settlement of our people on the land. This may or may not prove of itself a sufficient remedy; it is certainly worth a trial, and, in spite of all the experiments that have been made, it has not yet had a proper trial. We have attempted more perhaps in this State than has actually been attempted elsewhere, though Victoria is now considering more drastic remedies than we have employed. Under the Act passed by Mr. *Ashton*, in 1904, notwithstanding some rather serious defects in its machinery, new settlers

have been placed on the land at the rate of more than 2,000 per year, and up to the present, there is no diminution in the volume of the settlement. But the supply of available land—whether of unalienated Crown lands or of areas resumed under the Closer Settlement Act—is still inadequate to meet the demand. Every acre of the estates resumed by Mr. Ashton has been eagerly snatched up, but the land hunger continues. Only a month or two ago there were no less than 249 applications for a single block of Crown lands put up for sale in the Southern district. One effect of the present policy has been to induce a considerable number of large land-owners to subdivide and sell their holdings privately. But this private action does not, unfortunately, serve the same purpose as Government resumption. Private vendors, naturally, do not bother about the motives or character of purchasers; nor do they impose any limitation upon the quantity which any single purchaser may acquire. The result is, in nearly every case, that practically the whole of the land privately subdivided is bought up by adjoining landholders, and hence these transactions may be left out of account in this connection. On the other hand Government sub-divisions are surrounded by conditions that make for the multiplication of holdings. The difference may be illustrated by comparing the Government resumption of the Myall Creek Estate, comprising some 50,000 acres, with the private sale of another estate of approximately the same area which took place a few months ago. The Government sub-division settled 121 families; the private sale produced a net addition of three new settlers. This is only one instance out of many that could be quoted. Our new Closer Settlement Act of 1907 greatly facilitates the acquisition of suitable estates by the Crown. If vigorously administered, as our new Lands Minister, Mr. Moore, promises, it should do much to reverse the current which has brought more than a third of our population into the great cities. Queensland and Western Australia are not feeling the problem so much. They still have millions of acres of unalienated Crown lands suitable for agriculture, and are sparing no endeavours to settle their own people on these areas and to attract others. These endeavours, in both cases, have been successful. Western Australia is now becoming an agricultural State of front rank importance. She exports foodstuffs to the rest of Australia, instead of importing them, as she did until last year. In Victoria, however, the land hunger is more clamorous than even in this State, and, so far as one can see, less is being done to satisfy it. The one hopeful circumstance is that at last the Government seems to be in earnest in undertaking to find suitable land for suitable settlers under a new Act.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL POLITICS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jun. 1 1908; Jul. 13 1908.

The tariff is finished, so is the Post Office crisis, and so will be the session in the next few days. To all appearances the life and zest are going out of Federal politics very shortly when the curtain of Parliament shall have been actually rung down. In truth nothing but the tariff has been concluded, and with its passing the truce which has hitherto deterred the anti-Labour Protectionists from openly assailing the Government comes to an end. So ready were Mr. *Irvine*, the former Victorian Premier, and those whom he influences for open revolt that they anticipated their freedom by bringing about the defeat of the Ministry upon the question of adjournment six weeks ago. If this unexpected reverse had not been followed by an immediate return to the fold of the Labour members who had then broken away from their own leader and the consequent victory of the Government with which the eventful sitting closed, there would have been another Administration in power today. After that the corner had no choice left when at the next sitting the *Prime Minister* postponed further consideration of the Post Office motion until after Parliament should have reached a final agreement as to the exact duties to be levied upon certain imports about which its Chambers have been disagreeing. Now that their Protectionist pledges have been fulfilled there is every indication that this group will become militant. Yet there are many reasons why they should be found with Mr. Deakin rather than against him. Most of them are Victorians, Sir *John Forrest* is an old colleague of his, and several of their number are hostile to Mr. *Reid*. Their views upon defence are not far removed from those of the Prime Minister, and their personal relations with him are friendly. It is therefore unfortunate that just at the moment when their co-operation might be most valuable in that regard another issue should threaten to separate them more decidedly than ever now that the stumbling block discovered six weeks ago has been got out of the way.

## POSTAL TELEGRAPHS DEPARTMENT.

The demand for a Royal Commission to inquire into the Postal Telegraph and Telephone Department has been conceded by the Cabinet, though it insisted last month that it was capable of reforming the management of that Office without any such interference. The *Postmaster-General* had, indeed, promised most explicitly

that if inquiry proved the task of investigating the whole of the facts to be beyond Ministerial powers he would support the appointment of the Commission. He also added that his colleagues would constitute it in that event without waiting to be urged. Assisted by two of them he then spent more than a month in examining the complaints made. Their report laid upon the table last week came as a surprise when it was found to be much more than a mere analysis of defects and their causes. It embodied a list of administrative changes actually accomplished by executive action together with a further series of proposals, for which legislative sanction is necessary, affecting its methods of working in a variety of ways. So far as can be judged at present the reforms already made are substantial, and those proposed are sound. They ensure, according to Mr. Deakin, very real improvements in the conduct of its business. Still the report proceeded to admit that the inquiry made was not complete, and could not be completed without taking a great deal of evidence in other States before the larger questions of future organisation and finance could be approached. This confession directly paved the way for a formal announcement by Mr. Deakin that the work of the Department has obviously outgrown its present means and methods. To satisfy the needs of the next few years we must face a far greater expenditure than has been, or, indeed, can be, provided out of revenue. He therefore intends to refer these and one or two other important questions to a Royal Commission, as the motion of Mr. Webster had required. This concession, though explained and perhaps justified by the Cabinet's own report, certainly represents a concession to the rebellious Labour members, whose defection in April compelled Ministers to threaten resignation. But though the Cabinet has covered its retreat very dexterously to some extent by means of the practical remedies applied and others projected in its report, all of which were made the most of in the Prime Minister's speech last week, the rebuff it has received cannot be disguised or ignored. The Labour ultras are little if any more friendly to the Government than the Protectionists of the Opposition corner. The position of the Government, precarious from its first hour, has become more precarious than ever. No doubt the Postal Department will be a gainer by the recent incident, but the Administration is as distinctly a loser, since it suffers in prestige and lives by little else.

#### POSITION OF MR. DEAKIN.

This being the case, it is a matter of some surprise to Mr. Deakin's supporters in this State, today more numerous than they have ever been, but still a relatively small minority, that taking into account his desire to lay down the burdens of office he should not have seized the opportunity offered him of retiring at this juncture. The pressure put upon him to stay emanating from many quarters has been much talked of in the Press and in political circles. Nothing has been heard of his reasons for yielding to it. The one thing palpable is that the coalition with the Labour Party under

Sir **William Lyne**, which he proposed and was willing to uphold, having failed, the most probable outcome of his resignation would have been the formation of a strictly Caucus Ministry under Mr. **Fisher**. On reflection Labour members themselves must have realised how little they had to expect from another temporary term of office while in a minority—such as Mr. **Watson** experienced in 1904. After Mr. Fisher had been disposed of would come Mr. Reid, whose direct followers could not give him even the strength of the Caucus—or keep him in office if the whole of his corner consented to sit behind him. Even his sanguine disposition must have been chilled by such a prospect. The corner itself, consisting of a dozen officers with no privates, could accomplish nothing without a stronger alliance. Dreading Mr. Reid they desired Mr. Deakin, although his party even with their aid would not be nearly strong enough to lead the House. A combination of the three sections outside the Caucus seems for the time being impossible. Hence Mr. Deakin remains Prime Minister quite as much because neither of his three rivals nor any feasible combination of them can hope to endure because he has consented to patch up his quarrel with the Labour ultras.

### FINANCIAL QUESTIONS.

The issue that has brought Ministry and Caucus into line again is the same which is severing the Protectionist corner from the Prime Minister. His defence proposals they were prepared to adopt, but his financial scheme they cannot approve. On this subject Sir John Forrest and Mr. Irvine find themselves at one, perfectly prepared to rally even to Mr. Reid's standard. Their only conditions will be that he should head a resolute resistance to the reductions which the Government desire to make in the sums they have been paying to the State Treasuries out of Commonwealth savings. On this matter the Labour Caucus is bound to be unanimous. Every party favours old age pensions, but every section shrinks from levying new taxation in order that the grants may commence at once. The Labour Party are eager to fulfil their pledges that the system shall be introduced before 1911. This can only be done if the States are at once restricted to the three-fourths of the Customs revenue secured to them in the Constitution until that date. Every penny above that must go to the pension fund if it is to be used next year. The Surplus Revenue Bill of the Government proposes to put into trust funds all sums in excess of the three-fourths. The Opposition and its corner are joining battle upon the issue, because they can count upon every State Ministry and Legislature to back them with all their influence in the Federal Parliament itself and at the polls when the final verdict of the electors will be given. We are fast reaching the crucial issue of Australian politics. To whom will the people entrust the power of the purse, or in other words the control of the Customs and Excise revenues raised by its central Legislature, but at present subject to heavy charges for the benefit of its local Legislatures? The winner will be able to reward its

constituents by largesse, while the loser will have to bear the odium of increasing direct taxation. The High Court having decided that the Commonwealth has absolute control of all imports and Excise duties, whether levied upon goods owned by State Administrations or private persons, it is at the next Commonwealth elections that this all-important question must be settled for the time being. Hence the closing of ranks in the Opposition side and the rally of the Labour members behind the Government. It is the only party which they can follow and therefore the only party which can lead the House at this juncture. This is why Mr. Deakin was not able to let go the helm and why even the ultras of the Caucus are anxious to keep him at that post.

### “POLITICAL CURRENCY”.

The first guns in the new campaign have already been fired, and of course by our own Premier, who has been indulging in an intermittent fusillade at the Federal Government ever since he took office. He has ostentatiously posed in Mr. Carruthers's mantle, and his motto has been from the first “The Commonwealth, there is the enemy”. The Conference of Premiers when the Federal financial proposals were submitted by Mr. Deakin afforded him a new starting-point. He has harangued our local municipal representatives and the electors of Mr. Carruthers's old constituency on this text with almost frenzied language. Of course his candidate succeeded in that safe seat, though with a reduced majority over the Labour nominee. The coming issue was not really raised, and, indeed, Mr. Wade's statement of it was an extravagant travesty. However, he out-Heroded Herod in Herod's former stronghold, and in this environment his shrieks were quite in keeping with old associations. Last Saturday evening Mr. Bent followed suit in Victoria in a very minor key. Give him an extra million endowment and provide some arrangement for the period 35 years distant when the Deakin-Lyne scheme finally closes accounts between the Central and the Local Governments and he will be satisfied. He looks forward to the next Conference to settle every one of the current contentions off hand, that is to say, he finds this the easiest means of dismissing the whole subject. Notes of hand and promises to pay always form a large portion of the political currency employed by our State Premiers. In this instance the old device is most convenient, because it allows Mr. Bent to decline to follow Mr. Wade's lead so as to assert his independence and importance without committing himself to anything.

# THE COMMONWEALTH OF AUSTRALIA.

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## WORK OF FEDERAL PARLIAMENT.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jun. 8 1908; Jul. 18 1908.

The history of the Commonwealth Parliament is repeating itself in a curious manner, principally in response to a repetition of overmastering circumstances. The first session after Federation laid the foundations of an Australian policy, completing its first stage with a Tariff which occupied many months in the framing. Its sittings lasted from the middle of 1901 until the end of 1902. A second session in 1903 roughly crowned the work of organisation by the passing of a Defence Act, and the acceptance of a Naval Agreement with the Admiralty which Sir **Edmund Barton** had made in London. Our second Parliament—1904–6—became memorable for rapid political changes, seeing four Ministers during its stormy and chequered career. The present Parliament—1907–10—has returned to the foundations, the Constitution having endowed it with greater financial freedom than its predecessors to redistribute its revenue. The session just concluding has been prolonged through two years, exactly like that of 1901–2, in consequence of its recasting of the whole Tariff. The coming session commencing in September, like that of 1903, will shape a new Defence Bill and a new Naval Agreement. It will probably see a new Ministry as well; not a mere reconstruction like that of 1903, when Sir Edmund Barton was replaced by Mr. **Deakin**, but an entire transformation such as was accomplished in 1904 when Mr. **Watson** took the reins. Other resemblances between the two periods need not be pressed. The situation today is precisely that of 1903, when the Labour members found the votes for a Protectionist Ministry which prepared the measures. But now we are likely to see in two years the changes that formerly spread over three. The pace grows faster as we proceed. The Tariff being out of the way the course is clear. The new schedule gives effect to the Protectionist principle more decidedly than that of 1901–2, though it still falls short of the proposals introduced by Sir **William Lyne**. It concedes a preference to British goods, which is to be presently applied to imports from Canada and New Zealand providing the reciprocal arrangements already existing with South Africa can be made with them. Fiscal stability ought to be secured this year.

## OLD AGE PENSIONS ACT.

The session just closed has been absorbed by tedious debates upon Customs duties. The "New Protection" which attempts to establish a minimum wage in protected industries has also been to the fore, though further legislative action has been suspended ever since the constitutionality of the measure dealing with the agricultural implement makers was sent to the High Court to test the power of Parliament in this regard. On the other hand, an Old Age Pensions Act was introduced granting 10s. a week to every man and woman over sixty-five years of age, and presently to every woman, over sixty, together with similar grants to any persons over sixty who are incapacitated from earning a living. The Bill was tabled and passed through both Houses during the last three days of the session. As these pensions on somewhat less liberal terms have been paid for years both in this State and in Victoria, and were lately authorised in Queensland, members were well equipped for its consideration. The terms wherever they depart from those already sanctioned in New South Wales are more generous. Our method of making the payments has been set aside for that of Victoria and some hints have been adopted from the new Act of Queensland, but on the whole the new Federal law approaches most closely that which Sir William Lyne placed upon our Statute-book when Premier of this State just prior to Federation. The special advantage conferred by Commonwealth legislation is that it will benefit all the aged poor of the three States which have not made any provision of this kind, and also those who owing to their having resided in more than one State have been debarred from the bounty in any. As a consequence our Treasury and that of Victoria will save nearly three-quarters of a million a year now spent on pensions, and Queensland a proportionate sum about to be disbursed. The wage-earners of our whole community are therefore protected henceforth against harsh conditions, not those "which should accompany old age", but those which actually accrue when the aged are no longer able to keep step in modern employments with younger competitors. The million and a half of sovereigns distributed annually in pensions among a small community like ours must exercise a great influence upon our future. Whatever this may be an Australian Parliament has unhesitatingly undertaken at public expense to remove some of the glaring inequalities associated with modern industrialism.

## A FINANCIAL REVOLUTION.

Important as the departure may prove, it appears to be much less provocative of strife than the financial revolution with which it is allied, and of which it marks the inauguration. The Commonwealth has had hitherto to live upon its fourth of the Customs revenue, though this during its early years has been so thriftily handled



that it has returned to the State Treasuries some six millions which it might have applied solely to its own projects. But Federal economies have earned no thanks from our local Administrations, whose anti-Federalism has always been stimulated by a very natural desire to retain the largest possible share of Commonwealth receipts. Until recently it has always been assumed that the Constitution obliged the Federal Treasurer to hand over to the States month by month whatever money remained in his coffers. As a fact every Treasurer had found himself under the necessity of modifying the rigour of this reading of the law in order that he might not be left without a shilling to his credit on the first of each month. At the end of each financial year a readjustment has always been made, and moneys have been entered as spent when simply transmitted to London, though they had not really been paid there before the new year's accounts were opened on July 1. A closer examination of the Constitution discovered that the section fixing the responsibility of the Commonwealth to the States after 1905 could be interpreted so as to enable appropriations made to particular Trust Funds in the Federal Treasury to be treated as payments, so far as accounts with the States were concerned, though no money was being disbursed by the Treasury at that time. At the Premiers' Conference last May this ominous possibility was anxiously discussed by them and with the Prime Minister without allaying their alarms. A Surplus Revenue Bill had been introduced to legalise the new method of laying by Federal revenue in trust for future Federal needs instead of allowing it to flow into the State Treasuries. This Bill was not proceeded with from one cause or another until last week, when it went through all its stages in both Chambers in two nights. The Government majority in each was unusually large, for though the measure was resisted by the full strength of the direct Opposition and denounced with much bitterness it was carried by a majority of fourteen in the House and of seven in the Senate. As a consequence some £450,000, which under the old practice would have slipped into the pockets of the State Treasurers, remains in the Commonwealth Trust Funds. Another million may be put by in the same manner during 1908–9. The loss to the local Governments, though partially compensated in the three largest States by their savings on Old Age Pensions, will be far exceeded even in their case by this huge diversion of coin to the uses of the Commonwealth.

#### APPORTIONMENT OF SURPLUS.

The special objects selected to justify this new departure are, as Mr. Peake, the South Australian Treasurer ruefully confesses, tactfully chosen. A trust for the Naval Defence of our coasts and harbours has £250,000 placed to its credit, while the whole of the remaining takings of the Customs over and above the three-fourths guaranteed to the State Treasuries until 1911 is to be applied to Old Age Pensions. These are to

commence from July 1, 1909. The savings in trust before that date, supplemented by similar savings for the eighteen months following, are expected to suffice for them. If they do not some other sources of revenue must be tapped. In any event a clear implication from this Act is that after 1910 there will never be any payments to the States beyond their three-fourths. More serious still is the practical certainty that they will not even receive the three-fourths. After January 1, 1911, the Federal Parliament can by Act reduce the proportion of Customs revenue to be returned to them to anything or nothing. Then the judgment day of our local Governments will have arrived, for subject to the instructions given by the electors of Australia their Federal representatives will dispose of the whole of their receipts at pleasure. No wonder the **Acting Premier of Queensland** has telegraphed an excited protest against the passage of the Surplus Revenue Act, after vainly soliciting his fellow Ministers elsewhere to join in the chorus. They recognise their helplessness unless either the High Court or the electorates come to their relief. Of course Mr. **Wade** will go to law with the Commonwealth upon its new Act, because he is a lawyer, an Anti-Federalist, and a Premier who has plenty of openings for the spending of money. The surplus revenue set aside in the Trust Funds will be safe in the meantime. But the real appeal must lie to the community as a whole, and for this, too, he is busy preparing himself. Every observer of Australian affairs recognises the new situation that has been suddenly sprung upon us by the Surplus Revenue Act. Old Age Pensions cannot be granted next year unless the High Court upholds its validity. No Defence expenditure can be debited beyond the twelve months of each financial year if it be declared unconstitutional. If the Act be declared valid the struggle will be postponed until the next General Election in 1910. It will revive in any case after December 31 of that year, even if the new Act is held to be outside the Constitution. Under all circumstances a financial Armageddon must be faced then.

# THE COMMONWEALTH OF AUSTRALIA.

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## LABOUR PARTY'S ATTITUDE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jun. 15 1908; Jul. 25 1908.

The fact that the federal session closed with Sir William Lyne defending himself against the attacks of the Labour members is not without significance. That the first lieutenant of the Cabinet most closely in sympathy with the Caucus, who personally received its support at the last general election and has always kept in close touch with its leaders, should have been openly attacked and have hit back defiantly at his allies was such an unprecedented occurrence that it provoked much astonishment. And well it might, seeing that the Ministerial-cum-Labour *entente cordiale* had just triumphantly demonstrated its power by passing the Surplus Revenue and Old Age Pensions Bills at lightning speed, despite the angry resistance of the Opposition parties. Yet this apparently contradictory demeanour of Labour members represents most graphically the curious conditions upon which the present Government has held office for three years. The Caucus has consistently, though reluctantly, upheld the Cabinet because after all its existence staves off the dissolution, for which it is not yet prepared. No other Ministry could expect to carry on for more than a few months. The annual conference of the Labour Leagues is due in Brisbane in July, where their Parliamentary representatives may receive marching orders. Many of them are already straining at the leash in anticipation that the break-away is about to be assented to then, even if it be not commanded. No coalition will be tolerated by the conference. Not even Sir William Lyne's leadership will be accepted, and it is doubtful whether he would be conceded a seat in a joint Cabinet if it were possible to contrive a common platform for a half-and-half Government. Hence there seems nothing ahead but open war, and perhaps war to the knife, between the present Prime Minister and those who have followed him with marvellous docility up to the last few weeks. His policy today is, if anything, more palatable to the Caucus than it has been at any time since he took the reins in 1905, but that does not alter the attitude of the Leagues, which is governed by other conditions. These are external. They spring from the Trades Unions, and through them affect the whole party, whose ultras have long chafed against the restraints imposed upon them by their connection with Mr. Deakin. The absolute break with Mr. Kidston in Queensland is one of the first manifestations of a coming upheaval which must result in an appeal to the people, and probably as electors of the Commonwealth.

## INDUSTRIAL DISPUTES ACT.

The industrial unrest that has been such a marked feature in the recent history of this State shows, unfortunately, little sign of subsiding. Our troubles seem likely to extend rather than diminish. There is at present no actual conflict in progress here, but the fires are still smouldering in more than one industry, and a mistake on either side might set them ablaze. Then it may spread to other States, where similar agitations are visible. These are probably by-products, due to a threatened decline from the buoyant industrial prosperity of the last few years to a condition in which men will not be constantly offered steady employment at high wages. The habit of looking to political action for relief is not by any means decreasing even if it prove, as often before, merely a resort to the general public safety valve. The Deakin Government on such questions cannot satisfy the impatience of its Liberal allies, and probably would not attempt anything of the kind. Just now it looks as if Mr. Wade's new machine for the settlement of industrial disputes, which comes into operation on the expiry of the existing Arbitration Act, on June 30, will not get a fair trial. At the moment the new measure promises to be the occasion of a rather serious rift in the Labour Party itself. There is one fundamental vice in its political organisation which is proving a permanent source of weakness. This is the ill-defined relationship between the party in Parliament and the Leagues outside. So far as the Labour movement is political, it is obvious that its success depends upon the extent to which final responsibility is allowed to rest with those who are in immediate contact with the practical requirements of public affairs. The tactics of a Parliamentary party cannot be successfully controlled from outside, especially by men many of whom aim at getting themselves into Parliament, or whose aims are limited to some one particular article of its programme. Yet this is the case to-day in the Labour camp in every State. As first introduced the new Industrial Disputes Act was wholly unacceptable to the Labour Party, both within and without our State Legislature. During its progress through the House Mr. Wade made extensive amendments to meet their wishes, in many cases at the direct suggestion of Mr. McGowen, the State Labour Leader, or his deputies. Although they did not pretend to regard it as a wholly satisfactory measure, it received their public benediction after it became law, on the Premier's assurance that if its actual working discovered defects he would take early steps to have it amended. On this understanding they have been recommending it to the acceptance of Trades Unionists. Yet the Extremists outside Parliament have proved strong enough, at a meeting of the Sydney Labour Council last week, to reaffirm a resolution advising all Unions in the State to ignore the new Act, to take no steps to form Wages Boards under it, and to rely upon the strike as the only means of securing improved conditions of employment. This incredibly foolish resolution, passed by a small majority in haste and with heat, will not necessarily defeat the operation of the Act.

If the Unions do not make use of the privilege which it gives them, of nominating representatives to the new Boards, this can and will be done independently of them. The Boards thus constituted will have the same jurisdiction to fix rates of pay and other conditions of employment as if the Unions had cooperated in the way contemplated by the Act. At the same time its usefulness will be very materially crippled.

## NEWCASTLE MINERS AND THE SPECIAL COURT.

While the Sydney Council is thus advocating neglect of the tribunals which the new law offers them, the Newcastle miners, whose dispute with their employers at the end of last year nearly landed Australia in the disaster of a coal famine, are doing their best to induce the Premier to bring about a resumption of the sittings of the Special Court which was appointed under the presidency of Judge Heydon, of the Arbitration Court, to adjust the matters out of which the dispute arose. This Court, it may be remembered, was appointed by the Premier last November on the understanding that there should be no interruption in the working of the coal mines during its sittings. The Miners' Executive gave this undertaking, but the foolish action of some irresponsibles, who were beyond the control of the Executive, led to a series of stoppages in first one and then another of the mines, which exhausted the patience of the Court. The president, who enjoys the complete confidence of both masters and men, at last resigned. The responsible officials of the Miners' Association, who have been doing their best to prevent a strike, are now trying to induce the Judge to reconsider his decision and to resume the inquiry. Their faith in the virtues of official mediation, it appears, is not yet exhausted. Unfortunately Judge Heydon is so fully occupied with the hearing of cases that must be disposed of before the Arbitration Act expires at the end of this month, that he has not yet been able to accede to the request. If he can, there seems to be reason to believe that a dispute which threatened Australia with the gravest industrial crisis since the great maritime strike of 1901 will be peaceably settled. In the meantime this danger tends to add to our unrest commercially and politically, and, so much so, that if New South Wales can be taken as a sample of the rest of the Commonwealth we are on the verge of a period of change such as followed the resignation of the present Prime Minister in 1903. A very short cycle has brought us around again to a situation very much the same in many of its aspects.

# THE COMMONWEALTH OF AUSTRALIA.

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## INDUSTRIAL DEVELOPMENT.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jun. 22 1908; Aug. 4 1908.

The duty of a chronicler requires that all the potent factors of public opinion in Australia should be recognised, and among these as a rule none is more conspicuous than the Press. Just how far it expresses popular sentiment and how much it can or does shape opinion one need not even attempt to judge. As far as New South Wales, or rather Sydney, is concerned, its tone in respect to politics is persistently dolorous. Our morning papers moan over the State Legislature and the backsliding of Mr. *Wade*, although he comes nearer to their idea of a leader than anyone else in the Commonwealth. The unpardonable wickedness of the Federal Administration is only proportionately worse than the Opposition and its tactics. Mr. *Reid* is openly censured, and Mr. *Cook* severely passed by. According to them there is "no health in us" and no conscience in our politics since the passing of the Surplus Revenue Act. Henceforward we can have no hope of further Federal windfalls to the local Treasury, since all the national revenue not applied by the annual Appropriation Acts will be spent on Old Age Pensions. Of course, the *Bulletin*, as usual, is the permanent exception among our papers to all rules, and the consistent antagonist of our solemn "dailies", whose utterances it accompanies with a chorus of flouts, jibes, and sneers. Yet outside politics this State does not appear to possess any sufficient grounds for pessimism at present. Sydney's pre-eminence, illustrated in all the returns of commerce and the multiplication of the great lines of shipping, has been recognised in the most pleasant manner possible, since the United States has transferred its principal Consulate from Melbourne to this city. Nothing could have more tactfully heralded their Fleet. Despite the tariff over which we are groaning still, or, as the *Bulletin* insists, in consequence of it, we are really reaping more benefits from Federation and Federal policy than any of our neighbours.

## THE BENEFITS OF PROTECTION.

Take the developments disclosed by the official figures and published from time to time by our own statistical department. The latest instalment of these gives particulars with regard to our industrial progress in this State during 1907. They show that there has been an increase of over 12 per cent. in the number of persons employed

in industrial establishments during the year. The increase is stated at 9,372, but these figures may need some correction on account of a change in the method of keeping the statistics. Making the fullest allowance for this, there were at least 8,000 more persons employed in manufacturing enterprises at the beginning of 1908 than there were at the beginning of 1907. This is a considerably larger increase than we have hitherto known. It does not represent merely an advance in the number of women and child workers, for the increase in the number of men employed is nearly three times as great as that of the number of women. Nor does it mean merely that big industrial establishments have become bigger, for there has been an increase of nearly 500, or 14 per cent., in the number of separate factories. Along with these developments there has been a substantial advance in the average rate of wages paid. In 1906 this average was nearly £72; in 1907 it was nearly £77. Going back to 1901, the first year of Federation, there has been a gain since that time of nearly 30 per cent. in the number of hands employed, and of 40 per cent. in the total amount of wages paid. These figures should effectively dispel any doubt as to whether the industrial activities of this State have suffered through Federation and the Protection adopted in spite of the resistance of most of our representatives. It is only fair to say that we hear less of this complaint today than we did a year or two ago. The logic of facts has become too strong, even for the most inveterate opponent of Federation. It seems tolerably clear now, that if any State is going to suffer, economically, because of Federation, that State is not New South Wales. An almost humorous situation has been created by the passionate complaints in our Free Trade papers that we have not received as much Protection as Victoria and are really entitled to a great deal more.

#### WEST AUSTRALIAN ELECTIONS.

Nothing seems to have happened of late in Western Australia except the periodical elections for the Legislative Council, which took place a few weeks ago, leaving political conditions much as they were before. The Local Option Party in the Upper Chamber is made a little stronger, the prospects of a Local Option measure being passed into law next session are a little brighter, and the Temperance Party, which has always been somewhat lethargic in the Western State, is rousing itself at the prospect of a struggle. The electors have pronounced in favour of a continuance of the land and income tax, passed after a vigorous fight in 1907—a tax which requires annual re-enactment. This measure does not, like the New Zealand graduated land tax, express any political theory, though it was supported by the Labour Party as an instalment of their policy of “bursting up the big estates”. It is simply a concession to the financial necessities of the hour. As such it was introduced by the Government, and as such it has now been endorsed by the electors. Perhaps the most important political feature of the elections is the fact that all the candidates returned, except one, are in favour of a reduction in the Legislative Council

franchise from a £25 to a £15 qualification. This makes possible the passage of a measure effecting such a reduction, and the probability is that it will be introduced early next session. The Labour Party succeeded in capturing only one seat out of the ten which were vacant, and that by the casting vote of the returning officer.

### PREFERENTIAL VOTING.

This election, however, has an interest altogether apart from its effect on current politics. It was the first occasion upon which preferential voting was used in the State, although not, of course, the first upon which it had been used in some form in Australia. In five out of the six contests there was no opportunity for its application, as there were only two candidates in each case. But in the most populous district, the Metropolitan, there were four candidates, and a good opportunity was afforded for testing the efficiency of the system. The name "preferential voting" has not a very precise connotation in Australia, for we have had propounded here a somewhat bewildering profusion of methods. But in Western Australia the method adopted is the simplest. It merely provides that where there are more than two candidates, the elector may, if he chooses, vote for them all in the order of his preference, by placing the figures 1, 2, 3, &c., opposite the names. If no candidate receives an absolute majority on the first count, the votes of the candidate lowest on the poll are recounted, and distributed amongst the candidates who come second in the order of the voter's preference on those papers. This process is continued until one candidate has an absolute majority. The objections that have usually been urged to the adoption of this system, and which proved strong enough to prevent its adoption in the Federal Electoral Act, are that it is too complicated to be grasped by the intelligence of the average voter, and that it makes too great a demand upon the capacity of the returning officers. Neither of these objections derives support from the experience of Western Australia. The test was, of course, upon a comparatively small scale. There were only some 7,000 voters on the roll, and of these, about 3,800 voted. Out of this number there were only 50 informal votes, and many of these appeared to have been intentionally made so. The figures as to the proportion of informal votes in Western Australian elections are not available, but the percentage in this case does not appear to have been in any way unusual. As far as the other objection is concerned, the returning officers disclaim the idea of any special difficulty in the counting. Thus the Australian experience in favour of the general adoption of some such system of voting is slowly accumulating. When the remodelling of the Federal electoral system is taken in hand, as must shortly happen, there will be a strong demand for the abandonment of the crude system of single member electorates, under which the elected candidate almost as often as not represents a minority of the electors, in favour of the more rational system which has already received the endorsement of the Prime Minister and most of the leading men on both sides of the House.



# THE COMMONWEALTH OF AUSTRALIA.

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## STATE AND FEDERAL FINANCE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jun. 30 1908; Aug. 12 1908.

Our State Premier, Mr. **Wade**, is appearing in a new role—that of defender of the Federal Constitution against the violent hands of the Commonwealth Government and Parliament. Speaking with the sounding-board of the Sydney “dailies” behind him, he has invited the electors of the State to join him in a fight against what he calls the grievous invasion of State Rights involved in the financial proposals of Sir **William Lyne**. According to the *Daily Telegraph*, he has “declared war”. The Federal proposals, rendered necessary by the approaching expiration of the period covered by the temporary arrangements made in the Constitution itself, were laid before the recent Conference of State Premiers in Melbourne. Whatever their merits may be from the Commonwealth point of view, Mr. Wade believes they would involve an immediate drop perhaps of £3,000,000 a year in the revenues of this State if all savings consequent upon it are ignored. He therefore drew for the behoof of a shuddering audience pictures of heavy increases in direct taxation, retrenched Civil servants, crippled Government Departments, and all-round misery as our inevitable lot. These pictures, it need hardly be said, are founded upon a very imperfect presentation of the real meaning of the scheme, which has been obscured the more by a sudden recollection of his of some offer of unconditional aid proffered by himself on behalf of all the States to enable the Federal Parliament to pay old age pensions, of which offer neither the **Prime Minister**, his **Treasurer**, nor any other Premier has evinced any consciousness. Naturally our electors are almost wholly dependent for their opinions on a complicated question such as the relations of Federal and State finance on the information supplied to them by State members or by our papers. Unfortunately, at present neither of these guides is wholly reliable on this subject. Our local Cabinet has not been gaining popularity of late, so that its members, apt pupils of the ex-Premier, Mr. **Carruthers**, see every Federal proposal through a mist of suspicion. Their leader, Mr. Wade, admirable as his intentions usually are, is, and always was, an incurable anti-Federalist. This term is used in no offensive sense; it simply means that he, like his predecessor, appears to be constitutionally incapable of measuring Australian projects by any standard other than their effects upon his own State. Our local “dailies” follow the same line. It is therefore in no way surprising that

Sydney opinion is ripe to believe that the Federal financial proposals spell spoliation even if they are not wantonly devised for that fell purpose; that a generous offer to assist the Commonwealth to establish old age pensions in the early future has been concealed, and that Mr. Deakin's prompt intimation that, though he now hears of this project for the first time, he is willing to accept the boon with gratitude is in some mysterious way an aggravation of his original offence in not divining it.

### THE STATES AND FEDERAL GRANTS.

Making allowance for the extravagances into which party feeling or provincialism have led some of the critics, it must be conceded that, if the proposals which were submitted to the State Premiers by Sir William Lyne are carried out in their entirety, this State, comparing her present inflated subsidy from the Commonwealth with that forecast at the Conference, must be put to great inconvenience. That inconvenience may be temporary, it could not be altogether avoided under any feasible plan. There is not money enough in the Federal Treasury for both our central and local Legislatures on their present outlays. These considerations, however, do not serve to reconcile our Ministers to the Commonwealth offer. The plain fact is that New South Wales finds her own chickens coming home to roost, and she does not welcome them. Before Federation a comparatively small proportion of our total revenues was derived from Customs and Excise. In 1900, the last year of State independence, out of a total revenue of nearly £10,000,000 only about a million and three-quarters came from this source. Federation changed all that. The imposition of the Federal Tariff made an immediate increase of over a million in our receipts from this source, while last year the amount of Customs and Excise duties returned by the Commonwealth to New South Wales was nearly two millions in excess of the amount collected by the State itself in 1900. Administration has been made very easy for Mr. Wade under such happy conditions. No wonder he objects to lose it.

### THE PRUDENT COURSE.

Of course prudence would have dictated that this extraordinary windfall should be devoted to debt reduction or some purpose other than the ordinary Governmental expenditure, especially in view of the fact that the financial arrangements of the Constitution conveyed a distinct warning that it could not be expected to be permanent and might not last more than ten years. Prudence, however, has not been heard in the financial counsels of the State Governments we have had since 1901. Our unexpected accession to wealth was treated as if it were a normal expansion of the ordinary revenues; the whole scale of our State Government has become more

expensive, and almost the whole of the additional revenues lavishly poured into our purse have been absorbed for the ordinary purposes of administration. The result is only what might have been expected. We find ourselves in the position of a gentleman who, having been living at a generous rate and taking no thought for the morrow, is abruptly compelled to make a considerable reduction in his expenditure. Naturally we do not enjoy it. Our dislike of any retrenchment whatever is expressing itself, through the voice of the Premier, in speeches none too explicit except in the reiteration of the one charge that Mr. Deakin and his colleagues are engaged in a deep-laid plot to destroy our independent existence as a State. The Commonwealth must be made to continue to remain our milch cow. The fact is that our State politicians have not realised, and will not realise, that the Commonwealth has the right, the power, and the duty to fulfil the purposes for which it was created, and that all these purposes cannot be achieved without a serious diminution of the returns which are being made to the States. Someone must economise. Mr. Wade is very sincere in his determination that he shall not be hampered by any regard for the National Parliament and its obligations.

#### THE LEAD OF NEW SOUTH WALES.

It would be unwise to dwell upon these local considerations so much were it not for the fact that New South Wales, always the most populous and influential State, is steadily increasing her lead. Every year places a greater space between us. Victoria, once our rival, is being steadily outstripped. The importance of Mr. Wade arises from the fact that being the Premier of the "Mother State", the wealthiest of the States, he becomes the natural leader of the whole group in their dealings with the Commonwealth. Sooth to say he has so far shown a scanty sympathy for their special trials, for the exceptional requirements of West Australian development, or for the hand-to-mouth policy pursued in Tasmania. On the other hand, our neighbours have been compelled perforce to follow the path that suits us. Thus at the recent Conference he seems to have been ready to concede the liberty to the Federal Government to retain sufficient of the Customs revenue to pay old age pensions next year in return for some indefinite concessions to us. In this he was really making little or no sacrifice, since we already pay those pensions to our own people. But South Australia, Western Australia, and Tasmania do not. They appear to have insisted upon a substantial *quid pro quo* from the Commonwealth if they should agree. Western Australia emphatically demanded a large permanent annuity from the Federal Customs, and according to the official records Mr. Wade was then of the same way of thinking. He certainly said nothing to the contrary. Since then he has either changed his mind or at all events opened it frankly for the first time. Now he is willing to help Mr. Deakin to pay the pensions at once if the Prime Minister will give up the power

of making appropriation for them, as well as for Naval Defence, which he has just acquired under the Surplus Revenue Act. This is not in the least likely to be done. It is very doubtful if the three local Governments who are still free from the obligation of providing for their old and infirm citizens will be amiable enough to accept the burden by their own act. It is equally doubtful if their Legislatures would uphold them if they did. Of course, it is fast becoming a case of Hobson's-choice. With the Surplus Revenue Act in force the Federal Parliament can keep back the whole of its fourth of the Customs towards paying the pensions and accomplishing its great defence scheme. That measure enables it to save whatever proportion it can of its fourth by placing it in specific trust funds for its great national purposes instead of being obliged to disburse to the State Treasuries every penny not actually expended before the end of each financial year. Unless this power is exercised within the next two days the whole of the surplus for 1907-8 will lapse to the States. Mr. Wade ingenuously requests that it be allowed to lapse on the faith of an undertaking from himself and his fellow Premiers that they will urge their Legislatures to consent to deductions from future surpluses, or even if necessary from their own three-fourths of the Customs, which may be applied by the Commonwealth Parliament to the payment of old age pensions to all Australians over sixty-five or over sixty if disabled. The puzzle is why he should insist upon this overture, which, so far as we can judge, is not favoured by any other State. He cannot expect it to be accepted. At best it can only serve him by adding one more grievance to his already large collection of curiosities of this character.

# THE COMMONWEALTH OF AUSTRALIA.

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## PARLIAMENT AND THE COURTS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jul. 7 1908; Aug. 17 1908.

Attention has been attracted from the strange outbreak of Mr. **Wade**, one of many it is true, but the latest and least explicable, by the delivery of the long-deferred judgment of the High Court in the "Harvester cases". So far as our "dailies" can direct the public mind, and they can guide it here almost where they please, our Sydney papers are busily employed in an endeavour to make their readers forget that there ever was a charge of treachery levelled against the Federal Government, because it had refused an unconditional offer made by the States to find the money for Federal old age pensions and had fraudulently concealed the fact that such an offer had been made at the late Conference. It is now quite clear that the alleged offer never was made, and in spite of Mr. Wade's earnest pleadings it seems hardly possible that even now he can induce his colleagues in the other States to countenance it on condition that the Federal Ministry pays over to them the £250,000 set apart for Defence and the £182,000 set apart for future old age pensions, at present lodged in the New Trust Funds. Mr. **Reid** and Mr. **Cook**, his allies on the Commonwealth Opposition benches, have become strangely silent since his "exposure" of the Deakin-Lyne plot has been itself exposed. The same dead silence has fallen suddenly upon all concerned in buttressing our Premier's statements. His story is not repudiated in set terms, it is not even explained away, but is simply dropped out of sight and covered up so that it may be forgotten as speedily as possible except by the casual reader, who no doubt continues to believe that an iniquity has been perpetrated, of which the punishment is merely postponed. In this way it is that public opinion is fashioned in this metropolis.

## THE CONSTITUTION INTERPRETED.

As must frequently happen under the Federal system our Constitution is gradually being interpreted for us by the High Court. An important Federal act has been declared *ultra vires* by the three senior judges of that great tribunal, their two juniors dissenting. The sincerest friends of the "New Protection" were not without

doubts whether the Federal Parliament possessed the power to do what they desired. The High Court has now decided that the Parliament, having no authority to pass laws directly regulating conditions of labour, cannot achieve the same end indirectly by the exercise of its power of taxation, and that the power of regulating industrial conditions directly is consequently reserved to the States. The dictum is distinctly reasonable. The result is naturally hailed by the States' Governments as a victory. It certainly secures to them, as against the Commonwealth, a sphere of governmental action which in Australia is every day increasing in significance. The decision once more vindicates the absolute impartiality of the Court. It is also an emphatic reminder to Federal members who have not yet become accustomed to the restrictions of what is called a "rigid" Constitution that the Commonwealth cannot be allowed any more than the States to transgress whatever bounds the Constitution sets to its authority. This is not the first occasion on which such a reminder has been given. The attempt of the Federal Parliament to render State officials subject to the Federal Industrial Arbitration Act was also defeated by a decision of the High Court. Twice, therefore, Federal encroachments have been put back, while on half-a-dozen occasions the States have had a similar lesson. It should be noted that both the cases in which the Federal authority has been held to have exceeded its powers have related to industrial legislation.

#### THE "HARVESTER CASES".

The circumstances under which the last case came before the Court have been previously described, but they are important enough to justify recapitulation. The Federal Government found that the agricultural implement industry, which employs a large number of men in Victoria, New South Wales, and South Australia, was insufficiently protected by the original Commonwealth tariff against the powerful competition of American manufacturers. It was decided to greatly increase the import duty. There was, however, a strong feeling in the House that a share of the benefits of this increased duty, which seemed high enough to give local manufacturers the chance of a monopoly, should be conferred on employees. The question was how to secure this, for the Constitution conferred no power upon the Federal Parliament to pass laws regulating industrial conditions. Some ingenious person suggested to Mr. Justice Isaacs, then Attorney-General, the imposition of an excise duty on all harvesters manufactured in Australia, with an exemption in favour of those which were manufactured under conditions as to rates of pay which were deemed satisfactory by the President of the Commonwealth Court of Arbitration. This, it was argued, would be a mere exercise of the taxing power, which undoubtedly belonged to the Parliament and could be supported by bringing the administration of the Act

within the arbitration jurisdiction. Thereupon Parliament paid the price required for the extra duty, and the excise, with the exemption mentioned, was imposed. The largest manufacturer of agricultural implements in Australia, Mr. McKay, failed to satisfy Mr. Justice Higgins, of the Arbitration Court, that the wages paid by him were satisfactory. When called upon for the excise duty he refused, and the proceedings against him which have just terminated were then commenced. For several reasons, the most noteworthy of which is that the Act in question here was not really a taxing Act at all, but a regulation of industry, the Court has held the legislation which embodied this ingenious scheme to be beyond the Constitution, and that no excise duty was ever legally imposed. Hence the manufacturers may enjoy the benefits of the increased protection without being under any obligation, so far as the Commonwealth is concerned, to comply with any requirement as to wages.

### PROBABLE LEGISLATIVE ACTION.

This judgment, from which Mr. Justice Isaacs strongly dissented, possesses unusual importance, not merely because it lays down far-reaching principles of constitutional construction, but because it must have an immediate and serious effect upon the political situation here. The new tariff, which occupied the greater part of last session, was passed upon the definite understanding that the conditions already insisted upon in the agricultural implement industry should be applied to every other industry enjoying the benefit of high protective duties. A project was actually outlined in a Ministerial memorandum issued some months ago, and probably, but for the pending proceedings to test the constitutionality of the principle, a Bill would have been laid upon the table. The tariff is there; the manufacturers are enjoying its benefits; the condition on which it was passed is found to be impossible of direct fulfilment. The Prime Minister and his followers especially in the Labour Party have admitted that the matter cannot rest where it is. In an earlier letter I stated that if the Court declared the New Protection to be unconstitutional the result would be an effort to obtain an amendment of the Constitution to empower the Commonwealth to regulate industrial conditions. Already this contingency is being canvassed, and, in the face of the practical inconveniences that attend the separation of the power of Customs and Excise taxation from that of industrial regulation, it is hardly to be expected that some enterprise of the kind will not be undertaken. The "New Protectionist" would be satisfied to base it upon the argument that he is not a Protectionist *simpliciter*: he supports protective duties as part of an economic scheme which also includes fair conditions for employers and fair prices to the consumer, and that it impossible to legislate satisfactorily on one element in this whole while

the power to legislate on the others is reserved to some other authority. There is a stronger argument for some change, since the Constitution removes all fiscal barriers between the States. The manufactured products of, say, Tasmania, or South Australia, can pass freely into New South Wales and Victoria and compete, except for cost of carriage, on absolutely even terms with the local products in the local markets. But the manufacturer in New South Wales, or Victoria, may be subject under State laws to restrictions as to hours of labour for employees, minimum rates of pay, and sanitary precautions from which his Tasmanian or South Australian competitor is free. This condition of things has not so far produced the antagonisms that might have been expected, but it is by no means a mere theoretical objection to the present position of affairs. The immense increase of our inter-State trade since Federation, and the gradual substitution of locally manufactured for foreign commodities caused by Protection without and Free Trade within our borders render these considerations of great practical moment. The transfer of power cannot take place without a referendum, and, if present indications do not mislead, it seems certain that the next session of Parliament will see the introduction of a measure authorising that transfer, which, if passed by an absolute majority of both Houses, will remit the question to the electors.



# THE COMMONWEALTH OF AUSTRALIA.

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## THE LABOUR CONFERENCE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jul. 14 1908; Aug. 22 1908.

The Labour Conference at Brisbane spoke from and for the whole of the Commonwealth, representing the party in its full strength and on its best behaviour. Yet the one conspicuous conclusion to be drawn from its meeting appears nowhere in Press criticisms. The Australian Labour Party does not and cannot rule Australia because not one-fourth of the voters accept its programme, and it could not capture a fourth of the constituencies in a pitched battle with those outside its ranks. Nothing was done at Brisbane to alter that first and most vital condition imposed upon its ambitions. Of course its well drilled members possess great power in our politics, much greater than any other organisation. But as in its principle it is strictly exclusive and hostile to all other parties, Labour's only opportunities for accomplishing its purposes arise when it obtains reinforcements from outside its own pledged legions. Its one chance of power arrives when and while its opponents are divided. Whenever their differences are temporarily composed the Caucus candidates go to the wall, and the party remains as in this State in a hopeless minority. Nor is the Labour Conference itself an efficient body, since it consists, like our Senate, of an equal number of representatives from each State, irrespective of the numbers of their adherents or of their proportion to each other. Anything like majority rule is therefore quite out of the question. Such a composition of the Conference gave what may be termed the "State rights" sections an undue authority and an undue proportion of the representation. Nevertheless it is the custom of hostile critics to depict the Labour organisations as bent upon the abolition of the States and their Legislatures and the absorption of their functions by a despotic National Parliament. The fact that two of the *delegates* were *women* and that the President, Mr. *Fisher*, who leads the Federal Labour Party, spoke strongly in favour of female candidates for the Senate when the next Federal General Election comes, attracted some attention. Whether practical effect will be given to his suggestion anywhere unless the contest is hopeless may well be questioned. There are always plenty of masculine candidates for nomination by the State Leagues, who find the prospect of a six years' term at £600 a year much more tempting than it is to the average citizen. Deductions estimated at about twenty per cent. have to be made from this income for living and other expenses, inclusive of the cost of the election,

generally a very trifling sum. A body so curiously constituted at Brisbane and sitting for five days only, for all that contained a fair sprinkling of experienced practical men. Its assemblage is an important event of the year, though not of a character to kindle any real alarm, whatever its decisions might be.

### THE AIM OF THE PARTY.

Whether it be taken as a sign of sanity or insincerity, the outstanding fact is that the first resolution carried by the Conference preserved the old declaration of the objects of the party. This, as Mr. Reid remarked with some bitterness, is so colourless that it might be adopted by any other political party. The ultras, who once more endeavoured to insist that they should begin their sittings by a frank avowal of aggressively Socialistic aims, were again defeated. To an extent they were compensated for this sacrifice to opportunism by the fervid declarations of their leaders that one day they will be ripe for a frank programme of State Socialism. On the other hand, looking backward, the thoughtful among them must realise that the movement, instead of increasing in the strength of its demands for drastic changes, decides against them by larger majorities every session. The reconstruction of society is being put aside in favour of its reform, and the reforms themselves, though described in grandiose terms, have a way of whittling down into ordinary legislation under pressure of public opinion. The first feature of the Conference of 1908 is the moderation of the title-page, upon which is inscribed the general aim of the Australian Labour Party in the realm of Commonwealth affairs, which is to be embodied in Federal Acts at the earliest opportunity. Caution is the watchword in this field, for though the Radicalism of the programme is marked in every separate article, including the nationalisation of the iron industry, the total effect is intended to be reassuring. On the other hand the balance is partially readjusted by an emphatic decision against any possible alliance with any other party. This has soothed the disappointment felt by the stalwarts of the old school, who burned to see things as they are ignored in order to encourage the instant pursuit of things as they think they ought to be. Their chief dread was that the Coalition projected under Sir William Lyne might yet be brought about with its inevitable consequences, a much milder programme and a very much milder manner of accomplishing it than the extreme measures of which they dream.

### POWERLESS MEMBERS.

The Coalition scheme proved futile months ago when Mr. Deakin desired to retire, and could not have been revived even if authorised at Brisbane with any hope of permanence under Sir William Lyne or any other Protectionist. But it was still talked of in the Press, and the always suspicious ultras, suspicious of their own leaders

among others, have now been gratified by the formal recognition of a foregone conclusion. Once more the Moderates have gained by making this unreal concession. Some few would have liked nothing better than a union with the Protectionists even for a limited period, but, recognising that it was impossible, they had the tact to appear to make a sacrifice of their wishes. The humorous circumstance is that without an alliance, either open or implied, the Labour members in the Federal Parliament are powerless to carry anything or to defeat anything. Mr. Deakin continues in office today not because they agree with his policy but because they disagree with it less than with that of his adversaries. When they give his Cabinet the *coup de grâce* it will be either to pretend to govern with a minority, which can accomplish nothing of itself, or to force the rest of the House to tolerate some other Ministry for which it will have little respect in order to keep Mr. Fisher and his Caucus from domineering over them. Evidently, therefore, so far as generalship is concerned the Conference discovers a great deal of unwarranted faith in its popularity and a great want of foresight of the immediate Parliamentary outlook.

### THE RESULT OF THE CONFERENCE.

The prospects of the party in the Federal Parliament were soon settled. The central struggle was within its own ranks, between its own accredited representatives in the Commonwealth and State Legislatures respectively. This was the principal event of the Conference. It produced two resolutions of permanent importance. The first of these provided the basis for a settlement of the conflicting claims of the Commonwealth and the States upon the Customs revenue collected by the former. This, being somewhat confused, will call for examination apart and in some detail. The second resolution, more vital to the Labour Party itself than any other, necessarily provoked the fiercest contest in Committee, and will exercise a most potent influence upon Federal politics. It raged around the simple question whether industrial legislation is to emanate wholly from the Commonwealth Parliament or remain as at present in the control of the separate State Legislatures. As the Labour Leagues consist of men and women who live by their labour and who are therefore far more interested in industrial questions than any others, the duel was incidentally for the mastery of the Leagues and their legions. They live for industrial legislation first, and where that treasure is there will their hearts be also. Our representatives, Mr. McGowen, M.L.A., the leader, and Mr. Holman, M.L.A., the deputy-leader of our State Labour members, made a prolonged and angry fight to retain their present jurisdiction. Their fear to pit themselves against Mr. Wade, who has raised and means to keep raising the cry of "State rights" in respect to industrial and

every other province retained by the local Legislatures, is personal and practical. With what face can they fight a battle in their constituencies to cripple themselves as State legislators and in order to exalt their comrades in the Federal Houses who in this relation and in the Conferences are their most dangerous rivals? Our State Labour members were defeated. That defeat, though at present glossed over by a temporary compromise, commits the Labour Party to reliance intimately upon the Commonwealth for the determination of the wages, hours, and conditions of employment throughout all the States. Both in this case and in that of the financial adjustment just mentioned there are to be qualifications and restrictions of the power of the Commonwealth, but they will prove of temporary validity only. The one outstanding result of the recent Conference, therefore, inevitable as it was, comes upon many as a surprise. It distinctly foreshadows the transference of Labour legislation, and with it of the weight and influence of the Labour Party, from the State Legislatures to the National Parliament; not at once, but for certain. When the force and meaning of this transfer are realised the significance of the Brisbane Labour Conference of 1908 will be better understood than it is today.

# THE COMMONWEALTH OF AUSTRALIA.

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## THE “NEW PROTECTION” PROPOSALS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jul. 21 1908; Aug. 29 1908.

The most significant political event of the last week is Mr. Reid's announcement that he intends to support the demand formulated by the recent Labour Conference for an amendment of the Constitution to enable the “New Protection” proposals to be carried into effect. This declaration has certainly surprised most of his political enemies, and it is not at all unlikely that it has disconcerted a good many of his political friends. Mr. Reid does not speak in these days, as he once did, as the acknowledged leader of a powerful and united party. In fact, some of his nominal adherents do not suppress their feeling that he is a sort of “lost leader”, who retains his official title merely because no one else is at present possible. This sort of thing does not make for party efficiency, and the Opposition is just now both demoralised and disunited according to the confessions of its own Press. Notwithstanding all this, Mr. Reid remains a powerful force in Federal politics, and his support of the proposal for Constitutional amendment, even if it does not represent a considered determination of his own or of a coherent party, increases the probability that the amendment will be submitted. Taking Mr. Reid's announcement as that of the direct Opposition, three out of the four parties in the House have now declared in its favour.

### LABOUR PARTY'S DETERMINATION.

The Government is irrevocably committed, Mr. Deakin having announced long before the High Court's decision was given that the “New Protection” was an integral part of the Government policy, and that the High Court's decision, whatever it might be, could only affect its method of attaining his end. The Labour Party is naturally determined in the matter. Part of its support for the Tariff was given on the understanding that the benefits of the new duties were to be shared in some measure by the employees in protected industries. For that reason, if for no other, its members will certainly not leave things as they are. If anything had been needed to confirm them in this determination it has been found in the fact that on the publication of the High Court's judgment some manufacturers who had raised wages to the level necessary to enable them to obtain exemption from excise while the Act

remained unimpeached lost no time after the decision in reducing them to the old level. Mr. Reid having declared that he too will help to secure this amendment, the only section of the House which has not yet declared its intentions is the Opposition "Corner" Party, a knot of members including Sir John Forrest and Mr. Irvine, which is eagerly hostile to the Government on all questions except the Tariff. As a party their effectiveness is somewhat restricted by the fact that they are, in fact, a regiment of colonels. At first sight, therefore, a majority seems sure. But while this is the surface appearance of the situation, it will be no easy thing to carry any proposal of the kind. Mr. Reid is very unlikely to do anything except embarrass the Government. Mr. Irvine has already declared against amendment in a cautious fashion that leaves him room to commend the principle while opposing its application. A closer consideration of the factors shows that there is little hope of passing the necessary measure through the House of Representatives this year.

### THE TWO COURSES.

The justice of the general proposition that equitable wages are due in industries specially aided by the State appeals to our public. But it is easy for our politicians to declare generally in favour of an amendment of the Constitution which will enable the Parliament to give effect to its ideal, while it is far from easy to suggest the precise kind of amendment that will meet the case, or if it met the case would force a majority to support it. The Government proposals have not yet been divulged. But it may be safely said that the task of formulating an amendment which will give the Commonwealth the necessary power without arousing dangerous, and possibly fatal, opposition is one of extreme difficulty. Two courses are possible. One is to frame a Constitutional amendment of a limited character, merely giving the Federal Parliament that extent of power over industrial conditions necessary to enable it to limit the benefits of protective duties to those manufacturers who comply with the industrial standards required by Federal legislation. It may be possible to frame a limited amendment of this character; but no one has formulated one yet, and though it is far too soon to assert that the task is impossible it certainly proved beyond the collective powers of the recent Federal Labour Conference, though that body had the strongest possible incentive to success in its desire to prevent a serious split between the Federal and State sections of the party. The other course open is to boldly propose an amendment giving to the Federal Parliament unrestricted power to legislate with regard to industrial conditions throughout Australia. This need not deprive the State Parliaments of their existing authority, but it would prevent them from exercising it in any way inconsistent with the legislation of the Commonwealth.

## A PLANK IN THE FEDERAL PLATFORM.

In 1901 the States were invited to transfer their control to the Commonwealth voluntarily by Sir **Edmund Barton**, the then Prime Minister. The reception they accorded the invitation at that time, and the subsequent growth of anti-Federal feeling in their Legislatures, does not encourage the hope that they would view an amendment which rendered them subordinate to the Commonwealth in industrial matters with anything like equanimity. The opposition of the States, however, is by no means the most serious difficulty in the way of such a complete surrender. The proceedings of the Labour Conference disclosed another, and showed conclusively that the Labour Party in the Federal Parliament, who have hitherto been most strenuous in their advocacy of absolute Federal control of industrial conditions, can no longer support it without grave risk of dissension in their own ranks. The principle of uniform industrial legislation for Australia was affirmed by the Conference of 1902, and again in 1905. At the recent Conference when it was proposed to make it part of the Federal fighting platform, though strongly pressed by Mr. **Fisher**, the new Leader of the Federal Party, and by Mr. **Watson**, who still retains a commanding influence in its councils, it aroused no warmth. The State Labour members, who if such a proposal were carried would lose their principal reason for existence, proved sufficiently strong to prevent the adoption of the new plank. They induced the Conference to content itself with passing a purposely vague resolution, merely approving an amendment of the Constitution to validate the new Protection. This, as was pointed out above, may mean anything. In time it probably will come to mean a great deal. At present everything turns on the kind of amendment that is to be made. The Ministry, no doubt, will do its best to frame one, but the situation is very critical. For this reason it has seemed advisable to describe the position in some detail, though even if a Constitutional amendment on this subject passes the House its fate in the Senate is all but hopeless.

# THE COMMONWEALTH OF AUSTRALIA.

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## MORE LABOUR TROUBLES.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Jul. 27 1908; Sep. 9 1908.

Again a strike, once more in New South Wales, and yet again unjustifiable. In one or other of the States industrial legislation is usually on the boards, but here it threatens to become a daily dish. The arrival of the United States Fleet, the departure of the *Governor-General* from Victoria and South Australia, even the strife of State against Commonwealth, are thrust aside by the uproarious clamour of reckless employees of our State electric tramways, who have “struck” work. Sydney tonight is destitute of its principal means of locomotion, and many thousands of its working people and thousands more of its suburban residents are being wantonly exposed to torrents of rain on their road homeward. The incident as a whole is most discouraging, and indeed has but one redeeming feature—the total abstention of Federal Labour representatives and of almost the whole even of the State Labour members from any participation in it. We are faced with a gratuitous attempt to dragoon our local Legislature and Administration into obedience to the dictates of their own servants. There is good reason to believe that the present outbreak has been captained solely by the irresponsible members of the Sydney Trades and Labour Council, apart from any encouragement by their own representatives in Parliament, and carried out in the teeth of their remonstrances. Every other aspect of this incident is depressing except the conviction that its success is impossible and that the Government is doing its duty.

## ALMOST CONTINUOUS STRIFE.

During the last twelvemonths Western Australia alone among our neighbours has experienced strikes, two of them serious and both in the timber trade, which next to mining is its most important industry. The last of these was terminated only a week or two ago by a tactful intervention of the *State Premier*. But New South Wales has been the theatre of almost continuous strife for a long time. When we have not been occupied in weighing the relative merits of the parties to an existing dispute we have been considering the relative excellence of various proposals for preventing or settling those of the future. It is, indeed, difficult to convey to English readers the extent to which industrial affairs have monopolised the attention of our politicians



and electors. Why this State should be so unfortunate even during a period of great prosperity nobody has explained. The reason for this need not now be discussed. The fact is there, and it accounts for the monotonous recurrence of this topic in any story of our current affairs. For instance, only a week or two ago there was a crisis in the ironworks at Lithgow, the only considerable ironworks in Australia. The failure of the Federal Parliament to pass the long-promised Iron Bonus Bill compelled the owners, it was alleged, to ask their hands to accept a smaller wage. The men had previously accepted a reduction of from 5 to 15 per cent. to help their former employer, Mr. Sandford, out of difficulties which ultimately led to his transferring the works to their present proprietors, the Messrs. Hoskins. They declined to accept the second reduction, and the works were immediately closed down. The question whether this is not a prohibited kind of "lockout" has been submitted to the first Wages Board appointed under Mr. Wade's new Act, and the result of this trial of its possibilities, in connection with one of the most important industries to Australia, is awaited with interest. The reasonable attitude of the men and their wise indifference to the pernicious advice of the Sydney Labour Council that the new Act should be wholly ignored by Unionists, even when as in this case it affords their only hope of relief, were at least satisfactory.

### THE TRAMWAY MEN'S STRIKE

Most unhappily their appeal to the law was almost immediately followed by a strike in flagrant defiance of the Act by our tramway men, which, in its complete unreasonableness, surpasses all blunders of the kind even if regarded from their own standpoint. This strike may become more serious than any seen in Australia for many years. We have had strikes which have caused even greater public inconvenience and loss, which have covered a much wider industrial area (though at the time of writing it is not at all clear how far the present trouble will extend), and which have been more deliberate in their methods. But we have never had a strike which attested more clearly the extent to which a Trade Union may be controlled by its least responsible members; never one which exhibited such callous determination on the part of a Union to achieve its own ends, however small, at any cost to the community, however great. Hitherto our Unions in conducting their disputes with employers have tried to preserve some proportion between means and ends. They have not used the steam hammer of a strike to crack the nut of a minor difference with their employers. The tramway men, however, have made a precedent. They hold positions which are commonly regarded by young artisans or mechanics as objects of ambition. Their hours are not excessive, their pay is liberal and sure, and they have other privileges arising from the fact that they are Government servants which give them a distinct advantage over the employees of private firms.

## GRIEVANCE OF THE EMPLOYEES.

They have, of course, a grievance. The authorities, in order to detect possible dishonesty, have been in the habit of employing two or three plain-clothes detectives, whose duty it is to board the trams from time to time, purchase tickets, and if these tickets suggest any dishonesty on the part of the conductor to report the matter to headquarters for inquiry. The men demanded the abolition or the alteration of this system because it means espionage and suggests suspicion. They also demanded the immediate reinstatement of a conductor who had been recently dismissed for alleged dishonesty, detected by the checks in question. The system is undoubtedly defective in some details, and these the Commissioners declared themselves perfectly willing to amend. They declined, and properly declined, to reinstate the dismissed man. The attitude of the Commissioners is universally approved by disinterested people. It has been reasonable and conciliatory throughout. Their offer to reconsider any alternative system of checks proved to be effective robbed the men of any excuse for quarrel. The Executive of the Tramway Union, however, thought the question of the dismissal of the man believed to be guilty important enough to justify them in taking a ballot of members—in which, by the way, every voter was compelled to sign his name on his ballot-paper—as to whether there should be a strike or not. Unfortunately, the tramway employees include a large proportion of young unmarried men, acting as conductors, who pay only a light penalty for the rashness and selfishness of a strike. The influence of these was sufficiently strong to secure an affirmative answer. Hence the whole traffic of the largest city in Australia is dislocated, and a quarter of a million people inconvenienced, because the tramway authorities refuse to reinstate in the service a man who, after three patient hearings of his case by the legally-appointed authorities, has been punished for dishonesty. Not content with this the Tramway Union have enlisted the sympathy of the Sydney Trades and Labour Council in their dispute on the utterly baseless ground that Unionism is in danger, and that Council actually threatens to call out the whole of the Unionists under its control, who number some 80,000, unless the men's demands are granted. This, it need hardly be said, would practically amount to an act of social war. Happily any such course is impossible. Its punishment would be speedy and crushing. But as to that the cables will have told the facts long before this letter reaches London. The mere fact that it could be suggested comes as a shock to those who have persisted, in the face of difficulties, in hoping for moderation and fairness from the industrial Union leaders of the great army of our working men.

# THE COMMONWEALTH OF AUSTRALIA.

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## CHECK TO TRADE UNIONISM.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Aug. 3 1908; Sep. 17 1908.

The popular excitement as the United States Fleet approaches Australia temporarily submerged by the tramway strike is now growing apace once more. Wireless telegraphy tells us of its departure from Samoa, and that it is now heading directly for Auckland. In little more than a fortnight it will be here. What will happen then is in a way already decreed; formal parades and reviews, two or three public dinners, and a round of entertainments are to be the outward and visible signs of our welcome. Whatever the Prime Minister's aims may have been when he despatched the invitation, it is already clear that the general public is principally intent on satisfying its curiosity and enjoying a holiday in honour of the event. We often have the *Powerful* lying in Farm Cove, and probably no one American battleship will make a more imposing appearance. But we have never seen a single British battleship in these waters, so that the prospect of beholding sixteen of them arrayed in Port Jackson between Government House and the heads may well awaken fresh emotions. The Imperial Navy is represented among us principally by third-class cruisers, its men are extremely popular along the waterside, and its officers sought after as guests during their stay in Sydney. There its relations with the public end. The "Admiralty", with no appreciation of the influence even its Squadron might wield here or of the impression it might make in other States, contemptuous of the spectacular, and very little concerned about "colonial" opinion, does nothing. Its perpetual opportunities of educating our citizens to a sense of pride in our partnership in the greatest naval organisation now afloat are all ignored. The Americans are not so blind, in their own country or out of it. Before they leave the Pacific their sea power will have been visibly demonstrated to every nation that borders upon that ocean in an unforgettable way.

## SYDNEY AND THE AMERICAN FLEET.

The conclusions that will be drawn by our people after the friendly Fleet has left us can already be foreshadowed from the gossip one hears on the trams, in the trains, and on the ferry boats, where a constant topic has been and is still the preparations for its coming and the meaning to be attached to its appearance on our remote

coasts. The prophetic are most of them confident that all possible misunderstandings between the Empire and the Republic will henceforth become impossible. The two peoples are to walk hand in hand in paths of peace to which a sense of their joint strength is to confine the unruly nations who have no such pleasant recollections. Of course, both are to be sensible of the kindness of the Australians in bringing about so happy a climax. Few Englishmen are aware how Imperialistic the Australian is, because he is the farthest from the Old World and perhaps because he walks by faith and not by sight when he pictures the future greatness in which his own Dominion is to be magnified. Yet even the most earnest among us cannot overlook the gayer incidents which are to mark the impending visit. Sydney's climate, sunshine, and harbour beget and satisfy the holiday-making impulse for open-air enjoyment as few other cities can. Hence our Metropolitans, while politicians by fits and starts, wage-earners for a limited number of hours a day, and sportsmen at all seasons, are pleasure seekers, year in and year out, above and beyond all. What they relish in foretaste is the good time they are intending to have, irrespective of any national or international outlook. We have hugely enjoyed the blunders and embarrassments of our townsmen who, having seized the management of the city decorations with eager hands, grew hot and cold by turns when they came to calculate their ways and means. But we shall all of us enjoy every day and every hour of the celebrations, and are already enjoying it in prospect. Even the Federal and State Governments seem to have laid aside their bickerings so far as the period of welcome is concerned. A great Fleet—a new Fleet of real battleships, American made and manned, is drawing closer to us every day.

### THE TRAMWAY STRIKE.

After all the bluster the tramway strike ended, almost as suddenly as it began, in the complete and ignominious defeat of the strikers. Trade Unionism has never, since it became a force in our politics, sustained such a severe and well-deserved set-back. At the time last week's letter was posted the Trades and Labour Council, an organisation which includes delegates from nearly all the Trade Unions of the State and represents some 80,000 members, had just taken over the conduct of the strike, its leaders breathing out threats of a general cessation of work. This Council, by the way, is the same organisation which has been conducting a stubborn campaign against our new Industrial Disputes Act. Its foolish advice to the unions to refuse to register under it, and so to render it as far as possible ineffective, has already been chronicled. Fortunately this advice has been generally ignored. The Council obviously overrated the importance which Trade Unionists attach to its opinions. It has made a similar mistake in connection with the tramway strike. When the crisis arrived it refrained from calling upon the members of its constituent unions to come

out in support of the tramway men, not because the majority of its members did not want to take this step but because it was discovered that there was very little chance of such a behest being obeyed. The misguided tramway men had been encouraged to believe that the whole force of unionism in the State would be directed to secure the granting of their demands. But after coming out they found that not a single unionist outside their own body raised a hand to help them. The whole situation had been miscalculated both by them and by the Trades Council. So soon as this discovery was made the strike, naturally enough, was at an end. The men rushed frantically back to their posts. Those responsible for the catastrophe emerge with reputation and influence sadly damaged.

### LABOUR DIFFERENCES.

The incident has revealed a somewhat serious difference of opinion between the Labour leaders in Parliament and the leading spirits at the Trades Hall. The more prominent among the Parliamentary men have sense enough to recognise—though they have not ventured to say so—that unionists cannot have both the strike and the Arbitration Tribunal. They do not like the new Industrial Disputes Act, but are good enough citizens to admit that having been passed it must be obeyed until it is altered. Moreover, they have been able to see what their anti-Socialist opponents have been very quick to point out—that a strike of Government servants is the poorest possible advertisement for the Labour policy of nationalising monopolised industries. The Trades and Labour Council appears to have been blind to all these things. It used the tramway men's quarrel as a means to express its unreasoning distrust of the new Industrial Disputes Act—a distrust for which it had never furnished any very definite ground. Under the influence of this feeling it was prepared apparently to plunge this State into an industrial conflict from which it would have taken many years to recover, and to bring the gravest discredit upon a foremost plank of their own platform. The most gratifying feature of the whole business is that though persons of this reckless character can sometimes force themselves into positions of authority in the Labour ranks, their ability to do harm is generally restricted. They have to reckon with the forces of moderation and fairness, which still prevail among the majority of responsible working men, who, while they may sympathise with the objects of disputants, are not prepared to adopt revolutionary methods to attain them. Whenever these forces are forgotten, as they were in the case of the tramway strike, the result is, and, according to present appearances, will continue to be, disaster.

One more observation remains to be made. The ignominious collapse of this strike probably means that we have heard the last for a long time of strikes in a Government Department. This is the second strike of Government employees in the history of Australia, where State employment extends over a very wide area. Like the first, the Victorian railway strike, it collapsed hopelessly after two or three days. Like that one also, it discredited and weakened the unions responsible for it. Both of these outbreaks were opposed by the whole force of reasonable public opinion—a public opinion which, irrespective of the merits of the particular question, was based upon the sound principle that whatever may be justified in the case of private employment, a strike by Government employees is in its essence revolutionary, and can never be tolerated by a law-abiding community. The discreditable incident is now closed. The Government and the railway authorities, who have acted throughout with admirable firmness and moderation, have carefully avoided anything that looks like vindictiveness. Nearly all the men—all except the actively belligerent leaders—are being restored to their positions. But it will be a very long time before the salutary lessons given can be forgotten by the Trade Unionists of Australia or those who claim to lead and represent them.

# COMMONWEALTH OF AUSTRALIA

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## FEDERAL AND STATE POWERS

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Aug. 10 1908; Sep. 22 1908.

Our High Court still occupies the centre of the stage in Australian public affairs. The consequences of its recent judgments will be so fruitful and numerous that it is impossible to pass them by. Only a few days ago came its long-reserved decision in the "Union label" case, when for the second time within a few weeks, it declared a law, or to be accurate one part of an Act passed by the Federal Parliament, to be no law. This experience, practically impossible in the Mother Country, is still novel to us. We now find enactments passed with all the pomp and circumstance of Parliamentary procedure, assented to by the Governor-General, and printed in the Statute Book declared by the Courts to be of no effect or authority. The legislative power of Colonial Parliaments in the pre-Federation days was indeed subject to some restrictions, and it was quite within the function of the Courts to declare that a law which exceeded those restrictions was wholly void. But the restrictions were practically summed up in the prohibition against legislation which affected persons or things outside the colonial boundaries. Naturally, the temptation to exceed this prohibition was slight, and in the whole course of Australian litigation not more than one or two, if as many, Acts of Parliament, and these of very slight public interest, have been held to be *ultra vires*. Federation changed all that. It brought into existence a Legislature supreme indeed within the area of its power but within an area far more restricted than that of the old Colonial Parliaments. Beyond this ambit it was powerless. Unfortunately but unavoidably, the boundary line between the Federal and State Provinces is by no means complete or even clearly marked in some directions. The experience of the United States—where, after a century of judicial effort to determine the line, it still remains in many respects vague and ill defined—seems to prove that this is a difficulty inherent in any attempt to distribute the powers of government between independent and co-ordinate authorities in the same territory.

## LABOUR AND THE CONSTITUTION.

This would have doubtless made itself felt in Australia in any circumstances, but it has been accentuated by the presence and the power of the Labour Party in the Federal Legislature. The members of that party have not failed to recognise the importance of and to make a valuable contribution to the solution of problems of national

defence and tariffs that lie unquestionably within the Federal sphere. But the most attractive and natural field for their efforts as a party is of course, that of industrial legislation. Few of the other subjects of legislation which lie within the province of the Federal power either demand or even afford a justification for the existence of the Labour Party as a party. Its reason *raison d'être* is, or must necessarily appear to be, the amelioration of social and industrial conditions. But in Australia, speaking generally, this is a field of power reserved exclusively to the States: a sphere in which the Federal Parliament is almost powerless. Hence a great deal of the friction between States and Commonwealth. Hence the steady succession of cases in which some exercise of power by the Commonwealth has been challenged by the States before the High Court. The Federal Labour Party, reinforced by a considerable number of members outside its ranks but with equally strong ambitions towards social and industrial reform, have found themselves in possession of great political power, but unable to use it in the only direction in which from their point of view it could be really useful and effective. In the circumstances it is not surprising that they should have taken advantage of the vagueness of the boundary line between Federal and State powers, and have used their influence in the House with the object of achieving by indirect means, not clearly prohibited to them, those much desired results which they were impotent to achieve directly.

#### THE TRADE MARKS ACT.

In this way the Parliament had forced upon it the provision in the Federal Arbitration Act which affected to make State employees subject to the Federal power until it was "ruled out" by the High Court. In this way, with their aid, though not only by the agency of the Labour Party, since the object had the entire sympathy of the Protectionists leaders, the House came to pass the "New Protection" legislation which the High Court recently held to be industrial legislation in the disguise of a taxing law. In this way, too, were adopted the "Workers' label" provisions of the Trade Marks Act. These much-misunderstood provisions were not, after all, found to be of much practical effect. They merely enacted that a Trades Union, or any other association of working men, might register a mark or design, and that on registration this mark, though the property of the association registering it in the same way as a trade mark becomes the property of a person who registers it did not become its exclusive property. It was simply a warrant that the articles to which it was applied were produced by someone working under similar industrial conditions. In other words what the enactment did was to penalise the fraudulent use of a mark to indicate that goods were made under specified conditions when, as a fact, they were not so made. No manufacturer was bound to use it if he did not want to. Nor could he be prevented from using it if the goods to which it was applied were what they were alleged to be. It was thus free from all the objectionable features associated



with the use of the “Union label” in the United States. However, the High Court has held that, objectionable or unobjectionable, the Federal Parliament had no power to pass any such enactment. The Parliament assumed that the power was included under their authority to pass laws with respect to trade marks. The Court having decreed that it was not, there is no more to be said; no more that is, from the legal point of view. There will probably be a good deal more of a political character said since the advocates of the federalisation of industrial legislation will probably use the latest decision as a new argument in favour of their views. Apart from the regrettable features of the incident its occurrence is not without salutary compensations. Coming close upon the heels of the “New Protection” decision, the invalidating of the “Union label” has given the members of Federal Parliament a sharp reminder that the limitations of the Constitution are real limitations, and that if they sometimes forget to try to evade them the Constitution provides a tribunal whose business it is to see that they are operative under all circumstances. The Constitution can be changed whenever Parliament and a majority of the votes in a majority of the States and of the Commonwealth as a whole so determined but not until then.

# THE COMMONWEALTH OF AUSTRALIA.

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## THE UNIVERSAL SERVICE BILL.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Aug. 17 1908; Oct. 3 1908.

The approaching Federal session appears to be quite obscured in Sydney, as everything else is either obscured or obliterated, by the approach of Admiral Sperry and his battleships. The health of the Prime Minister compelled him to abandon a recess tour proposed for him in this State and even a promised visit to this city, where he is rarely seen and still more rarely heard. Indeed, it is unusual for him to take the platform anywhere, as he apparently shrinks from public speaking as much as Mr. Reid revels in it. But at last his silence has been broken by an address at Ballarat, from which it seems that National Defence is still the subject uppermost in his mind. He threw no new light upon the particular proposals tabled at the end of last year, devoting himself to the development of a favourite argument, that the moral and physical gain by the out-door training required from cadets and from the National Guard is sufficient in itself to justify the new departure even though no one of them was ever called upon to take the field. For "militarism" in Australia he sees no scope, but, coining a word to convey his meaning, declares "militarism" to be essential. He insists upon the training as an indispensable part of our education systems, with just as much claim to be made compulsory as primary instruction, which has long been compulsory in every State. That point is new, and has told well, but the most important announcement made is that the Bill introducing "universal service" will be the first great measure of the session. Fortunately by that time the American Fleet will have had its honours and steamed away, leaving us some share of public attention for our own affairs.

## POLITICAL PARTIES IN QUEENSLAND.

All our State Parliaments, with the exception of that of Queensland, are again in session, though they too are adjourning to welcome "the Fleet". In the northern State Mr. Kidston's absence in England has permitted a political truce, which his return promises to transform into angry warfare. He departed for the Mother Country immediately after a breach with his electioneering allies of the Labour Party, which bore every appearance of feeling irreparable. His last public speech foreshadowed some

kind of alliance with the direct Opposition. During his absence Mr. **Bowman**, the Labour leader, has lost no opportunity of widening the breach between himself and the Ministry. He has been touring the country denouncing Mr. Kidston as a traitor to Labour on grounds which may satisfy himself and his pledged followers, but which are not at all convincing to anyone else. However, they will probably prove good enough to serve Mr. Bowman's purpose, which is to make any renewal of the working alliance between his own followers and those of Mr. Kidston an impossibility, thus compelling some kind of a junction of forces between the Premier and Mr. **Philp**. He probably expects that such an alliance, even if it escaped early disruption through internal differences, must at all events bring about a complete alienation of the whole Labour vote from Mr. Kidston's following, with a corresponding accession of voting strength to his own party and personal adherents at the next election. Truth to tell, although the exigencies of politics make a Philp-Kidston coalition probable, it offers small hope of durability while Mr. Philp remains in the local Legislature. If he goes to London as Agent-General his pleasant disposition, long experience, and business capacity would be valuable assets. But any coalition with or without him must rely upon the public repugnance to the bitterness and unreasonableness of the Labour Party—a rather sandy foundation for a durable and consistent administration.

#### NEW SOUTH WALES LEGISLATION.

In this State the Government is pursuing a useful, if uneventful, career. Mr. **Wade** himself deservedly gained a good deal of public credit by his firmness in dealing with the tramway strike, while his opponents, with hapless consistency, made it an occasion for their further discomfiture. In a half-hearted way, which irritated the public without convincing the strikers, they urged the men to accept the terms offered by the Government, while moving a vote of censure upon the Government for offering such terms. This futile motion having been contemptuously rejected by the House, Ministers are proceeding with an unpretentious but practical programme. Industrial legislation figures less largely than usual, being represented mainly by a measure to provide for the payment of a minimum wage to young persons employed in factories. The measure which promises to loom largest in the sessional record is a Pure Foods Bill. We have at the present time in this State an Act intended to secure the purity of our food supply, but in spite of our reputation for advanced Socialistic legislation it is greatly inferior to your Act of 1899. The chief feature of our Bill and of that now before the South Australian House is that in addition to penalising the use of deleterious ingredients as under the old law, they condemn any false description of the weight, measure, contents, &c., of articles of commerce. These two Acts will make a useful complement to the legislation passed some years ago by the Federal Parliament on the same subject. The legislative power of that body, as is well

known, is limited to inter-State and foreign trade. It has no power whatever to deal with the trade of any single State within its own borders. In the exercise of the power it did possess, however, it passed the Commerce (Trade Descriptions) Act of 1905, which aimed at preventing the introduction from abroad, or the exportation, of articles of commerce that are falsely described. This Act, as was pointed out in these columns some little time ago, has proved an almost unmixed benefit in the limited field within which it operates. But it did not cover the whole ground. It prevented, or punished, the actual importation of falsely-described articles; but could not affect the retailing of such articles, either manufactured here or falsely labelled after their importation. This serious gap in our law will be filled both in this State and in South Australia by the legislation in question.

### THE MURRAY WATERS.

One item which appears on the legislative programme of New South Wales, Victoria, and South Australia represents hopes that, from present appearances, are destined to be blighted. This is a measure for confirming the agreement between the Ministers of the three States in question with regard to the disposal of the waters of the Murray. After 50 years of bickering an agreement on the subject was reached at a Premiers' Conference in 1906. This agreement requires Parliamentary sanction, and at the time it was adopted it was hoped that there would be little difficulty in obtaining this in any of the States. Unfortunately, however, the validating Acts were not introduced soon enough. The spirit of inter-State harmony had evaporated, at any rate in Victoria, before the matter was finally dealt with. Though Mr. *Swinburne*, the Victorian Minister for Water Supply, has introduced the validating Bill, he has made and announced the discovery that the agreement is not fair to Victoria, and ought not to be ratified by her Parliament until some substantial diminutions are made in the quantity of water allotted to South Australia. This announcement makes it very unlikely that the agreement will be ratified in this State, and as South Australia is hardly likely to give way because a decision in the Supreme Court is alleged to have diminished her claims on the river it is extremely likely that the three States will find themselves again at arm's length. In this event the jurisdiction conferred on the High Court in "matters between States" will be invoked to settle the most intricate and important inter-State difficulty that has ever arisen in Australia.

# THE COMMONWEALTH OF AUSTRALIA.

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## AMERICAN FLEET'S GREAT RECEPTION.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Aug. 25 1908; Oct. 14 1908.

The principal features of the reception of the United States Fleet have been its universality and, so far as the masses are concerned, its spontaneity. These have surpassed all anticipations. No prophet among us seems to be able to gauge in advance the response to be expected from any particular appeal to Australia, or to its States, or even to any one of its capitals. Our General Elections prove this in matters political, though prior to polling day we have many data as helps to judgment. In relation to the coming of the American battleships there were no such aids at hand. Those who expected to obtain invitations to the festivities were on the alert, and all whom our Press can influence were stimulated as much as possible. But as we have often witnessed the failure of their best efforts to reach the bulk of our community, it remained doubtful to the last to what extent New South Wales in general and Sydney in particular would really rise to the present occasion. There is no longer any question on that score. Of course, the special attraction of processions, illuminations, reviews, and the novelty of beholding a great array of modern battleships contributed to swell the flood of sightseers that has poured into Sydney and bivouacked in its neighbourhood. The **Commander-in-Chief** of the visiting Fleet estimated roughly that they entered our harbour under the eyes of nearly a million people—that is to say, almost a quarter of the population of the whole Continent. Such a figure is incredible. We shall, however, be near the mark if we say that a sixth of the inhabitants of Australia were ranked upon our ocean cliffs or scattered along the heights and slopes that encircle the incomparable and varied beauties of Port Jackson. Numbers such as these tell their own tale. Every class, every section, and every age were represented. The welcome was an overwhelming demonstration, spontaneous on the part of the great majority present, and in its character really universal.

## KINSHIP WITH AMERICANS.

The one note struck from first to last in every speech from our own public men and in every utterance of Admiral Sperry has been that of kinship. Twice the number of ships from any other nation, though commanded by the most distinguished naval captains of the day, could not have evoked the same enthusiasm. Yet the impulse

is not local. Australia herself has had few official relations, if any, with the United States, our commercial connection is of small importance, and we are rarely visited by Americans of any note. Our principal motive was, therefore, Imperial. Besides that, the sentiment of race unity is strong here, quite strong enough to triumph over many other obstacles in addition to our ignorance of and distance from each other. A general sympathy with American ideals and a perception of the similarity of our problems no doubt assisted more or less consciously to strengthen our feeling of friendship. At the same time it is manifest to the most cursory observer that with us it is the blood tie that tells. Without other justification, without any inspiration from a common past except for rhetorical purposes, and without any coherent expectations of future advantages, this has operated and is operating among us with a vital instinctive force surprising even to thoughtful observers. The familiar phrase, "Our American cousins", has suddenly become the imperfect expression of a deeply realised relationship whose ultimate consequences cannot be forecast. It is true that sentiments of this nature are often unable to endure the strain even of time, not to speak of adverse fortune. But today Sydney is saturated with it to such an extent that nothing is too much for us to do, nothing too hard for us to essay, and nothing too glowing to express the indefinite but very positive exultation called forth by the presence of our kindred. Of course the imposing display of their great battleships, the courtesy and natural gratitude of their officers and men, are factors to be remembered; but the beginning and the end of the unexampled enthusiasm now being displayed by our citizens is obviously due to a sudden development of an overmastering emotion kindled by a keen conception of race unity.

Apart from its several significances the occasion, regarded merely as a spectacular display, has been almost unique in our history. Thanks to a sunny climate, an insatiable love of open air and holiday making, a generously hospitable disposition, few people can carry out a display of this kind better than the citizens of Sydney. The Federal and State Governments and our residents independently have spared neither expense nor trouble in giving expression to their rejoicings. The somewhat dingy streets of Sydney have been transformed by day into avenues of greenery, by night into streams of many-coloured light. They are thronged, day and night, by good-humoured and well-dressed crowds which seem to the casual observer to surpass in number any ever before gathered in this capital. Business is practically suspended, not only here but in many of the larger country towns, whose population is for the most part temporarily domiciled with us. The entrance of the Fleet into Port Jackson afforded a spectacle that will live for a long time in the memory of those who saw it. The cables have already made English readers familiar with the festivities that have followed. They cannot have conveyed the impression made on the minds of hundreds of thousands of spectators, the bulk of whom had never seen

a battleship, by the silent and stately procession of these sixteen ships through the majestic entrance to Port Jackson. Next day a formal reception by the **Governor-General**, with the **Governor of New South Wales**, the Federal and State Ministers, served as an introduction to a popular ovation when 2,500 Marines and Blue-jackets marched behind their Admirals through cheering crowds. Each evening all the ships are starred from stem to stern, up masts, and around their funnels with hundreds of electric lights. Other vessels are illuminated in varying fashions, the great public buildings are crowned and garlanded with many twinkling lamps in symbolic designs or scintillating ornaments. On Saturday evening the harbour was lit up with showers of rockets and other pyrotechnic displays. Today a great review in which the Commonwealth Militia and naval forces took part was a brilliant success, and afforded the means for another outburst of popular enthusiasm which cannot soon be forgotten by those who witnessed it.

### GRATIFIED AMERICANS.

Through these and other channels popular excitement and interest have found appropriate vents as adequate as can be devised under the circumstances. From the highest to the lowest our whole community has given its unqualified endorsement to the invitation of the Fleet. The banquet in our Town Hall was probably more representative than any similar gathering ever assembled under its roof. Spacious as it was, seating nearly a thousand invited guests from all parts of Australia at the tables, and an equal number of ladies in its balconies, it was overcrowded. Decorated more magnificently than on any previous occasion and in most excellent taste, its appearance provoked the admiration of the guests. The speeches hardly attained their opportunity. The Governor-General at the morning reception had happily summarised the sentiment of the Commonwealth as the official representative of the King. Admiral Sperry had replied there, and in the evening replied again, with a sympathy and sincerity that charmed the small circle who were able to hear him. His assurances of the astonishment felt by himself, his Admirals, officers, and men at the warmth of welcome and brilliancy of entertainment tendered them everywhere have been renewed in private by many of them in a most gratifying manner. Our Governor, Sir Harry Rawson, in the course of his long and distinguished career in the Royal Navy, was present, as he reminded the Town Hall gathering, in the action against the Chinese Forts during which Captain **Tattnall**, of the United States, came under fire to the assistance of the British wounded with his ever-memorable saying that "Blood is thicker than water". Our Premier, Mr. **Wade**, was at his best in a survey of the historical separation and possible partnership of the two nations in the task of maintaining peace. The **Prime Minister**, contrasting the celebrations which hailed the **visit of the Prince and Princess of Wales** with those now honouring our sailor

kinsmen, read them as manifestations of our twin loyalties to Throne and Empire and to blood and race, complementary to and enhancing each other. In this vein and under these propitious and impressive conditions Sydney, on behalf of Australia, most worthily welcomed the American Fleet. The generous message of **President Roosevelt**, expressing his appreciation of its ardour and of the closeness of our relationship, crowned the event.

Every interpretation of the true inwardness of these happenings on our side of the world which can be essayed offhand is being supplied by the Press and by our public men without hesitation. The more responsible the person the more guarded has been his forecast. It is too early even to recapitulate them. But the visit itself in its influence here is already a great fact, certain to produce a fruitful harvest of effects. In the first place, it has performed the perhaps unnecessary and by no means difficult task of raising us in our own esteem. Perhaps it will enhance the esteem of others. A great fleet of battleships has been diverted from its course and specially despatched across the ocean, making the longest cruise of such a force yet recorded, in order to accept an invitation from Australia sent on our own initiative. No other part of the Empire has ever received such a compliment from a Great Power, given in the presence of the whole world and with so many possible results. The undertaking has not been official in any respect, although it has received every necessary official sanction; our welcome has been national in character, the whole of the Commonwealth commending, and more than a third of its people joining directly in it. Our public men have now learned the true situation in the Pacific, and our direct dependence upon naval power, in such a fashion that our populace must have participated in the lesson. We have seen the flags of Britain and America floating side by side upon our shipping, along our streets, and circulated upon incalculable numbers of coloured prints and mementoes. Such an event cannot remain without issue. If nothing else follows, or indeed whatever may follow, the impressions made upon Australia, and in particular upon Young Australia, will be deep and, for this generation at all events, indelible. That, too, may mean much to us, and possibly to the Empire.



# THE COMMONWEALTH OF AUSTRALIA.

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## LORD AND LADY NORTHCOTE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Sep. 7 1908; Oct. 17 1908.

Despite the limitations of the Viceregal office there are among his Majesty's representatives in Australia men who have left an individual mark upon our history. High among these come the three Governors-General of the Commonwealth, standing out from their State colleagues in whose ranks the first two had served their apprenticeship before entering upon the higher office. The charming manners of the *Marquis of Linlithgow* and the literary tastes of *Lord Tennyson* opened many doors to them that were closed to less gifted confrères. The *present Governor-General*, however, is still more widely known, having had to face much more difficult situations during a term of office exceeding those of both his predecessors put together. He has gradually become in a real sense a trusted adviser of our people, because they found him always seized of our special problems. He has been more familiar with men of all parties than those in his place usually are. A certain simplicity of mind and soundness of judgment have stood him in good stead in his handling of public affairs. The absence of anything approaching ostentation, coupled with a generous discharge of the ceremonial obligations of his post and an extremely liberal view of its hospitalities, have kept him in fact as well as in name at the head of the King's representatives in Australia. How far this success has been due to *Lady Northcote* would be difficult to determine. In Sydney she has all the suffrages of her own sex at command without regard to their social status. We have found her the most charming of hostesses, a patroness of everything artistic, and an earnest leader in every charitable movement. Flattering ourselves that she is even more at home here than in Melbourne, she enjoys an altogether exceptional popularity among the guests at Government House and far beyond them. His Excellency has received more banquets and other farewell demonstrations than any two or three of our best-liked Governors, while *Lady Northcote* is being honoured in the same spirit though in a different fashion by women of all classes. Their popularity reacts most advantageously upon the Federal Government, with which our State Ministries since *Sir J. H. Carruthers's* entrance into office have been more or less at open war, and most fruitfully upon the Imperial sentiment towards the Mother Country, which

Lord and Lady Northcote have cultivated assiduously and with great tact ever since arriving in this country. How a nobleman with a long Conservative tradition has won the goodwill of our Home Rulers while his wife enjoys the gratitude of the Labour members and their wives it is hard for lookers-on to divine. It is a fact, however, that the frictions engendered in our local and federal politics during the last five years have been steadily reduced by the eminently judicious attitude of Lord Northcote. The social frictions that have occasionally provoked heart burnings in Sydney society have never been less than while Lady Northcote has been in residence. Nothing more than this is possible to our Viceroys even in ordinary times, but to have attained it during the period of fierce antagonisms in political and industrial affairs through which we have been passing is the best evidence of the success and value of a representative of the Crown. Our community as a whole is realising this, now that Lord and Lady Northcote are leaving us. What is true of us appears to be true of every other State, for in all of them there is a chorus of appreciation and regret at their departure. Sydney has not been so visibly affected for many years by any official loss.

#### OUR AMERICAN COUSINS.

The United States Fleet left Melbourne on Saturday last, its officers and men apparently very reluctant to tear themselves away from Australia. Probably none of the seamen who are reported deserters are aware that the only new note struck during the Victoria celebrations was a request to them to let their young and enterprising countrymen know what golden opportunities present themselves to immigrants to this country. Nevertheless, unless the impressions lately made die out within the next few months it is not unlikely that we may begin to gain some addition to our numbers from the Republic. The way in which the sailors have been petted and flattered by our crowds may have enlarged their expectations of the kind of reception they will meet with should they return, but at the same time the attention directed to the openings in the Commonwealth for energetic young men ought to show that these compare favourably with those available even in the prosperous States on the Pacific slope. The conduct of the crews on leave while in Sydney and Melbourne has been highly and deservedly praised by the **Prime Minister**. It is evident that even under the influence of lavish and often inconsiderate hospitality they have behaved themselves admirably, and their welcome by the masses of our people in both capitals seems to have surpassed in vigour even that of our official and well-to-do citizens who certainly spared neither their purses nor themselves in their endeavours to prove the sincerity of the greeting extended to our American cousins. In the retrospect, therefore, everyone seems well content that we should have thus put our sense of a living kinship between the Empire and the

Republic beyond all question. Both are British, not only in an historic sense, but in many other ways which ought to make a good understanding between them easier than with any other peoples. This has been the Imperial note struck insistently and with emphasis by the Governor-General, the State Governors, the Prime Minister, and all the Premiers, with an unbroken harmony rarely witnessed in Australia.

### “THE UNLOCKING OF THE LAND”.

Our hope of a larger stream of immigration from the Mother Country, Northern Europe, or the United States depends very much on some fresh treatment of our unused lands. “There is something almost unique”, said the *Sydney Morning Herald* a short time back, “in the universal demand that exists throughout the State for the unlocking of the land”. This sentence introduced a vigorous article in favour of the policy of closer settlement which Mr. Wade’s Government is pursuing with some energy, and affords a curious commentary on the rapidity with which opinion in this country is adjusting itself to economic requirements. It is only a few years since a really effective policy of closer settlement was the ideal of the restless reformer: today it finds a strong supporter in the journal which is the accepted representative of all that is most stable and moderate in our politics, and it is being vigorously carried into effect by a Government which receives the support of all the most devoted adherents of the *status quo*. The *Herald* does not overstate the case when it speaks of a universal demand for the unlocking of the land. It is by no means unusual in this State to find that for a single block of Crown lands thrown open for selection the applicants are numbered by hundreds. Conditions are even worse in Victoria, where scores of farmers are being driven to other States in search of land for agriculture. A question that naturally suggests itself is why the owners of large estates which are suitable for closer settlement do not avail themselves of this demand to cut up their holdings for private sale and thus forestall the necessity for Government resumption. The answer is that a large number of them are doing this, but private subdivisions, as has been previously said in this column, are but an ineffective substitute for Government resumption and subdivision. The reasons for this were recently pointed out with no lack of directness by Mr. Moore, our local Minister for Lands, in answering a deputation which was urging him to refrain from exercising the power of compulsory resumption with regard to the Peel River Company’s estate, and to leave the sub-division to be carried out privately by the company. Mr. Moore, in refusing the request, pointed out that there was nothing in

the conditions under which large estates were subdivided and sold by their owners to prevent the sale from being merely a transfer from one large holder to another, and he instanced the private sale of three large estates, aggregating 120,000 acres, which had only resulted in the settlement of twenty-five new settlers on the soil, with no guarantee that even this number would not ultimately be reduced by the transfer of the holdings into the hands of one or two individuals. This obviously answers in no sense the aims of a closer settlement policy. Resumption and sale by the State, on the other hand, are carried out under conditions which altogether prevent the present acquisition of the land by persons who already own considerable areas or its future aggregation for merely grazing purposes in the hands of a few individuals. The new purchasers, who, by the way, may borrow up to 80 per cent. of the value of the land from the Government, are prohibited in perpetuity from transferring their holdings to people who already own more than a given area in order that cultivation may be made essential. This will explain why, notwithstanding the readiness of many large landowners to sub-divide their holdings, our State Governments still find it imperative to pursue those closer settlement schemes which are a leading feature of the policy of nearly every one of them. They are not yet by any means meeting all the demand for land, but they are satisfying a larger share of them.

# THE COMMONWEALTH OF AUSTRALIA.

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## NEW GOVERNOR-GENERAL.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Sep. 14 1908; Nov. 3 1908.

Lord Northcote has departed, and the Earl of Dudley now represents his Majesty in Australia. The swearing-in, though in itself affording next to no opportunity for display, became quite an imposing ceremony owing to the cheery crowds, the street decorations, and the fine weather. The reception of the new Governor-General was anything but formal, and though he left Sydney the same evening the impression made here was distinctly favourable. Our city looked its best, our well-dressed, good-tempered throngs were in holiday humour, and the harbour sparkled in the sunshine, its blue wavelets encircling the fresh spring verdure of the park in which he landed. The afternoon before his predecessor and Lady Northcote took train for Queensland in the midst of a striking demonstration of affection from the same public. At all the stations in this State until a late hour of the night, and at all the others next day up to and including Brisbane, there were similar proofs of the remarkable hold they have obtained upon the countryfolk as well as upon those in the towns who have seen them more frequently. Banqueted again on the eve of departure, and accompanied by acclamations, floral tributes, and many expressions of regret, Lord Northcote and his wife, whose popularity rivals his own, were given every possible evidence of the high esteem and warm regard in which they are held in this country. Those who refer to the influence of the King's representatives in the Commonwealth as exercising an important influence upon the sense of Imperial unity among our people are thoroughly well justified by the evidence afforded alike in last week's welcome and farewell. No welcome has been more hearty than that of the Earl of Dudley, and no farewell anything approaching that afforded to our late Governor-General and to Lady Northcote has been witnessed in Australia.

## THE WAGES BOARD SYSTEM.

Before resuming the tale of Federal politics apropos of the session opening in Melbourne two days hence the recent occurrences in our local Labour organisations, which may yet affect the Commonwealth Parliament, call for some explanation. The Sydney Labour Council has opposed, and is still opposing, in a resolute fashion any recognition by its constituent Unions of Mr. Wade's compromise Act providing for Wages Boards and a new Arbitration Court jurisdiction lately passed by the Legislature of this State. On

the principle, apparently, that no bread is better than half a loaf they strongly urged all Labour Unions to ignore the new Act completely and to act as if it did not exist. Fortunately for everyone, the Unions themselves are for the most part ignoring not the Act but their own Council's advice. Judge Heydon, the able and universally-trusted Judge of the new Industrial Court, upon whom falls the work of recommending the appointment of Wages Boards, and generally of putting the new machinery in motion, is today one of the busiest men in New South Wales. He has been met already by a difficulty which is fundamental in the Wages Board system. Are the Boards to be single Boards, for the whole of a given industry, with jurisdiction over the conditions of that industry in every part of the State, or are they to be sectional Boards, appointed to deal either with the whole industry within certain local limits, or with certain branches of it, over the whole or any part of the State? The Act, which might have been expected to offer some guidance, is silent on the question. It merely provides that Wages Boards may be appointed for the industries enumerated in the schedule, and leaves it to the Judge to determine what this means. The objections to the appointment of a single Board, to regulate the conditions of an industry which extends from one end of this State to the other, are sufficiently obvious. Its members could not be expected to appreciate fully differences in local conditions, nor to represent adequately the numerous branches into which the specialising tendency of the time has split up all the more important industries. On the other hand, the indefinite multiplication of Boards in a single industry would very soon make the Act unworkable. The Judge in answering recently a counsel who in the course of his objection to a sectional Board asked what was to be the limit, if more than one Board could be appointed for each industry, bluntly informed the inquirer that "the limit is my commonsense, since none is prescribed by the Act". This observation truly interpreted the spirit of the Act, which endeavours to fetter the Judge as little as possible in the exercise of his powers, and relies more for the settlement of disputes upon the good sense of all parties than upon hard-and-fast rules of law. This, of course, invites the obvious criticism that if all parties had good sense they would be able to settle their disputes without the help of any tribunal. Such a criticism, however, overlooks the undoubted fact that the proceedings of a public tribunal offer an inducement to the exercise of moderation and good sense and a deterrent from indulgence in selfishness or extravagance, which may be, and often are, quite wanting where negotiations for the settlement of a dispute are conducted in private.

### TROUBLE IN THE LABOUR PARTY.

The Labour Party in all its Federal and State political and industrial activities has hitherto contrived to consume its own smoke much better than any other party. It has become distinguished for the rigour with which its internal differences are suppressed in order that a united front may be presented to the outside world. But the passing of the Industrial Disputes Act and the tramway strike raised dissensions in this State too

acute to be altogether kept under by the rigid bonds of party discipline, and the public have been witnessing the unusual—and to the anti-Socialist sections of the community the edifying—spectacle of a quarrel between the leading members of our Parliamentary Labour Party and the most prominent members of the Trades and Labour Council that bade fair at one time to rend the party in two and destroy its political effectiveness for a long time to come. The trouble arose out of a defect in organisation that has been more than once referred to in these columns. The Parliamentary Party are responsible to the public and to Parliament for carrying the Labour programme into effect. It is they who have to defend it against its most serious antagonists; it is they who have to embody it, as far as they can, in statutory form. Under the circumstances it is only reasonable that they should have a predominating voice in determining both the general platform of the party and its policy on particular occasions. They are not, however, always, or even frequently, allowed this. The Union leaders outside Parliament, who are fairly represented in this instance by the Sydney Trades and Labour Council, demand at least an equal right to be heard on all questions of policy, and they appear to be quite prepared, if they think it necessary, to repudiate a course of action determined on by their Parliamentary leaders. That is what they have done, not for the first time, in this instance. The Industrial Disputes Bill when introduced was vigorously opposed by the party. The Premier expressly declined to make it a party measure, and accepted as many of the Labour amendments as he possibly could and the present form of the Act is to a large extent the result of Labour moulding. In these circumstances the Labour members accepted the measure as the best they could get, and advised the Unions to do the same. The Trades and Labour Council, however, publicly tendered the opposite advice, and though there was no open rupture at the time relations were very strained. The strain did not reach breaking point, however, until the tramway strike, which was undertaken, in direct defiance of the Industrial Disputes Act and of the advice of the leaders of the Parliamentary Party, with the open and active approval of the Trades and Labour Council. This led two of the ablest of the Parliamentary leaders, Mr. **Holman** and Mr. **Beeby**—neither of whom is a fervent admirer of the Wages Board principle, but both of whom have the sense to recognise that law is law and must be obeyed so long as it remains law—to take the unusual course of expressing through the daily Press their emphatic disapproval of the attitude adopted by the Labour Council. This quarrel is unimportant in itself, and it will probably be patched up without much difficulty. But it furnishes some evidence that there is a limit to the extent to which even Labour representatives are prepared to subject themselves to the domination of their irresponsible comrades outside the Legislature. This thoroughly healthy symptom merits notice because heretofore the tendencies of the caucus have appeared to point to a dangerous interference with the Parliamentary independence of those Labour men who are elected by the suffrages of the electors under its imprimatur. Such a control would be in itself unconstitutional and probably provoke equally unconstitutional reprisals from other party organisations.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL POLITICS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Sep. 28 1908; Nov. 11 1908.

To say that the Federal political situation remains unchanged would be true but misleading, for while it is unchanged in form it changes colour several times a day. In fact, so far as the Opposition is concerned, its hues are dingy and indicative of decay. Mr. Reid has gone to Melbourne, to all outward seeming the lightest-hearted of men, offering to surrender his leadership and industriously labouring to secure its retention. The Victorian corner seems distracted, because at one moment tempted to trust to his incomparable gifts of party strategy and at another repelled by recollections of the distrust which he has provoked during his transformations. The Labour Caucus, for reasons of its own, lies quiet revolving schemes and alternatives capable of adaptation to any fresh circumstances. For the moment it is the cue of our Free Importers to taunt them with their subserviency to a Ministry which at other times is described as their tool. Our *Daily Telegraph* caricaturist depicts Mr. Deakin gaily leading the Caucus bear with a ring in its nose, obliging it to dance to whatever music he chooses to play. Our dailies echo each other's mockeries of Labour members who have served the Prime Minister patiently for three years without as yet receiving a single reward for all their pains. Some of their representatives are foolish enough to respond to these jibes by making public admissions of their lack of influence over the Government, but the bulk of them evidently realise that any change conceivable offers them little hope of bettering their condition. The general community at present finds itself well disposed to the Government. By securing a visit from the United States Fleet, forcing a favourable reply from the Admiralty in response to its prolonged appeals for local naval development, and tabling a measure for the universal military training of our citizens it has done three things impressive enough to arouse even the man in the street to a sense of his national responsibilities.

## THE SITE FOR THE CAPITAL.

In the Federal Parliament we have already witnessed the launching in the Senate of a Navigation Bill almost long enough to constitute a code of marine law, and in the House of a tiny measure providing for the definition of the site of the Federal capital. To the Commonwealth this last relates to the most awkward of awkward questions,



and to the people of this city the most urgent. In New South Wales as a whole there is an obstinate conviction that our just rights have been cavalierly ignored, and that in this matter we have been made the sport of politicians. If pressed they will admit that our own Ministries have been most to blame, but this, after all, serves as another excuse for belabouring the Commonwealth with all its Parliaments and particularly the present Government. There is already on the Statute Book an Act passed in 1904, which fixes the capital at Dalgety. But the Opposition in the Federal Houses and the Ministries of this State have placed so many difficulties in the way of giving effect to this enactment, and there is, moreover, such a strong feeling in favour, not necessarily of a change in the decision, but of a reconsideration of the whole question, that Mr. Deakin has placed the subject first on his sessional programme. Since Dalgety was selected the Canberra site has come into the field. Somewhat nearer Sydney than Dalgety, further from Victoria, and strongly supported by Mr. Watson, its selection would be acceptable to us, or rather to most of us in this State. If it should be selected in place of Dalgety there seems to be every probability that within a comparatively short time the legislative and administrative branches of the Government will be removed from Melbourne and established in their permanent home. When this is accomplished the one grievance of this State against the Commonwealth which has any justification will be removed.

### COMPULSORY MILITARY SERVICE.

The capital site is not in any sense a party question. Federal Ministers themselves are not unanimous. It will be followed by a measure which Mr. Reid apparently desires to make a party question—the Bill providing for compulsory military service. The Opposition leader, on the rather rare occasions when he has been able to spare from his professional pursuits a little time for attention to politics, has consistently denounced the proposal, though except from his Press he has received little public encouragement. The essential features of the scheme will receive a fairly solid support from the Labour Party, and also from some of the more independent members of both branches of the Opposition. Although the main features of the plan outlined by the Prime Minister last session are preserved, it is understood that some modifications have been made in the proposals which may tend to secure for the Bill a more ready passage through Parliament. The most important are those which postpone the absorption of the existing Militia, and others mitigating the possible harshness that might result from the immediate compulsory enrolment of young men in our sparsely settled country districts. Instead of being applied at once to the whole Commonwealth, the new scheme will allow of the division of Australia into districts according to density of population and facilities of communication. In the more remote and sparsely populated districts the Act will be brought into operation by proclamation, when conditions justify it.

## AN AMENDMENT OF THE CONSTITUTION.

When the Capital Sites Bill and the Amending Defence Bill have been disposed of the House will be invited to pass a measure to secure that amendment of the Constitution without which the “New Protection” proposals cannot be carried out. The amending process is not an easy one, particularly where the subject matter of the proposed amendment is, as in this case, highly controversial. Under the Constitution, it is necessary that the proposed alteration should first pass each House of the Parliament by an absolute majority, and then be submitted to a referendum at which, in order to become law, it must be accepted by a majority of the electors in a majority of the States, and also by a majority of all those voting. The probable fate of this particular amendment cannot be estimated until its nature is made known. If a clause can be devised transferring to the Commonwealth only so much of the power over industrial conditions as is necessary to guarantee fair wages and hours in protected industries, the measure may have support from all parties in the Parliament, and probably experience little difficulty in securing the approval of the electors. If, on the other hand, Mr. Deakin should go the length of asking a complete transfer of the legislative power with regard to industrial conditions from the States, he must be confronted with grave difficulties even among his own supporters. That the time for this complete transfer will come, Mr. *W. H. Irvine*, formerly Premier of Victoria, and many others have no doubt. But to believe that is not to believe that it has come already. Public opinion is not ripe for such a long stride in the direction of industrial unification, tempting though that prospect may be.

## OTHER MEASURES OF IMPORTANCE.

These in themselves constitute a session’s programme. But the House is also to be asked to consider the financial relations between the Commonwealth and the States—a subject which has been decided somewhat perfunctorily in our State Legislature by the adoption of the perpetuity plan of the Premiers. Mr. *Wade* addressed himself to it in a spirit of moderation, but the discussion and the division in the House were upon strictly party lines and not, therefore, likely to affect the Commonwealth. In respect to this matter and to the latest immigration proposals of Mr. Deakin, he has proceeded to Victoria in order to consult Mr. *Bent*, though that politician is at present occupied with a crisis of his own. Then there is the Bill for taking over the Northern Territory from South Australia, whose Legislature has already sanctioned the terms of the bargain made between Mr. Deakin and Mr. *Price*. The debate upon the often-postponed Iron Bounty Bill has already recommenced upon a preliminary motion for restoring it to the place attained last year on the notice paper. The session certainly cannot be said to be lacking in measures of importance, seeing the throng of Bills now knocking at the doors of the Commonwealth Parliament.

# THE COMMONWEALTH OF AUSTRALIA.

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## FINANCIAL PROBLEMS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Oct. 5 1908; Nov. 14 1908.

When we federated the one all-important problem openly admitted to be insoluble at the time was that of finance. The arrangement embodied in the Constitution was temporary only. It terminates on the last day of 1910. The crucial question already looming large in every State and equally vital to the Commonwealth which includes them all is what division of the Customs and Excise revenue collected by the Federal Government under the tariff passed by the current Federal Parliament shall be authorised after January 1, 1911. Nobody knows yet, though everyone is anxious to know how it will be shared. Sir *William Lyne's* Budget for this year is expected with more eagerness than usual. Whether he can retain a full fourth of the Customs revenue spent or not if it has been appropriated by the Parliament will be decided by the High Court next month. In all these circumstances whatever our leading public men are talking about they are thinking finance. The capital site fever rages in the House. The Senate is absorbed with a leviathan Navigation Bill, but even these momentous issues and the fate of the *Deakin* Administration have one background diminishing every foreground, because it affects so fundamentally all our future ways and means. The Budget speech delivered last week by our State Treasurer, Mr. *Waddell*, is therefore scrutinised more closely than ever. Happily for us and for him this discloses a record of prosperity. It was generally supposed that last year's Budget, with its million and a half surplus, was the high water mark of the rising tide of Australian revenues. The accounts for the year closing on June 30 show that as far as our public finances are concerned the supposition was mistaken. We have finished the twelve months in spite of many untoward circumstances with a cash credit balance of £1,676,000, more than £200,000 over the balance for 1907. The total receipts of New South Wales, contributed, be it remembered, by a population of about a million and a half all told, was nearly £14,000,000. The nature of this increase is significant. Half a million comes from increased returns of Customs and Excise by the Commonwealth. The other half million comes from an increase in the receipts from the business undertakings carried on by the Government, such as railways and water supplies. Yet the proportion of the total derived from State taxation has sensibly decreased owing to the large remissions recently made. We have no longer any

income tax on incomes under £1,000; our cheques, bills of exchange, and receipts are now exempt from the 1d. or 2d. tax which has existed as long as most of us can remember. Even the land tax disappears from the State balance-sheet because it has been handed over to our newly constituted local bodies.

### STATE IMPROVIDENCE.

One cannot refer to our increased returns of surplus revenue from the Commonwealth without noting the reckless financing in all the States, which is largely responsible for their strife with the National Legislature. The Commonwealth, always entitled to spend every penny of its fourth portion, has pinched itself so consistently that during each of the seven years of its existence it has given the States sums amounting in the aggregate to millions. These excess gifts, however, have been treated, not as a mere temporary and fortuitous increment of income, but as permanent endowments justifying a corresponding permanent increase in State expenditures. Consequently, now that the time is coming for a final settlement of the financial question, when the Commonwealth evinces a quite intelligible ambition to control a share of the Customs revenues sufficient for the execution of the great national purposes entrusted to it, the State Treasurers affect to believe that they are being unfairly treated, thus kindling a resentment among their citizens, for which there is no sound justification so far. Sir **Joseph Carruthers** and Mr. **Wade** have fomented this irritation, although this State has less excuse for it than any of the group. We were least dependent, before Federation, on Customs and Excise, and the coming of the tariff meant therefore a bigger windfall to New South Wales than to any of them. Now the inevitable readjustment is at hand. During the coming year the Surplus Revenue Act, if upheld by the High Court, allows the Commonwealth to take its fourth after 1910, thus a still larger proportion of the Customs and Excise returns will be required for its needs. This will unquestionably mean a reduction in the returns made to the States; but any inconvenience that may ensue will be due principally to their own improvidence.

### PROFIT FROM RAILWAYS.

The other most significant feature of Mr. Waddell's Budget is the success that has attended the business investments of the Government, which include the railways and tramways, the Sydney Harbour Trust, and the Water and Sewerage Service of Sydney and Newcastle. These undertakings produced between them a gross income of no less than £6,850,000, or nearly half the total income of the State. The increase over last year has been obtained in spite of very large reductions in railway

charges made during the year. We have a capital of £63,500,000 invested in these undertakings, on which we pay an average rate of £3 13s. per cent. The return, after paying working expenses, represents £4 16s. per cent. per annum, so that the net profit on the working of services which the State professes to conduct primarily rather for public convenience than for profit, amounts to more than 1 per cent. The apostles of State enterprise are naturally not slow to point the moral that this result lends no kind of support to the popular doctrine that State control of business undertakings is necessarily inefficient and unprofitable. That is certainly true of last year's working. But it should be pointed out that all these undertakings are under the control of independent, non-political boards, so that the details of administration are well out of the reach of political pressure.

### THE QUESTION OF IMMIGRATION.

Our ex-Premier, Sir Joseph Carruthers, has returned from his visit to England with his health restored, and with an avowed willingness to re-enter political life. If he would preserve the spirit of moderation that has characterised most of his public utterances since his return, he could achieve much useful public service, without arousing anything like the irritation and distrust which accompanied his previous leadership. Mr. Wade commissioned him during his visit to London to look into the question of immigration. His inquiries apparently convinced him that co-operation between the Commonwealth and the States is the method likely to produce most useful results. Sir Joseph Carruthers also deprecates the tendency to represent Australia as a land flowing with milk and honey, where estates are to be had for the asking. No permanent good, he very wisely points out, can come from over statement of the undoubted advantages which this continent possesses as a field for white, and particularly for British, immigrants. All depends upon their qualifications for facing the special circumstances of agricultural and pastoral pursuits in a new country with a climate and conditions differing altogether from those of Great Britain. There is room in Australia, it is true, for an almost boundless number of new citizens, and everyone who studies our resources knows that the road to material success is perhaps more open today than in any other territory. But to realise the full advantages we possess immigrants must be of the right kind, must come at the right time, and must be directed to the right place. These ends can only be achieved by co-operation between the Federal and the States Governments, which it is to be hoped will be soon secured, in order that the new comers may be carefully selected, wisely directed in their first ventures, and assisted judiciously to make new homes for themselves.

# THE COMMONWEALTH OF AUSTRALIA.

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## SITE FOR FUTURE CAPITAL.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Oct. 12 1908; Nov. 25 1908.

The choice of a site for the future capital of the Commonwealth made by the House of Representatives last Thursday represents the first victory that Sydney has really gained since Dalgety was solemnly selected in 1904. A majority of six votes was then obtained for a district containing at least three suitable locations for the legislative centre of Australia, though it needed a great deal of “whipping” and tactical skill to secure the triumph. A further choice of the exact area to be favoured remains, however, to be made. The Senate which originally adopted Dalgety has also to be consulted, and fortunately our prospects there are also said to have improved. As a consequence we are in high feather and inclined to ignore the outspoken chagrin of the Melbourne papers at the removal of the site within the “sphere of influence” of this metropolis. There was a time not long since when we might have regarded the Yass–Canberra district as too remote, but the perils through which our representatives have passed have induced them to modify our earliest demands. From our Premier downwards we are now content, at all events for the moment, with the discomfiture of the Ministry, every one of whose members, except Sir William Lyne, voted in all the nine ballots for Dalgety. Unfortunately for that site, Mr. Chapman, the Minister for Customs, who has always been its champion, is prostrated with a serious illness likely to incapacitate him from attendance at the House for some time to come. In the meantime we have scored a victory by the help of Victorian members of the Opposition corner. Although they have remained reluctant to come under Mr. Reid’s banner in general politics, they have followed him instead of Sir John Forrest in order to assist us in winning the capital site which we seemed to have lost.

## ALMOST UNPRECEDENTED PROSPERITY.

Notwithstanding this fresh cause of jubilation for New South Wales following our happy financial outlook, there are still some dangers ahead. The outstanding features of Mr. Waddell’s Budget were summarised last week, but there remain one or two points in it that cannot be wholly passed over. The first is the excellent security which our public creditors have against the £87,000,000 the State owes them. Sixty-three

and a half millions of this capital are invested in our railways, tramways, water and sewerage, or harbour works, returning an average profit of £4 16s. per cent. The bountiful rains with which this season has been ushered in promise an even larger return, as far as the railways are concerned, in the coming year. Capitalised on a 3½ per cent. basis, last year's income from these assets alone represents a value of nearly ninety millions. This amount is exclusive of some eighteen million pounds worth of assets in the shape of public buildings, bridges, &c., and also of unsold Crown lands which are valued at £22,000,000. The Treasurer's estimate is that our realisable assets are worth at least £45,000,000 more than our debt. Making every allowance for the rose-coloured spectacles through which a patriotic politician, unfolding a tale of almost unprecedented prosperity, views the financial conditions of his country, there is no doubt that the visible assets far exceed in value the amount of our indebtedness. This calculation, of course, takes no account of what is perhaps the most tangible asset of all—the unexploited taxable resources of New South Wales. It need hardly be said that these, in a country which has no income tax on incomes under £1,000, no land tax except in the shape of a low municipal rate, no stamp duties on the everyday instruments of commerce, are on that account larger than oversea critics usually allow.

### COST OF GOVERNMENT.

Notwithstanding the unquestionable soundness of our present financial position, there is one aspect of the Budget figures which demands more attention than it is receiving from the newspapers or the public. This is the steady increase in our State expenditure. Last year we spent about £13,800,000. Next year, although it is anticipated that our revenue will be less, we propose to spend about fourteen-and-a-half millions. These figures, of course, include expenditure on business undertakings, such as railways, which are yielding a handsome return. They do not include, however, the expenditure by the Commonwealth Government in this State, which in 1906–7 amounted to a million and three-quarters. Nor do they include some £2,000,000 of expenditure out of loan money. This, though it is to be devoted to reproductive works, is still fairly reckoned under the head of annual expenditure. The net estimated outlay for the coming year on the Government of this State, omitting the cost of its business undertakings, is not exaggerated if it is set down at about £12,000,000, a very large sum indeed to spend in governing a population of a million and a half. We can afford to pay it, no doubt; but the question that begins to thrust itself on those Australians who are in the habit of taking thought for the morrow is whether we ought to afford it. The national expenses of the Commonwealth are necessarily growing, and Australia as a whole cannot allow them to be unduly curtailed. But it is quite certain that, for all the expanding wealth of the country, State and Federal expenditure cannot both be allowed to increase at the rate that has been maintained since our federation in 1901.

## IMMIGRATION AND LAND RESUMPTION.

There is one large item in the estimated State expenditure for the coming year which can be supported as much on the ground of national as of State interests. This is the proposal to spend nearly a million and a half on the resumption and subdivision of estates suitable for closer settlement. The whole of this large sum, it may be mentioned, is to come out of revenue, a piece of political virtue almost unprecedented in New South Wales. It may be regarded as the State contribution towards Mr. Deakin's Immigration policy, which, if it can be carried out according to the Prime Minister's ideas, requires the States to provide land as the Commonwealth supplies immigrants. While the Constitution remains what it is this is a natural and necessary division of labour. But it is one which the States, for some reason that is hard to discover, have been singularly slow in adopting, and the execution of the joint prospect is consequently still delayed. None of the States except Queensland and Western Australia have any considerable area of Crown lands near railways open for what we term "free selection", which means purchase at a nominal price. Consequently the adoption of some method of making privately-owned land available has become imperative pending the extension of our lines. The only two methods which suggest themselves as practicable to our legislators are graduated land taxation or compulsory resumption. Of these our State Government has, of course, preferred the latter. The machinery, however, as it stands at present, moves rather slowly and expensively, and there are many who doubt whether it will serve the purpose for which it is intended. It is this doubt which may give increased strength to the efforts that the Federal Labour Party makes from time to time in a spasmodic way and proposes to make with increased energy at the next Federal Election, to secure the adoption of a Federal graduated land tax. Apart from the Immigration policy it is not at all likely that this effort could succeed on its merits. But if the electors can be persuaded that it is a necessary part of an effective immigration policy its chances of success will be much enhanced, though even then many other inducements will be expected before any substantial departure is made from current precedents. The point of importance is that funds for immigration or any other purpose must mean fresh taxation, even in New South Wales, at the height of our prosperity.



# THE COMMONWEALTH OF AUSTRALIA.

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## DEFEAT OF MR. REID'S MOTION.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Oct. 26 1908; Dec. 8 1908.

The singular condition of Federal politics has never been more conspicuously illustrated than in the fate of Mr. Reid's want of confidence motion. A Ministry commanding fifteen votes out of a possible seventy-five defeated the Leader of the Opposition in a House of sixty-four by forty-three to twenty-one, the absentees having paired. If Mr. Deakin had obtained the suffrages of the Labour members only, in addition to his own following, he would have possessed thirty-six supporters, against twenty-eight. But when the crucial test came seven members of the Opposition corner, headed by Sir John Forrest, preferred to sit even with the Labour phalanx behind the Government rather than be associated with Mr. Reid. His defeat was the worst he has ever sustained either in State or Federal politics. His object in tabling the motion was to force a fusion between the Protectionist corner and the direct Opposition under his leadership. Instead of achieving this he forced them farther apart. The Sydney newspapers endeavour to break his fall by expurgated reports of the speeches delivered, diversified by bitter complaints against the Prime Minister and Sir John Forrest. Although of late they have been caustic in their comments upon Mr. Reid, the completeness of his overthrow has rallied them to his side again, at all events for the moment, under a joint humiliation. The solidarity of the Labour Party in Parliament was displayed once more in the vote given and in the abstinence from speaking of every one of its members. Since then Mr. Fisher, who has succeeded Mr. Watson in the leadership, has examined the Budget of the Ministry in a candid spirit, admitting no allegiance to its policy except that of a critic who cannot go farther just now without faring worse. He would be a bold prophet who would attempt to forecast the course to be pursued by the caucus next week. Sir John Forrest and his group frankly admit an even more painful perplexity of outlook. Ministers can do without them, Mr. Reid cannot, but as the terms of their alliance with the latter are his sacrifice of the leadership no progress in that direction appears possible. When Mr. Deakin described the Opposition as consisting of the wreckage of defeated parties he was emphasising a general conviction of the public. There are exceptions to this distrust of Mr. Reid and his companions, of whom the former State Premier,

Mr. *Irvine*, is the most notable. The old jealousy between the parent State and its Southern offshoot has once more become manifest. Mr. Reid appeals to it adroitly at every opportunity, and those who predict his early retirement ignore the slumbering fires of provincial feeling that are unfortunately far from being suppressed.

### PROSPEROUS SOUTH AUSTRALIA.

Turning to other States we find South Australia enjoying a large share of the general prosperity with which Australia has been favoured during the last few years. All the States have been well off, but none of them quite so well off as the State whose ruin was foretold by its dolorous Opposition when they were replaced by the present coalition. Mr. *Price* has administered the affairs of the former province with shrewdness that has won the applause of his adversaries, while the account of its financial condition given by his *Treasurer* shows that whatever may be the real or supposed disqualifications of the Cabinet, they do not include financial incapacity during good times. Mr. Peake is not himself a member of the caucus, but Leader of the Independents who have not been afraid to join with the Labour Party. Weighted with the responsibilities of office it becomes very different from the same party planning the regeneration of society in the irresponsible seclusion of a Labour Conference. South Australia's revenues for last year came to nearly £3,700,000; the expenditure to nearly £3,200,000; the surplus, in round numbers, approaching £500,000. This abounding prosperity is prudently taken advantage of by the Government to effect some reduction in the public debt. This is peculiarly necessary since the State is more dependent for its prosperity upon conditions and circumstances outside its own control than any other. On one side, its farmers have been gainers by the opening up of the West Australian goldfields and the inability of the local agriculturists hitherto to supply their own requirements. This advantage is rapidly being removed by the steady development of agriculture in the Western State—a development to which the present Government of Western Australia has given special attention. On the other side, South Australia has reaped a rich harvest from its proximity to the New South Wales mining town of Broken Hill, which not only offered a profitable market for all food supplies, but also contributed no small proportion of its railway revenues. Last year, for instance, the railway revenue exceeded the estimate by £266,000. This was to a very large extent due to the Broken Hill traffic, the volume of which is entirely dependent upon the mines. Unfortunately for Australia, more especially for South Australia, we are threatened with a strike in the mines which may involve an industrial disaster of the first magnitude. This has been postponed until a Conference assembles next month, for which unfortunately the present auguries are most unfavourable, though the miners' case is distinctly

weak. Taking into account the state of the industry, their attitude seems quite unjustifiable. Adelaide, which has benefited immensely by the trade from our mineral centre, remote from our railway system, has therefore ground for alarm. Apart from this, there is a strong agitation in this State, which is being fostered by the powerful influence of the daily Press, for a direct connection by rail with Sydney. This would not divert the whole of the traffic from the South Australian railways, but it would very seriously reduce it, besides opening the Broken Hill market to the competition of New South Wales producers.

## FINANCIAL QUESTIONS.

One feature of South Australian finance which deserves reference is the extent to which, during the last few years, the State's indebtedness has been transferred from the London to the Australian market. Some little time ago her Treasurer was confronted with the serious obligation of having to find some £6,000,000 becoming due to English creditors within the next two years. The whole of that £6,000,000 has been provided for, although only £2,000,000 has been obtained from London. The rest has been met either from the considerable sinking fund which has been accumulated during the last few prosperous years, or from borrowings in the other States, where a series of rich years made money plentiful and cheap until the crisis in the United States and its prolonged results. Consequently next year the Treasurer anticipates a reduction in revenue and an increase in expenditure, which will leave him with a surplus of about £70,000. Some falling-off in revenue is practically certain, owing to the declared intention of the Commonwealth to use for its own purposes the whole of the fourth of the Customs and Excise duties which the Constitution allows. Hitherto, as has been repeatedly pointed out, considerably more than this fourth has been returned to the States. Fortunately for everyone who is concerned to understand the public finance of Australia, the intolerable uncertainty and complexity which arises from the relationship of Commonwealth and States in financial matters is shortly to be ended by some scheme which, although its principles are not yet settled, must, as Mr. Deakin has more than once asserted, render the Commonwealth and the States mutually independent of one another. An element of interest in the coming year is the proposal to raise £40,000 by the imposition of a graduated land tax on the unimproved value of estates of £5,000 to £100,000 in value. There is already in existence in South Australia a tax of one halfpenny in the £ on estates up to £5,000. This is to be left undisturbed, while the new tax, which is to vary from one halfpenny up to 3d. in the £, is to be added to all estates over that value. This tax was proposed last year, but was rejected by the Upper House on the ground that the money was not wanted. In view of the promised serious diminution in the returns from Customs duties it can hardly be rejected on this ground again, though it is certain to be refused, and may become the subject of an appeal to the electors.

## INDUSTRIAL ARBITRATION.

The High Court has just added another to its long list of constitutional decisions of momentous political importance. The Federal power over industrial arbitration is limited to the prevention and settlement of industrial disputes extending beyond the limits of a single State. In a case arising under the Federal Act it was contended that the Parliament, when passing that Act, had made provisions for the regulation of disputes which did not extend beyond the limits of a single State, and that consequently the whole measure was invalid, according to an established rule that when a Legislature has inserted invalid provisions in a statute, which are inseparable from the valid provisions, the whole Act is bad. Fortunately for the peace of the Parliament and the Government, the Court has decided against this contention, and has upheld the general validity of the Arbitration Act, although it has curtailed the sphere of its operation within limits much narrower than those hitherto acknowledged by Federal members. The precise extent of this curtailment cannot be ascertained until the full text of the judgment is published. Meantime, the decision appears to have introduced fresh complexity into the already complex question of the Federal power in our industrial affairs, which in the States have also been the subject of frequent litigation. A feeling seems to be gaining strength that the existing division of control over industrial and social questions as interpreted must prove unstable. If the Commonwealth is to have any part of this control it must be effective. If not effective it is not worth having, and the States had better be left in undisputed possession of this field. Any attempt at partition threatens to result in further confusion and uncertainty. This is a view that is beginning to be expressed by some who are not suspected of much sympathy either with the Commonwealth or with industrial legislation generally.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL FINANCE.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Nov. 5 1908; Dec. 23 1908.

Public finance, of the first importance to every nation, is always to the fore in a new country, especially where, as in Australia, the most expensive public works are constructed under and financed by the public Treasury. In addition to this our Commonwealth was placed by the national Charter which called it into existence under a series of financial restrictions that have become irksome to its people and a constant source of perplexity to its politicians. A consideration of our national accounts recently occupied the Parliament, and incidentally led to some useful studies of a few aspects of their all-embracing scope. On the whole, however, the debates are not useful reading, for after deducting digressions due to party prejudices and individual idiosyncrasies the criticism offered remains too scattered to bring home to the community the financial matters that really are of special urgency at the present moment. Mr. Reid's attack on the Ministry, though it cleared the air politically to a slight extent, did nothing else except deepen the general lassitude that afflicts all sections and threatens to paralyse the work of the session. If the Federal session is to end at Christmas it will be barren of legislation and indeed of everything but declarations of policy. Hardly second even to the vital issue of defence, financial speculations and propositions, though nominally occupying pride of place because of the financial commitments that stare us in the face, are not being grappled with as they deserve. The situation everywhere is governed by a tug-of-war between the Federal Government and the State Government over the Customs and Excise receipts, which are at present shared between them. The eternal want of pence that vexes public men provokes its most acute vexations when, as in this instance, they are rivals dipping into the same purse. Source of most of our trials and struggles for the last three years and for the coming two, this contention, directly or indirectly, affects all our politics, and the crisis at hand is foreshadowed by the fierce attacks of State Premiers and Treasurers upon every act of the Federal Parliament that means expenditure. On the whole the trend has been decidedly in favour of the Commonwealth.

## THE HIGH COURT AND SURPLUS REVENUE.

Lately the High Court greatly smoothed the path of the Federal Treasurer by its decision in the Surplus Revenue case, an incident which calls for some comment. It cannot be easy for those living under the unhampered sovereignty of a single Parliament to realise the part played in our government by this purely judicial tribunal. Questions are continually coming before it, the answer to which involves important political consequences to the Commonwealth or the States. These consequences cannot be cancelled, as they can under a unitary Government, by a simple remedial act of legislation; they become a settled part of the Constitution, and can only be altered by an amendment of that instrument. This explains why the High Court fills so prominent a place in our political history. All our Legislatures have to accommodate themselves to its interpretations of the Constitution, whatever their political effects may be. The Surplus Revenue case had an especially intimate relation to the Ministerial policy. Had it been declared *ultra vires* by the Court, the fiat would have meant, to start with, a postponement for some considerable time of Mr. Deakin's scheme of Naval Defence. It would have meant, too, the adoption of some new form of taxation to meet the demands of the Old Age Pensions Act, for which the ordinary free revenues of the Commonwealth will not nearly suffice, and it would have shaken all confidence in the Government's legal advisers. English readers who interest themselves in Australian affairs probably recollect that, under the famous "Braddon" Clause, the Commonwealth is entitled to retain not more than one-fourth of the Customs and Excise revenues for its own purposes. The balance it is bound to hand over to the States. Up to the present year the Commonwealth has never spent its own fourth, and its Treasurer has handed over to the States, month by month, not only the three-fourths to which they were entitled, but also the unspent portion of its own fourth. This year the Commonwealth Government was compelled, in view of the heavy expenditure which will be demanded in the near future by the Naval Defence proposals and the Old Age Pensions Act, to put aside a part of its own fourth for these purposes. The money was paid into Trust Funds, which were to accumulate until the time should arrive for the actual disbursement of the money. The States' Governments, with appetites that had grown by what they had fed on, objected to this course. They contended that under the Constitution they were entitled, not only to the three-fourths, but also to that part of the remaining fourth which had not been actually expended. Combining in their common interests they sued the Commonwealth to recover the amounts paid into Trust Funds for Naval Defence and Old Age Pensions. Their case involved the extraordinary contentions that the Commonwealth Government was bound by law to empty its Treasury at the end of every month, and that any expenditure which could not be met out of a single month's revenue must be covered by loans. No one was surprised when the

High Court decided the case in favour of the Commonwealth, holding that the appropriation of money by Parliament for future purposes was practically equivalent to expenditure. Any other decision, so far as one can see, would have made any businesslike handling of the Commonwealth finances quite impossible.

## THE VICTORIAN GOVERNMENT.

The Cabinet of Sir **Thomas Bent** has tottered to its fall. For a long time past the attitude of its unconventional Premier has been alienating the electors generally. His unconventionality, in the earlier days of Sir T. Bent's Premiership, was sometimes mistaken for strength; more recently it has been recognised by the Press and the public as mere opportunism in his own interest. The climax came when he produced a Land Valuation Bill intended to prepare the way for a land tax. The avowed object of the measure was to provide machinery for the honest valuation of the lands of the State, which for the purposes of local taxation are said to have been grossly undervalued. It was regarded by land-taxers with pleasure, by anti-land-taxers with aversion, and by the local public as another proof of the insincerity of the Ministry. Notwithstanding the fact that the Land Valuation Bill without a land tax was merely an unloaded gun, an important section of the Government following, the "country party", took fright. The Premier, with an easy indifference to the views of his colleagues, incontinently withdrew the measure. This erratic performance led up to the resignation of Mr. **Mackinnon**, while at the same time the Government sustained a further loss in the retirement of Sir **Alexander Peacock**. With the idea of placating both sides, Sir T. Bent next reintroduced the Land Valuation Bill in an emasculated form, but the confidence of Parliament, shaken by a long series of similar twistings and tergiversations, was not to be restored. A further sacrifice of three more of his **colleagues** has temporarily appeased his adversaries, though if their successors, who are unknown outside Victoria, are justly appraised by the Melbourne Press the outlook cannot be considered hopeful. Sir T. Bent remains at once the strength and weakness of the Administration kept in office merely to keep the Labour Party from occupying the Treasury benches. The position is not enviable, but neither is that of Mr. **Kidston**, whose coalition with the Opposition in Queensland has been dictated by the same kind of pressure from the same source. Sir T. Bent has remained in power for several years very largely because of the expenditure he has been enabled to make annually, in effect out of the reimbursements to the State by the Commonwealth. Other Premiers, including our own, have benefited in the same fashion. The financial issue vital to the National Government is for these reasons crucial to the State Governments as well. They have been purchasing popularity by expenditures which they cannot expect to continue when the Federal Parliament comes into its own.

# THE COMMONWEALTH OF AUSTRALIA.

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## NEW LABOUR ADMINISTRATION.

FROM OUR OWN CORRESPONDENT.  
SYDNEY. Nov. 16 1908; Dec. 30 1908.

Once more 1904 is repeating itself with absolute exactitude in the Commonwealth Parliament. The Deakin Ministry of four years ago retired with dignity amidst Parliamentary decorum on the part of all sections of the House until then unknown and not repeated since until last week. In 1904 it departed to make way for the first Labour Administration under Mr. Watson, and now a second Deakin Cabinet is replaced by a second Labour Administration under Mr. Fisher. The friendly relations between them did not last long in 1904, and may not continue far into 1909, but at present they are cordial. In the former year Mr. Deakin joined forces with Mr. Reid, though declining to join hands with him when he took office. No union between them appears possible today, nor indeed while Mr. Reid remains in politics. Not only his following but that of Sir John Forrest sat behind the Labour Caucus on the test division when a Ministry that has reigned for three years was for the first time stripped of all aid from outside its direct supporters. Three weeks ago Sir John Forrest and his half a dozen comrades had the whole House against them. Mr. Reid under similar conditions rallied twenty to his flag. Last week Mr. Deakin had but a dozen members out of fifty when his Cabinet received its *coup de grace*. No Federal Government hitherto has been, nor is any likely to be more overwhelmingly extinguished. If the late Prime Minister did not ride for a fall, he certainly accepted his descent with cheerfulness. Once more, as in 1904, his position was becoming intolerable. He had lost none of his own following, but when once the Labour regiment which formed his Praetorian Guard had mutinied the only choice left was that of his political execution. No cause has been officially assigned for the severance of the working understanding with the Caucus, but it is now evident that its leading members were ambitious of taking their turn at the wheel. The Christmas recess is at hand, after which they too may ride for a fall in order to anticipate more serious reverses. It is obvious that they cannot carry a single item of their extreme programme in the present Parliament, for they are in a minority in both Chambers. How long their potent outside Leagues will permit them to apply themselves to measures which are non-essentials from their party point of view has yet to be discovered. In the



meantime Mr. Fisher will be Prime Minister so long as Mr. Deakin thinks fit to leave him there unless, indeed, his thin-spun life is slit suddenly by the reckless actions of some of our many Trades Unions who appear to be spoiling for a fight with or without any sufficient reason. There lies his greatest peril.

### INDUSTRIAL UNREST.

After a few months of comparative quiet the fires of industrial unrest have broken out anew in this State with a violence that seems out of all proportion to the causes. In Sydney we had 500 men of the Rockchoppers' Union on strike, in defiance of the law, because an employer refused, at the dictation of the Union, to remove a workman who had been a Union official but who had become objectionable to his former friends. Four of the leading Unionists were sentenced to imprisonment and others to milder penalties for breaches of the anti-strike clause in the Industrial Disputes Act. This eruption was at first denounced by the leading members of the Parliamentary Labour Party as "childish and idiotic", and even the Trades and Labour Council, that collection of incompetent enthusiasts, led by fanatics, who engineered the tram strike to its inglorious conclusion, were rather chary about identifying themselves with it. Nevertheless, the strike went on, while the public were treated to daily tirades against the brutal tyranny of a Government which, after all, has done nothing more tyrannical than enforce, with comparatively mild penalties, the provisions of a law passed by a large majority in Parliament a few months ago. Finally it was declared off with the usual inconsequent bravado and pretence. The other storm-centre in the State is Broken Hill. There, though the men have at present no specific grievance, conditions are by no means reassuring. For several years the miners have been working, peacefully enough, under an agreement with their employers. That agreement terminates this month. Some time ago, one of the leading mine managers was indiscreet enough to announce publicly that on its expiry wages would have to be reduced. This announcement was apparently justified by the ruling prices in the metal market at that time. But in any case it was quite unnecessary to publish such an intention so far in advance. The men immediately responded with the declaration that they would accept no reduction and at once prepared for a struggle.

### ATTITUDE OF MINERS' ASSOCIATION.

However, the usual conference between managers and men had been amicably arranged for when it was discovered that the former were intending to hold a previous conference with an association of employees which was not recognised by the Amalgamated Miners' Association, the Union to which the great majority

of the miners belong. The Amalgamated Miners at once declared that unless this conference was at once abandoned a general strike in the mines would be declared. This result was averted by the voluntary abandonment of the conference by the unpopular association, most of its officials immediately after joining the Amalgamated Miners. Flushed with this victory, the Union then announced its determination to compel every man working in the mines to join the Union—in other words, to refuse to work with non-Unionists, fixing a period which has not yet elapsed, for compliance with this demand. The extravagant language indulged in by the leaders of the men naturally aroused some fear that when the time did arrive there might be disorder, and a small detachment of fifty police was sent to reinforce the admittedly insufficient force permanently stationed at Broken Hill. This aroused fierce resentment in the very men who had been most reckless in their language, although, of course, this resentment is logically quite unjustified. It must be admitted that the Premier, Mr. Wade, has not shown in this matter quite the same tact and self-restraint which distinguished his action in connection with the coal and the tramway strikes. It was desirable to send the police, but it might have been done less dramatically, and when the Opposition desired to discuss the matter in Parliament, the Premier would have done better to accede to their wish, instead of defeating it by raising technical points of order. The result of his action has been to arouse much unnecessary ill-feeling in the leaders of the Parliamentary Labour Party, who, at the expense of their popularity with all the more extreme sections of their constituents, have so far refrained from giving encouragement to illegal strikes, or threats of strikes. The position today is that we are awaiting, not without anxiety, the outcome of the conference between managers and men which is to settle the new terms of employment, and also the result of the ultimatum by which all non-Unionists were summoned to join the Union. There is reason, at present, to anticipate a peaceful solution of existing difficulties. A strike at Broken Hill, where 85 per cent. of the population are miners and the other 15 per cent. are almost wholly dependent upon the miners, will be so serious that the very possibility arouses keen apprehension.

### THE EXTREME UNIONISTS.

The secret of a good deal of this unrest, both in Sydney and at Broken Hill, appears to be the almost fanatical hatred which the more extreme Unionists of this State have conceived for the new Industrial Disputes Act. This appears to be founded upon the idea that the measure makes an insidious attack upon the principles of Unionism, because it allows non-Union labourers to take advantage of its provisions. The Act certainly has defects, but the supposed defect upon which the feeling

referred to is based is really quite unsubstantial. However, it appears to be a point of honour with the Unionists of this State “greatly to find quarrel in a straw” when Unionism is, or is supposed to be, in danger. Unionism has done so much for the working men of this country that they are naturally quick to resent any attack upon it. But when their jealousy generates into unreasoning suspicion, leads them to open defiance of the law, and becomes a strong anti-social force, as it has done in this case, it tends to alienate those without whose aid neither the cause of Labour, nor any other cause, can ultimately succeed under our democratic form of government. These are, of course, the more moderate and impartial men who resist injustice from either masters or men, considering the interests of the country more important than the interests of any class. This section fortunately is numerous and effective in Australia. Its importance is fully recognised by even the responsible leaders of the Labour Party in Parliament, who seem to be separated by an ever-widening gulf from the extremists of the Trades Hall. But after all their risks, though more pressing, are not as great as those to which the new Federal Government must be exposed if the public be aroused to antagonism against the Unions which form the backbone and something more of the Labour Party in the Commonwealth.

# THE COMMONWEALTH OF AUSTRALIA.

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## LABOUR MINISTRY'S WEAKNESS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Nov. 23 1908; Jan. 2 1909.

The Labour Party, having taken the reins in the Commonwealth Parliament, occupies a more elevated position in the public eye, but is not on that account any more authoritative. In point of fact, although officially entitled "The Government of Australia", it is today less dominant in Federal politics and in the States than it was a few years since. During the reign of the late Ministry its leader had his foot on the brake, and though he could not stop the coach did now and then limit the pace at which the Prime Minister travelled his own road. Today he will be obliged to keep to that road or very near it, while Mr. Deakin can not only stay his speed but upset the vehicle at any moment. This difference between them is due to the fact that while in office the latter had always the choice of other alliances while outside the Labour Party Mr. Fisher has no such choice and can have no other allies. Hence his absolute dependence. When, many years ago Sir Henry Parkes had wearied his followers by autocratic methods of one-man government, they insisted that his new Cabinet should include all the more capable and independent members of his side. A Sydney cartoonist thereupon hit off the situation very happily by depicting him, in the first instance as the sole occupant of the chariot in which he drove a docile team, and in the second instance as himself an old horse harnessed in the shafts of a cumbrous vehicle drawing colleagues who plied the whip at pleasure on his flanks. In Federal politics, the cartoon would apply in reverse order. Mr. Deakin has been in the shafts while the Labour Party at its ease has been drawn behind him. Today they are the labouring team whom he controls. By going into office they have gone out of power. Moreover, they can only remain in office at the expense of their special and particular programme. The best they can hope for in that position is to advertise their moderation and capacity to administer the departments. Sooner or later, however, they must make an appeal to Parliament or through it to the country which will probably be anything but moderate in the eyes of their critics. This year their advent has awakened no alarm, being accepted as quietly as Mr. Reid's resignation of the leadership, which he has been advised to relinquish with increasing frequency during the past eighteen months. Mr. Watson's short life as

Labour Prime Minister in 1904 did much to dissipate public apprehension. It is a misfortune for his party and for the country that he insists upon retiring from politics at the next election, but Mr. Fisher may be trusted to follow his example of moderation when he makes his debut as leader of the House two days hence.

### ATTITUDE TOWARD STRIKERS.

The entrance of the Labour Party into the tasks of Federal administration curiously enough synchronises with the period of its greatest weakness in State politics. In Queensland the caucus, having lost all its more moderate members, musters at most some 27 extremists to oppose the Coalition Government with its 45 more or less reliable followers. Any hope that the near future may hold for Mr. Bowman, their leader in the State comes from the possibilities of disunion in Mr. Kidston's following, rather than from its own strength. In our own State the Labour Opposition, always badly led, but never quite so badly as of late, has almost ceased to be a serious political factor. The reasons for this are not far to seek. One of them, of course, is the withdrawal of some of the best intellects of the party to Federal politics; another, and a much more potent one, is the altogether indefensible attitude of the majority of its members towards our legislation for the settlement of industrial disputes. Even the leaders, Mr. McGowen and Mr. Holman, who between them represent what is best in the character and the intelligence of the party, seem never to have been able to make up their minds whether they really approve of the enactments which render striking an offence punishable by fine or imprisonment or not. Recent proceedings in our Legislature supplied the *reductio ad absurdum* of this position. Mr. Wade has had occasion to put the penal sections of the Industrial Disputes Act into force against the officials of the Rockchoppers' Union, who were then on strike. In challenging the Government for its "harsh administration" of this Act Mr. McGowen was unable to say in reply to a direct question from the Premier, whether he would repeal these penal sections or not. The only inference that could fairly be drawn from his speech was that he approved of these sections being in the Act, but did not think they should be enforced. His position, it must be admitted, is by no means an easy one. To openly denounce strikes and to support the Government in prosecuting for participation in them would mean an open rupture between the Labour men in Parliament and the largest and most influential section of Unionists outside, who are openly in favour of resuming the weapon of the strike, which they were supposed to have finally abandoned when they accepted Mr. Wise's Industrial Arbitration Act. The relations between this official section outside and the official Parliamentary party inside are already strained almost to breaking point. On the other hand, to

advocate the repeal of the anti-strike clauses would be to belie all their oft-repeated professions of faith in industrial arbitration, and to bring them into ridicule with every reasonable man in the community. Difficult as such a position must be for them, they are paying the usual penalty for their timid vacillation and cowardice, and have sunk almost into insignificance as a political force.

### IN THE OTHER STATES.

In Victoria there is the same tale to tell. Numerically insignificant in force and ability, below even the very modest standard set by the majority of Sir **T. Bent's** supporters, without any definite policy, the Labour Party in the Victorian Assembly has very little to offer even to its own friends. Perhaps the most severe criticism that can be passed upon it is to say that, in office, it would not be an improvement, either in dignity or usefulness, upon the present Government. In South Australia alone, where the party is kept in office by an alliance with independent sympathisers, and where it is led by a man of exceptional disposition, and good sense, has Labour maintained the position it had in former years. Mr. **Price** and his colleagues every now and then launch under pressure some measure which is a little more drastic than their predecessors would have cared to bring forward. It passes the Assembly by a party-vote, is transmitted to the Council, and there is either amended out of recognition or peremptorily laid aside. As a consequence, though half the little Cabinet that sits in Adelaide consists of Labour men, the net result of its existence has been perhaps a little more vigorous in administration but not one whit more radical in legislation than Mr. **Butler** would now supply if the Opposition came back under him to the Treasury benches. The electoral reform of the Legislative Council as the fruit of years of agitation leaves that body just where it was and as it was. In practical politics, therefore, Labour has nothing to show for itself in the one State where it is supposed to rule. In Western Australia it accomplished nothing for its programme and can accomplish nothing. It remains to be seen whether anything more is possible to Mr. Fisher as Prime Minister than was possible to him when simply leader of a party. He was in a minority then, remains in a minority now, and unless he is very astute will command a smaller minority after the elections of 1910.

# THE COMMONWEALTH OF AUSTRALIA.

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## POLITICAL SITUATION.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Nov. 30 1908; Jan. 9 1909.

The Federal Labour Ministry is fairly launched in Melbourne. Mr. Fisher, the new Prime Minister, has made his statement for the session, which was touched upon lightly during a two days' debate professedly upon that topic. What really was discussed all the time with a great deal less heat than might have been expected was the situation in general and the future relations of our four parties. This theme, laboured incessantly in the Press for the last five years and always in the forefront of Parliamentary debate, remains almost as problematical as ever. Only its actuality, the constant imminence of changes which might at any moment cancel existing party frontiers, and the stimulus afforded by its uncertainties to personal ambitions can excuse its constant recurrence in these columns. Having lived on a tenure as uncertain as that of dwellers upon the slopes of an active volcano for four years, the late Cabinet and its following, though reminded by increasing rumbles that the long-expected outbreak was drawing near, had grown so accustomed to these conditions that they continued to proceed with schemes implying a long period of legislation and administration under their control. Now, after the catastrophe, they are persisting in keeping the same course, nor have they parted with their control. Mr. Fisher, it is true, has put aside a large part of the programme of his predecessors for the present, but without discarding any of its items. He has adopted, as Mr. Deakin must have adopted if he had been able to close the session at Christmas, the essential work for the year, consisting of the Estimates and one or two measures such as the Iron Bounty Bill, which, already sanctioned by the House, is now before the Senate. The change of Government has involved no change of policy. In fact, if the policy had been changed by Mr. Fisher another change of Ministry would in all likelihood have been accomplished out of hand. The more the situation alters the more it remains the same.

## THE POSITION OF MR. REID.

Mr. Reid has resigned his leadership while retaining his membership, at all events, for the rest of this Parliament. The reason which he assigns for taking this course is the acceptance of office by the Labour Party. What really operated is probably the stolid antagonist of the Opposition corner and a consciousness that any prospect

of union with the late Ministry under his ægis is impossible. Should he withdraw altogether from Federal politics it will be deprived of its most fertile strategist, its best-equipped debater, and its most effective platform speaker. His absence will be felt by his own party most seriously while it remains alive, and by the Commonwealth Parliament as a whole when its fighting days are renewed. On the hustings his loss will be irreparable. The blunders made during his Federal career, which detract from his preceding record of State successes, were due to the fact that he was slow to adapt himself to the sentiment of Australia as a whole or the necessities of a Federal situation. Sydney will miss him sadly, since he represented, as no other man has since Sir *Henry Parkes*, the general policy and attitude of its majority. He would have been in his element last week when criticising the mildness and meagreness of Mr. Fisher's programme for closing this session, and upon his feeble handling of the purchase of the London site. Mr. Reid staked his fortunes at the last election upon an anti-Socialistic policy full of inconsistencies, though for that reason well adapted to capture a large measure of support. He could have found nothing in the Fisher proposals of last week even colourably "Socialistic" under any of his many conflicting interpretations of that much-abused epithet. He would have riddled with ridicule the tameness and moderation of his intentions and rejoiced in burlesque contrasts between the measures he is now pressing and the most drastic items in the official platform lately re-endorsed at Brisbane.

### SOCIALIST PROCLIVITIES.

The name "Socialism" has figured and will continue to figure so largely in the politics of Australia that with the Socialistic Party once more in power the real meaning of the term in this country becomes of importance at home. Probably every English visitor whose knowledge of us is gathered from newspapers is astonished when that name often recurs to find how little of the thing there really is in any of our Federal, State, or municipal administrations. As far as our municipal institutions are concerned there is certainly immeasurably less about them that can properly be called Socialistic than there is in the local government systems of Great Britain, Germany, or France. Even where the local authorities have powers which enable them to indulge in what are generally called Socialist experiments they have mostly hesitated to exercise them. It is safe to say that there is not a single local authority in Australia whose area of Socialistic activity is in any way comparable to that of the municipalities of Glasgow, or Berlin, or Birmingham. Even the Labour Party, anxious as its members are for the extension of collective control of our industrial activities, have quite failed to recognise the opportunity for such extension afforded by the local authorities. As far as this State is concerned this is probably due to the fact that until last year we had a very defective and old-fashioned system of municipal government, which



attracted the man who had an axe to grind and the man whose politics were of the parish pump order in proportion as it repelled the citizen who had a public-spirited desire for the effective administration of local affairs. In the circumstances it is not surprising that in New South Wales municipal government fell into discredit, and active spirits with public interests were driven to concentrate their attention on the State as the only avenue for useful public activity. Any Socialism we have in Australia, then, must be sought in the political field. The Federal Government need hardly be considered in the matter at all, for its constitutional limitations are supposed to prevent it from indulging in Socialistic enterprise. It has indeed been suggested that the Constitution should be amended so as to enable the tobacco monopoly and the Colonial Sugar Company's business to be taken over by the Commonwealth, and one Labour Committee of the House of Representatives reported in favour of a line of Commonwealth-owned steamships between England and Australia. These things, however, are not within the range of practical politics, and even the members of Mr. Fisher's Cabinet, who support them with overwhelming enthusiasm when there is no chance of their being realised, may be trusted now they are in office to leave them severely alone.

### THE STATE AND SOCIALISM.

So far as the Socialistic activities of our State Governments are concerned there are two remarks to be made about them. One is that they do not represent any deliberate realisation of abstract political ideals. Even the ideals which figure in the "objective" of the Labour Party are reduced to business propositions. The State owns railways because the majority of Australians believe that money is saved and the service improved by State ownership. The State intervenes between employer and employee because industrial disputes cost the country too much. The State resumes private estates, subdivides them into small holdings, and lends buyers a considerable proportion of the money they need for purchase because the country wants population, and wants it on the land. The other remark is that, if the history of those of our institutions and laws which would be selected by the outside observer as examples of our Socialist tendencies were examined, it would be found that most, if not all, of them were fathered by politicians or parties who would be the first to repudiate the name of Socialist. One need not go far for present examples of this. The Carruthers Government, in this State, born and bred in the cult of "anti-Socialism", passed the most drastic Closer Settlement Act on our Statute Book. It has staked its existence on its Industrial Disputes Act. It is now engaged in passing a severe measure to secure the purity of our food supply. In Victoria the Bent Government, which is bitterly anti-Socialist, if it is anything, has just announced

a measure on the New Zealand patterns intended to prevent the holding by any one individual of land exceeding in value a sum to be fixed, and to compel existing holders of more than that quantity to part with the excess. It is also proposing to use a portion of recently discovered coal-bearing land for the purpose of establishing a Government coal mine.

### SOUTH AUSTRALIA'S EXPERIMENT.

South Australia, too, solely for business reasons, has acquired a coal mine in New South Wales. It is an interesting experiment not merely as an adventure in State ownership, but as throwing light on industrial conditions which have rendered some much-abused Federal legislation necessary. The Labour Premier, Mr. Price, in bringing his proposal before the House the other day, explained that owing to the operations of a trade combination which included the great majority of the Newcastle coal-mine owners, and practically all the Inter-State shipowners, his Government was being compelled to pay £30,000 a year more for its coal than it would have to do if it possessed a mine of its own. Private consumers in South Australia, according to Mr. Price's figures, were paying at least 16s. per ton over and above the cost price of landing coal in Adelaide. The same conditions are alleged to prevail in the other States which depend for their supply of coal on our collieries. Proceedings are being taken by the Federal Government under the Anti-Trust Act against this combination. Nothing more, therefore, can be said at present as to the effects of its operations. But if the figures quoted by Mr. Price are accurate, he, too, has a business basis for the perhaps doubtful venture upon which he is embarking. When Mr. Fisher will pluck up his courage to announce some experiment of the same kind one cannot yet divine. Should he do so he will have to justify it not upon grounds of Socialistic principle, but as a sound investment. His field of operations being strictly limited by the Federal Constitution, he can pass no legislation authorising any new experiment until he has obtained a majority of the electors of the Commonwealth, including separate majorities in four of our six States. He must achieve this before he can take one step forward in the "Socialistic" highway that we are supposed to be already treading at break-neck speed.

# THE COMMONWEALTH OF AUSTRALIA.

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## POLITICAL SPORT.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Dec. 7 1908; Jan. 19 1909.

Australia must appear to Englishmen to be principally moved by politics and sport. Perhaps having regard to the fact that the personal fortunes of our leaders in public affairs appeal to us more than any but the greatest of their measures it would be more accurate if we confessed that we are chiefly stirred by sport and politics. Even our industrial, financial, pastoral, and agricultural developments are far from devoid of "sporting" interest. Their vicissitudes, like those of mining, though less frequent, are more than sufficient to prolong the parallel. Our marvellous records of material progress read tamely enough except to those personally interested in their totals or patriotically zealous for the reputation of the Commonwealth; but the achievements of athletes of all types, horses or dogs of all breeds, or politicians of any colour, come home to our "masses" more steadily than other achievements. A polling day rivals a first-class cricket or football match over a far larger area. A Parliamentary crisis draws a smaller house, but arouses an immensely larger number outside. Just now political sport is at a height. In Queensland Mr. **Kidston**, joining hands with Mr. **Philp**, has launched a promising but hazardous Coalition that has successfully survived its first frontal attack. In Victoria Mr. **Bent**, after a series of rapid metamorphoses, both of policy and of the personnel of his Cabinet, unintelligible to critics outside that State, having been at last overthrown has obtained a dissolution. In Tasmania, where the Leader of the Opposition has been appointed to a judge-ship, a General Election is due in three months. In three of our six States the electors are being kindled into a condition of exceptional excitement at the present moment by appeals to their political sporting instincts.

## LABOUR MINISTRY'S DIFFICULTIES.

The Commonwealth Parliament in its turn might be described as upon the edge of a crisis were it not for the approach of Christmas, when by the general consent of parties it will go into recess. But whenever and however its representatives and Senators reassemble, it will find itself daily upon the verge of a crisis, not simply because the Ministry is in the minority, but principally because it is constituted

solely from the Labour Party. England is already illustrating to some degree the strength and the weakness that attach to the social programme pushed forward by a rigid organisation of the members returned in the name of Labour. But you have yet to realise the extent of the transformations it will imply if ever it should become strong enough to allow a Labour leader to grasp the reins of power, and to undertake the government of the Empire with a Cabinet elected for him by a Caucus of supporters. You may then expect to see a display of bitterness from the unsuccessful aspirants who have been passed over akin to that witnessed in Melbourne last week. Mr. Fisher, in order to retain the support of the Ministers whom he lately displaced, was obliged to adopt their Estimates just as they stood, fighting for votes and increases of votes which he and his colleagues would have joined in strenuously resisting if they had not realised that if they did so their Administration would have come to an immediate end. His own malcontents compelled him and his elected associates to adopt the unpopular course of voting higher salaries to departmental heads, £20,000 for advertising in order to attract British immigrants, and a variety of other grants of money for purposes incidental to Mr. Deakin's policy. Ministers carried the votes by the help of the direct Opposition, which gladly seized an opportunity of deepening the dissension in the Labour ranks and of humiliating the new Government by making its continuance in office dependent upon their contemptuous adhesion. Unfortunately the Opposition was in a less patriotic frame of mind the week before, when the first business submitted by the Labour Administration came before both Chambers at the same time. Mr. Fisher under duress had been obliged to adopt the proposal to purchase a site for Commonwealth offices abutting on Trafalgar-square, which the Deakin Cabinet preferred after the County Council had refused to abate its terms for the Aldwych block. On this occasion the direct Opposition in the Senate, instead of rallying to them, reinforced the Labour revolt. It lent sufficient aid to defeat the project just as Mr. Deakin was upon his feet in the Assembly urging the House to sanction it in order to secure Australia an opportunity of being adequately represented at the heart of the Empire. The refusal to give effect to this laudable aim is not wholly due to the Labour Ministry, but its trials in connection with the first business it has handled in Parliament illustrate in a vivid fashion the many perils to which it is exposed, and from which the recess will only supply a brief respite. In New Zealand, Sir Joseph Ward eliminates the Caucus by anticipating most of its demands in a reasonable way, but in Australia, though the Caucus is in titular possession of the Treasury Benches, its own aims are now postponed to the policy of its predecessors recently ejected from office because their policy was then too moderate for the Caucus.

## THE LOCAL OPTION VOTE.

Last year in New South Wales the first poll under the new Local Option legislation was taken at the General Election. A rough estimate, the only one possible at the time, was made in these columns as to its general effects. Only the other day, however, the precise results of the vote were made available to the public. They disclose to the onlooker a defect for which appears to be inherent in our particular Local Option system. At any rate it is a defect for which the temperance advocates in this State, who are a vigorous and increasingly powerful body, have not yet suggested a remedy. Our liquor law divides the State into Local Option districts, which at present coincide with the Parliamentary electorates. In each of these districts the electors are entitled to vote either for a continuance of the existing number of licences, a reduction of that number, or for No-licence. It is interesting to observe that the most Democratic Government in office in the States today, that of Mr. Price in South Australia, which is now engaged in passing a Licensing Bill through Parliament, has restricted the choice of the electors to Continuance or Reduction. In spite of the strongest appeals the right to vote No-licence is denied to the electors—a curious lapse from the true Democratic faith. Under our law, No-licence cannot be carried unless at least 30 per cent. of the electors actually vote for it. Reduction may be carried by an ordinary majority. At the last poll the requisite majority for No-licence was not secured in any electorate. Reduction was, however, carried in sixty-two out of ninety electorates. The maximum reduction allowed by the Act is to three-fourths of the previous number of hotels. The Special Courts appointed to carry out the reduction, however, have considerable latitude within this limit, so that it was impossible to calculate the total results of a vote in favour of Reduction until these Special Courts had finished their work. That work has just been completed. Out of the 3,000 odd hotels which were open in this State at the taking of the poll, some 300 are to close.

## UNSATISFACTORY RESULTS.

If this decision had meant that the proper authority had selected 300 of the least desirable or least necessary hotels in the State, and had marked them down for closing, it would be a satisfactory outcome, for no one, be he friend or enemy of the liquor trade, but admits that the number of licensed houses in the State is excessive. Unfortunately it does not mean that. It means that 300 hotels are to be closed in the 62 electorates which voted for Reduction. These are, generally speaking, the districts in which the hotels were the fewest in number and the best in character, and where, consequently, reduction was least necessary. In the city of Sydney itself, where the

number of hotels is out of all proportion to the requirements of the population, and where, in consequence, the liquor interest is very strong, there is to be practically no reduction. To be precise, out of the 387 hotels within the limits of the city only five are to be closed. It is equally noticeable that the country electorates in which the vote was against Reduction were in nearly every case those which had the largest number of hotels. This is a very grave defect. So far no practical remedy has been discovered for it. It is asserted by some Victorian authorities that their system has solved the problem, but as our neighbours are in the habit of making a similar claim in every connection it is possible, if not probable, that their satisfaction arises principally from the fact that it is Victorian and not from a complete comparison of the two systems. In New Zealand the hotels are being further reduced by the poll taken at every General Election, and this in itself arouses the enthusiasm of our temperance zealots who have a similar end in view. Our Local Option polls possess a certain "sporting" interest for the public at large, particularly for those whose investments or platforms are at stake, yet with all the pressure they exercise a very large body of those who go to the poll display a tepid interest in the result.

# THE COMMONWEALTH OF AUSTRALIA.

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## POLITICAL SITUATION.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Dec. 14 1908; Jan. 26 1909.

The Commonwealth Parliament has closed a session which may fairly be described as all but barren. Beyond providing for the services of the year its legislative achievements were confined to the passing of an Iron Bounty Bill that came as a remanet from the last session and a necessary corollary of the Protectionist tariff. This measure has a special importance for New South Wales, since the very existence of our nascent iron industry at Lithgow, the only venture of the kind in Australia, depended upon its passage. It passed because a recognition of this circumstance brought together all our Federal members and even the fiercest opponents of Protection behind the Deakin Government, which framed and carried it nearly through the House, and the Fisher Government, which completed its career there and in the Senate in the teeth of a fierce resistance from some of its own supporters. All parties therefore are entitled to share the credit for this gift to our State towards the development of an embryo national industry whose prospects are most encouraging. Only lack of time prevented this success earlier in the year, when the adoption of the measure had become assured. The Act allotting the Federal capital site to the Yass District did nothing more than confirm the result of the ballot taken in both Houses, and thus to permit the opening up of Federal negotiations with our State Ministry for the surveys necessary to the choice of the exact territory to be hereafter transferred. Deducting these two brief measures it is plain that the Statute Book will reveal but a blank page when its records of the three months' session of 1908 come up for examination by the Society of Comparative Legislation.

## AN EVENTFUL SESSION.

The proud array at the opening of the session of Ministerial proposals for National Defence by Universal Training and a Supplementary Local Flotilla, for amending the Constitution to extend the Federal jurisdiction industrially sufficiently to permit the "new protection" of employees in protected industries, for establishing an Australian Bureau of Agriculture, acquiring the great area called the "Northern

Territory”, consolidating and completing the laws relating to Shipping, Marine Insurance, Public Companies, and other practical non-party Bills has disappeared and “left not a wrack behind”. Yet it would be misleading to assume that the session has proved uneventful. It would be more correct to say that it was nothing but eventful. It witnessed a change of Government. Though so far that has not meant a change of policy, it must lead to that and also to a reshaping of parties. The roads must soon divide, and judging by past experience it seems safe to prophesy that the Labour Party and the late Government, or National Party, are not likely to be found together again pulling in the same boat. But without endeavouring to look so far ahead there has been one transformation accomplished already of a deeply significant character. To the casual looker-on it might appear as if the more the situation had changed the more it remained the same. But Mr. Deakin framing the policy and Mr. Fisher finding the votes which gave it a majority is not the same thing as Mr. Fisher finding the policy and Mr. Deakin holding the balance of power as between him and the Opposition. While the Labour Party, or most of it, agrees with nearly all Mr. Deakin’s policy, neither he nor his followers will or can accept the lengths to which the Labour platform goes. Hence Mr. Fisher though in office has not dared in the House to depart by a hair’s breadth from his predecessor’s policy, since the slightest divergence would have led to instant defeat. He allowed but one attempt to amend it to be formally essayed by his colleagues in the Senate, where the pet Labour proposition for nationalising the iron industry instead of granting a bounty to the private enterprise undertaking its development was played with for an hour or two and then decisively rejected. After that rebuff, instead of upholding the Caucus platform and laying aside the Deakin Bill, the Labour Cabinet passed it in its original form. Short as has been the reign of the new Government it has been obliged to follow with meek submission the line laid down for it. Its record is one of self-denial and self-surrender, though its programme is extreme, uncompromising, and aggressive.

#### APPOINTMENT OF STATE GOVERNORS.

In our State Legislature the year’s work is being rounded off amidst unseemly all-night sittings. In Victoria the crisis created by the defeat of the Bent Administration and the granting of a dissolution by the new Governor has taken an unexpected turn. The action of Sir Thomas Carmichael is being angrily challenged on all sides except among thick-and-thin supporters of the reconstructed Ministry. With Lord Chelmsford’s *faux pas* in mind this is much to be regretted. Some months ago Mr. Price, the Premier of South Australia, forwarded to the Colonial Office a despatch suggesting that State Governors should be appointed exclusively from



among the citizens of the respective States. Lord Crewe's reply, lately made public, accords remarkably well with the prevailing opinion on the subject in Australia. Under present conditions, no one can doubt that the great majority of our public men prefer that the State Governors should come from the Mother Country. This may be to some extent the result of the proverbial lack of honour from which prophets suffer in their own country. But it is based to a still greater extent on a very reasonable desire to see the highest office of State filled by someone who has been neither publicly nor privately identified with local parties. In certain cases, no doubt, individual citizens have inspired a degree of confidence and respect which places them, by common consent, above the suspicion of party bias, and removes from them the disqualification imposed by such a suspicion. These cases are amply allowed for in Lord Crewe's despatch by the statement that there is no reason why the person selected for the appointment of State Governor should not be a citizen of the State concerned. Mr. Price, however, wished the choice to be limited to State citizens, a very different thing, and creating an exclusion of quite another kind. South Australia and Victoria are not the only States in which the suggestion has been favoured by some sections. Only the other day, a motion in favour of the appointment of local residents as State Governors was proposed in the Legislative Assembly of Queensland, when it was at once strongly opposed not only by Mr. Kidston, the Premier, a recent sufferer by his Governor's mistakes, but also by Mr. Bowman, the leader of the most aggressive Labour Party in Australia.

## THE COST OF GOVERNMENT.

The Colonial Secretary's offer, on behalf of the Imperial Government, to take steps if so desired to substitute the Canadian system, under which State Governors are appointed by the Federal Government, as a means of enabling Mr. Price to secure his end is, whether so intended or not, a very effective "score" off that State Government and every other. Mr. Price may be very anxious to get what he wants, but he is not so anxious that he is prepared to aggrandise the Commonwealth. Nevertheless, in spite of the unwillingness of the State Governments to enhance the powers of the Federation at their expense, there appears to be a growing feeling in this State that the Constitution would have been none the less effective as an instrument of government if there had been a little more of the Canadian principle and a little less of the United States in its composition. The State Governments and Parliaments themselves are responsible for this feeling. They have shown a consistent determination not to reduce the cost of their own establishments, in spite of the pledges given by such of them as advocated the adoption of the Federal Constitution that the result of its adoption would be a material decrease in the

cost of the State Governments. Instead of decreasing the State expenditure has risen from £28,000,000 in 1900, the last year before Federation, to £31,000,000 in 1906–1907, notwithstanding that the local legislatures have been relieved of the whole of the cost of the Customs Service, the Post Office, and Defence. These figures do not represent an increase in the cost of government per head of the population. That remains about what it was in 1900. But the fact that there has been no decrease in the outlay is a source of reasonable dissatisfaction. While, therefore, there is no considerable body of public opinion behind Mr. Price's irrelevant request for the appointment of local citizens only as State Governors, if the same proposal had been made as part of a general scheme for the reduction of the cost and cumbrousness of the State Governments, it would have aroused less antagonism than has been manifested in connection with the present proposal. Our local Governments are essential, but their cost could be much reduced by the transfer of some of their functions to the Federal Government, and of others to the local authorities created in each State. That, at all events, would satisfy our business men.

# THE COMMONWEALTH OF AUSTRALIA.

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## POLITICAL OUTLOOK.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Dec. 21 1908; Feb. 1 1909.

Our Sydney dailies, always fertile in political canards containing but a small percentage of fact, have at present a fine field open for their inventive faculties. The Federal Ministry, commanding only 27 votes out of 75, cannot survive a day after Parliament meets without the steadfast aid of another party. The Opposition, having jettisoned Mr. Reid as decorously as time permitted, does not seem disposed to pin its faith to Mr. Cook, and Sir John Forrest is out of favour because he has shown a strong disposition to fight for his own hand. But even under these exceptional conditions it is hard for the man in Pitt-street to realise that his political pastors and masters have already been hopefully turning their eyes upon their archantagonist, the late Prime Minister. Yet the story of the negotiations entered into with him seems circumstantial, and has been commented upon in all seriousness. The average citizen taking his morning journal seriously suffers a shock when such a sudden transformation is foreshadowed. He has not been assisted to realise that the "Party of the Centre" is in fact, as Mr. Deakin stated, the master of the situation at present, and until he does realise this the discovery that a treaty of alliance has actually been discussed with him must seem incredible. His daily dose of news from Melbourne has been so carefully prepared for him that he is at first unable to digest a hard fact of this portentous significance. Among the many strange metamorphoses that have been witnessed in Australian politics during the past decade there has been nothing quite so startling to him as the discovery that the New South Wales cohort of Free Importers may yet be rallied behind the Victorian Protectionist Leader. It is only a possibility, but that such an event should even be possible is something like a revelation. What is more amazing is that, though the surrender is tactfully veiled, it is perfectly plain that no objection is hinted to him personally as head of the new party, or, in other words, as head of the new Government which would be able to seat itself upon the Treasury benches as soon as Parliament assembles after the current recess.

### A POSSIBLE COMBINATION.

However, before this transformation can become actual much must happen. The story upon the faith of which our papers have performed their feat of prestidigitation is in itself quite probable. Everyone is aware that though Mr. Deakin insisted that the Labour Cabinet should get into recess in order that it may have a fair opportunity of presenting

its policy next session, he has not declined to enter into preliminary conversations with Mr. Joseph Cook and Sir John Forrest upon the prospects of a future combination of their forces. According to the account published here, his first stipulation was that the "national" policy with which he has always been identified should be adopted by the new party. It being assumed by his critics that this means an acceptance of the whole and all its parts there is some ground for the ejaculations of indignant disillusion in which the *Daily Telegraph* delivers itself. If the late Prime Minister propounds his political programme as if it were a divine revelation embodied in an unalterable creed he must expect to find most people here resolute in remaining heterodox. On the other hand, if the *Daily Telegraph's* idea of the new alliance means that Mr. Deakin is to receive the Prime Ministership on condition that he abandons his present policy, the project must become no less preposterous from his standpoint. All that can be safely deduced from the story is that whatever negotiations occurred did not go very far, and that no common basis of union was arrived at in the dying days of the session. Anyone who anticipated that it could be attained at a bound and that parties bitterly hostile for seven years out of eight could so readily compound their differences must have cherished either a very poor opinion of the negotiators or of their programmes. Even in this country it is only in an editorial sanctum that such revolutions are supposed to be achieved by a stroke of the pen. The attempt to hustle the late Government and its followers into a premature alliance which would have put the Labour Ministers out before the House rose was made, and failed absolutely, though engineered with indomitable persistency by Mr. Joseph Cook and Sir John Forrest. So much has become known since the prorogation. With some months to think over the possibilities of forming a new party out of the three sections opposed to the Caucus, and whom the Caucus will oppose at the next General Election, the conditions of any agreement are certain to be carefully canvassed and deliberately decided.

## IN QUEENSLAND AND VICTORIA.

At the same time the general fluidity of political parties in Australia is being conspicuously illustrated by the recent Ministerial changes in Queensland and in Victoria. The present programme of Mr. **Kidston** as Premier of a Coalition Cabinet differs in much besides its colour from that which he pressed forward and in large measure placed upon the Statute Book this year, while his support came from the Labour Party. In Victoria Sir **Thomas Bent's** long series of Ministerial permutations have been accentuated by a questionable dissolution. In face of this emergency of his own making he has been compelled to take and support as candidates a dozen of his former followers who deserted him, denounced him, and voted for his removal from office a fortnight ago. The most eminent of his colleagues, Mr. **Swinburne**, who left the Cabinet because of his dissent from his Leader's legislation, is for the moment hand in glove with him in order to conduct the election. After that it is anticipated that Sir Thomas Bent will retire in his favour under pressure from his former followers. But as the present Premier

is not in any sense a retiring or sensitive politician anything else may happen, and much must occur before he consents to part with his portfolio. Of course, the real cause of the disasters to the Government has been the Premier himself. Apart from his failure to deal with the most pressing problem of local politics—that of making Victorian land available for Victorian farmers—charges of using his office for his own personal advantage have been made by responsible members on the floor of the House, and, it must be added, not satisfactorily refuted by the Premier, whose methods, however honest, lay him open to attacks of this kind. If Sir T. Bent had been willing to abdicate, and Mr. Swinburne had been willing to accept the leadership, the current crisis might have been avoided. The Premier, however, has proved quite as stubborn as Mr. Reid. The elections must be unsatisfactory. The Labour Party may gain a few seats, though not enough to put them into office, and nothing will have been gained by the hasty dissolution.

### NEW SOUTH WALES AND IMMIGRATION.

The proposal of our State Government to raise the vote for the encouragement of immigration from £10,000 to £25,000 was a wise one. The immediate reason for the increase was the conclusion of an agreement between Ministers and the Salvation Army, which if finally accepted should lead to a large accession to the stream of immigrants which is beginning to flow towards us. The outlines of this agreement are that the Army should select the immigrant, guarantee his character, undertake to find employment for him on his arrival here, and, if he turns out to be a wastrel, to remove him at their own expense. In return for this the Government, on being satisfied that these requirements have been complied with and that the immigrant has settled down to some rural occupation, will pay the Army a bonus. A similar proposal was made to, but refused by, the Government of Queensland, which apparently prefers to rely upon its own agencies. These agencies, it may be mentioned, only managed to attract some 1,600 immigrants during the year that is just ending, though the new arrangements made by Mr. Kidston may be expected to double that number in 1909. Queensland is a good deal better situated than we are in New South Wales, for she still has large areas of undisposed-of Crown lands suitable for closer settlement. Here we are entirely dependent upon Government resumptions of suitable land, and the process of Governmental resumption and sub-division is a slow one. It has been carried on with unprecedented activity for some months past, but there is still too little agricultural land available to satisfy the demand of our own farmers and those attracted from the neighbouring States. It is becoming increasingly clear that if ever Australia is to attract the millions of immigrants she is capable of supporting in ample comfort, there must be a re-arrangement of existing conditions. The States must devote themselves with a good deal more determination to the business of making land available. This they have been invited to do by the Commonwealth again and again without avail. Perhaps they will listen in time.

# THE COMMONWEALTH OF AUSTRALIA.

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## FEDERAL POLITICS.

FROM OUR OWN CORRESPONDENT.  
SYDNEY, Dec. 28 1908; Feb. 9 1909.

National politics have their humours, though few of our politicians seem to see them. The critics of the new Labour Ministry display plenty of bitterness, but an insufficient sense of its ridiculous position. The **Prime Minister**, brief even to interviewers upon current affairs, is absolutely dumb upon all public questions of importance on the plea that this policy will be declared officially within the next month or two. This solemn semblance of responsibility deceives no one. Mr. Fisher can no more choose his policy than he chose his colleagues. He received his policy from the last Federal Labour Conference just as he received his Ministers and his own portfolio from his Caucus. He can neither add nor subtract from the decisions of either. The programme to which he and his followers are committed in advance has been in print for months, and most of its principal articles for years. Some of the Prime Minister's comrades, like himself, shared in making the last revision at Brisbane, but however they voted and argued then they are absolutely bound today to the platform reissued from there. The pretence that the Cabinet is to hold Cabinet Councils to decide the Ministerial policy is a farce. The fact is that the only head of an Australian Government except Mr. **Price**, the Labour Premier of South Australia, who has nothing to discuss in the way of policy is Mr. Fisher. The only Cabinet that can never meet to shape its own programme is his Cabinet. Both are pledged to undertake certain tasks which, though only generally defined, practically cover the whole field of legislation. Everyone knew what they must propose, defend, and aim at before they took office. Everyone knows that there can be no alteration now. Mr. Fisher may, of course, endeavour to define how far he proposes to go during next session, though that, too, is already determined for him by his dependence upon Mr. **Deakin's** party. He has been silent hitherto simply because he had nothing to say. All his colleagues, with one exception, have been equally reticent. It would have been better for them if he, too, had held his tongue. In spite of the cleverness of his attempt to divert attention, it is impossible for the country to overlook the fact that it has a Ministry made upon a new pattern, with a policy imposed upon it at the outset in which the individual judgement of Ministers and their supporters counts for nothing, since they are automatically obliged to carry it out.

## THE WISDOM OF RETICENCE.

In view of the obvious and insurmountable difficulties of their position the Labour Ministers who have said nothing have been wise. They can at all events appear more dignified while they are silent than if they commence to explain themselves. Until they do open their mouths their critics remain at a disadvantage, particularly those who continue blind to the rumours of the situation. If Mr. Reid had remained even nominally at the helm he would not have missed them, as Mr. Joseph Cook did when the new Attorney-General, Mr. Hughes, unable to restrain his loquacity, delivered himself and his cause into the hands of the Opposition. According to this injudicious member of the new Cabinet the much-discussed possibility of an alliance between Mr. Deakin and the Opposition leaders is unthinkable, because upon the three chief questions of the day—National Defence, the New Protection, and the Navigation Bill—the policy of the new Ministry and that of the Ministry which it displaced were and are the same. That being the case the problem why one Cabinet was displaced by the other becomes insoluble. If the Deakin Government was pursuing a policy entirely on all fours on these great questions with that of the Labour Caucus, why did that Caucus move and carry its vote of want of confidence? The administration of the late Ministry has not been even challenged in a single particular. If Mr. Hughes is to be trusted, and he has special claims to be listened to, he has confessed himself and his party when ejecting their predecessors to have acted as mere place hunters. As the Prime Minister's first lieutenant now, and as one of the chief promoters of the break away in the Caucus from the late Administration, he knows at least as well as anyone, and probably better, why the sudden dissolution of partnership was brought about. In the next place, if his testimony can be trusted, for the future the intention of the new Cabinet is to follow with pious faithfulness the very path the Deakin Ministry was treading when it was sent to its doom. He shrinks with horror from the suggestion that any alliance is possible now between the ex-Ministers with their followers and the direct Opposition, because there is such a wide gulf of opinion separating them that no coalition is possible without an unparalleled sacrifice of principle. Yet when there was no conflict of principle at all he implies that he and the Labour Party were consistent when they ejected the Government which was giving effect on the three most important questions of the day to those very principles. He sees no inconsistency in that! The wisdom of the silence of his chief and colleagues could not have been better demonstrated.

## CABINET AND CAUCUS.

If Mr. Hughes is speaking the mind of the Labour Cabinet, as he implies, there will soon be a test of the power of the Federal Parliamentary Labour Caucus which has never yet been applied. The Watson Ministry in Caucus ventured to promise immunity from Labour opposition to the members outside the Caucus who upheld

it in 1904, during its days of trial, only to find these Caucus promises discarded by the Labour Leagues when the General Election, for which that immunity had been promised, came round. The Fisher Cabinet will be going a great deal further if they attempt to put aside the programme of their own party in favour of the programme of the Deakin "Party of the Centre". The Cabinet depends on its Caucus. It was rumoured that most of its members were dissatisfied with the "New Protection" clause drafted by the late Government, while many of them held that its amendments of the Navigation Bill, made to meet the criticisms of the Board of Trade, and even its insistence upon an unpaid universal training for defence, ought to be resisted. The disposition of the refractory section of the Caucus during the few days for which the present Ministry was under fire at the close of the session a month ago does not promise much practical achievement next session, even if the Labour Ministers who attacked the late Government for its moderation should now take up precisely the same course themselves. But whatever the Cabinet and its Caucus may desire, what the outside organisation will have to say to any abandonment of their "forward" platform remains to be seen. The Watson Ministry had just about exhausted their patience when its fall rekindled their sympathies. Since then many experiences have encouraged a milder mood among the men actually charged with the campaigning work of the Leagues, but the approach of the General Election, due early in 1910, will arouse all the candidates of less knowledge who covet a place in the Commonwealth Parliament. The Labour platform encourages them to demand drastic legislation, but if it is to remain a platform used only to capture the constituencies and not to affect the Legislature it will speedily lose all authority with the rank and file for whom it was drafted and to whom it promises so much. Mr. Hughes in his alarm at the prospect of any union between the three parties outside the Caucus has said both too much and too little. He revealed too much when he showed that the Labour Party took office for personal ambition's sake and not for principle, and too little when he indicated that they meant to do just what the late Government was doing and nothing more.

## THE STATE LEGISLATURE.

The Christmas holidays usually imply a temporary extinction of politics and Parliaments all over Australia, but this year there are two striking exceptions. In Victoria Mr. **Bent** is fighting for his life with the uncomfortable consciousness that if he wins at the poll, as appropriately he must, it will only be a victory for his party and not for himself, since his retention of office is to be decided afterwards in Caucus. In Western Australia the **Moore** Ministry found itself in a minority when resisting the motion of a private member in favour of the selection of what are called "local" Governors, and then lost control of the business of the House sufficiently to make



a meeting immediately after the New Year imperative. The remainder of the State Legislatures are at rest. In New South Wales the **Wade** Government has never been really challenged. The Labour Opposition, poorly led, has been powerless, because principally occupied in fighting the Sydney Trades Council. Among the measures passed is yet another amendment of our industrial law, the Disputes Act of last year having already proved insufficient. Our gambling legislation has also been reinforced in order to defeat evasions of the Stringent Act passed in 1906; a Pure Foods Act, referred to in a former letter as forming a useful complement to the Federal Act which requires honesty in the published descriptions of imported or exported articles of commerce, and many Acts of minor moment have also been approved. Not the least important business of the session, however, has been the resumption by Parliamentary resolution of several estates for closer settlement purposes under the Act of 1907. These resumptions have added considerably to the amount of land available for settlement by small holders. But they only go a very little way towards satisfying the immense demand for farming land which has been a leading feature in our economic situation for some time, and which shows no sign of relaxing.

# Index to the letters

## A

*Advertiser, The*, 14, 28, 33, 80  
*Age, The*, 14, 20, 36, 80  
agricultural industry, 3, 50–52, 56, 75, 85, 91, 105–06, 149  
Agriculture, Federal Bureau of, 30, 170  
Amalgamated Miners' Association, 156–57  
Anderson Stuart, Thomas Peter, 3  
Anti-Federalism, 4, 10, 21–23, 29–30, 38–39, 48, 70, 73, 78, 80, 83, 89, 91–93, 100, 114, 132, 140, 143  
Anti-Socialism, 40, 120, 138, 163, 164, *see also* State Parliament entries  
*Appropriation Act 1904–5* (Cth), 55  
*Argus, The*, 20  
Arthur, Richard, 3–4  
Ashton, James, 84–85  
Asian labour, 7  
Australian Industries Preservation (Anti-Trust) Amendment Bill 1908 (Cth), 55–56  
Australian Industries Preservation Bill 1905 (Cth), 55, 165  
Australian Industries Preservation Bill 1906 (Cth), 10  
Australian Natives' Association, 20

## B

Barlow, Andrew Henry, 93  
Barton, Edmund, 52, 61, 83, 90, 114  
Beeby, George Stephenson, 138  
Bent, Thomas  
    alleged corruption, 176  
    Anti-Socialism, 164  
    dissolution, 161, 166, 171, 175–76  
    elections, 179

Federal financial control, 79, 141

financial proposals, 89

resignation, 154

South Australian border, 17

Best, Robert Wallace, 34

Bowman, David, 24–27, 74, 125–26, 160, 172

Boyd, James Arthur ('two of his colleagues'), 4

Braddon Clause, 30, 153

Bray, John P, 37

brick-making industry, 56

*Brisbane Courier, The*, 28

Broken Hill disputes, 149–50, 156–57

Brookes, Norman Everard, 6

Bryce, 1st Viscount, James, 31

*Bulletin, The*, 14, 21, 71, 80, 97

Butler, Richard, 33–34, 161

## C

Campbell-Bannerman, Henry, 38

Canada, 31, 46, 90, 172

Carmichael, Sir Thomas David Gibson, 171

Carruthers, Joseph Hector

    Anti-Federalism, 30, 39, 48, 132, 143

    Anti-Socialism, 164

    Colonial Conference 1907, 4

    customs revenue, 83

    Federal Capital, 71

    immigration, 144

*Local Government (Loans) Act 1907* (NSW), 39–40

    tariffs, 10

Chambers of Commerce, 31

Chapman, Austin, 22, 30, 145

- Chelmsford, 3rd Baron, Frederick John Napier Thesiger, 15, 24–27, 35, 42–43, 46–48, 74, 171
- coal industry, 3, 39, 56, 57–59, 96, 157, 165
- Colonial Conference 1907, 4, 38
- Colonial Sugar Company, 164
- Commerce (Trade Descriptions) Act 1905* (Cth), 10–11, 127
- Commonwealth Conciliation and Arbitration Act 1904* (Cth), 95, 105, 123, 150–51
- Commonwealth Electoral Act 1902* (Cth), 99
- Connah, Thomas William, 42, 47
- Constitution, Australia
  - amendments, 50–53, 112–14, 140–42, 170
  - Braddon Clause, 30
  - customs revenue, 9–11, 29–31, 72, 90–92, 100–01, 152–54
  - Federal Capital, 70–71
  - immigration, 63, 76–79
  - opposition from Labour, 22
  - States' rights, 83, 104–07
- Constitution, Queensland, 75
- Cook, Joseph, 68–69, 97, 104, 174–75, 178
- Courts, Federal
  - Commonwealth Court of Conciliation and Arbitration, 51–52
  - High Court, 9–10, 30, 50–53, 83, 89, 91–93, 104–07, 122–24, 127, 150–51, 152–54
- Courts, New South Wales
  - Industrial Arbitration, 39, 43–44, 49, 59, 66–67, 120
  - Special Coal Mining, 57–59, 96
  - Special Local Option Court, 168
- Courts, Victoria
  - Supreme, 18, 45
- Crewe, 1st Marquess of, Robert Offley Ashburton Crewe-Milnes, 172
- customs duties *see* tariffs
- customs revenue, 4, 31, 54–55, 72–73, 76–77, 83, 88–93, 101–03, 110, 142, 150, 152–54
- Customs Tariff Amendment Bill 1908 (Cth), 9
- Customs, Department of, 56, 173
- D
- Daily Mail, The*, 36
- Daily Telegraph, The*, 13, 20, 28, 48, 66, 100, 139, 174–75
- Davies, John Mark ('two of his colleagues'), 4
- Deakin, Alfred
  - alliance with Labour, 109–10
  - as Prime Minister, 3–154
  - Ballarat address, 125
  - defence, 28–29, 88, 140
  - difficulties in governing, 94
  - electoral system, 99
  - end of Ministry, 155–56
  - Federal Capital, 69–71, 140, 145
  - Federal financial control, 73, 150
  - Federal tariffs, 106
  - financial proposals, 88–89, 91–93, 100–02
  - Fisher Ministry, 174–75
  - health, 125
  - High Commission site, 167
  - immigration, 63–64, 78–79, 84, 147
  - in Opposition, 159
  - industrial conditions, 141
  - industrial disputes, 95
  - industrial legislation, 52
  - National Defence League, 38
  - naval defence scheme, 20, 37–38, 48–49
  - opposition from Reid, 68–69
  - political crisis, 61–63, 65–66
  - postal service, 68, 86–87
  - press, 148

- Reid's want of confidence motion, 148
- resignation threat, 61
- State debts, 80
- State Premiers' Conference, 72
- support for, 9, 87–89
- surplus revenue, 153
- tariffs, 106
- visit of United States Fleet, 118, 130, 133
- visit to Sydney, 48–49
- debts
  - Federal, 80
  - New South Wales, 146
  - South Australia, 149–50
  - State, 72–73, 77, 80
- defence
  - cadet scheme, 29, 125
  - coastal defence, 38
  - expenditure, 93, 103, 104
  - Imperial squadron, 38
  - local flotilla, 170
  - military training, 7
  - mosquito flotilla, 14
  - national, 12–15, 178
  - National Defence League, 13, 38
  - national guard, 15
  - naval defence scheme, 20–21, 28–29, 37–38, 48–49, 153
  - naval defence trust, 92
  - naval development, need for, 139
  - naval power, dependence on, 131
  - non-reliance on USA, 38
  - universal military training, 14, 20, 28, 38, 48, 125, 139–40, 170, 179
  - voluntary militia, 13
- Defence Bill 1908 (Cth), 125, 140
- Defence, Department of, 173
- drought, 3, 70
- Dudley, 2nd Earl, William Humble Ward, 54, 136
- Duncan, John James, 16
- Dwyer, Catherine Winifred, 108
- E
- education, 125
- elections
  - preferential voting, 99
  - Queensland, 4, 15, 24–27, 29, 32–35
  - South Australia, 8, 15, 32–35
  - Tasmania, 166
  - Victoria, 179
  - Western Australia, 98–99
- Elgin, 9th Earl, Victor Alexander Bruce, 5
- Empire Day, 83
- employment
  - conditions, 10, 23, 49, 50–52, 58–60, 67, 95, 105–06, 111, 113–14, 116, 137, 141, 157
  - high levels, 3
  - immigration, 63
  - industrial, 43
  - manufacturing industry, 97–98
  - New South Wales, 105
  - private, 121
  - South Australia, 105
  - State, 121
  - Victoria, 105
- Ewing, Thomas Thomson, 15, 38
- excise *see* tariffs
- Excise Tariff Act 1906* (Cth), 104–06
- exports *see* trade
- F
- Federal Capital
  - Canberra–Yass, 71, 145, 170
  - choice of site, 39, 62, 69–71, 139–40, 142, 145

Dalgety, 71, 140, 145  
 land acquisition, 31  
 Federalism, 21–23, 29–31, 63, 79, 105, 123, 150–51  
 finances  
   Federal, 30–31, 54–55, 72–73, 80, 88–89, 91–93, 100–03, 142–43, 152–54  
   Federal control, 73–74, 79, 141, 150  
   New South Wales, 102–03, 142–44, 146  
   South Australia, 149–50  
   States, 54–55, 72–73, 76–77, 80, 91–93, 100–03, 152–54  
   Victoria, 154  
 Fisher, Andrew  
   as leader of Labour Party, 88, 108–10, 114  
   as Prime Minister, 155–80  
   difficulties in governing, 161, 167, 177  
   Federal Budget, 148  
   in Opposition, 159  
   Ministry statement, 162  
   policies, 171, 177  
 food industry, 126–27  
 Forrest, John  
   end of Deakin Ministry, 155  
   Federal Budget, 148  
   Federal Capital, 145  
   Fisher Ministry, 174–75  
   opposition to Deakin, 88  
   political crisis, 62  
   press, 148  
   Reid's want of confidence motion, 148  
   support for Deakin, 86  
   tariffs, 113  
   taxation, 77  
 Franco–British Exhibition, London, 4  
 Free Importers *see* Federal Parliament entries  
 Free Traders *see* Federal Parliament entries  
 fruit industry, 11

G  
 Germany, 84  
 Gould, Albert John, 34  
 government, financial cost, 172–73  
 Governors  
   appointment of, 171–72, 179  
   New South Wales, Sir Harry Holdsworth Rawson, 4–5, 54, 130  
   political influence, 46–48  
   Queensland, Chelmsford, 3rd Baron, Frederick John Napier Thesiger, 15, 24–27, 35, 42–43, 46–48, 74, 171  
   Victoria, Sir Thomas David Gibson Carmichael, 171  
 Governors-General  
   Dudley, 2nd Earl, William Humble Ward, 54, 136  
   Hopetoun, 7th Earl, John Adrian Lewis, 41, 132  
   need for, 54  
   Northcote, Baron Henry Stafford, 4–5, 54, 68, 83, 115, 122, 130, 132–33, 136  
   Tennyson, 2nd Baron, Hallam, 132  
 Great Britain  
   Admiralty, 14, 38, 118, 139  
   Army, 14  
   Colonial Office, 37, 46, 78, 171–72  
   House of Commons, 6–7  
   immigration, 134, 144  
   Imperial Defence Committee, 28  
   Imperial Navigation Conference, 7  
   Imperial squadron, 38  
   Labour Congress, 16  
   Labour Party, 43  
   Merchandise Marks Act, 10  
   population rate, 84  
   press, 46  
   Royal Navy, 28, 48, 118  
   sporting tours, 5–6

visit from Kidston, 125  
 visit from Price, 16  
 Griffith, Samuel Walker, 25  
 Grigg, 1st Baron Altrincham, Edward William  
 Macleay, 28  
  
 H  
 Hardie, Keir, 7  
 Heydon, Charles Gilbert, 58, 96, 137  
 Higgins, Henry Bournes, 51, 105–06  
 High Commission, purchase of London site, 163,  
 167  
 Holman, William Arthur, 23, 82, 110, 138, 160  
 Hopetoun, 7th Earl, John Adrian Lewis, 41, 132  
 Hoskins, Charles Henry, 116  
 Hughes, William Morris, 7, 45, 59, 178–79  
  
 I  
 immigration  
     advertising, 63, 167  
     Constitution, 63, 76–79  
     cooperation with States, 144  
     employment, 63  
     encouragement of, 63–64, 83–85, 176  
     Federal government responsibility, 63  
     from Great Britain, 134, 144  
     from Northern Europe, 134  
     from United States, 134  
     land provision, 63, 83–85, 134–35, 146–47,  
     176  
     New South Wales, 63–64, 84–85, 144, 146–47,  
     176  
     policy, 78–79  
     Queensland, 63, 176  
     return of Australians from South Africa, 3  
     Salvation Army, 176  
     Victoria, 84–85  
     White Australia policy, 144

Immigration League of Australasia, 3  
 imports *see* trade  
 industrial disputes  
     coal (NSW), 3, 39, 57–59, 157  
     costs, 164  
     iron (NSW), 116  
     mining (NSW), 94–96, 149, 156–58  
     New South Wales, 29, 39, 55, 137, 160  
     painters (NSW), 57  
     prior to tribunals, 43  
     railways (Victoria, 1903), 121  
     rockchoppers (NSW), 156, 160  
     shipping (NSW), 59–60  
     timber (WA), 115  
     tramway (NSW), 115–17, 119–21, 126,  
     137–38, 156–57  
 Industrial Disputes Bill 1908 (NSW), 138  
 industrial legislation, 23, 43–45, 50–53, 57–60,  
 66–67, 69, 82, 105, 110, 114, 115, 123–24, 126,  
 151  
 industries  
     agricultural, 3, 50–52, 56, 75, 85, 91, 105–06,  
     149  
     brick-making, 56  
     coal, 3, 39, 56, 57–59, 96, 157, 165  
     food, 126–27  
     fruit, 11  
     iron, 109, 116, 170–71  
     liquor, 167–69  
     manufacturing, 9–11, 50–52, 56, 97–98,  
     105–07, 113  
     mining, 3, 70, 94–96, 149, 156–58  
     painting, 57  
     railways, 74–75, 77, 121, 143–44, 146, 149  
     rockchoppers, 156, 160  
     rural, 3  
     shipping, 56, 59–60, 97, 164, 171

- timber, 115
- tobacco, 56, 164
- tramway, 115–17, 119–21, 126, 137–38, 156–57
- wool, 70
- Iron Bonus Bill 1908 (Cth), 116, 141, 162, 170
- iron industry, 109, 116, 170–71
- Irvine, William Hill
  - industrial conditions, 141
  - opposition to Deakin, 86, 88
  - political crisis, 62
  - support for Reid, 149
  - tariffs, 113
- Isaacs, Isaac Alfred, 105–06
- J
- Japan, 84
- Jones, Arthur Owen, 5
- K
- Kidston, William
  - alliance with Labour, 74, 154, 160, 175
  - alliance with Philp, 74–75, 125–26, 166
  - appointment of Governors, 172
  - break with Labour, 94, 125–26
  - Constitution amendment, 75
  - elections, 24–27, 32–35
  - Federal financial control, 73
  - immigration, 176
  - political crisis, 41–43, 46–48
  - visit to Great Britain, 125
- L
- Labour Party
  - Anti-Federalism, 22–23
  - conference, Federal, Brisbane, 108–11, 113–14, 163, 177
  - conference, New South Wales, 80–82
  - conference, Political Labour Leagues, Brisbane, 30, 35
  - conference, Political Labour Leagues, Sydney, 35, 38
  - conference, Victoria, 80–82
  - division within, 80–82
  - effect of Queensland elections, 29
  - Federal tariffs, 52
  - in Parliament *see* Federal and State Parliament entries
  - in State politics, 35
  - industrial legislation, 53, 110
  - legislation, 111
  - municipal government, 163
  - New South Wales, 66–67, 95–96, 120–21
  - New South Wales municipal elections, 40
  - opposition to Constitution, 22
  - organisations, 27
  - Political Labour Leagues, 6–7, 16, 22–23, 26–27, 42, 81, 94–95, 155, 178–79
  - press, 21
  - Queensland, 18
  - Socialism, 6–7, 109
  - South Australia, 15, 17–18
  - Sydney Trades Council, 95, 156, 180
  - visits from overseas, 6–7
  - Wages Boards, 43
  - Western Australia, 18
  - women Senate candidates, 108
- labour, Asian, 7
- Leahy, John, 41–42
- liquor industry, 167–69
- Local Option Party, WA, 98
- Lyne, William John
  - alliance with Labour, 109–10
  - Budget, 142
  - Federal Capital, 145
  - Federalism, 29–30

- financial proposals, 100
  - old age pensions, 91
  - opposition from Labour, 94
  - political crisis, 62
  - State debts, 73, 77, 80
  - support for Deakin, 88
  - support for O'Loghlin, 34
  - surplus revenue, 152–54
  - tariffs, 8
- M
- MacDonald, James Ramsay, 6
  - Mackinnon, Donald, 154
  - Mann, Thomas, 6
  - Manufactures Encouragement Bill 1907 (Cth), 51, 171
  - manufacturing industry, 9–11, 50–52, 56, 97–98, 105–07, 113
  - Mauger, Samuel, 62, 86
  - McGowen, James Sinclair, 38, 82, 95, 110, 160
  - McIlwraith, Thomas, 25
  - McKay, Hugh Victor, 106
  - Millen, Edward Davis, 8
  - Miller, Emma, 108
  - Miners' Association, NSW, 96
  - Miners' Federation, NSW, 58
  - mining industry, 3, 70, 94–96, 149, 156–58
  - money market, 31, 73, 150
  - Moore, Newton James, 23, 115, 179
  - Moore, Samuel Wilkinson, 85, 134
  - municipal government, 163–64
  - Murray River, 17, 127
- N
- Navigation Bill 1908 (Cth), 139, 142, 178–79
  - New South Wales
    - Anti-Federalism, 70, 140
    - Anti-Protectionism, 70
  - Anti-Socialism, 164
  - Chambers of Commerce, 31
  - coal industry, 165
  - customs revenue, 101
  - debts, 146
  - employment, 105
  - employment conditions, 50–52, 67, 137
  - Federal financial control, 73
  - finances, 102–03, 142–44, 146
  - food industry, 126–27
  - fruit industry, 11
  - immigration, 63–64, 84–85, 144, 146–47, 176
  - industrial disputes, 3, 29, 39, 55, 57–60, 94–96, 115–17, 119–21, 126, 137–38, 149, 156–58, 160
  - industrial legislation, 66–67, 126
  - Labour Party, 66–67, 95–96, 120–21
  - Labour Party conference, 80–82
  - land settlement, 134
  - liquor industry, 167–69
  - local government, 22, 39–40
  - mining industry, 70, 156–58
  - municipal elections, 40
  - Murray River, 17, 127
  - Myall Creek Estate, 85
  - old age pensions, 31, 77, 90–91, 102
  - Peel River estate, 134
  - press, 13–14, 20, 28, 34, 48, 62, 66, 69–70, 80, 97, 100, 104, 134, 139, 148, 174–75
  - prosperity, 70, 95, 116, 142, 145–47
  - public service, 116
  - public works, 143, 146
  - railways, 143–44, 146, 149
  - rainfall, 146
  - shipping industry, 97
  - Sydney Trades Council, 95, 115–17, 119–21, 136–38, 156, 180
  - taxation, 40, 142, 146–47



- trade, 97
- tramway industry, 115–17, 119–21, 126, 137–38, 156–57
- visit from Deakin, 48–49
- visit of United States Fleet, 37–38, 46, 97, 115, 118–19, 128–31
- wages, 49, 58–60, 95, 126, 156
- Wages Boards, 43–44, 49, 55, 58, 66–67, 95, 116, 136–38
- wool industry, 70
- New Zealand, 6, 49, 90, 98, 165, 167–69
- Northcote, Baron Henry Stafford and Lady Alice, 4–5, 54, 68, 83, 115, 122, 130, 132–33, 136
- Northern Territory, transfer to Commonwealth, 17, 31, 141, 170–71
- O
- O’Loughlin, James Vincent, 15, 33–34
- old age pensions, 31, 43, 75, 77, 88, 90–93, 97, 100–04, 153
- Old-Age Pensions Act 1908* (Cth), 90–91
- Old-Age Pensions Bill 1908 (Cth), 94
- P
- Painters’ Union, NSW, 57
- painting industry, 57
- Parkes, Henry, 159, 163
- Parliament, Federal
  - Budget, 142
  - Fisher Ministry, 174–75
  - Free Importers, 68, 139, 174
  - Free Traders, 6–8
  - Fusion, 148
  - Hansard, 13
  - House of Representatives, 54–55, 61–63, 123, 139, 145
  - industrial legislation, 50–53
  - Labour, 32–35, 61–63, 65–66, 68–70, 81, 86–89, 106, 110–14, 122–23, 139–40, 147–48, 158–60, 166–67, 171, 174, 177–79
  - political crisis, 61–63, 65–66
  - properties transferred from States, 31
  - prorogation, 175
  - Protectionists, 8–9, 68–70, 86–88, 90, 106, 109–10, 123
  - Radicals, 6, 32
  - Seat of Government Act 1904*, 71
  - Senate, 8–9, 15, 20, 32–35, 41, 52, 55, 61, 68, 139, 142, 171
  - South Pole expedition, 13
  - surplus revenue, 88, 152–54
  - Surplus Revenue Bill 1908, 88
- Parliament, New South Wales
  - Anti-Federalism, 39
  - Anti-Labour, 39
  - Anti-Socialism, 40
  - Arbitration Act 1902*, 57–60, 160
  - Budget, 142–46
  - Closer Settlement (Amendment) Act 1907*, 85, 164, 180
  - Closer Settlement Act 1904*, 84
  - Gaming and Betting (Amendment) Act 1907*, 180
  - Gaming and Betting Act 1906*, 180
  - industrial arbitration, 43–45
  - Industrial Arbitration Act 1901*, 43–44, 49
  - Industrial Disputes Act 1908*, 66–67, 82, 94–96, 116, 119–21, 136–38, 156–58, 160, 164, 180
  - Industrial Disputes Bill 1908, 49, 57–60, 66
  - industrial legislation, 69
  - Labour, 26, 38–39, 111, 137–38, 156–58, 160–61, 180
  - Legislative Assembly, 5, 38–40, 126
  - Liquor (Amendment) Act 1907*, 167–69
  - Local Government (Loans) Act 1907*, 39–40
  - Pure Foods Act 1908*, 180
  - Pure Foods Bill 1908, 126–27, 164
  - Socialism, 38, 126
  - Wages Boards Bill 1908, 55

- Parliament, Queensland
- Elections Acts Amendment Act 1908*, 75
  - Labour, 18, 26–27, 32, 41–42, 74–75, 125–26, 160
  - Legislative Assembly, 32, 41, 46–48, 74–75, 172
  - Legislative Council, 25–27, 47, 75
  - Old-Age Pensions Act 1908*, 75, 91
  - political crisis, 41–43, 46–48
  - Radicals, 32
  - Religious Instruction in State Schools Referendum Act 1908*, 75
  - Wages Board Bill 1908, 43, 75
- Parliament, South Australia
- Food and Drugs Bill 1908, 126
  - Independents, 149
  - Labour, 15, 17–18, 149, 161
  - Legislative Council, 17, 150
  - Licensing Bill 1908, 168
  - Northern Territory Transfer Bill 1908, 141
  - Radicals, 33
- Parliament, Victoria
- Anti-Socialism, 164
  - dissolution, 166, 171, 175–76
  - Labour, 26, 154, 161, 176
  - land provision, 164
  - Land Valuation Bill, 154
  - Legislative Assembly, 161
  - Murray Waters Bill, 127
- Parliament, Western Australia
- Labour, 18, 26, 98–99, 161
  - Land Tax Bill 1907, 23
  - Legislative Council, 98
  - Local Option Party, 98
  - minority Ministry, 179
  - Temperance Party, 98
- Peace Conference, The Hague, 1907, 37–38
- Peacock, Alexander James, 154
- Peake, Archibald Henry, 92, 149–50
- Philp, Robert
- alliance with Kidston, 74–75, 125–26, 166
  - elections, 15, 24–27, 29, 32–35
  - political crisis, 41–43, 46–48
- Political Labour Leagues, 6–7, 16, 22–23, 26–27, 30, 35, 38, 42, 81, 94–95, 108–11, 155, 178–79
- Political Labour Leagues Conference, Brisbane, 30, 35, 94, 163
- Political Labour Leagues Conference, Sydney, 22–23, 35, 38
- population, 3, 84–85, 128, 140, 142, 146
- Post Office, Department, 87, 173
- postal service, 39, 62, 65, 68–69, 86–87
- Prendergast, George Michael, 82
- press
- Anti-Federalist, 100
  - Free Trade, 98
  - Great Britain, 46
  - Labour Party, 21
  - national, 12–15, 18, 21, 20–21, 38, 65, 71, 80, 97
  - New South Wales, 13–14, 20, 28, 34, 48, 62, 66, 69–70, 80, 97, 100, 104, 134, 139, 148, 174–75
  - Protectionist, 14
  - Queensland, 25–28, 36
  - Radical, 33
  - South Australia, 14, 18, 28, 33, 80
  - Victoria, 14, 20, 28, 36, 71, 80, 145, 154
  - Western Australia, 28
- Price, Thomas
- appointment of Governors, 171–72
  - as Premier, 16–18, 161
  - coal industry, 165
  - Colonial Conference 1907, 4
  - cost of government, 172–73
  - in coalition, 33

- Licensing Bill 1908 (SA), 168
- money market, 31
- Murray River, 17
- Northern Territory transfer, 17, 141
- South Australian prosperity, 149
- Victorian border, 17
- visit to London, 16
- prosperity
  - national, 3
  - New South Wales, 70, 95, 116, 142, 145–47
  - South Australia, 149–50
- Protectionists *see* Federal Parliament entries
- public service
  - costs, 173
  - New South Wales, 116
  - salaries, 167
- public works
  - funding, 152
  - New South Wales, 143, 146
  - Queensland, 47
- Q
- Queensland
  - agricultural industry, 75
  - elections, 4, 15, 24–27, 29, 32–35
  - Federal financial control, 73
  - immigration, 63, 176
  - industrial employment, 43
  - land settlement, 85
  - money market, 31
  - old age pensions, 43, 75, 77, 90–91
  - Political Labour Leagues, 26–27, 42
  - press, 25–28, 36
  - public works, 47
  - railways, 74–75
  - Wages Boards, 43, 75
- R
- Radicals *see* Federal and State Parliament entries
- railways
  - New South Wales, 143–44, 146, 149
  - Queensland, 74–75
  - revenue, 77
  - Victoria, 121
- Rason, Cornthwaite Hector, 23
- Rawson, Sir Harry Holdsworth, 4–5, 54, 130
- Reid, George Houstoun
  - Anti-Socialism, 163
  - defence, 12, 20–21, 48
  - Defence Bill 1908 (Cth), 140
  - end of Deakin Ministry, 155
  - Federal Capital, 145
  - Federal finances, 31, 152
  - financial proposals, 104
  - Labour Conference, 109
  - leadership, 112, 159
  - naval defence scheme, 28–29
  - opposition to, 86–88
  - opposition to Deakin, 68–69
  - political crisis, 61–63
  - Political Labour Leagues, 38
  - press, 97
  - resignation, 159, 162–63, 174
  - tariffs, 112–13
  - visit to Melbourne, 139
  - want of confidence motion, 148–49
- Reid, Whitelaw, 37
- rockchoppers industry, 156, 160
- Rockchoppers' Union, NSW, 156, 160
- Roosevelt, Theodore, 38, 131
- Royal Commission
  - Postal Service (Federal, proposed), 62–63, 65, 68–69, 86–87

## S

Salvation Army immigration proposal, 176  
Sandford, William, 116  
*Seat of Government Act 1908* (Cth), 140, 170  
*Sherman Anti-Trust Act 1890* (USA), 56  
shipping industry, 56, 59–60, 97, 164, 171  
Socialism, 6–7, 109, 126, 163–65, *see also* State Parliament entries  
Society of Comparative Legislation, 170  
South Africa, 3, 90  
South Australia  
    agriculture, 50–52  
    coal industry, 165  
    debts, 149–50  
    elections, 8, 15, 32–35  
    employment, 105  
    employment conditions, 50–52  
    Federal financial control, 73  
    finances, 149–50  
    Legislative Council, 161  
    money market, 31  
    Murray River, 17, 127  
    Northern Territory transfer, 17, 141, 170  
    old age pensions, 77, 90–91, 102  
    press, 14, 18, 28, 33, 80  
    prosperity, 149–50  
    taxation, 150  
    trade with Broken Hill, 149  
    Victorian border, 17  
Sperry, Charles Stillman, 125, 128, 130  
sport  
    cricket, 5  
    football, 5  
    popularity, 5–6  
    rowing, 6  
    shooting, 5–6  
    tennis, 6

State Premiers' Conference 1906, 63, 127  
State Premiers' Conference 1908, 4, 54, 66–67, 72, 76–79, 89, 92, 100–02  
suffrage, female, 29  
*Surplus Revenue Act 1908* (Cth), 93, 97, 103, 143  
Surplus Revenue Bill 1908 (Cth), 55, 92–94  
Swinburne, George, 127, 175–76  
*Sydney Morning Herald, The*, 20, 28, 134  
Syme, David, 36  
Symon, Josiah Henry, 8

## T

tariffs  
    agricultural, 50–52  
    Federal, 3–4, 8–11, 15, 21, 33–35, 50–53, 65–66, 72  
    New Protection, 6–9, 21, 50–52, 91, 97–98, 104–07, 112–14, 123–24, 141, 170, 178–79  
    preferential, 90  
Tasmania  
    elections, 166  
    Federal financial control, 73  
    fruit industry, 11  
    old age pensions, 77, 90–91, 102  
Tattnall, Josiah, 130  
taxation  
    Federal, 10, 29, 77, 88, 105, 150  
    New South Wales, 40, 142, 146–47  
    South Australia, 150  
    State, 9, 18–19, 29, 77  
    Victoria, 154  
    Western Australia, 98  
Temperance Party, WA, 98  
Tennyson, 2nd Baron, Hallam, and Lady Emily, 132  
Tillett, Benjamin, 6  
timber industry, 115  
tobacco industry, 56, 164

*Town and Country Journal*, 28

trade

domestic, 11, 85, 107, 127

effect of Federal tariff, 3

Federal, 23

Federal control of duties, 89

international, 10–11, 90, 127

New South Wales, 97

Trade Mark, Commonwealth, 10–11

*Trade Marks Act 1905* (Cth), 122–24

Trade, Board of, 179

Trades Unions, 10, 45, 57–60, 66–67, 80–82, 94–96, 116–17, 119–21, 123–24, 136–38, 155–58

tramway industry, 115–17, 119–21, 126, 137–38, 156–57

Tramway Union, NSW, 116–17

U

United States Fleet, 37–38, 46, 97, 115, 118–19, 128–31, 139

United States of America, 4, 11, 31, 56, 84, 97, 105, 122, 128–31, 134, 172

V

Vardon, Joseph, 15, 33–35, 39

Victoria

agriculture, 50–52

coal industry, 165

delegates at Franco–British Exhibition, 4

elections, 179

employment, 105

employment conditions, 50–52

finances, 154

immigration, 84–85

industrial dispute, 1903, 121

Labour Party conference, 80–82

land provision, 176

land settlement, 84–85, 134

Murray River, 17, 127

old age pensions, 77, 90–91

press, 14, 20, 28, 36, 71, 80, 145, 154

railways, 121

South Australian border, 17

taxation, 154

visit from Reid, 139

visit from Wade, 141

visit of United States Fleet, 133

Wages Boards, 43–45, 49, 66

W

Waddell, George Walker, 13

Waddell, Thomas, 142–46

Wade, Charles Gregory

Anti-Federalism, 22, 29–30, 48, 73, 89, 93, 100, 143

Anti-Socialism, 40

as Premier, 38

customs revenue, 83

Federal financial control, 79, 141

financial proposals, 100–03

immigration, 64, 78–79, 84, 134, 144

industrial disputes, 39, 57–60, 94–96, 157

*Industrial Disputes Act 1908* (NSW), 116, 136–38, 160

industrial legislation, 43–45, 66, 70

money market, 31

press, 97

State debts, 80

State Premiers' Conference, 102

State rights, 104, 110

*Surplus Revenue Act 1908* (Cth), 93

trade, 11

tramway strike, 126

visit of United States Fleet, 130

visit to Victoria, 141

Wages Boards, 43–44, 49  
Wages Boards Bill 1908 (NSW), 55  
wages, 10, 49, 50–52, 58–60, 95, 98, 104–07,  
111–13, 126, 141, 156  
Wages Boards  
New South Wales, 43–44, 49, 55, 58, 66–67,  
95, 116, 136–38  
Queensland, 43, 75  
States, 6–7  
Victoria, 43–45, 49, 66  
Ward, Joseph George, 167  
Watson, John Christian, 18, 71, 88, 114, 140, 159,  
178–79  
Webster, William, 62, 68–69, 87  
Weedon, Henry, 4  
*West Australian, The*, 28  
Western Australia  
agricultural industry, 85, 149  
elections, 98–99  
Federal financial control, 73  
industrial disputes, 115  
land settlement, 85  
old age pensions, 77, 90–91, 102  
press, 28  
taxation, 98  
trade, 85  
White Australia policy, 37, 144  
Wise, Bernhard Ringrose, 160  
wool industry, 70





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